

Sydenham Tennis Club Business Plan 2020-30

Introduction

The Club prepared a 10-year business plan in 2013.

The main elements were to renovate the clubhouse and improve facilities, including resurfacing tennis courts and renovating the squash court building.

Also, there was provision to move to a professional management model by appointing a part-time Club Manager.

Since 2013, the Club has made significant progress towards the targets detailed in the plan, including resurfacing tennis courts 3, 4, 6, 7 with artificial clay, and replacing the heating, lighting and roof of the squash court building.

Further, the Club has developed in many areas not foreseen at the time, such as moving to a full-time management model, the growth of the tennis coaching programme, and the expansion of activities in the clubhouse.

The Board of Directors and Club Manager decided it was pertinent to review the current plan and make it more relevant, in order to secure a viable long-term future for this established Club.

A summary of the review is laid out in this document.

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Vision Statement

The Club aims to:

1. Provide excellent, professionally managed sporting and social facilities for members and the wider local community
2. Provide a welcoming, positive, safe and inclusive environment that is open to all
3. Promote and encourage the playing of tennis, squash and racketball amongst players of all abilities, ages and backgrounds
4. Provide opportunities for all participants to develop their playing abilities and to progress in their chosen sport
5. Provide space for complementary activities that benefit the education, health and well-being of the local community
6. Promote sustainability through encouraging activities that are socially and environmentally responsible

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Club History

The Club was established in 1899 – opening with facilities for tennis and croquet, and buying the freehold for the site in 1929.

The Club became a company limited by guarantee in 1976 as Sydenham Lawn Tennis & Croquet Club Limited.

A new building, incorporating two squash courts, was built in 1974, to which changing rooms were added in 1979.

The clubhouse building comprises a small bar area built in 1968, finally replacing the old pavilion which had burned down in the 1940s.

A multi-use hall area, along with kitchen facilities, was adjoined to the clubhouse in 1981 to allow for events and external hire.

Whilst the croquet lawn remained, opening for the summer season, the tennis grass courts were gradually replaced with all weather surfaces.

Since 2002, the Club has operated as a Community Amateur Sports Club, and as such receives certain financial benefits, such as business rate relief.

The Club was run historically by volunteers from within the membership, supported by paid contractors.

The Club was named Kent Tennis Club of the Year (5+ courts) in 2014.

A paid Club Manager was appointed in 2015, initially part-time but, becoming full-time in 2018.

A Head Tennis Coach was also appointed in 2015, replacing a contractual arrangement with another Club for coaching that was in place previously.

Witty Kiddies pre-school opened in 2016, working in partnership with the Club and reinforcing it as a community hub.

The Club Manager & Head Coach roles have allowed the Club to maximise available opportunities, eg taking back the coaching programme in 2017, generating lettings income from community groups, and increasing member numbers.

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Club Status in 2020

The Club currently operates seven, floodlit tennis courts, two squash courts and a croquet lawn, available to members on subscription.

The bar/cafe normally opens every weekday evening and Saturday morning, and the clubhouse is utilised by the pre-school, a church group, several yoga instructors, and various community groups. *(Currently closed due to Covid-19)*

Total full year income would be expected to be in the region of £225k, under normal circumstances, providing a surplus of up to £35k towards development and the sinking fund for refurbishment and replacement of facilities.

The Tennis coaching programme offers an extensive range of individual and group sessions, including short courses, regular groups and casual drop-in classes for both adults and children.

The Tennis section has a strong and resilient membership, which along with the coaching programme brings in 75% of total income - current section membership stands at approx 370.

The Squash & Racketball section has fluctuated over time, but has potential for growth under the right circumstances. The squash building houses the controls for tennis courts 3-7 floodlighting, and provides a wet weather alternative for junior coaching activities – current section membership stands at approx 95.

The squash building is in a poor state, suffering considerably with subsidence, and has had substantial funds spent on it over the last 30 years; realistically, it has a limited life span, and with no solution that can be guaranteed, it is likely that it will become unsustainable within 1-2 years.

Therefore, the Club could lose the squash building & section membership within two years, at a net loss of £15-20k income per annum. Appendix I demonstrates the consequences of this loss over the Business Plan period.

The croquet membership has dwindled gradually over the last 10 years, currently standing at 24 out of a total membership of approx 500; this generates up to £3k per annum in revenues, but this does not cover lawn maintenance costs and the proportionate cost of associated Club expenditure.

The bar/cafe area of the clubhouse needs significant updating and is structurally in a poor condition; it is also in the wrong location as no part of the playing facilities or grounds can be viewed from inside.

The Club financial reserves stand at approximately £160k, with growth on average of around £3k per month.

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Club Development Plan

The Club wants to secure its long-term sustainability, ensuring the current management structure that has seen significant benefits over the last five years can continue to move the Club forwards.

Therefore, the Club proposes:

- to continue to renew or replace tennis courts over a ten year cycle as follows: Court 5 in 2022, Courts 1 & 2 in 2024, Courts 3 & 4 in 2026, and Courts 6 & 7 in 2027
- to upgrade tennis court floodlighting to LED over the next 3 years – offering better quality lighting at reduced costs, and less environmental impact
- to ensure the continuance of the Squash & Racketball section, grow the membership, as well as maximise the utility of the courts for other activities
- to build an additional tennis court on the area currently used as the croquet lawn, in order to maximise potential income from both members and coaching
- to build a new clubhouse complex adjacent to the current croquet lawn, which would have two new squash courts, changing rooms, office facilities, bar/cafe area, and a multi-use area, over two floors

Regretfully, this course of action will mean the closure of the croquet lawn after 120 years, however, the Club will support the section members in relocation to another site as a separate organisation if possible.

The existing squash building would be reduced in size to house only the workshop area and electricity supplies, and landscaped around.

The existing clubhouse would be fully taken over by the pre-school under a contract agreement, which would permit more control of opening hours and increased revenue to the Club.

The new tennis court would generate additional income of £25k per annum from membership growth/retention (£6k), increased coaching activities (£12k), non-member income through LTA initiatives (£6k), events (£1k).

The new clubhouse would allow for more programming of indoor activities, longer opening hours, and expanded bar/cafe offering. The new location would increase usage of the bar/cafe and increase revenues - in total Club income would be expected to grow to £300k per annum, with a surplus of £60k+.

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New Clubhouse Project

The project began in 2015 with a small team looking at various options to renew or replace the current clubhouse building.

Subsequently, a proposal was accepted by members, at an Extraordinary General Meeting in June 2017, to build a new clubhouse, including expanded facilities, such as extra changing areas and meeting rooms.

The location selected for this project was the north-west corner, which was the site of the original Club pavilion. This position provides better sight lines for the playing facilities and could allow for outdoor seating in good weather.

Before the Club could make much headway in developing the project, more underlying problems with the squash court building came to light. Therefore, it was felt prudent to put on hold whilst fully evaluating the condition of the building and investigating further options.

The current development plan is the culmination of this procedure, and is estimated at a full project cost of £750-800k. The course of action outlined offers the only opportunity to increase revenues sufficiently to cover project costs and ongoing loan repayments.

The Board of Directors recommend acceptance of Special Resolution A, and want it to be clear that, if the resolution is not passed, there is no foreseeable way to build the new clubhouse in the near future.

If Special Resolution A is accepted, we would aim to go into the pre-planning stage for the whole project in early 2021, in order to obtain feedback from LB Bromley, prior to full planning application over the summer.

If planning permission is granted, the project would be completed in two stages:

Phase 1 would involve building the new tennis court in October 2021, which would allow for another season for the croquet section.

Phase 2 would be planned for 2022 subject to funding, but we would have until 2024 to commence building under current planning terms.

There are a number of funding sources available, and the objective would be to obtain as much as possible in grants to keep borrowing as low as possible.

For the tennis court, Sport England has a fund available for recovery from Covid-19 that looks suitable, and there is obvious potential from the LTA.

For the clubhouse, we will need to look nearer the time, but early indications are that there may be options for grants from various bodies, as long as we can show that we are a 'community' facility as much as a Club.

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Summary

The Board of Directors proposes that the current croquet lawn is repurposed for an additional tennis court, which will support the growth in tennis activities and bring in extra income.

This will mean that the croquet section will close in its current location, but could reform as a separate organisation at another location with Club support.

This will enable the Club to progress with its plan to build a new clubhouse with squash courts, and avoid the potential closure of the squash building with its associated loss of income.

In conclusion, the Board of Directors strongly believe that this course of action will secure the long-term sustainability of the Club.

**Dez Lewington
Club Manager
28 October 2020**

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Appendix I

The points below refer to the appropriate rows of information in the table.

1. The current operation shows that the Club is in a sustainable financial position to meet ongoing commitments, but only if the current buildings can be maintained over an extended period. This is unlikely in the case of the squash building. There is limited potential for income growth in the amounts required to replace buildings that fail.
2. The loss of the squash building in the short-term would have significant financial implications of around £15k per annum net loss. The net sum takes into account the loss of income, as well as savings on expenditure. This would almost certainly preclude the replacement of buildings that fail in any meaningful way, including the new clubhouse project. It would also impact ongoing commitments and the management structure of the Club.
3. Therefore, the Club felt it essential to review how it could generate additional funds to meet both ongoing commitments, and provide long-term development potential and sustainability. In particular, how to meet the long held vision of a new clubhouse building.
4. The key areas of attention related to the replacement of the existing squash facilities, the disused area of land in the north-west corner of the site, and the potential repurposing of the croquet lawn.
5. The first projection maintains the current sections and demonstrates the potential additional income generated by the croquet section increasing numbers to 40. This suggests extra income in the region of £2k per annum, but with no associated extra expenditure, representing £10k over 5 years and £20k over the 10 years of the business plan. Even this growth would not compensate for the loss of the squash building.
6. The second projection is the recommended way forward by replacing the croquet lawn with another tennis court. The additional income of £25k per annum would require additional maintenance costs of £2k per annum, providing a net surplus of £23k. Capital costs of building the court would be £50k, representing a net contribution towards new developments of £65k over 5 years and £180k over the 10 year life span of the court.

Appendix I is attached as a separate document.