



Heswall Golf Club

Infrastructure Projects
Financial & Commercial Progress Update

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Significant work has been undertaken to progress the elements of the Irrigation Project that were “moving parts” when the project was approved. The design has been finalised and full procurement completed. Key elements of the internal funding model have also progressed. The Loan Scheme remains a key enabler (and is still open!).

What’s happened since the EGM in November

Irrigation Project Costs

- Fully procured Irrigation Costs updated and preferred supplier agreed (see later slide for detail)
- Contracts drawn and licence applications made in preparation for kick off and to ensure we are on track to deliver on timeframe agreed (Project Status Green)
- Main contracts ready to sign

Internal Funding

- Annual results – hit our numbers despite a tough final quarter due to course and clubhouse closures
- Membership renewals strong, no significant attrition despite addition of surcharge and the bleakness of the winter
- New members have joined from waiting list, and interviews have been held to refresh list
- Loan Scheme – some withdrawals, some new commitments, £150k raised to date of £185k indicative commitment. Note sent to encourage support (**scheme remains open**), whether for Irrigation or Drainage
- HMRC have approved application to revert to standard Vat scheme from 1st April 2024

An accelerated programme of drainage work is being developed with key input from our new Drainage Consultant, and a revised funding plan has been developed to incorporate both Irrigation and Drainage works

What's happened since the EGM in November

Drainage

- Drainage Consultant appointed and 2 day site survey undertaken
- Consultant Report received and being assessed – further discussion with Consultant to follow
- Outlines work and indicative costs for a solution on every hole, with work to be undertaken by 3rd parties
- Includes a “gold plated” version but identifies other options
- Prioritisation guidance provided within the report – CoG’s slides to provide more information
- Council will use the report to develop an action plan, prioritising and reflecting in house execution potential
- Report will be made available to members for reference, as will the action plan

External Funding

- External funding discussions widened to look at drainage as well as alternative suppliers
- Offers of support received from 3 banks, all of which reflected positively on factors such as strength of member numbers, member support via Loan Scheme, level of security, and achievement of financial results
- HP option remains available, though as stated at EGM, this would be higher marginal cost
- Funding options constructed around the 2 key programmes, Irrigation and Drainage (see later slide for detail of proposed funding plan)

Summary of Updated Irrigation Project Costs

Design review and full procurement of project costs has been progressed to give high confidence in the anticipated spend. A number of compensating ups and downs with overall costs in line.

Updated Cost Breakdown	£k	Previous Cost Breakdown	£k
• Water Source (Borehole)	64	• Water Source & Pump House	173
• System and Installation (incl Cont)	<u>610</u>	• Control System	57
• Total excl Vat	674	• Pipework	<u>416</u>
• Vat	<u>95</u>	• Total excl Vat	646
• Total incl Vat	769	• Contingency @5%	33
• Power Supply Upgrade (incl Vat)	<u>39</u>	• Vat	<u>137</u>
	<u>808</u>	• Total incl Vat	<u>816</u>

Key points of note

- Rain Bird chosen as equipment supplier after full procurement complete
- Opportunities taken to remove less value adding elements, some impact on future proofing but not considered material. Additional warranties secured through procurement.
- Still includes a level of contingency
- The Vat reduction reflects move to standard scheme from 1st April following HMRC approval
- Power Supply upgrade is critical for Irrigation but is a wider enabler for the greens compound
- Rain Bird costs secured until 7th April pending imposition of their annual price increases