

Statement of Plan

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Darlington Community Sports Village & Education Centre



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1. EXECUTIVE SUMMARY

The following business plan clearly demonstrates the need for Darlington Football Club to obtain planning permission for the Darlington Community Sporting Village. Other business models and alternatives have been considered but found to be unattractive to the market, unusable or environmentally unacceptable.

To summarise, the benefits of the existence of Darlington Football Club to the locality can be identified as:

- The Profile of having Football League representation, one of only 72 clubs with national coverage on television and radio.
- 92,000 people in attendance per season (figures based on average attendances for the last 2 seasons)
- Darlington Football Club is currently the largest publicly attended venue in the town of Darlington
- Soccer schools provided for talented players from the ages of 9 – 16 (The Centre of Excellence)
- Planned Incremental learning centre providing training for both children and adults (Playing for Success)
- The provision of sports and football training that currently takes place in over 20 local schools across the region educating kids on the merits of sport. (Football In The Community)
- A sports asset that contributes to the cultural and leisure activities of the town

This plan, if successful, relinquishes the need for Darlington FC to be owned by individuals to continue to bank-rolle the club at considerable expense and loss.

It is a fact that football clubs outside the premiership are primarily losing money. This plan safeguards and greatly enhances community based activities provided to the community by Darlington Football Club and furthermore, the new facility provides for an expansion programme across all three community based projects. In addition the Village also caters for the growing demand for



indoor football and sport. Provides the training facilities so desperately needed for the teams from first to youth.

The pitches will be constructed of a quality so that they will be available for the community to use on a managed basis during the day.

This plan further outlines Darlington Football Clubs current financial predicament and situation. These issues are summarised as follows:

- Currently loosing circa £1,400,000 year on year (this current year will see a loss if about £2,000,000).
- Struggling to gain national recognition for banqueting and conferencing due to lack of neighbouring hotel. Hotel standards in close proximity either too small or not of a standard required.
- Total lack of training facilities both locally and regionally
- Lack of car parking for higher capacities
- Lack of office space within existing building.

To conclude the executive summary The Darlington Community Sporting Village provides for both the club and the community at large.



2. INTRODUCTION

Darlington Football Club celebrates its 125th Anniversary in 2008; however the future of the club really does depend on its ability to “sweat the asset”.

Driven into administration in 2004 and taken out in November later that year the football club clearly cannot continue based upon revenue receipts simply generated in football alone. The accounts of last year clearly show heavy losses where the Club had just an average playing budget.

Chairman George Houghton has already bridged the gap last year and will be contributing £2 million this year.

Darlington Football club cannot continue to be supported financially by benefactors as this is not sustainable and provides no secured future.

Darlington Community Sporting Village provides the club with direct avenues to generate income needed to secure the Club's future. It is hoped that the Village will also generate income to re-invest into the team.

2.1 Shareholding Control

Darlington Football club is owed wholly by Darlington Investments Ltd. Darlington investments Ltd is wholly owned by the Houghton Family.

2.2 Financial Background

The accounts for last year's financial year have been included with this plan. On inspection you will find a loss for last year nearing £1.4million. This years management accounts are also included which show the club will show a loss of circa £2 million.



3. OVERALL SCHEME SUMMARY

The objective is to provide a facility that will allow for and secure the future of the football club whilst providing much needed facilities for the community.

3.1 The Stadium

Built approximately 4 years ago the arena has a capacity of 27,000. It is accepted that further uses must be found to enable the club to meet the running costs alone. A minded to approve planning decision was attained in the summer of 2006 to allow the Club to hold up to 12 concerts in a 12-month period. The planning proposals allow for a reconstruction of car parking that will in turn potentially facilitate the current 6,000 capacity for concerts to be increased. This is an essential element if the Darlington area is to be a concert venue of choice and attract the higher profiled artist. Financially it is forecasted that once the stadium starts exercising its permission for concerts additional net income may amount to £500,000 pa if full capacity is attained.

3.2 10 Indoor 6-a-side pitches

The aim of this facility is to provide the community with a venue to be used all year round. Research shows demand is extremely high for this type of facility. The pitches will be available free of charge to schools and colleges by day (during school term) with a commercial element during the evening. It is forecast that it will contribute approximately £250,000 pa to the Club.

3.3 Children's Nursery

From the interest already shown there is still great demand for well-run and modern nurseries. It is anticipated that this facility will be of great benefit to the working community. The Darlington College has proved that places are still sought after in nurseries and several offers have been received from parties interested in running this. Anticipated income of £50,000 pa

3.4 Educational Day/leisure centre

This building has been specifically planned for, due to the increase in demand for a home to educate the under privileged and the excluded. NVQ delivery will be the main objective for this centre, however there will be a mix of leisure facilities on the ground floor keeping these individuals occupied, fit and off the



street. This facility will work in close partnership with a training provider and the clubs own Football in the Community programme.

3.5 100 Bed Hotel and Leisure Club

It is anticipated that the Club will manage the hotel. There are plans to name the hotel "The Darlington Football Club Hotel". The Darlington College have confirmed that they would be interested in establishing the first training hotel in the North East with the delivery of hotel and catering NVQs.

The Leisure club will not be open to the public and will be for the use of the residents only. It is anticipated that the income/net contribution should be £250,000 pa.

3.6 Training pitches and all weather pitch and classroom

The provision of this facility has been a subject close to the heart of the club for some time. Darlington Football Club needs its own training facilities. This year the club has struggled to find an exclusive facility which is vital if the club is to prove to be successful in the long term. It is planned to use these high quality pitches to allow the first team productive training facilities. In addition these pitches will be available for community use on a managed basis. A planned restructure will also see a new Centre of Excellence located from these facilities.

3.7 Restaurants and Fun Pub

With demand already strong, it is anticipated that the rental income will achieve c£250,000 (£50k per unit) vital to closing the trading loss and the club reliance on a beneficiary. The restaurants will serve the facilities proposed in this location as well as consolidating the club venue for match day events.

3.8 Coffee House

It is anticipated that this facility will be used by those visiting the education areas of the village, mainly to be used as a common room.

3.9 Office Accommodation

10,000 ft of prime accommodation. Whilst it would be of financial benefit to take a rent on the whole of the office facility the club is in need of approx



5,000sq ft for itself. The commercial team will relocate working along side the new affinity team. Commercially the club can expect a return of £15per sq ft for the remainder giving a return of £75,000pa.

3.10 Classrooms and changing facilities

The classrooms have been designed to cater for Darlington College who has an over demand for their sporting courses. Detailed discussions on the college use have taken place.



4. FINANCIAL STATEMENT

With a build programme fast approaching a cost of £30 million it is appreciated that the Council and public need guarantees the development will proceed and benefits derived for the Club and Community. A reference has been supplied by Grant Thornton the accountants proving the worth and robustness of the Chairman and supports his ability to support this project to its conclusion. This reference will remain in the Clubs possession but will be available for inspection.

The amenities provided for, it is estimated will produce a combined income for the club of £1,375,000pa that equates to the clubs losses last year. If achieved the club can take comfort in the fact that losses will be off-set against the income generated allowing for monies to be invested in the team and the team alone. This importantly and significantly safeguards the future of Darlington Football Club. Such security at this time does not exist.



5. THE ALTERNATIVE

It goes without saying that until Darlington Football Club can meet its ever-growing deficiency between income and expenditure there will always be a reliance on a wealthy benefactor. However industry now recognises that these individuals are few and far between and without one, Darlington would soon be plunged back into administration.

The alternative to the implementation of this business plan would be that the Club reduces costs to the point that an inevitable return to non-league football would be the only way forward and this would drastically reduce the profile of both the club and town. The stadium facilities would be downgraded, and alternative uses for the grounds could hereto be sought such as residential opportunities.



6. APPENDICES



i. Accounts



ii. Plans



iii. Supporting letter from the college

