

**S78 Town and Country Planning Act 1990 (as amended)**

**Land at Cheshunt Football Club, Theobalds Lane, Cheshunt, Herts EN8 8RU**

**Appeal by LW Developments Limited**

**Appeal reference: APP/W1905/W21/3271027**

**LPA Reference: 07/18/0514/F**

**Rebuttal Proof of Evidence  
of  
Dean Williamson**

**Chairman Cheshunt Football Club  
Director LW Developments**



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## **1. Introduction**

- 1.1. My name is Dean Williamson. Details of my qualifications and experience are included in my main proof of evidence.
- 1.2. This rebuttal proof of evidence has been prepared in response to the evidence on viability and club proportionality matters provided by Mr Gerrard Wade on behalf of Broxbourne Borough Council (hereafter referred to as "*the Council*").
- 1.3. I have addressed specific points as well as the generality of the Council's evidence. Where a specific point has not been dealt with this does not mean that these points are accepted and they may be addressed further through additional rebuttal evidence or at the Inquiry.

## 2. Reason for Refusal One

- 2.1. It is apparent from Mr Wade's evidence that the Council's viability case is based on the proposed stadium, and in particular the proposed number of seats, being disproportionate to the Club's current needs. The allegation is that for this reason the proposals do not provide an appropriate balance between community facilities and the provision of affordable housing (para 5.12). However no financial viability appraisals have been submitted as part of the Council's evidence to support this assertion.
- 2.2. In paragraphs 5.4 and 5.5 Mr Wade analyses the average ground and seated capacities of clubs in some leagues at steps 1 to 4 of the National League System<sup>1</sup>. However, it is not clear what source of information Mr Wade has used to establish these capacities and therefore there is no evidence that these figures are accurate. For example, Cheshunt FC's current facility on the Appeal Site is listed as having a capacity of 3,500 with 424 seated. This is incorrect and seems to have been sourced from Wikipedia.
- 2.3. I have been to over 100 grounds at steps 1-4 of the National League System in my 10 years as Chairman of Cheshunt Football Club. In my opinion the data and analysis provided by Mr. Wade in paras 5.4 and 5.5 and in Appendix 1 is incomplete and misleading for the following reasons:
  - 2.3.1. All clubs playing in the Isthmian Premier League must meet the ground grading requirements for step 3 of the National League System (shown in the table at para 5.9 of Mr Wade's proof.) In appendix 1 I attach an extract from the Isthmian League rules relating to club grounds. Para 2.3.3. in particular states that club's ground must comply with the Criteria Document for the step in the National League System at which the club is playing at. However, some of the clubs listed in para 5.3. are shown to have an overall capacity and seated capacity below the required minimum threshold. The capacities of Horsham and Wingate & Finchley are shown as 1,300 and 1,500 respectively (below the 1,950-minimum threshold), while the number of seats stated for Brightlingsea Regent (107), Carshalton (240), Corinthian Casuals (161), East Thurrock (160) and Merstham (174) are below the minimum seated threshold (250 seats). When a club is promoted, it has until 31<sup>st</sup> March the following year to meet the grading requirements of the step it is promoted to. However, none of the clubs listed above are newly promoted and have been established in the Isthmian Premier League for two seasons or more. It is not clear therefore where this information has been sourced, but the data is inaccurate as these clubs would not otherwise be playing at step 3.
  - 2.3.2. In the table at para 5.5 Mr Wade provides an average seated capacity for clubs at steps 1 to 4. However, this average is incomplete and unreliable having only been calculated from available data and thus excluding many grounds at these

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<sup>1</sup> Steps 2 – 4 of the National League system are organised in to regional leagues which sit at the same national level.

steps. It is also not clear what source of information Mr Wade has used to establish these average seated capacities. Unfortunately, there is no one complete source of information when it comes to stadium capacities. Each club undergoes a ground grading inspection from the FA every 3 years, which includes completing a questionnaire on capacities and seating. This information is held by the FA for grading purposes and is not made publicly available. Stadium and seating capacities can be collated from various sources including some club websites, Wikipedia and published club directories, but these are not always complete, up-to-date or accurate.

- 2.3.3. Moreover, Mr Wade has excluded from his average calculation the number of seats in all seater stadiums. In my opinion it is misleading to provide an analysis of seating capacities at different steps of the National League System but exclude clubs with all seater stadiums. This significantly downplays the average number of seats. For example, the calculation of the average number of seats in the National League (see his Appendix 1) excludes the number of seats at Grimsby Town (9,031) and Stockport County (10,852). Including these stadiums provides an average number of seats for the National League of 3,321, almost 40% more than the average of 2,375 seats suggested by Mr Wade.
- 2.3.4. The data presented in para 5.5 does not present a true representation of the average seating capacity at steps 2, 3 and 4 of the National League System. This is because it is limited to a narrow selection of the leagues at these steps. It does not therefore include all clubs within other leagues at each step and cannot be seen as a robust average. For example, it can be seen from the table at para 5.1. of Mr Wade's proof that step 2 is comprised of two leagues, step 3 is comprised of four leagues and step 4 is comprised of eight leagues. However, Mr Wade only analyses the seating capacity of clubs in one league at each step (the National League South, the Isthmian Premier League, and the Southern League Division One South). This therefore excludes hundreds of other stadiums across the National League System. Every year the FA reviews the structure and allocation of clubs within the various leagues at each step of the National League System. Alongside the prospect of a change in league through our own performance (either by way of promotion or relegation) it is possible in any year that Cheshunt FC could be switched to a different league at step 3. The regional split in any year is based on the constituent teams at any level and so cannot be assumed. It is possible that a promotion would see the club promoted to the National League North (as Bishops Stortford FC has been in the past). If the Council is trying to compare the proportionality of our proposals with an average of stadia within the National League System then an assessment of all leagues is necessary.
- 2.4. In his Appendix 1 Mr Wade provides aerial screenshots of grounds at different steps of the National League System. The purpose of this to suggest that there are several 'comparable' clubs at higher levels with more limited spectator facilities to what is proposed at Cheshunt Sports Village and that therefore our proposals are disproportionate to our needs (para 5.11). Again, this assessment excludes a number of stadiums in other leagues of the National League System. Moreover, Cheshunt

Sports village is a new mixed-use development which by its very nature is not comparable to the stadia of many clubs. Policy CH7 of the Broxbourne Local Plan 2018-2033 sets out the requirements of the scheme, and figure 6 in the Plan illustrates the built form around the pitch which creates the visual appearance of a stadium. It is therefore inappropriate to compare our proposals to stadiums that are decades old and have adapted and evolved over time.

- 2.5. To determine the proportionality of our proposals a more appropriate comparison is of other new football stadia developments across all leagues of the National League System. I have provided this in para 4.36 and appendix 10 of my proof of evidence which has been sourced from planning applications and submitted documents including the size of club facilities, stadium capacities and seated capacities. It shows that our proposals are proportionate in comparison. While each club will have their own unique circumstances and demands for facilities, including the number of teams they have and the range of social and community events they run, I believe our proposed facilities in comparison are scaled proportionately and appropriately to the intended use, current demand and future growth of Cheshunt Football Club
- 2.6. I explain in paras 4.23 to 4.30 of my proof of evidence that the scale of the initial proposed spectator accommodation is design led. It provides enhanced stadium facilities in line with Policy CH7 of the Local Plan, including better sight lines, more covered accommodation, and improved safety. This initial stadium proposal has been costed by Madlins and included in the Financial Viability Assessment submitted by Savills. It will provide the substructure and superstructure of the stadium alongside the development of the blocks around the pitch. It allows for additional seating and standing terraces to be installed in the future to increase the capacity as and when required. This future proofs the stadium to meet the Ground Grading requirements at higher steps of the National League System and Football League when required, but these additional costs are not incurred now.
- 2.7. In para 5.10, Mr Wade proposes that an initial seated capacity of 700 would be sufficient. However, there is no causal link as to why seating of 700 is deemed sufficient considering a total a capacity restriction of 2,000 spectators as he suggests. Neither is there any financial evidence or appraisals showing how a reduction to 700 seats will provide an appropriate balance between the provision of community facilities and the need for affordable housing. It is also contrary to his suggestion in para 5.6 that the reduced proposals for 1,000 seats would be more than sufficient.
- 2.8. In Savills' Viability evidence, appraisal 3 shows that delivering a scheme in line with policy CH7 is unable to deliver any level of affordable housing. As a sensitivity check, appraisal 5 assumes a 50% reduction in build cost of the stadium and club facilities, and the scheme is still unable to deliver affordable housing. It is unclear therefore, without evidence to the contrary, how a reduction to 700 seats in the stadium will allow for the provision of affordable housing as the Council seem to suggest.
- 2.9. In reply to Mr Wade's uncertainty in para 5.8, the developer is not making a 'normal' development profit on the provision of the football facilities. To the contrary our

financial viability evidence shows that the cost of the stadium and club facilities is being paid for out of the developer's profit. To illustrate this, appraisal 4 of our viability evidence removes all football club costs (clubhouse and stadium) from the proposed scheme. The result is a scheme that produces a profit level marginally above the upper 15% to 20% range of profit on gross development value that is considered a suitable return to developers in the national Planning Practice Guidance paragraph 018. However, it does not include any enhanced football facilities contrary to the requirements of policy CH7.

- 2.10. The cost of delivering enhanced football facilities therefore must come out of the developer's profit derived from the rest of the scheme. This significantly reduces the developer's profit shown in appraisal 3 of Savills' viability evidence. The developer is therefore certainly not making a normal development profit on any element of the development, including the provision of the football facilities. Instead, the developer is using the profit from the residential and commercial elements of the scheme to deliver the enhanced football facilities.

### **3. Cray Wanderers Football Club**

- 3.1. It is unclear why Mr Wade has selected Cray Wanderers FC as a comparable club. It appears to be nothing more than random selection. There are many other clubhouse/stadium developments in the National League System that have recently been built or approved as provided in para 4.36 and appendix 10 of my proof of evidence which would be a more appropriate comparison. Nonetheless I comment as follows.
- 3.2. The original application for Cray Wanderers was for a much larger stadium and club facilities (ref: 15/03053/FULL). The Development Control Committee at Bromley Council resolved to grant planning permission, but the London Mayor subsequently directed refusal on 15<sup>th</sup> June 2016 citing inappropriate development in the Green Belt. Further to this, on the 29<sup>th</sup> June 2016, the application was called-in by the Secretary of State, directing that the application shall be referred to him instead of being dealt with by the Local Planning Authority. The application was withdrawn following the call-in to enter discussions with Bromley and the GLA in order that a revised scheme could be discussed.
- 3.3. The revised application which Mr Wade refers to (ref: 17/04478/FULL) is a resubmission with significant amendments to reduce the scale of the proposals. This includes a reduction of the clubhouse by 27% and a reduction in the extent of the covered spectator viewing area. The resulting approved proposals are therefore a reflection of the need to overcome inappropriate development in the Green Belt rather than a reflection of the requirements of Cray Wanderers FC. With the Green Belt issues in mind, the revised stadium proposals put forward by Cray Wanderers were for the minimum necessary to compete at the level of the National League System they were at, hence the capacity of 1,300. However, Cray Wanderers now play in the same league as Cheshunt FC at step 3, which means that their approved scheme does not meet the ground grading requirements for this level. Cray Wanderers will therefore need to submit a further application to increase the capacity if they are to play at their current level in the proposed stadium. For these reasons, in my opinion, it is therefore not appropriate to compare the proportionality of our scheme, which is not in the Green Belt, to that of Cray Wanderers.
- 3.4. In addition, the accompanying planning documents for the Cray Wanderers scheme include a response to viability issues undertaken by Aspinall Verdi in 2017, which puts a cost on the stadium and club facilities at £5.6m (I have included this in appendix 2). In our viability evidence, Savills undertook a sensitivity analysis (appraisal 5) reducing the build cost of the stadium and club facilities by 50%, which resulted in a scheme that was unable to deliver affordable housing. The build cost of the stadium and club facilities in this sensitivity appraisal is less than the £5.6m cost associated with Cray's proposals (not allowing for any build cost inflation in the latter). If we were to therefore use the proposed stadium and club facilities at Cray Wanderers as a comparable like the Council suggest, it would still result in a scheme unable to deliver a package of affordable housing.



## Summary

- 3.5. The Council's evidence does not provide any financial evidence or appraisals showing how a scheme that is compliant with policy CH7 of the Broxbourne Local Plan can deliver a balanced package of planning obligations to support the first reason for refusal. As a consequence, it does not address the viability position at the development in any useful way.
- 3.6. The Council is reliant on trying to prove the disproportionality of the stadium proposals but fails to provide evidence to support their suggestion that a stadium of 700 seats, which they consider proportionate, would deliver a balanced package of planning obligations.
- 3.7. I have been to over 100 grounds in the National League System in my time as Chairman of Cheshunt Football Club. The information provided by the Council in arguing proportionality is incomplete, misleading and demonstrates a misunderstanding of the National League System. It is not clear where the information has been sourced. It provides average seating capacities yet excludes all-seater stadiums, and it cherry picks stadiums and leagues in an inappropriate way, excluding stadiums in several other leagues of the National League System. It also relies upon visual observations of other stadium facilities, the majority of which have evolved over time and are not as a result of a new mixed-use development allocated in a Local Plan.
- 3.8. The comparison to Cray Wanderers FC is also inappropriate in as much that their proposals do not provide a grading compliant stadium for step 3, and have been borne from a necessity to balance inappropriate development in the Green Belt, rather than the needs of a football club. Applying the costs attributed to their stadium and club facilities would still not deliver a balanced package of planning obligations at Cheshunt Sports Village.
- 3.9. I have provided in my proof of evidence (para 4.36 and appendix 10) details of other new football stadia developments across all leagues of the National League System. These have been sourced from planning permissions and planning documents. In comparison our proposals are proportionate and are scaled appropriately to the intended use, current demand and future growth of Cheshunt Football Club. The proposals provide enhanced stadium facilities in line with Policy CH7 of the Local Plan, whilst allowing for future expansion at a later cost.
- 3.10. The proposals for Cheshunt Sports Village are not viable in as much that the scheme in its entirety does not provide a commercial return in line with the range provided in the PPG. The enhanced stadium and club facilities proposed are to be paid for out of the developer's profit, and thus it remains that to deliver a scheme compliant with Policy CH7 means planning obligations cannot be provided.

## Appendix 1

# MEETING YOUR RESPONSIBILITIES SEASON 2020-2021



The FA by the date given in the circular letter accompanying the questionnaire issued by the League Secretary.

- 2.3.1 A Club's Ground may be shared with another Club or any other club (including a club engaged in another sport) providing, where sharing with a football club the Club or club playing in the most senior competition has priority of fixtures at all times and, where sharing with a club engaged in another sport, the Club has priority of fixtures [unless agreed otherwise by the Competition at its sole discretion, applicable only to that Competition, and valid only for one season at a time but open to annual renewal]. A Club will not be permitted to ground share to gain promotion or to avoid relegation. Ground sharing may not be permitted when one of the sharers retains the use of another ground unless that club can show by means of a refused planning permission or similar that it cannot meet the requirements of the Criteria Document at that ground. Any Club wishing to share a Ground or intending to move to a new Ground must obtain the written consent of the Board. Any Ground sharing for a period exceeding thirteen (13) weeks must be in writing and a written agreement must first be approved by the Board before being entered into and (except in an emergency) must be completed by 31 March in any year to be effective for the following Playing Season. A copy of the completed signed and dated agreement must be received by the Competition within fourteen days of the approval being sent to the Club.
- 2.3.2 The Club as at 31 March in any year shall either:
- (i) Own the freehold of the Ground, or
  - (ii) Have a lease for the Ground that extends uninterrupted for a minimum of the next Playing Season, or
  - (iii) Possess an agreement for the use of the Ground that is acceptable to The Football Association following consultation with the relevant Competition.

In each case the Club must provide to the Competition of which it is a member and to The Football Association:

If the Ground is freehold either currently dated Official Copies of the freehold title at the Land Registry in the name of the entity in membership of the Competition or, if unregistered, a Certificate of Title from the Club's solicitor showing that the Ground is owned by the entity in membership of the Competition, or

If the Ground is held leasehold a copy of the signed and dated lease in the name of the entity in membership of the Competition; if the expiry date of the lease has already passed or is dated before the end of the next full Playing Season, a certificate from the Club's solicitor as to whether or not a notice has been given by the landlord to terminate the lease. In addition the Club must provide evidence of registration at the Land Registry, or explain why the Lease is not registered.

If the Ground is subject to an acceptable agreement a copy of the signed and dated agreement for the use of the Ground together with confirmation from The Football Association, following consultation with the relevant Competition, that the agreement is acceptable.

The Club must disclose whether the Club's occupation of the Ground is subject to any third party option, whether the ground is charged by way of security and whether or not any break clauses in the lease or agreement have been exercised either by the landlord or the tenant.

In all cases The Football Association and the Competition of which it is a member have the right to call for further information.

- 2.3.3 A Club's Ground must comply with the Criteria Document for the step in the National League System at which the Club is playing. Each Club that is required to hold a safety certificate issued in accordance with safety legislation must lodge a current copy with the Competition. If a Clubs' ground is subject to any reduction in capacity by a public authority it must immediately inform the Competition.

- 2.4 No club which is a "successor" club or a reserve side of a football club shall be eligible for membership of the Company.

## Appendix 2

Matthew Blythin  
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Our ref: 180220 Flamingo Park \_ Response to  
Viability Issues

Your ref:

23 February 2017

Dear Matthew

**Flamingo Park, Sidcup By-Pass Road - London Borough of Bromley: 17/04478/FULL**

We have now reviewed the comments raised by the Greater London Authority (GLA) in their letter dated 22 January addressed to Hannah Owens at London Borough of Bromley. With regards to the viability assessment, the following points have been raised:

- Benchmark Land Value not based on the Existing Use Value plus premium approach
- No value on the Sports Facilities
- Affordable housing tenure split needs to be policy compliant
- Dual site options

We respond to each of the comments raised by the GLA in detail as follows:

**Benchmark Land Value**

In our viability assessment dated September 2017 we adopted a Benchmark Land Value (BLV) of £2.45m which was based on the actual purchase price but took into account a number of comparable transactions in the local area. It is important to note that our viability assessment was completed prior to the Mayor's SPG being adopted. The GLA comment that the BLV should be based on the Existing Use Value (EUV) of the site plus premium approach so that it is in accordance with the Mayor of London's Affordable Housing & Viability SPG. By adopting a benchmark value based on EUV plus premium approach as well as applying a value to the sports facility, the GLA suggest that 'the proposed units could viably contain a broader mix of tenures.'

We have rerun our BLV analysis on the basis of the EUV of the site. The existing site is currently occupied by sports pitches and a 3-storey pavilion building, which is used as a nightclub with a residential flat on the top floor. There are also a number of smaller buildings on site used for range of uses. In order to apply an EUV to the existing uses we have focused on the nightclub value (i.e. leisure use) and the flat.

We have reviewed the local market to ascertain comparable transactions for leisure uses given there haven't been any other nightclub deals reported in the local market over the last couple of years. In fact, there has only been one reported transaction for a leisure use within the local market over the last 18 months. This was for a 13,885 sqft unit (5a Lagoon Road, Orpington) which was leased in December 2016 by Air Jump at a rent of £6.50 psf. We have therefore applied a rent of £6.50 psf on the nightclub floorspace (20,150 sqft); this equates to annual rent of £130,975.

With regards to investment yields we have again reviewed the local market and identified the following leisure use transactions:

- Mecca Bingo Hall, Eltham Hill – 23,700 sqft bingo hall (D2 Assembly & Leisure) sold for £5m in May 2017 reflecting a yield of 3.4%.
- Jack Nicklaus Golf Park, Sidcup By Pass, Chislehurst – 22 acres including golf club sold for £2.36m in March 2016 reflecting a yield of 7.25%. The site is income generating with a tenant on a 20-year lease.

The Golf Park site is adjacent to the Flamingo Park site and therefore represents the best comparable yield. We have therefore adopted an investment yield of 7.25% to capitalise the rent from the nightclub use, as a result the capital value equates to £1,806,559.

With regards to the residential value for the existing flat, we have looked at comparable sales values for both 2 and 3 bed apartments within a one-mile radius of the site. We have focused our search on flats above commercial units given that the flat is above a nightclub.

<b>2 Bed Flats</b>						
<b>Address</b>	<b>Floor area (sqm)</b>	<b>Floor area (sqft)</b>	<b>(£)</b>	<b>£ psm</b>	<b>£psf</b>	<b>Comment</b>
Elm Parade Main Road, Sidcup, DA14			£239,995			Top floor flat located above a parade of shops
Queensway, Petts Wood	69	748	£225,000	£3,239	£301	Top floor flat located above a parade of shops
Sidcup High Street, Sidcup, DA14			£240,000			Top floor flat located above a parade of shops
Elm Parade, Sidcup, Kent, DA14			£244,995			Top floor flat located above a parade of shops
Petts Wood Road, Petts Wood, Orpington	61	657	£250,000	£4,098	£381	Top floor flat located above a parade of shops
<b>3 Bed Flats</b>						
<b>Address</b>	<b>Floor area (sqm)</b>	<b>Floor area (sqft)</b>	<b>(£)</b>	<b>£ psm</b>	<b>£psf</b>	<b>Comment</b>
Etfield Grove, Sidcup, DA14 6LN	98	1051	£260,000	£2,664	£247	Located 2 miles from the site, larger than the existing unit
London Road, Bromley BR1	86	927	£299,950	£3,484	£324	Located above retail units
Wydeville Manor Road, London SE12	91	983	£325,000	£3,571	£331	Similar in size to the current accommodation

Based on the above analysis we have adopted a value of £250,000 for the existing flat on site.

The total EUV of the site equates to £ 2,056,554. In accordance with the Mayor's SPG we have allowed for a premium to incentivise the landowner to sell. The SPG states that the premium could be 10% to 30%. We have adopted a premium of 20% to reflect that there is an existing business on site. The BLV therefore equates to £2,467,864. This is slightly higher than the benchmark land value of £2.45m that we adopted in our viability assessment. For the purposes of our viability assessment we will continue to adopt a BLV of £2.45m.

### **Sports Facility Value**

The GLA note that no value has been attributable to the sports facilities that are to be provided as part of the proposed scheme. The Sports Consultancy prepared revenue projections for the sport facilities and this information was made available as part of the supporting documentation; however, for ease of reference please see attached at Appendix 1.



The Sports Consultancy has tested two base scenarios; one produces a net revenue stream of £10,000 per annum over a ten-year period and the other shows a revenue deficit of £276,000 per annum. Given the huge disparity in the revenue projections and uncertainty around the potential income stream it was agreed that no value should be included for the sports facilities in our original viability assessment.

In order to assist scheme viability, we have again looked at the value that the best-case scenario could potentially achieve. We have therefore sought to capitalise the £10k per annum net revenue and capitalised this at a yield of 10%, this equates to a capital value of £100,000 for the sports facilities. We have adopted a relatively weak yield to reflect the fact that there is lack of certainty on the revenue stream that could be generated.

We have included a value of £100,000 within our revised viability assessment for the sports facilities.

### **Affordable Housing Tenure Split**

As you aware Moat (Registered Provider) has put forward an offer of £13,749,000 on the basis of 5 affordable rented units (12%) and 37 shared ownership units (88%). The GLA have commented that the tenure split doesn't reflect policy and that a minimum of 30% of the units should be for low cost rent in accordance with Policy H7 of the draft London Plan. However, the GLA have failed to note that the offer from Moat is in fact based on a minimum of 30% of the units being for low cost rent tenure. Ordinarily a developer taking into account planning policy would be providing 35% of the 42 units as affordable housing i.e. 15 units, of which 5 units would be for low cost rent (i.e. the 30% minimum referred to in Policy H7) and 10 units would be for shared ownership; the remaining 27 units would be for private sale. Due to the viability issues (e.g. cashflow, financing, market certainty and minimising the enabling development) associated with this scheme, the offer from Moat is based on the remaining 27 units being all shared ownership rather than private; however, the minimum level of low cost rent units has been provided. The GLA should not be looking at the 5 units as a percentage of the overall number of units (i.e. 42 units) but of the affordable allocation (i.e. 15 units).

We have also asked Moat to put forward an offer on the basis of London Borough of Bromley's Adopted UDP (July 2006) Policy H2 which states 'the Council will seek 35% provision, with 70% social rented and 30% intermediate provision' i.e. 15 units, of which 10 units would be low cost rent and 5 units being shared ownerships. The remaining units would normally be private, however, as stated above due to viability issues we have asked Moat to provide us with an offer based on 10 low cost rent units and 32 shared ownership units. Based on this revised tenure split Moat have put forward an offer of £12,924,000. Please see attached original and revised offers from Moat at Appendix 2. We set out the implications of this revised offer in detail below.

### **Dual Site Options**

The GLA have suggested that the Club considers the dual option approach, whereby the stadium is developed on the Flamingo Park site with the enabling development on an alternative site. Adopting this approach is not a feasible option for the Club, given that one of the primary reasons for working with Moat was to assist the cashflow and to keep the finance costs to a minimum and reduce exposure to market uncertainty (i.e. future sales values and securing sales). If the enabling development was to be separated than then the club would need to undertake this first to release funds for the stadium development, this will result in a significant delay in implementing the stadium given that no site or planning has been secured for enabling development. The alternative is to secure financing/investment (assuming that funding would be available given the poor revenue projections) to cover the costs of the site acquisition at £2.45m plus the stadium construction costs of circa £5.6m thus increasing the Club's cost exposure even further.

In terms of alternative sites, the Club would need to secure external funding to acquire an additional site and cover the cost of the enabling development (construction, fees, marketing, finance etc). Given that external financing would be required to fund the enabling development it is likely that funders/investors

will also seek a priority return before any surplus profit is made available to fund the £8.05m required for the development of Flamingo Park.

The Club will need to compete with other developers to acquire a site; however, this may not be possible given the level of profit that the Club needs to generate compared with a residential developer who can take a view on profit, adjust their offer accordingly and outbid the Club. Furthermore, the Club is not a developer and therefore doesn't have the monopolies of scale/efficiencies that a residential developer has (i.e. existing systems, supply chains and in-house teams) and therefore the Club is at disadvantage given that developers can bid higher for the land due to having a lower cost base.

If a dual site approach was to be adopted this will cause significant delays in bringing forward the development of the site and increase the Club's exposure to financial risks (e.g. additional costs associated with acquiring, funding and developing another site) and its unlikely that the Club will be able to compete with other developers to secure a site that enables the Club to secure sufficient profits to fund the stadium works. The dual site approach exposes the Club to additional financial risk and therefore is neither viable nor deliverable.

### Development Appraisals

We have rerun the development appraisals based on the assumptions set out in our viability assessment but taking into account the value attributable to the sport facility (£100K) and the alternative offer received from Moat based on a planning policy compliant scheme. Please see attached revised appraisals at Appendix 3. The outputs are as follows:

- Preferred Option: Moat offer based on 5 low cost rent units and 37 intermediate units @ £13,749,000 - the scheme shows a small deficit of -£31,023.
- Planning Policy Compliant Option: Moat offer based on 10 low cost rent units and 32 intermediate units @ £12,924,000 - the scheme shows a deficit of -£885,865

Based on a BLV of £2.45m, the planning policy compliant scheme generates a significant deficit making the scheme undeliverable. The preferred option, which meets the GLA's minimum low cost rent target, shows a small deficit but the Applicant is confident of bridging the deficit from internal resources and potential construction cost savings and therefore the scheme effectively breaks even and is therefore deliverable.

We have also reviewed the Financial Viability Review Report (January 2018) prepared by Urban Delivery who have undertaken an independent review of our viability statement on behalf of the Council. I am pleased to confirm that Urban Delivery agree with the majority of our assumptions and have reached the same conclusion as we did on the viability of the scheme, including the benchmark land value and the value of the sports facilities.

Yours sincerely,



Parminder Dosanjh MRTPI  
Executive Director

Encs. Appendix 1 – Business Plan  
Appendix 2 – Moat Offer  
Appendix 3 – Development Appraisals

cc Gary Hillman – Hillmans



## Appendix 1 – Business Plan



# Cray Wanderers Sports Village

Revenue Projections

August 2017

## Version control

2

Version No	Date	Comments	Author	Reviewed by	Issued to
2	4/09/2017	Final report for client review	Tom Pinnington	Simon Molden	Gary Hillman – Cray Wanderers Football Club

## Disclaimer

It is not possible for The Sports Consultancy to guarantee the fulfilment of any estimates or forecasts contained within this report, although they have been conscientiously prepared on the basis of our research and information made available to us at the time of the study.

Neither The Sports Consultancy as a company nor the authors will be held liable to any party for any direct or indirect losses, financial or otherwise, associated with any contents of this report. We have relied in a number of areas on information provided by the client, and have not undertaken additional independent verification of this information. Where applicable, assumptions have been agreed with the client's representatives and have been clearly stated.

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## Introduction and brief

The Sports Consultancy was appointed in August 2017 by Cray Wanderers Football Club to complete an initial business case in relation to the development of the Cray Wanderers Sports Village. The services listed below were agreed to assist in an assessment of the financial viability of the project and to support the planning application for the project. The Sports Consultancy was established in 2006. It is a leading consultancy specialising in facility strategy, feasibility, options appraisal and business planning. Our senior team of consultants offers a wealth of experience in high profile sport and leisure assignments for public and private sector clients across the UK and overseas. In the last five years, we have completed over 40 similar commissions, ranging from community leisure centres to facilities of regional and national importance. We have also advised the 3G4US group, providing advice and guidance on the revenue implications of 3G turf installation in stadium pitches to a number of non-league clubs in recent years including the following:

- St Albans City Football Club
- Hastings United Football Club
- Coventry City RFC
- Harpenden Town Football Club
- AFC Oaklands / Oaklands College
- Brimsdown Rovers Football Club
- Bisleigh Football Club.

## Agreed scope of work

The agreed scope of works for the study is as follows:

- Create a bespoke financial business plan model for the operation of the facilities. This provides 10-year forecasts for income and expenditure. This work is central to understanding the long-term revenue impact of operating the new facilities. This included working closely with the club to understand the programme of use and to understand the extent to which the club will be able to generate revenue from pitch hire, classroom and function areas. We have researched pricing at similar local facilities to inform the pricing policy.
- Complete a benchmark comparison of the outcome of the business plan with our benchmark database of similar community leisure facilities. We have also

- referenced the financial performance of a number of similar 3G artificial turf facilities that have been completed in recent years.
- Complete a financial sensitivity analysis, to show the range of possible outcomes, including worst and best case scenarios. This enables the financial risks of under or over performance to be quantified. We have also highlight the key risks that could impact on the financial performance of the facilities.
- Complete a high level review of the typical funding opportunities available for this type of facility and provide a view on the likelihood of the project achieving funding from those sources, as well as considering the implications of accepting grant funding.
- Complete a concise report to give the club a clear understanding of the findings from the business planning to provide a report that can be used to support the planning application.

## Facility mix

The proposed facility mix for the Cray Wanderers Sports Village is contained in the following table. This is intended to ensure that at least the current level of pitch provision is protected to meet the requirements of Sport England and the Local Planning Authority. A copy of the site masterplan and floorplans is contained in Appendix 1.

Revenue generating facilities*
Function rooms for hire with total capacity of 200 seated and 300 stand up buffet
Flexible class room area (divisible in to x 4 separate rooms)
1 x Main stadium pitch (3G artificial grass pitch)
3 x Full sized grass football pitches
1 x 7 a side Junior football pitch
2 x 5 a side junior football pitches
Café / Bar / Vending

## Income and expenditure projections

10 year income and expenditure projections have been completed, using a bespoke revenue model. The income and expenditure projections are intended to show the revenue projections for the operation of the community accessible facilities. The following pages summarise the income and expenditure assumptions applied to the modelling work.

### Income assumptions

The key revenue assumptions applied in the revenue projections are listed below.

- Management of the sports will be 'in house' via a limited company, as opposed to outsourcing the management via a contract or other arrangements.
- Income is based on the facility mix listed on the previous page.
- Opening hours for the 3G pitch is assumed to be 9am – 10pm Monday to Friday and 9am – 8pm on Saturday and Sunday. The opening hours for the stadium will vary based on demand but for events it is expected that the function areas could operate until 12am, occasionally.
- The income and expenditure projections are intended to show the revenue projections for the operation of the community accessible facilities. Cray Wanderers Football Club income from ticket sales, club shop, sponsorship, match day hospitality and programme sales etc have been excluded from the projections, as have the costs associated with the operation of the football club.
- Income from the 3G artificial turf pitch assumes that 20 hours per week are used (at no cost) by Cray Wanderers Football Club. This leaves 20 hours per week for hire to community groups during the peak evening and weekend periods, when full hire prices can be charged. 85% utilisation is assumed for 50 weeks per year. Furthermore, it is assumed that there are no onerous restrictions placed on usage and pricing by funders or by the local planning

authority.

- Income from grass pitches assumes that 5 hours per week are used, at no cost to Cray Wanderers Football Club. This leaves 5 hours per week for community groups during peak weekend periods, when full hire prices can be charged. 75% utilisation is assumed for 40 weeks per year. Furthermore it is assumed that there are no onerous restrictions placed on usage and pricing by funders or by the local planning authority. Any use over 8-10 hours per week, could result in deterioration of the natural turf surfaces. This limits the useable time on natural turf pitches.
- The pricing assumptions are based on hire charges for other similar facilities and have been compared to the full hire charge for similar facilities in the local area. Pricing for pitch hire is summarised in the following table.

Pitch type	Price (per hour)
11-a-side (3G)	£135.00
11-a-side (Grass)	£70.00
7-a-side (grass)	£45.00
5-a-side (grass)	£30.00

The following assumptions have been applied to the other revenue generating areas of the facility:

- **Function suite** – an average of 4 bookings per week for corporate hire, functions and events for 50 weeks per year. Income from events is based on room hire only, with the income and cost of catering excluded. Maximum capacity is 200 seated and 300 for a standing buffet. Therefore, we have assumed average maximum capacity of 250 per event, for the purpose of the model. This has been reduced further on the assumption that there will be 80% utilisation. The income per event is based on £5 per guest. The cost of 2 bar staff and 1 member of reception staff are deducted from the income from events to calculate



the net income per event. This gives an average net income per event of £1,525.

- Further income from the function suite is generated from hire from Kids Football Parties. An average of 5 bookings per week is assumed for 50 weeks per year. Income from Kids Football Parties is based on room hire and provision of staff, food and drink. We have assumed maximum capacity of 30 per event, for the purpose of the model. This has been reduced further on the assumption that there will be 80% utilisation. The income per event is based on £7.5 per guest plus an allowance for food and drink. This gives an average net revenue of £291 per event.
- **Flexible classroom area** - £20,000 annual income has been assumed from Academy / College use. In addition a further £10,000 per annum is

is assumed from community bookings of these classroom areas.

- **Café / Bar / Vending** - Based on average spend of 75p per visit for Café/Bar and 15p for vending income. This excludes visitors to events, which are included in event income. Opening hours for the Café / Bar are 40 hours per week, in line with peak hours of use of the 3G pitch by the club.
- Generally it is assumed that the facility will reach mature operation at year 4 and income will remain similar thereafter.

## Expenditure assumptions

- It is assumed that the operating company assumes full repair and maintenance responsibilities.
- Lifecycle costs for the main buildings have been included in the expenditure forecasts based on 1.3% of the capital cost of indoor areas (excluding fees and contingency) . Separate provision is made for lifecycle costs relating to

artificial grass pitches.

- Artificial turf pitch sinking fund is based on £25k per pitch. This will ensure the pitch surfaces are replaced when they reach the end of their designed life i.e. 8 years.
- Inflation has been excluded from the expenditure estimates, with the exception of utilities, which have risen faster than average inflation rates in recent years. We have applied 5% p/a growth in utilities prices over the 10 year period to mitigate against the risk of increasing utility costs.
- Staffing costs are based on a proposed staffing structure agreed in consultation with the club. The proposed staffing structure and costs are contained in Appendix 2.
- Salary on costs are included at 20% to cover pension contributions and National Insurance for all staffing costs, excluding casual staff.
- Flexible staffing costs related to functions and events have been costed against those specific events based on the simple room hire operating model which is proposed at this stage.
- Permanent staff are included to cover the café / bar in the sports village building during typical opening hours, estimated at 40 hours per week.
- Premises costs include full cost of operating and maintaining the buildings including utilities, repairs and maintenance and rates. These are generally based on benchmark data from other similar facilities. They will need to be reviewed when consumption and cost estimates can be provided by the mechanical and electrical consultant. The Gross Internal Floor Area used as the basis for calculations is 3,174 m<sup>2</sup>, based on the current schedule of accommodation.

- Artificial turf pitch maintenance is assumed at £5k per annum.
- Natural turf pitch maintenance is assumed at £60,000, based on an estimate from a specialist maintenance contractor (see Appendix 3)
- Floodlighting costs are included at £5k per annum.
- Business Rates are based on an assumption of £20 per m<sup>2</sup> (main building only). This will need to be reviewed as the project develops.
- Management costs include marketing, advertising, office administration, legal, insurance, accountancy, ICT and irrecoverable VAT. Expert VAT advice should be sought from a qualified VAT advisor to determine the VAT implications.
- Food and beverage cost of sales is assumed at 40%.



## 10 year revenue projections summary

A summary of the results of the income and expenditure projections are contained in the following tables. Two versions of the projections have been completed. Version 1 includes income and expenditure associated with the function room for hire and kids football parties. Version 2 excludes income and expenditure associated with the function room for hire but includes kids football parties. Further detail is contained in Appendix 2.

**Version 1** - Including income and expenditure associated with the function room for hire and kids football parties. The results show a projected average net revenue surplus of £10k per annum, over the 10 year period.

Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10-year average
Function hire (e.g. funerals and childrens parties)	£377,600	£396,480	£416,304	£437,119	£437,119	£437,119	£437,119	£437,119	£437,119	£437,119	£425,022
Academy/Classroom Hire	£20,000	£21,000	£22,050	£23,153	£23,153	£23,153	£23,153	£23,153	£23,153	£23,153	£22,512
Secondary spend	£73,845	£77,537	£81,414	£85,172	£85,172	£85,172	£85,172	£85,172	£85,172	£85,172	£82,900
Outdoor Pitches	£162,000	£162,000	£170,100	£178,605	£187,535	£187,535	£187,535	£187,535	£187,535	£187,535	£179,792
Classrooms for hire	£5,000	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000	£9,500
VAT payable	(£18,769)	(£19,707)	(£20,693)	(£21,665)	(£21,665)	(£21,665)	(£21,665)	(£21,665)	(£21,665)	(£21,665)	(£21,082)
<b>Total Income</b>	<b>£619,676</b>	<b>£647,310</b>	<b>£679,175</b>	<b>£712,384</b>	<b>£721,314</b>	<b>£721,314</b>	<b>£721,314</b>	<b>£721,314</b>	<b>£721,314</b>	<b>£721,314</b>	<b>£698,643</b>

Expenditure	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10-year average
Staffing costs	(£299,203)	(£299,203)	(£299,203)	(£299,203)	(£299,203)	(£299,203)	(£299,203)	(£299,203)	(£299,203)	(£299,203)	(£299,203)
Premises costs:	(£228,360)	(£240,540)	(£263,700)	(£265,790)	(£267,985)	(£270,289)	(£272,708)	(£275,249)	(£277,916)	(£280,717)	(£264,325)
Management costs	(£98,039)	(£85,323)	(£89,529)	(£90,158)	(£90,652)	(£91,046)	(£91,459)	(£91,893)	(£92,349)	(£92,827)	(£91,327)
Cost of sales	(£29,538)	(£31,015)	(£32,566)	(£34,069)	(£34,069)	(£34,069)	(£34,069)	(£34,069)	(£34,069)	(£34,069)	(£33,160)
<b>Total expenditure</b>	<b>(£655,139)</b>	<b>(£656,081)</b>	<b>(£684,997)</b>	<b>(£689,220)</b>	<b>(£691,908)</b>	<b>(£694,606)</b>	<b>(£697,439)</b>	<b>(£700,413)</b>	<b>(£703,536)</b>	<b>(£706,815)</b>	<b>(£688,015)</b>

Net Revenue	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10-year average
<b>Profit/Loss</b>	<b>(£35,463)</b>	<b>(£8,771)</b>	<b>(£5,822)</b>	<b>£23,164</b>	<b>£29,406</b>	<b>£26,708</b>	<b>£23,876</b>	<b>£20,901</b>	<b>£17,778</b>	<b>£14,499</b>	<b>£10,628</b>

## 10 year revenue projections summary

**Version 2** - Excluding income and expenditure associated with the function room for hire but includes kids football parties. The results show a projected average net revenue deficit of £276k per annum, over the 10 year period.

Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10-year average
Function hire (e.g. funerals and childrens parties)	£72,700	£76,335	£80,152	£84,159	£84,159	£84,159	£84,159	£84,159	£84,159	£84,159	£81,830
Academy/Classroom Hire	£20,000	£21,000	£22,050	£23,153	£23,153	£23,153	£23,153	£23,153	£23,153	£23,153	£22,512
Secondary spend	£73,845	£77,537	£81,414	£85,172	£85,172	£85,172	£85,172	£85,172	£85,172	£85,172	£82,900
Outdoor Pitches	£162,000	£162,000	£170,100	£178,605	£187,535	£187,535	£187,535	£187,535	£187,535	£187,535	£179,792
Classrooms for hire	£5,000	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000	£9,500
VAT payable	(£18,769)	(£19,707)	(£20,693)	(£21,665)	(£21,665)	(£21,665)	(£21,665)	(£21,665)	(£21,665)	(£21,665)	(£21,082)
<b>Total Income</b>	<b>£314,776</b>	<b>£327,165</b>	<b>£343,023</b>	<b>£359,424</b>	<b>£368,354</b>	<b>£368,354</b>	<b>£368,354</b>	<b>£368,354</b>	<b>£368,354</b>	<b>£368,354</b>	<b>£355,451</b>

Expenditure	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10-year average
Staffing costs	(£261,407)	(£261,407)	(£261,407)	(£261,407)	(£261,407)	(£261,407)	(£261,407)	(£261,407)	(£261,407)	(£261,407)	(£261,407)
Premises costs:	(£228,360)	(£240,540)	(£263,700)	(£265,790)	(£267,985)	(£270,289)	(£272,708)	(£275,249)	(£277,916)	(£280,717)	(£264,325)
Management costs	(£80,552)	(£67,353)	(£70,866)	(£71,394)	(£72,135)	(£72,468)	(£72,818)	(£73,185)	(£73,570)	(£73,974)	(£72,831)
Cost of sales	(£29,538)	(£31,015)	(£32,566)	(£34,069)	(£34,069)	(£34,069)	(£34,069)	(£34,069)	(£34,069)	(£34,069)	(£33,160)
<b>Total expenditure</b>	<b>(£599,857)</b>	<b>(£600,315)</b>	<b>(£628,539)</b>	<b>(£632,661)</b>	<b>(£635,596)</b>	<b>(£638,233)</b>	<b>(£641,002)</b>	<b>(£643,909)</b>	<b>(£646,962)</b>	<b>(£650,168)</b>	<b>(£631,724)</b>

Net Revenue	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10-year average
<b>Profit/Loss</b>	<b>(£285,081)</b>	<b>(£273,151)</b>	<b>(£285,516)</b>	<b>(£273,237)</b>	<b>(£267,242)</b>	<b>(£269,879)</b>	<b>(£272,648)</b>	<b>(£275,555)</b>	<b>(£278,608)</b>	<b>(£281,813)</b>	<b>(£276,273)</b>

## Sensitivity analysis - Version 1

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We have completed a sensitivity analysis, based on the 'Base' revenue projections for Version 1. The results are contained in the following table and identify the financial impact on income and expenditure of a number of scenarios where income and expenditure outcomes are varied by +/- 10%.

	Base	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5	Scenario 6	Scenario 7
		Higher income & base costs	Higher income & higher costs	Higher income & lower costs	Base income & lower costs	Base income & higher costs	Lower income & higher costs	Lower income & Lower costs
<b>Income</b>								
Classrooms for hire	£9,500	10%	10%	10%	0%	0%	-10%	-10%
		£10,450	£10,450	£10,450	£9,500	£9,500	£8,550	£8,550
Secondary spend	£82,900	10%	10%	10%	0%	0%	-10%	-10%
		£91,190	£91,190	£91,190	£82,900	£82,900	£74,610	£74,610
Outdoor Pitches	£179,792	10%	10%	10%	0%	0%	-10%	-10%
		£197,771	£197,771	£197,771	£179,792	£179,792	£161,812	£161,812
Function hire (e.g. funerals and childrens parties)	£425,022	10%	10%	10%	0%	0%	-10%	-10%
		£467,524	£467,524	£467,524	£425,022	£425,022	£382,520	£382,520
Academy/Classroom Hire	£22,512	10%	10%	10%	0%	0%	-10%	-10%
		£24,763	£24,763	£24,763	£22,512	£22,512	£20,261	£20,261
VAT payable	(£21,082)	10%	10%	10%	0%	0%	-10%	-10%
		£23,190.63	(£23,191)	(£23,191)	(£21,082)	(£21,082)	(£18,974)	(£18,974)
<b>Total Income</b>	<b>£698,643</b>	<b>£768,507</b>	<b>£768,507</b>	<b>£768,507</b>	<b>£698,643</b>	<b>£698,643</b>	<b>£628,779</b>	<b>£628,779</b>
<b>Expenditure</b>								
Staffing costs	(£299,203)	0%	10%	-10%	-10%	10%	10%	-10%
		(£299,203)	(£329,123)	(£269,282)	(£269,282)	(£329,123)	(£329,123)	(£269,282)
Premises costs:	(£264,325)	0%	10%	-10%	-10%	10%	10%	-10%
		(£264,325)	(£290,758)	(£237,893)	(£237,893)	(£290,758)	(£290,758)	(£237,893)
Management costs	(£91,327)	0%	10%	-10%	-10%	10%	10%	-10%
		(£91,327)	(£100,460)	(£82,195)	(£82,195)	(£100,460)	(£100,460)	(£82,195)
Cost of sales	(£33,160)	0%	10%	-10%	-10%	10%	10%	-10%
		(£33,160)	(£36,476)	(£29,844)	(£29,844)	(£36,476)	(£36,476)	(£29,844)
Other costs	£0	0%	10%	-10%	-10%	10%	10%	-10%
		£0	£0	£0	£0	£0	£0	£0
<b>Total Expenditure</b>	<b>(£688,015)</b>	<b>(£688,015)</b>	<b>(£756,817)</b>	<b>(£619,214)</b>	<b>(£619,214)</b>	<b>(£756,817)</b>	<b>(£756,817)</b>	<b>(£619,214)</b>
<b>Net Surplus/Deficit</b>	<b>£10,628</b>	<b>£80,492</b>	<b>£11,690</b>	<b>£149,294</b>	<b>£79,429</b>	<b>(£58,174)</b>	<b>(£128,038)</b>	<b>£9,565</b>

## Sensitivity analysis – Version 2

We have completed a sensitivity analysis, based on the 'Base' revenue projections for Version 2 contained in this report. The results are contained in the following table and identify the financial impact on income and expenditure of a number of scenarios where income and expenditure outcomes are varied by +/- 10%.

	Base	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5	Scenario 6	Scenario 7
		Higher income & base costs	Higher income & higher costs	Higher income & lower costs	Base income & lower costs	Base income & higher costs	Lower income & higher costs	Lower income & Lower costs
<b>Income</b>								
Classrooms for hire	£9,500	10%	10%	10%	0%	0%	-10%	-10%
		£10,450	£10,450	£10,450	£9,500	£9,500	£8,550	£8,550
Secondary spend	£82,900	10%	10%	10%	0%	0%	-10%	-10%
		£91,190	£91,190	£91,190	£82,900	£82,900	£74,610	£74,610
Outdoor Pitches	£179,792	10%	10%	10%	0%	0%	-10%	-10%
		£197,771	£197,771	£197,771	£179,792	£179,792	£161,812	£161,812
Function hire (e.g. funerals and childrens parties)	£81,830	10%	10%	10%	0%	0%	-10%	-10%
		£90,013	£90,013	£90,013	£81,830	£81,830	£73,647	£73,647
Academy/Classroom Hire	£22,512	10%	10%	10%	0%	0%	-10%	-10%
		£24,763	£24,763	£24,763	£22,512	£22,512	£20,261	£20,261
VAT payable	(£21,082)	10%	10%	10%	0%	0%	-10%	-10%
		£23,190.63	(£23,191)	(£23,191)	(£21,082)	(£21,082)	(£18,974)	(£18,974)
<b>Total Income</b>	<b>£355,451</b>	<b>£390,997</b>	<b>£390,997</b>	<b>£390,997</b>	<b>£355,451</b>	<b>£355,451</b>	<b>£319,906</b>	<b>£319,906</b>
<b>Expenditure</b>								
Staffing costs	(£261,407)	0%	10%	-10%	-10%	10%	10%	-10%
		(£261,407)	(£287,548)	(£235,267)	(£235,267)	(£287,548)	(£287,548)	(£235,267)
Premises costs:	(£264,325)	0%	10%	-10%	-10%	10%	10%	-10%
		(£264,325)	(£290,758)	(£237,893)	(£237,893)	(£290,758)	(£290,758)	(£237,893)
Management costs	(£72,831)	0%	10%	-10%	-10%	10%	10%	-10%
		(£72,831)	(£80,115)	(£65,548)	(£65,548)	(£80,115)	(£80,115)	(£65,548)
Cost of sales	(£33,160)	0%	10%	-10%	-10%	10%	10%	-10%
		(£33,160)	(£36,476)	(£29,844)	(£29,844)	(£36,476)	(£36,476)	(£29,844)
Other costs	£0	0%	10%	-10%	-10%	10%	10%	-10%
		£0	£0	£0	£0	£0	£0	£0
<b>Total Expenditure</b>	<b>(£631,724)</b>	<b>(£631,724)</b>	<b>(£694,897)</b>	<b>(£568,552)</b>	<b>(£568,552)</b>	<b>(£694,897)</b>	<b>(£694,897)</b>	<b>(£568,552)</b>
<b>Net Surplus/Deficit</b>	<b>(£276,273)</b>	<b>(£240,728)</b>	<b>(£303,900)</b>	<b>(£177,555)</b>	<b>(£213,100)</b>	<b>(£339,445)</b>	<b>(£374,990)</b>	<b>(£248,646)</b>

## Benefits of the proposed development

The proposed development consists of a small 3G stadium, three 11-a-side, one 7-a-side and two 5-a-side grass pitches. The new development would not result in significant loss of community facilities (all facilities are currently private), and would instead represent a significant improvement in facilities in type and availability.

The main stadium pitch will be made from a 3G artificial turf, which will give the facility longevity, greater versatility of use all year round and provide adequate drainage. Recent years have seen an increased focus on more sustainable models for facility provision across sport. Operators are seeking to reduce revenue cost of operating facilities through more efficient models that generate revenue to help sustain the sporting and community activities. Football clubs, in particular have embraced the development of new opportunities provided by the growing acceptance of artificial grass pitches in seeking more commercially viable models. The principal benefits of the scheme are listed below:

- Reduced disruption & cancellation costs due to poor ground conditions in bad weather.
- Additional revenue from gate receipts, secondary spend, meeting/conference rooms, hospitality, club shop/merchandise etc.
- Reduced cost of renting external all weather training facilities, rationalisation and making the most of the club's assets (as opposed to occasional match use).
- Reduced maintenance fees (staff time, re-seeding & water consumption).
- Flexibility of use of 3G pitches for a range of sports and for non-football events.
- Increased revenue generated from hire of facilities to schools, clubs and community.

- Increased participation levels in sport and physical activity leading to wider health benefits for users.
- Creating a venue for local competitions, coach education and training programmes.
- Better links with other clubs, schools, sports development and with the local community through hire of facilities for sport, functions, events and education purposes.
- Raising the profile of the football club in the community, leading to increased membership.
- Greater exposure for club sponsors and partner organisations due to greater throughput and engagement with the community and spectators.
- Employment and training opportunities created. Based on our revenue projections we are forecasting between 10 and 12 FTE positions will be created to operate the Sports Village. This excludes the impact on staffing and volunteers at Cray Wanderers Football Club, which is likely to increase as a result of the stadium and pitch developments.

## Typical funding opportunities

There are a number of possible funding opportunities available to Clubs developing the type of facilities proposed. By Cray Wanderers. These are listed briefly below:

- **Commercial loans** – This source tends to be limited for football clubs due to the need to have proven and sustainable financial track record. Often lender charge relatively high rates to clubs due to the risk in lending to them.
- **Local authority contributions** – This can be a source where there is a clear partnership arrangement between the local authority and a club. It is most likely to be available where the local authority is the freeholder of a site.
- **Capital receipts from relocation** – Where there is an opportunity for a club to re-locate from a more valuable site (e.g. a town centre location sold for residential or commercial development) to an alternative site. This can generate a capital receipt which can be used to help fund a new facility development.
- **Grant funding** – there are limited sources of significant grant funding. The Football Foundation is the principal source for football developments others include the London Marathon Trust and possibly Sport England. Most grant funders have specific types of projects they will fund through themed funding rounds. There tend to be strict eligibility and assessment criteria which must be met before funding is granted as well as stiff competition for available funding. Applicants should also be aware of any grant conditions attached to an award. These can be onerous and restrict the commercial viability from a revenue perspective, so should be carefully considered.

In terms of grant funding, the benefit of receiving a relatively small capital grant towards the project will be outweighed by the restrictions this will place on the commercial viability of the project, in terms of revenue generation. This will reduce the long term financial sustainability of the project. In addition, as a limited company is highly likely to be ineligible for funding from the majority of grant funders. Few clubs of this type (e.g. Maidstone and Sutton United) have received capital funding from grant funders towards similar projects.

## Risks

13

The business planning work to date is based on taking a relatively conservative approach to the revenue forecasts, to protect against the negative impact risks. In addition, the results of the sensitivity analysis has demonstrated a range of outcomes, positive and negative, depending on variation in income and expenditure.

However, there are a number of key risks and issues that could impact on the delivery of the revenue projections contained in this report. These have been listed below and will need to be reviewed as the project develops. Appropriate measures should be taken to manage and mitigate them.

- Low utilisation of pitches for hire by the community, clubs and other organisations.
- Lower pricing of facilities for hire.
- Competition for users from competing facilities, leading to lack of demand.
- Restrictions on hours of operation and uses of the stadium for revenue generation.
- Increased staffing costs.
- Increased utilities costs.
- Increased repair and maintenance costs for pitches and stadium.

## Conclusions

The 10 year revenue projections have been completed based on two versions. Version 1 includes income and expenditure associated with the function room for hire and Kids Football Parties. Version 2 excludes income and expenditure associated with the function room for hire but includes Kids Football Parties. The resulting figures provide an estimate of the financial performance of Cray Wanderers Sports Village. The conclusions from the revenue projections are summarised below:

- Overall, Version 1 shows that the facilities are forecast to operate at an average revenue surplus of c.£10,600 per annum over a 10 year period. Making them financially sustainable in the long term.
- Version 2 shows a significant revenue deficit of c.£276,000 per annum over a 10 year period. This is unsustainable.
- The Version 1 sensitivity analysis shows a worst case scenario with a revenue deficit of c.£128k and a best case scenario with a surplus of c.£149k.
- The Version 2 sensitivity analysis shows a worst case scenario with a revenue deficit of c.£374k and a best case scenario with a deficit of c.£177k.
- Clearly, the income and expenditure associated with the function room hire is crucial to securing the long term sustainability of the facilities. This supports the need for these areas to be included in the facility mix.
- The final revenue position will become more clear as the project develops further.
- Based on the figures contained in this report there is potential for the facilities to be financially viable and sustainable in the long term but only under Version 1, which includes income and expenditure associated with the function room for hire and Kids Football Parties. The final financial position will depend on the capability of the management team to deliver the numbers set out in the business case.
- It should be noted that these projections provide a view on the income and expenditure projections relating to the operation of the facilities only. They do not consider the income and expenditure of Cray Wanderers Football Club, which will need to be considered separately.
- It is recommended that the revenue projections are reviewed and revised as the project develops, to ensure any changes in design management and governance proposals are considered at key milestones (e.g. the RIBA Stages).

# Appendix 1 – Site Plans









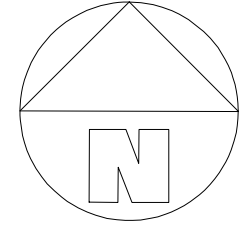
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P1	09.08.17	SC	GH	PRELIMINARY ISSUE
Rev	Date	By	Chk	Comment

Client:  
**CRAY WANDERERS FC**

Project Title:  
**Cray Wanderers Sports Village  
Flamingo Park Sports & Leisure,  
A20, Chislehurst, Kent, BR7 6HL**

Drawing Title:  
**Proposed Site Location Plan**

Status:  
**PLANNING ISSUE**

Drawn By:	Designed By:	Checked By:	Approved By:
SC	GH	JG	SP
Original Issue Date:		Scale @ A3:	
01/06/2017		1:2500	

Job No/ File Ref	160801
Drawing Number	502
Revision	P1





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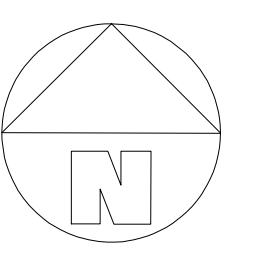
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Rev	Date	By	CHK	Comment
P1	01.06.17	SC	GH	PLANNING ISSUE

Client:

CRAY WANDERERS FC

Project Title:

Cray Wanderers Sports Village  
Flamingo Park Sports & Leisure,  
A20, Chislehurst, Kent. BR7 6HL

Drawing Title:

Proposed Site Plan

Status:

PRELIMINARY ISSUE

Drawn By:	Designed By:	Checked By:	Approved By:
SC	GH	JG	SP

Original Issue Date: 01/06/2017

Scale @ A1: 1:500

Job No/ File Ref	160801
Drawing Number	503
Revision	2/4



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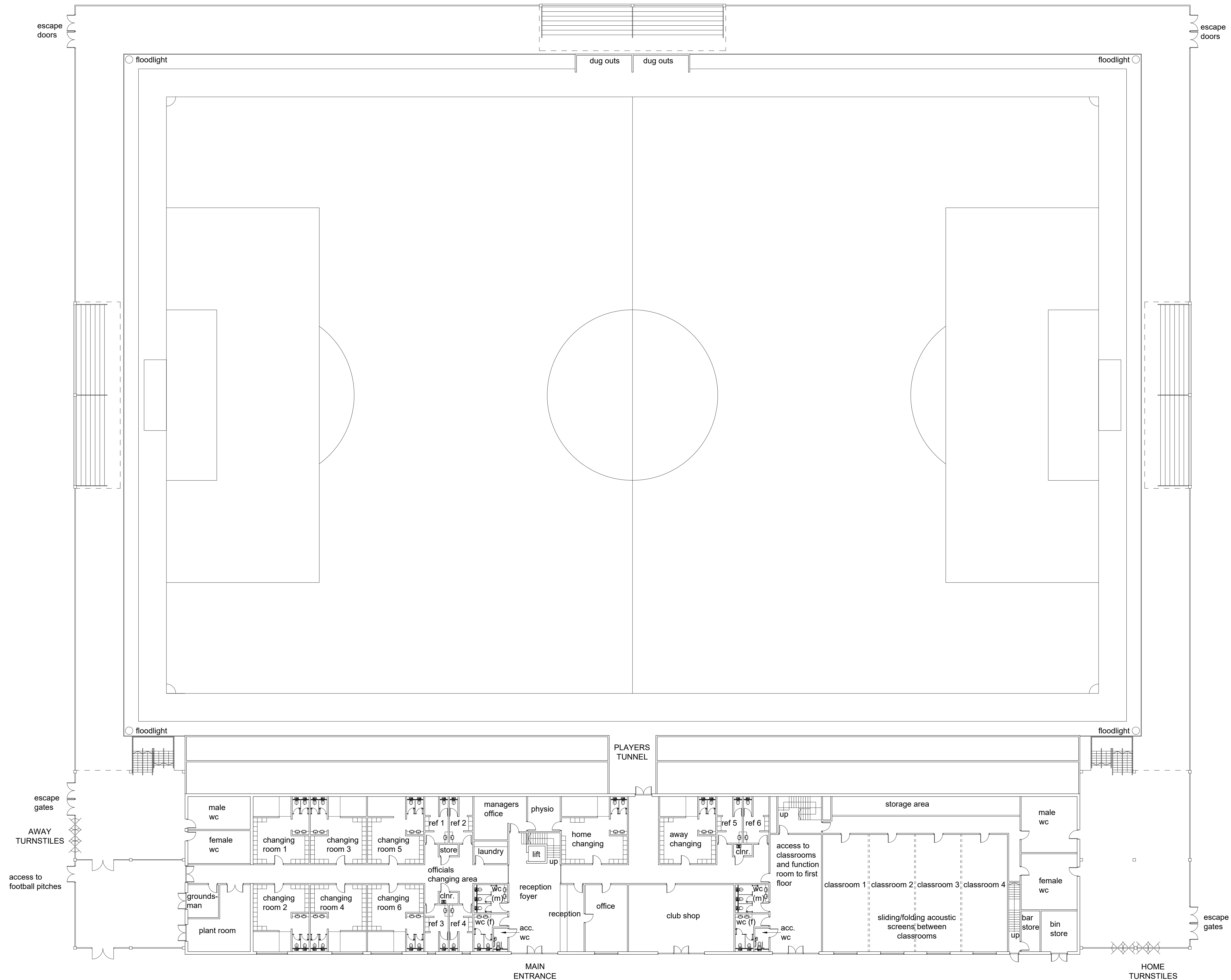
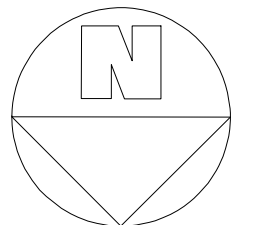
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P1	09.08.17	SC	GH	PRELIMINARY ISSUE

Client:  
**CRAY WANDERERS FC**

Project Title:  
**Cray Wanderers Sports Village  
Flamingo Park Sports & Leisure,  
A20, Chislehurst, Kent. BR7 6HL**

Drawing Title:  
**Stadium Ground Floor Plan**

Status:  
**PRELIMINARY ISSUE**

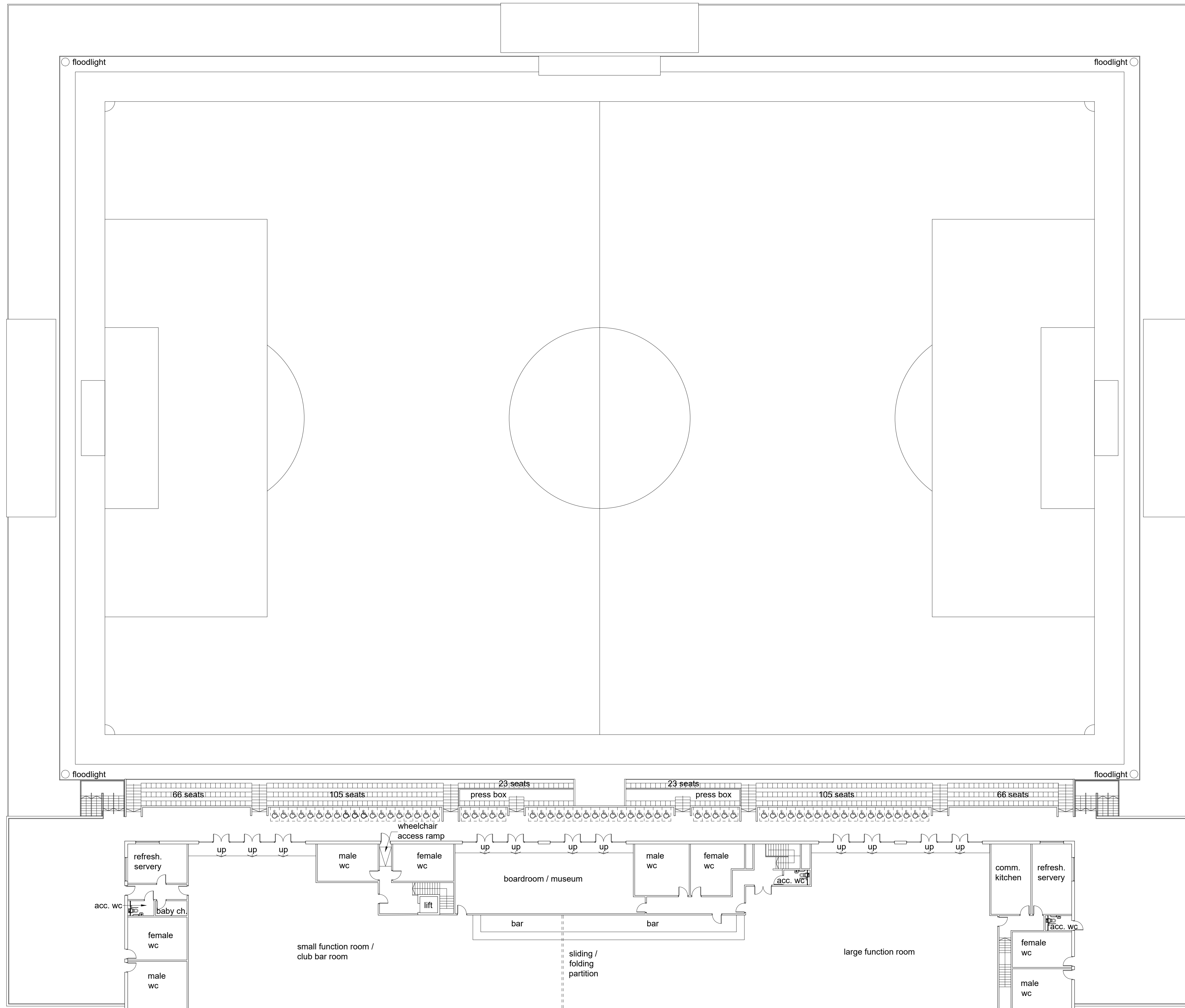
Drawn By: SC	Designed By: GH	Checked By: JG	Approved By: SP
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Original Issue Date:  
**01/06/2017**

Scale @ A1:  
**1:200**

Job No/ File Ref  
**160801**

Drawing Number <b>510</b>	Revision <b>05</b>
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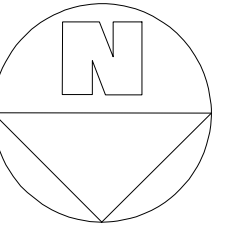
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Rev	Date	By	CHK	Comment
P1	09.08.17	SC	GH	PRELIMINARY ISSUE

Client:			
CRAY WANDERERS FC			
Project Title:			
Cray Wanderers Sports Village Flamingo Park Sports & Leisure, A20, Chislehurst, Kent. BR7 6HL			
Drawing Title:			
Stadium First Floor Plan			
Status:			
PRELIMINARY ISSUE			
Drawn By:	Designed By:	Checked By:	Approved By:
SC	GH	JG	SP
Original Issue Date:		Scale @ A1:	
01/06/2017		1:200	
Job No/ File Ref			
160801			
Drawing Number			Revision
511			2/6

## Appendix 2 – Detailed Revenue Projections (Version 1)

**Income**

Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10-year average
Function hire (e.g. funerals and childrens parties)	£377,600	£396,480	£416,304	£437,119	£437,119	£437,119	£437,119	£437,119	£437,119	£437,119	£425,022
Academy/Classroom Hire	£20,000	£21,000	£22,050	£23,153	£23,153	£23,153	£23,153	£23,153	£23,153	£23,153	£22,512
Secondary spend	£73,845	£77,537	£81,414	£85,172	£85,172	£85,172	£85,172	£85,172	£85,172	£85,172	£82,900
Outdoor Pitches	£162,000	£162,000	£170,100	£178,605	£187,535	£187,535	£187,535	£187,535	£187,535	£187,535	£179,792
Classrooms for hire	£5,000	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000	£9,500
VAT payable	(£18,769)	(£19,707)	(£20,693)	(£21,665)	(£21,665)	(£21,665)	(£21,665)	(£21,665)	(£21,665)	(£21,665)	(£21,082)
<b>Total Income</b>	<b>£619,676</b>	<b>£647,310</b>	<b>£679,175</b>	<b>£712,384</b>	<b>£721,314</b>	<b>£721,314</b>	<b>£721,314</b>	<b>£721,314</b>	<b>£721,314</b>	<b>£721,314</b>	<b>£698,643</b>
	ok	ok	ok	ok	ok	ok	ok	ok	ok	ok	

**Expenditure**

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10-year average
<b>Staffing costs</b>											
Permanent staff costs	(£294,491)	(£294,491)	(£294,491)	(£294,491)	(£294,491)	(£294,491)	(£294,491)	(£294,491)	(£294,491)	(£294,491)	(£294,491)
Staff training	(£3,534)	(£3,534)	(£3,534)	(£3,534)	(£3,534)	(£3,534)	(£3,534)	(£3,534)	(£3,534)	(£3,534)	(£3,534)
Uniforms	(£1,178)	(£1,178)	(£1,178)	(£1,178)	(£1,178)	(£1,178)	(£1,178)	(£1,178)	(£1,178)	(£1,178)	(£1,178)
<b>Sub Total</b>	<b>(£299,203)</b>	<b>(£299,203)</b>	<b>(£299,203)</b>	<b>(£299,203)</b>	<b>(£299,203)</b>	<b>(£299,203)</b>	<b>(£299,203)</b>	<b>(£299,203)</b>	<b>(£299,203)</b>	<b>(£299,203)</b>	<b>(£299,203)</b>
<b>Premises costs:</b>											
Utilities - electricity	(£17,640)	(£16,800)	(£16,000)	(£16,800)	(£17,640)	(£18,522)	(£19,448)	(£20,421)	(£21,442)	(£22,514)	(£18,723)
Utilities - gas	(£15,876)	(£15,120)	(£14,400)	(£15,120)	(£15,876)	(£16,670)	(£17,503)	(£18,378)	(£19,297)	(£20,262)	(£16,850)
Utilities - water	(£7,056)	(£6,720)	(£6,400)	(£6,720)	(£7,056)	(£7,409)	(£7,779)	(£8,168)	(£8,577)	(£9,005)	(£7,489)
Repairs & maintenance	(£13,500)	(£18,000)	(£24,000)	(£24,000)	(£24,000)	(£24,000)	(£24,000)	(£24,000)	(£24,000)	(£24,000)	(£22,350)
Grass pitch maintenance contract	(£60,000)	(£60,000)	(£60,000)	(£60,000)	(£60,000)	(£60,000)	(£60,000)	(£60,000)	(£60,000)	(£60,000)	(£60,000)
Cleaning and refuse	(£6,400)	(£6,400)	(£6,400)	(£6,400)	(£6,400)	(£6,400)	(£6,400)	(£6,400)	(£6,400)	(£6,400)	(£6,400)
3G pitch maintenance	(£5,000)	(£5,000)	(£5,000)	(£5,000)	(£5,000)	(£5,000)	(£5,000)	(£5,000)	(£5,000)	(£5,000)	(£5,000)
Floodlighting - electricity	(£4,513)	(£4,750)	(£5,000)	(£5,250)	(£5,513)	(£5,788)	(£6,078)	(£6,381)	(£6,700)	(£7,036)	(£5,701)
NNDR	(£64,000)	(£64,000)	(£64,000)	(£64,000)	(£64,000)	(£64,000)	(£64,000)	(£64,000)	(£64,000)	(£64,000)	(£64,000)
Lifecycle costs (building)	(£9,375)	(£18,750)	(£37,500)	(£37,500)	(£37,500)	(£37,500)	(£37,500)	(£37,500)	(£37,500)	(£37,500)	(£32,813)
Artificial Pitch Sinking Fund	(£25,000)	(£25,000)	(£25,000)	(£25,000)	(£25,000)	(£25,000)	(£25,000)	(£25,000)	(£25,000)	(£25,000)	(£25,000)
<b>Sub Total</b>	<b>(£228,360)</b>	<b>(£240,540)</b>	<b>(£263,700)</b>	<b>(£265,790)</b>	<b>(£267,985)</b>	<b>(£270,289)</b>	<b>(£272,708)</b>	<b>(£275,249)</b>	<b>(£277,916)</b>	<b>(£280,717)</b>	<b>(£264,325)</b>
<b>Management costs</b>											
Launch marketing and promotion	(£15,000)	£0	£0	£0	£0	£0	£0	£0	£0	£0	(£1,500)
Marketing, advertising and promotion	(£6,792)	(£6,792)	(£6,792)	(£6,792)	(£6,792)	(£6,792)	(£6,792)	(£6,792)	(£6,792)	(£6,792)	(£6,792)
Insurances	(£11,200)	(£11,200)	(£11,200)	(£11,200)	(£11,200)	(£11,200)	(£11,200)	(£11,200)	(£11,200)	(£11,200)	(£11,200)
Print, post and stationery	(£1,698)	(£1,698)	(£1,698)	(£1,698)	(£1,698)	(£1,698)	(£1,698)	(£1,698)	(£1,698)	(£1,698)	(£1,698)
Telephone	(£5,094)	(£5,094)	(£5,094)	(£5,094)	(£5,094)	(£5,094)	(£5,094)	(£5,094)	(£5,094)	(£5,094)	(£5,094)
Computer maintenance and support	(£1,000)	(£1,000)	(£1,000)	(£1,000)	(£1,000)	(£1,000)	(£1,000)	(£1,000)	(£1,000)	(£1,000)	(£1,000)
Audit and legal	(£3,396)	(£3,396)	(£3,396)	(£3,396)	(£3,396)	(£3,396)	(£3,396)	(£3,396)	(£3,396)	(£3,396)	(£3,396)
Licences and subscriptions	(£4,000)	(£4,000)	(£4,000)	(£4,000)	(£4,000)	(£4,000)	(£4,000)	(£4,000)	(£4,000)	(£4,000)	(£4,000)
Irrecoverable VAT	(£49,859)	(£52,144)	(£56,349)	(£56,979)	(£57,473)	(£57,866)	(£58,280)	(£58,714)	(£59,169)	(£59,648)	(£56,648)
<b>Sub Total</b>	<b>(£98,039)</b>	<b>(£85,323)</b>	<b>(£89,529)</b>	<b>(£90,158)</b>	<b>(£90,652)</b>	<b>(£91,046)</b>	<b>(£91,459)</b>	<b>(£91,893)</b>	<b>(£92,349)</b>	<b>(£92,827)</b>	<b>(£91,327)</b>
<b>Cost of sales</b>											
Food and beverage cost of sales	(£29,538)	(£31,015)	(£32,566)	(£34,069)	(£34,069)	(£34,069)	(£34,069)	(£34,069)	(£34,069)	(£34,069)	(£33,160)
<b>Sub Total</b>	<b>(£29,538)</b>	<b>(£31,015)</b>	<b>(£32,566)</b>	<b>(£34,069)</b>	<b>(£34,069)</b>	<b>(£34,069)</b>	<b>(£34,069)</b>	<b>(£34,069)</b>	<b>(£34,069)</b>	<b>(£34,069)</b>	<b>(£33,160)</b>
<b>Total Expenditure</b>	<b>(£655,139)</b>	<b>(£656,081)</b>	<b>(£684,997)</b>	<b>(£689,220)</b>	<b>(£691,908)</b>	<b>(£694,606)</b>	<b>(£697,439)</b>	<b>(£700,413)</b>	<b>(£703,536)</b>	<b>(£706,815)</b>	<b>(£688,015)</b>
<b>Profit/Loss</b>	<b>(£35,463)</b>	<b>(£8,771)</b>	<b>(£5,822)</b>	<b>£23,164</b>	<b>£29,406</b>	<b>£26,708</b>	<b>£23,876</b>	<b>£20,901</b>	<b>£17,778</b>	<b>£14,499</b>	<b>£10,628</b>
<b>Profit/Loss exc Lifecycle Costs</b>	<b>(£26,088)</b>	<b>£9,979</b>	<b>£31,678</b>	<b>£60,664</b>	<b>£66,906</b>	<b>£64,208</b>	<b>£61,376</b>	<b>£58,401</b>	<b>£55,278</b>	<b>£51,999</b>	<b>£43,440</b>

## Staff Costs

### Assumptions

Average work week	37	hours
Weeks per year:	52	

### Roles & Costs

#### Salaried Staff

#### On-costs

20%

#### Management

Commercial and Events Manager
Duty Manager
Marketing/Admin
Grounds / site maintenance

Base Salary	On-costs	Total	FTE	Total cost per role
£35,000	£7,000	£42,000	1.0	£42,000
£27,000	£5,400	£32,400	1.5	£32,400
£20,000	£4,000	£24,000	1.0	£24,000
£20,000	£4,000	£24,000	1.0	£24,000

#### Other

Receptionist
Cleaner

Total hours per week	Peaks hours per week	Normal hours per week	No. of staff at peak hours	No. of staff at normal hours	Rate per hour	Total Salary Costs	On-costs	Total	FTE	Total cost per role
87.0	40.0	47.0	1.0	1.0	£9.75	£44,109	£8,822	£52,931	2.4	£22,511
87.0	40.0	47.0	1.0	0.0	£9.75	£20,280	£4,056	£24,336	1.1	£22,511

#### F&B

Bar
Chef/Kitchen

Total hours per week	Peaks hours per week	Normal hours per week	No. of staff at peak hours	No. of staff at normal hours	Rate per hour	Total Salary Costs	On-costs	Total	FTE	Total cost per role
94.0	40.0	54.0	2.0	0.0	£9.75	£40,560	£8,112	£48,672	2.2	£22,511
94.0	40.0	54.0	1.0	0.0	£12.00	£24,960	£4,992	£29,952	1.1	£27,706

**Salaried Staff Costs:**      £294,491      11.2      £26,351

**Total Staff Costs:**      £294,491      11.2      £26,351



## Appendix 2 – Detailed Revenue Projections (Version 2)

**Income**

Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10-year average
Function hire (e.g. funerals and childrens parties)	£72,700	£76,335	£80,152	£84,159	£84,159	£84,159	£84,159	£84,159	£84,159	£84,159	£81,830
Academy/Classroom Hire	£20,000	£21,000	£22,050	£23,153	£23,153	£23,153	£23,153	£23,153	£23,153	£23,153	£22,512
Secondary spend	£73,845	£77,537	£81,414	£85,172	£85,172	£85,172	£85,172	£85,172	£85,172	£85,172	£82,900
Outdoor Pitches	£162,000	£162,000	£170,100	£178,605	£187,535	£187,535	£187,535	£187,535	£187,535	£187,535	£179,792
Classrooms for hire	£5,000	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000	£9,500
VAT payable	(£18,769)	(£19,707)	(£20,693)	(£21,665)	(£21,665)	(£21,665)	(£21,665)	(£21,665)	(£21,665)	(£21,665)	(£21,082)
<b>Total Income</b>	<b>£314,776</b>	<b>£327,165</b>	<b>£343,023</b>	<b>£359,424</b>	<b>£368,354</b>	<b>£368,354</b>	<b>£368,354</b>	<b>£368,354</b>	<b>£368,354</b>	<b>£368,354</b>	<b>£355,451</b>
	ok	ok	ok	ok	ok	ok	ok	ok	ok	ok	

**Expenditure**

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10-year average
<b>Staffing costs</b>											
Permanent staff costs	(£257,291)	(£257,291)	(£257,291)	(£257,291)	(£257,291)	(£257,291)	(£257,291)	(£257,291)	(£257,291)	(£257,291)	(£257,291)
Staff training	(£3,087)	(£3,087)	(£3,087)	(£3,087)	(£3,087)	(£3,087)	(£3,087)	(£3,087)	(£3,087)	(£3,087)	(£3,087)
Uniforms	(£1,029)	(£1,029)	(£1,029)	(£1,029)	(£1,029)	(£1,029)	(£1,029)	(£1,029)	(£1,029)	(£1,029)	(£1,029)
<b>Sub Total</b>	<b>(£261,407)</b>	<b>(£261,407)</b>	<b>(£261,407)</b>	<b>(£261,407)</b>	<b>(£261,407)</b>	<b>(£261,407)</b>	<b>(£261,407)</b>	<b>(£261,407)</b>	<b>(£261,407)</b>	<b>(£261,407)</b>	<b>(£261,407)</b>
<b>Premises costs:</b>											
Utilities - electricity	(£17,640)	(£16,800)	(£16,000)	(£16,800)	(£17,640)	(£18,522)	(£19,448)	(£20,421)	(£21,442)	(£22,514)	(£18,723)
Utilities - gas	(£15,876)	(£15,120)	(£14,400)	(£15,120)	(£15,876)	(£16,670)	(£17,503)	(£18,378)	(£19,297)	(£20,262)	(£16,850)
Utilities - water	(£7,056)	(£6,720)	(£6,400)	(£6,720)	(£7,056)	(£7,409)	(£7,779)	(£8,168)	(£8,577)	(£9,005)	(£7,489)
Repairs & maintenance	(£13,500)	(£18,000)	(£24,000)	(£24,000)	(£24,000)	(£24,000)	(£24,000)	(£24,000)	(£24,000)	(£24,000)	(£22,350)
Grass pitch maintenance contract	(£60,000)	(£60,000)	(£60,000)	(£60,000)	(£60,000)	(£60,000)	(£60,000)	(£60,000)	(£60,000)	(£60,000)	(£60,000)
Cleaning and refuse	(£6,400)	(£6,400)	(£6,400)	(£6,400)	(£6,400)	(£6,400)	(£6,400)	(£6,400)	(£6,400)	(£6,400)	(£6,400)
3G pitch maintenance	(£5,000)	(£5,000)	(£5,000)	(£5,000)	(£5,000)	(£5,000)	(£5,000)	(£5,000)	(£5,000)	(£5,000)	(£5,000)
Floodlighting - electricity	(£4,513)	(£4,750)	(£5,000)	(£5,250)	(£5,513)	(£5,788)	(£6,078)	(£6,381)	(£6,700)	(£7,036)	(£5,701)
NNDR	(£64,000)	(£64,000)	(£64,000)	(£64,000)	(£64,000)	(£64,000)	(£64,000)	(£64,000)	(£64,000)	(£64,000)	(£64,000)
Lifecycle costs (building)	(£9,375)	(£18,750)	(£37,500)	(£37,500)	(£37,500)	(£37,500)	(£37,500)	(£37,500)	(£37,500)	(£37,500)	(£32,813)
Artificial Pitch Sinking Fund	(£25,000)	(£25,000)	(£25,000)	(£25,000)	(£25,000)	(£25,000)	(£25,000)	(£25,000)	(£25,000)	(£25,000)	(£25,000)
Capital costs	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
<b>Sub Total</b>	<b>(£228,360)</b>	<b>(£240,540)</b>	<b>(£263,700)</b>	<b>(£265,790)</b>	<b>(£267,985)</b>	<b>(£270,289)</b>	<b>(£272,708)</b>	<b>(£275,249)</b>	<b>(£277,916)</b>	<b>(£280,717)</b>	<b>(£264,325)</b>
<b>Management costs</b>											
Launch marketing and promotion	(£15,000)	£0	£0	£0	£0	£0	£0	£0	£0	£0	(£1,500)
Marketing, advertising and promotion	(£3,430)	(£3,430)	(£3,430)	(£3,430)	(£3,430)	(£3,430)	(£3,430)	(£3,430)	(£3,430)	(£3,430)	(£3,430)
Insurances	(£11,200)	(£11,200)	(£11,200)	(£11,200)	(£11,200)	(£11,200)	(£11,200)	(£11,200)	(£11,200)	(£11,200)	(£11,200)
Print, post and stationery	(£858)	(£858)	(£858)	(£858)	(£858)	(£858)	(£858)	(£858)	(£858)	(£858)	(£858)
Telephone	(£2,573)	(£2,573)	(£2,573)	(£2,573)	(£2,573)	(£2,573)	(£2,573)	(£2,573)	(£2,573)	(£2,573)	(£2,573)
Computer maintenance and support	(£1,000)	(£1,000)	(£1,000)	(£1,000)	(£1,000)	(£1,000)	(£1,000)	(£1,000)	(£1,000)	(£1,000)	(£1,000)
Audit and legal	(£1,715)	(£1,715)	(£1,715)	(£1,715)	(£1,715)	(£1,715)	(£1,715)	(£1,715)	(£1,715)	(£1,715)	(£1,715)
Licences and subscriptions	(£4,000)	(£4,000)	(£4,000)	(£4,000)	(£4,000)	(£4,000)	(£4,000)	(£4,000)	(£4,000)	(£4,000)	(£4,000)
Irrecoverable VAT	(£40,776)	(£42,578)	(£46,091)	(£46,619)	(£47,360)	(£47,692)	(£48,042)	(£48,409)	(£48,794)	(£49,199)	(£46,556)
<b>Sub Total</b>	<b>(£80,552)</b>	<b>(£67,353)</b>	<b>(£70,866)</b>	<b>(£71,394)</b>	<b>(£72,135)</b>	<b>(£72,468)</b>	<b>(£72,818)</b>	<b>(£73,185)</b>	<b>(£73,570)</b>	<b>(£73,974)</b>	<b>(£72,831)</b>
<b>Cost of sales</b>											
Food and beverage cost of sales	(£29,538)	(£31,015)	(£32,566)	(£34,069)	(£34,069)	(£34,069)	(£34,069)	(£34,069)	(£34,069)	(£34,069)	(£33,160)
<b>Sub Total</b>	<b>(£29,538)</b>	<b>(£31,015)</b>	<b>(£32,566)</b>	<b>(£34,069)</b>	<b>(£34,069)</b>	<b>(£34,069)</b>	<b>(£34,069)</b>	<b>(£34,069)</b>	<b>(£34,069)</b>	<b>(£34,069)</b>	<b>(£33,160)</b>
<b>Total Expenditure</b>	<b>(£599,857)</b>	<b>(£600,315)</b>	<b>(£628,539)</b>	<b>(£632,661)</b>	<b>(£635,596)</b>	<b>(£638,233)</b>	<b>(£641,002)</b>	<b>(£643,909)</b>	<b>(£646,962)</b>	<b>(£650,168)</b>	<b>(£631,724)</b>
<b>Profit/Loss</b>	<b>(£285,081)</b>	<b>(£273,151)</b>	<b>(£285,516)</b>	<b>(£273,237)</b>	<b>(£267,242)</b>	<b>(£269,879)</b>	<b>(£272,648)</b>	<b>(£275,555)</b>	<b>(£278,608)</b>	<b>(£281,813)</b>	<b>(£276,273)</b>
<b>Profit/Loss exc Lifecycle Costs</b>	<b>(£275,706)</b>	<b>(£254,401)</b>	<b>(£248,016)</b>	<b>(£235,737)</b>	<b>(£229,742)</b>	<b>(£232,379)</b>	<b>(£235,148)</b>	<b>(£238,055)</b>	<b>(£241,108)</b>	<b>(£244,313)</b>	<b>(£243,460)</b>

**Staff Costs**

**Assumptions**

Average work week	37	hours
Weeks per year:	52	

**Roles & Costs**

**Salaried Staff**

**On-costs**

20%

**Management**

Commercial and Events Manager
Duty Manager
Marketing/Admin
Grounds / site maintenance

Base Salary	On-costs	Total	FTE	Total cost per role
£35,000	£7,000	£21,000	0.5	£42,000
£27,000	£5,400	£32,400	1.0	£32,400
£20,000	£4,000	£24,000	1.0	£24,000
£20,000	£4,000	£24,000	1.0	£24,000

**Other**

Receptionist
Cleaner

Total hours per week	Peaks hours per week	Normal hours per week	No. of staff at peak hours	No. of staff at normal hours	Rate per hour	Total Salary Costs	On-costs	Total	FTE	Total cost per role
87.0	40.0	47.0	1.0	1.0	£9.75	£44,109	£8,822	£52,931	2.4	£22,511
87.0	40.0	47.0	1.0	0.0	£9.75	£20,280	£4,056	£24,336	1.1	£22,511

**F&B**

Bar
Chef/Kitchen

Total hours per week	Peaks hours per week	Normal hours per week	No. of staff at peak hours	No. of staff at normal hours	Rate per hour	Total Salary Costs	On-costs	Total	FTE	Total cost per role
94.0	40.0	54.0	2.0	0.0	£9.75	£40,560	£8,112	£48,672	2.2	£22,511
94.0	40.0	54.0	1.0	0.0	£12.00	£24,960	£4,992	£29,952	1.1	£27,706

**Salaried Staff Costs:** £257,291      10.2      £25,285

**Total Staff Costs:** £257,291      10.2      £25,285

## Appendix 3 – Grass Pitch Maintenance Costs Estimate

Ref	Description	Qty	Unit	Rate	£
<b>12 Months Maintenance to 3 Full size Pitches &amp; 3 Junior Pitches</b>					
<b>12 Months Maintenance</b>					
a	Carry out regular cutting	30	No.	550.00	16,500.00
b	Supply and apply fertiliser on three occasions	3	No.	1,620.00	4,860.00
c	Carry out vertidrainage to help relieve compaction to pitches	26,881	m <sup>2</sup>	0.05	1,344.05
d	Overseed with sportsfield seed mix at 200kg/ha pitches only	26,881	m <sup>2</sup>	0.15	4,032.15
e	Supply, spread and drag in top dressing sand. Spread at the rate of 100 tonnes per hectare to pitches only	269	tonnes	40.00	10,760.00
f	Carry out selective weed killing to pitches and surrounds	34,500	m <sup>2</sup>	0.04	1,380.00
g	Carry out pesticide/disease spraying to pitches and surrounds	34,500	m <sup>2</sup>	0.05	1,725.00
h	Carry out regular slitting, at least once a month	12	No.	450.00	5,400.00
<b>Grand Total Excluding VAT</b>					<b>46,001.20</b>

<b>PROVISIONAL &amp; OPTIONAL EXTRAS</b>					
a	Supply temporary irrigation equipment including tank, pump, pipes and sprinkler to water pitch areas if required during hot dry periods	5	weeks	2,400.00	12,000.00
b	Supply operator/groundsman to be on site to operate the watering system and carry out maintenance works to enhance the grass sward	5	weeks	£1,450.00	7,250.00
<b>Grand Total Excluding VAT</b>					<b>19,250.00</b>

## Appendix 4 – Examples of 3G Pitch Conversion Projects

# Maidstone United F.C.

Typical income from pitch hire c. £136,000





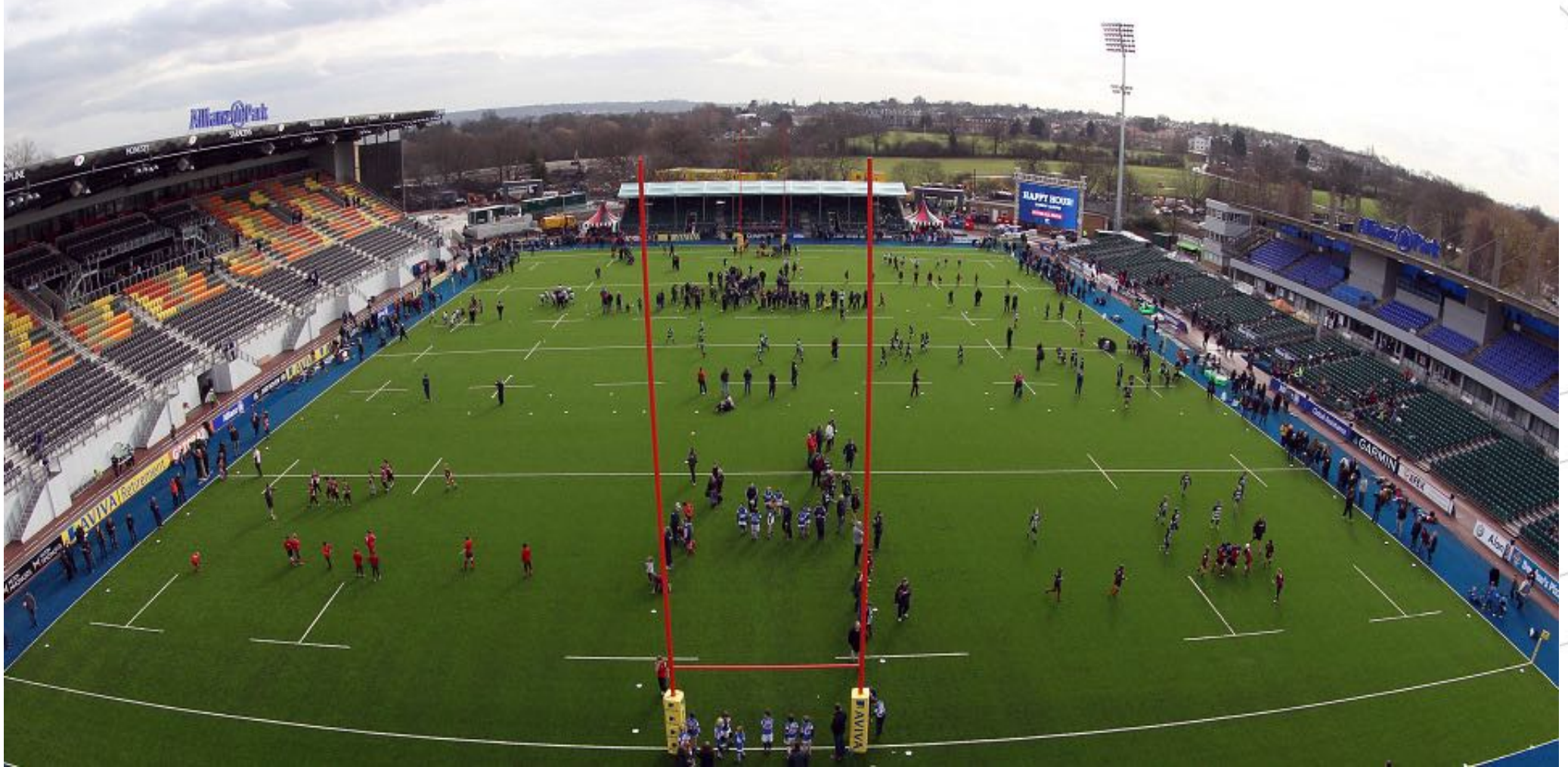
# Sutton United F.C.

Income forecast from pitch hire £144,000





Typical income from pitch hire £120,000





## Appendix 2 – Moat Offer



Gary Hillman  
Hillmans  
46-48 Ennersdale Road  
London  
SE13 6JB

21<sup>st</sup> February 2018

Subject To Contract

Dear Gary

**Re Cray Wanderers**

I detail below the two options you requested:

**Option 1** (original mix and tenure) Combined offer £13,159,200  
2 x 1 bed flat London Affordable Rent (LAR)  
2 x 2 bed flat LAR  
1 x 3 bed house LAR  
Offer £1,316,700

2 x 1 bed flat Shared Ownership (SO)  
10 x 2 bed flat SO  
25 x 3 bed houses SO  
Offer £11,842,500

**Option 2** (policy compliant) Combined offer £12,924,200  
2 x 1 bed flat LAR  
2 x 2 bed flats LAR  
6 x 3 bed houses LAR  
Offer £2,732,200

2 x 1 bed flat SO  
10 x 2 bed flats SO  
20 x 3 bed houses SO  
Offer £10,192,000

These offers are subject to the conditions in our previous offers.

Yours sincerely

*PP Bulbul Ali*

**Kim McGregor**  
**Head of Development Manager**  
Direct dial 0845 359 6441  
E: [bulbul.ali@moat.co.uk](mailto:bulbul.ali@moat.co.uk)

## Appendix 3 – Development Appraisals

**Cray Wanderers Football Club - Feb 2018  
Preferred Option - Moat Offer (£13.749m)**

**Summary Appraisal for Phase 1**

**REVENUE**

<b>Sales Valuation</b>	<b>Units</b>	<b>Unit Price</b>	<b>Gross Sales</b>
Affordable	1	£13,749,000	13,749,000

**Rental Area Summary**

	<b>Units</b>	<b>Initial MRV/Unit</b>	<b>Net Rent at Sale</b>	<b>Initial MRV</b>
Sports Facility	1	£10,000	10,000	10,000
<b>Totals</b>	<b>1</b>		<b>10,000</b>	<b>10,000</b>

**Investment Valuation**

<b>Sports Facility</b>					
Current Rent	10,000	YP @	10.0000%	10.0000	100,000
					<b>100,000</b>

GROSS DEVELOPMENT VALUE 13,849,000

Purchaser's Costs 5.76% (5,763)  
NET DEVELOPMENT VALUE 13,843,238

**NET REALISATION 13,843,238**

**OUTLAY**

**ACQUISITION COSTS**

Fixed Price 2,450,000  
2,450,000

**CONSTRUCTION COSTS**

**Other Construction**  
Football Stadium and Community Faci 3,485,000  
Stadium Externals 2,114,725  
Residential Construction 5,400,110  
Residential Externals 300,000  
11,299,835

**Municipal Costs**

CIL Charge 98,801  
98,801

**FINANCE**

Debit Rate 6.00% Credit Rate 0.00% (Nominal)  
Land 24,561  
Other 1,064  
Total Finance Cost 25,625

**TOTAL COSTS 13,874,261**

**PROFIT**

**(31,023)**

**Performance Measures**

Profit on Cost% (0.22)%  
Profit on GDV% (0.22)%  
Profit on NDV% (0.22)%  
Development Yield% (on Rent) 0.07%

N/A

Rent Cover -3 yrs -1 mths  
Profit Erosion (finance rate 6.000%) N/A

**Cray Wanderers Football Club - Feb 2018  
Policy Compliant Moat Offer**

**Summary Appraisal for Phase 1**

**REVENUE**

<b>Sales Valuation</b>	<b>Units</b>	<b>Unit Price</b>	<b>Gross Sales</b>
Affordable	1	£12,924,200	12,924,200

**Rental Area Summary**

	<b>Units</b>	<b>Initial MRV/Unit</b>	<b>Net Rent at Sale</b>	<b>Initial MRV</b>
Sports Facility	<u>1</u>	£10,000	<u>10,000</u>	<u>10,000</u>
<b>Totals</b>	<b>1</b>		<b>10,000</b>	<b>10,000</b>

**Investment Valuation**

<b>Sports Facility</b>					
Current Rent	10,000	YP @	10.0000%	10.0000	100,000
					<b>100,000</b>

GROSS DEVELOPMENT VALUE 13,024,200

Purchaser's Costs 5.76% (5,763)

NET DEVELOPMENT VALUE 13,018,438

**NET REALISATION 13,018,438**

**OUTLAY**

**ACQUISITION COSTS**

Fixed Price	2,450,000	
		2,450,000

**CONSTRUCTION COSTS**

<b>Other Construction</b>		
Football Stadium and Community Faci	3,485,000	
Stadium Externals	2,114,725	
Residential Construction	5,400,110	
Residential Externals	300,000	
		11,299,835

**Municipal Costs**

CIL Charge	98,801	
		98,801

**FINANCE**

Debit Rate 6.00% Credit Rate 0.00% (Nominal)		
Land	25,293	
Other	30,373	
Total Finance Cost		55,667

**TOTAL COSTS 13,904,303**

**PROFIT (885,865)**

**Performance Measures**

Profit on Cost%	(6.37)%
Profit on GDV%	(6.80)%
Profit on NDV%	(6.80)%
Development Yield% (on Rent)	0.07%
	104.81%
Rent Cover	-88 yrs -7 mths
Profit Erosion (finance rate 6.000%)	N/A