



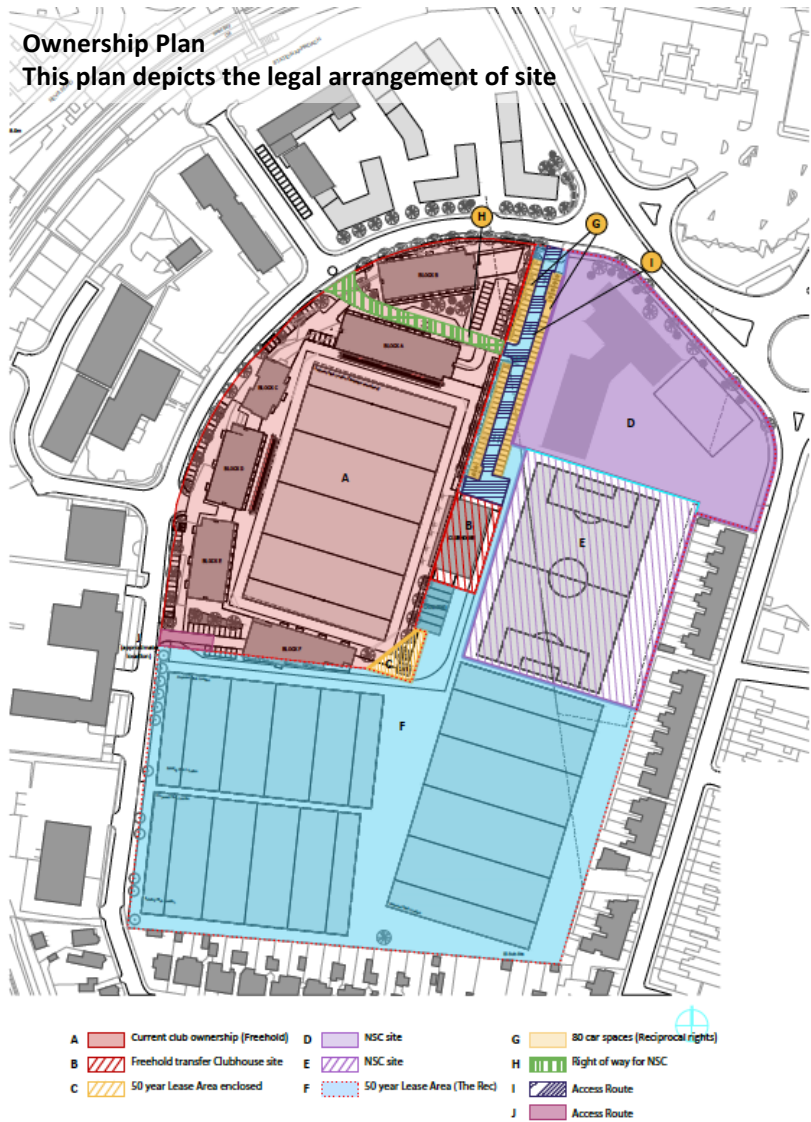
The Trustees, Committee and Members recognise that Weston Rugby is at a point in its history where it needs to ‘raise its game’ for its members, players, spectators and visitors to the club.

Vision and objectives

WSM RFC’s Vision is to invest in the Club and its existing facilities to provide an enhanced player and spectator experience, as well as realise their full potential as a club, with a long history that plays a vital community role in Weston-super-Mare. In addition, the club wishes to create a platform that provides a long-term sustainable future to enable it to fulfil this commitment in perpetuity.

The key objectives to achieve this Vision are as follows:

- Develop the underutilized car park and land to the north
- Identify the extent of land to the west and south of the main pitch to develop
- Improve club facilities
- Create income generating assets
- Deliver a cash surplus to support the club
- A sound operational business plan for the new facilities



Financials

The club’s income and costs have been consistent for a number of years; however, the club has not generated enough funds to invest in the club to stay ahead of the competition. The risk of maintaining the status quo is that the club declines in the long term due to other clubs improving their facilities and attracting new members and players.

The Opportunity

WSM RFC is in an enviable position of owning their freehold unlike a number of other clubs. Following exchange of an exclusivity agreement, Studio HIVE has been considering opportunities to maximise value to realise the Vision and objectives.

Why Studio HIVE?

- Ongoing working relationship with North Somerset Council
- Track record of delivering residential development and maximising value
- Financial ability to secure investment
- Strong personal associations with Weston

North Somerset Council (NSC)

In the 1931 title deeds, a covenant exists in favour of NSC, which restricts use of the WSM RFC land to recreational focussed uses and activities, and another covenant requires WSM RFC to offer the land in the event of a sale to the Council, who may buy the land back for the price paid at the time of the original sale. NSC is dealing with a number of issues, which are summarised below:

- Housing supply is under pressure and NSC is short on housing required by Central Government.
- NSC has a requirement to deliver a new primary school in Weston close to the town centre, and have identified the northern part of the Rec adjacent to the WSM RFC car park. This requires the use of the club’s car park land to access the site.
- Council policy requires the Rec to continue to be available for use by the public, which will require it to be maintained. It is recognised that WSM RFC are primary users of the Rec and greater control would enhance the quality of the grounds and be beneficial to the Club as well as the public and community users. This can be achieved through the transfer of the grounds to the club by way of a lease of 50 years.

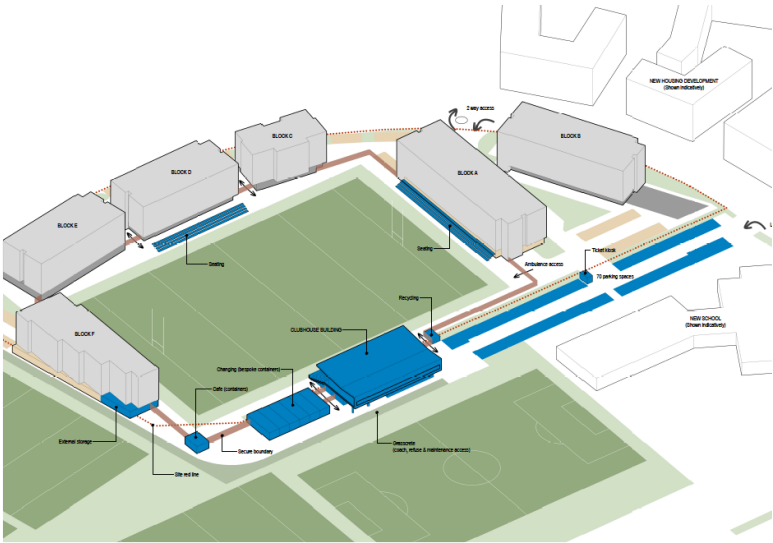
Studio HIVE agreed to sponsor the club for 2 years & begin explore the delivery of the Vision.

In June 2018 a working group was formed to work with Studio HIVE to work up proposals.

During the members consultation event in Sept. '18, the Vision and objectives were outlined and received a resounding endorsement by the members.

Members also overwhelming supported the more ambitious approach to achieving the Vision

Plans have been drawn to include the relocation of the clubhouse to the east of the existing pitch and comprehensive development of available land.



The Way Forward

- Two key matters have now reached a stage which require Members to attend an Extraordinary General Meeting (EGM) to decide the way forward:
- In principle agreement (letter of intent – LOI) with North Somerset Council
 - An outline business case for redevelopment



Benefits

Freehold ownership of land for new clubhouse	New facilities improving image and ability to attract new members
Control of Rec and quality of pitches by way of 50 year lease	£3 million investment into facilities including: <ul style="list-style-type: none"> • New clubhouse • New changing rooms • New spectator seating
Ground rent income from apartments (where applicable)	Potential profit share
New car park & shared use of future school car park	Continuous operation whilst development occurs
New perimeter fence/wall to secure ground	Development proposal that enables Studio HIVE to invest circa £29m to generate funds for the club and the developer.
Increased revenue opportunities and profitability from new facilities including potential for managed parking during week	Income generating commercial space delivered at cost to the club
New floodlighting to main pitch	



Working in collaboration

WSM RFC and NSC have agreed that by working in collaboration both their objectives could be achieved and provide a long-term solution to various issues identified.

NSC has signed an in principle LOI ratifying their willingness to enter into a formal agreement subject to planning consent being achieved and full Council approval.

The headlines of the agreement are as follows:

1. WSM RFC to deliver an access road to future school site
2. NSC to release covenants to allow redevelopment
3. NSC to transfer some land for the new clubhouse on a freehold basis
4. NSC to grant lease over Rec & WSM RFC to maintain public access
5. Use of Rec car park and shared use of future school car park (out of hours) ultimately

Timeline

The timeframe, targets, and key activities for the early stages are below.

