

FOLKESTONE BOWLS ASSOCIATION LIMITED

Cheriton Road
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Chairman: L King

Secretary: C R Sexton
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P Marshall, Esq.
Shepway District Council
Land and Property Services
Civic Centre
Castle Hill Avenue
FOLKESTONE
Kent

CT20 2QY

24th November 2014

Your ref: AR0045.pm

Dear Mr. Marshall,

LEASE DATED 29th JANUARY 1991

Many thanks for your letter of the 12th November which has now been fully considered by the Council of Management in the light of the Association's current trading position and projected budgets over the next four years.

Our main income stream is from membership fees and bowling green charges, both of which are very sensitive to upward changes and we would lose members should they rise at anything over inflation rates. Our premises are almost 50 years old and suffering from increasing maintenance charges and antiquated lighting and air-conditioning that, ideally, should be replaced for more modern, eco-friendly systems that are cheaper to run and maintain.

There are 11 air-conditioning and heating units which are virtually life-expired. The plan is to replace two units each year at a current cost of £5,000 per unit which will take another five years to complete assuming failures will be gradual over that period.

The lighting system uses 1,000 fluorescent tubes that contribute to an annual electricity bill in excess of £30,000. There is little we can now do to improve efficiency without installing new units, the cost of which would be prohibitive given the uncertainty of any long-term tenure.

The roof is beginning to show signs of wear and tear evidenced by increasing maintenance in the last couple of years. A recent survey has indicated a likely minimum spend of £30,000 to merely replace the existing top cover. There would be additional costs if weak patches were found in the felt which would be likely due to regular seagull nestings.

Budgets indicate continued heavy losses over the next four years should your proposed rental charges be adopted. It is pertinent that the Association has paid £½m to the Council in rents under the terms of the former lease which includes the sum of £67,375 since it expired in March 2012.

The Council of Management would like Shepway District Council to consider the following ongoing terms for a new five year lease:

A rent free period for the first 12 months.

Annual rent of £5,000 exclusive for the remainder of the term.

This would equate to an annual charge of £10,922 paid for the eight year period since expiry in March 2012.

Budgets indicate that, even at this level, there will be a deficit of some £35,000 over the period and the Directors will still need to consider how profitability can be restored from further cost-savings or increasing income from other sources. Obviously, this takes no account of any unforeseen capital expenditure which may force an earlier review of future trading prospects.

The Club has a total membership in excess of 725 playing and social members and provides a large community facility for the Shepway area. Visiting clubs and their guests bring additional business to Folkestone; the national Top Ten Tournament in 2014 saw 14 teams of 12 players with their supporters staying in the town over the four-day Easter break. Social members, a lot of them over retirement age, use the bar and restaurant to stay in touch with local friends and acquaintances and regularly meet at the Club which is open every day from 9 am to late in the evening.

I hope the Council are able to look sympathetically at our proposed terms which won't eliminate our precarious financial position but might make our continued existence a little more achievable. I shall be more than happy to share our detailed budget forecasts if you think that would help your deliberations.

I shall look forward to your response in due course.

Yours sincerely,

C R Sexton
Company Secretary

e-mailed to:

David Monk
John Collier
Leon King
Dick Pascoe

Leader of Shepway District Council
Cabinet Member for Properties Management SDC
Chairman of Folkestone Bowls Association Limited
Member of Shepway District Council and Director FBA Ltd