

BUSINESS PLAN

2021



SAVE GRANGE LIDO



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SAVE GRANGE LIDO LTD



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1. Foreword

Version 2 of this plan was published in the spring of 2019 and was independently reported upon by Darren Lamb of FMG Consulting (“The Lamb Report”). After having taken his preliminary comments into account, an addendum to the plan was prepared with more detailed information about aspects of the plan that required clarification, and on March 10 2020 Mr Lamb declared to South Lakeland District Council (SLDC) and Save Grange Lido Ltd (SGL) that the plan and addendum were viable and sustainable.

Also, in March 2020 the National Lottery Heritage Fund (NLHF) accepted SGL’s expression of interest in applying to the Fund for a grant for the full cost of the capital project to restore the Lido as a fully functioning outdoor swimming venue, tourist and heritage attraction. Work on the SLDC-funded Phase 1 restoration work was due to begin in late summer 2020 and was expected to take 12 to 18 months to complete. Meanwhile, SGL was beginning the work upon the preparation of the NLHF application.

However, in March 2020 the COVID-19 pandemic struck and lockdown began. The Phase 1 work has been delayed and the scope of the scheme reduced. In March 2021 SLDC’s Cabinet approved additional expenditure of approximately £800,000 on Phase 1, and at the time of writing (October 2021) the work is expected to begin in January 2022, with a project timescale of 12 to 18 months. Similarly, our fundraising and events plans have been delayed to the extent that our realistic target is that we will now aim to be in a position to begin the Phase 2 work in late 2023 or early 2024. Of course, we do not yet know the full long-term impact of COVID-19 upon infrastructure projects and society as a whole but our view is that whatever the long-term consequences of the pandemic are, the need for high quality outdoor swimming and leisure/community facilities in the UK has been reinforced and that the pandemic has strengthened the case for the full restoration of the iconic Lido in Grange over Sands, Cumbria.

2. Executive Summary

A fully restored Lido will:

- Run at a surplus and will cease to be dependent on local taxpayers, offering excellent value and a good return on investment.
- Become an outstanding tourist attraction alongside a community focused centre for heritage, arts, culture, leisure, health and well-being.
- Take advantage of the large increase in the popularity of outdoor swimming and the national lido renaissance, along with the increased demand for holidays within the UK because of the COVID-19 pandemic.
- Unlock considerable external investment, bring economic benefits and new opportunities for local people to create businesses within the Lido buildings and in the area. Positive community engagement will be encouraged through creating a space for use by social enterprises and community organisations.



- Tie in with the wider regeneration of Morecambe Bay including the new Eden Project North.
- Preserve heritage and create positive social impact through the restoration of the pool basin, an integral part of the Grade II listing and of considerable historic significance.
- Bring considerable social, health, well-being and cultural benefits to Grange and South Lakeland.
- Be of particular benefit to young people and swimming clubs across the region who do not have easy access to a 50m pool.
- Develop partnerships with a range of public, private and third sector bodies, maximising positive social value and impact through the procurement and management of the project.
- Minimise the environmental impact of the project through eco-friendly and efficient water treatment and environmentally sustainable heating.

3. Sources

SGL's research has encompassed the considerable number of reports commissioned by SLDC and other key organisations over recent years, and this research has been supplemented by direct research from a large number of lidos and not-for-profit organisations across England, Scotland and Wales.

In addition, we have spoken to leading experts in leisure management, tourism, lidos and pool services, and have developed partnership relationships with the Eden Project North, the National Trust and Cumbria Tourism.





4. Introduction

The 28 years since the closure of Grange Lido have seen major changes in leisure and holidaying in the UK. In recent years, there has been a large increase in the number of visitors to the Lake District¹. At the same time, the popularity of outdoor swimming has also increased dramatically and there has been a considerable renaissance of interest in lidos.

Although it is many years since the Lido closed, there cannot be a better time to open a new, re-modelled, swimming facility, community hub and tourist attraction which will offer a wide range of economic, social, health and cultural benefits to the local community.

Grange Lido is very favourably positioned to take advantage of the large number of day-trip and longer-stay visitors coming to the area, currently estimated at 41 million each year, as against 12 million visitors a year in 1994 (All Parks Visitor Survey). It is well served by both the motorway and railway networks.

Although Grange-over-Sands is relatively small, the catchment for a revitalised lido-based attraction is large. There is considerable evidence from other lidos of visitors being willing to travel 1 hour plus. The potential catchment includes the whole of the South Lakes area and much of the northern conurbation. Circa 3.5 million people live within a 60 to 90-minute journey of the Lido.

Careful consideration will be given to positively impact and get the balance right with the local community. The re-creation of a 50m pool will be of considerable benefit to swimming and triathlon clubs in the region who currently have to travel considerable distances to train.

Grange Lido is unique. It is the last surviving great British Art Deco lido in the north of England and has huge potential to be promoted as a destination tourist attraction. It is an iconic, much-loved landmark in Grange.

Case studies, previous SLDC reports, and information from other lidos like Jubilee Sea Pool, Broomhill, Tinside, and Saltdean show that there is good precedent for the raising of the significant funds needed to restore the Lido, and SGL's approved business plan is projected to run with a modest surplus soon after opening. The evidence from elsewhere demonstrates the considerable economic, health and social benefits brought by lidos to their surrounding areas.

A restored Lido complex including a swimming pool offers excellent value for local taxpayers. It will provide a unique, safe health and well-being facility whilst not being a burden on the local authority.

¹ In 2019, the South Lakeland District attracted 19.1 million visitors (source: STEAM report, Cumbria Tourism)



The Lamb report concluded that a restored Lido would produce health benefits of £8.05m and well-being benefits of £5.1m.

Previous studies that have considered the local swimming market for the Lido as the main income source omitted the huge potential for the Lido to be a unique visitor attraction and a destination in its own right which is much more than simply an outdoor pool.

The good range of buildings adjacent to the pool will be re-modelled to modernise the offer and create a business focused on income-generating activities making the whole complex viable.

The restoration of the Lido with a swimming pool will bring significant economic benefits to the South Lakes and Morecambe Bay area. A prestigious new tourist attraction will attract new visitors to Grange and the surrounding area, particularly when seen in conjunction with the Eden Project North. The Lido will bring extra business to local shops, restaurants, hotels and accommodation. The COVID pandemic has heightened economic uncertainty and a restored Lido will be a valuable addition to the local offer, creating new full and part-time employment opportunities through direct and indirect job creation. A restored Lido will be an important factor in the post-COVID economic regeneration of the South Lakes and Bay areas.

The Lido business plan outlined here is fully aligned with the philosophy of localism and SLDC's objectives in relation to community development, community partnership, well-being and health promotion. In particular, it will promote 'health improvement through healthy lives', 'physical activity' and 'health protection'.

5. The Lido Vision: A Fully Restored Lido as a Unique Regional Attraction

The magnificent and unique Art Deco lido complex at Grange-over-Sands is destined to be a regional attraction. The only seafront lido of its kind in the north of England, it will attract people of all age groups from a wide area.

The Lido complex will offer opportunities for swimming, fitness, aqua sports, triathlon activities, kayaking, community, heritage, arts and cultural events, along with dining and special events.

The Lido will increase footfall in the town with consequent benefits for all local businesses.

The pool will be a valuable swimming asset, one of just a few 50m competition-length facilities in the north of England and the only outdoor one. It will attract serious and casual swimmers and be a focal point for outdoor swimming organisations and local swimming clubs. A 50m outdoor pool will be a major local asset in training competitive swimmers for national and international championships.

The Lido will support, and be supported by, the other attractions on the promenade at Grange and across Morecambe Bay, fitting in with the Art Deco heritage which is promoted around the Bay



focused on the successful Midland Hotel, Morecambe's Winter Gardens and the plans for Morecambe's Eden Project. The Lido will truly put Grange-over-Sands back 'on the map'.

6. Brief Background and History

The Lido was opened to the public in August 1932 and it remained a popular destination throughout the 20th Century. The Lido closed in 1993. The circumstances of its eventual closure are somewhat unclear but Council minutes show the closure was largely an economic decision.

The 28-year period since then has been marked by consultations, reports and proposals for alternative uses of the site which culminated in 2019 with SLDC's commitment of approximately £2m upon the restoration of the buildings and structure of the Lido (Phase 1). This will restore the Lido to public use whilst providing SGL with the time needed to raise the capital funds necessary to fully restore the pool, plant and equipment (Phase 2). Phase 1 was due to commence in the summer of 2020 but has been delayed by the Coronavirus pandemic. The scheme costs have risen but in March 2021 SLDC committed an extra £800,000 to the scheme (which now has some minor revisions) and it is now expected to start in early 2022, with completion 12 to 18 months later.

7. The Heritage Status of the Lido

The Lido is of regional historic importance and is Grade II listed.

Historic England's list entry describes the principal reasons for the listing as:

- Completeness: as an example of a 1930s lido with survival of all the key ancillary buildings and structures.
- Pool: for the unusually shaped pool, designed for multiple uses, which retains its original stepped diving stage.
- Historic: as an evocative reminder of the former popularity of seaside towns such as Grange-over-Sands and the inter-war cult of fresh air, fitness and mass leisure. The restoration of a swimming pool at the heart of the Lido will secure the heritage status of this listed Art Deco building for generations to come.

The listing by Historic England clearly demonstrates that the pool is the focal point and an essential element of heritage Lido. The Phase 2 plans include the restoration of the pool and plant, heating of



the small pool basin, fitting out of the changing rooms, and extensions to the central pavilion. SGL is working closely with SLDC to ensure that as far as possible Phase 1 is fully compatible with Phase 2.

SGL's proposal restores all the remaining listed elements and re-instates the Lido's initial function. Preliminary discussions with Historic England have established that they are supportive of SGL's proposals and would welcome the Lido restored to its original use.



Photo Credit: Air Pixel Photography

The restoration of the whole complex, including the swimming pool, is likely to attract financial support from heritage-focused grant providers such as the NLHF and the Architectural Heritage Fund (AHF). The AHF has already provided SGL with grant funding for project viability and development work, and the NLHF funded capacity and engagement work for SGL which enabled SGL to host a series of Open Days at the Lido in 2019.

8. Capital Expenditure and Phase 2 Plans

The Lamb report sought further information about the likely capital cost of the Phase 2 works and the professional fees to be incurred.

In early 2020, with the help of The Vinden Partnership, Quantity Surveyors, SGL obtained further details of the likely capital cost of Phase 2 as follows:

Item	Cost exc VAT
Preliminaries	£156,800
Pool (APS Pool Contracting Ltd quotation June 2019)	£1,210,769
Substructure	£148,896
Superstructure (new side pavilions, fittings, M & E etc)	£1,390,623
External works	£107,560
Contractors' OH & P at 6%	£180,879
Total	£3,195,527

SGL recognises that professional fees, an allowance for inflation and contingencies will need to be added to that sum and those items will be included in SGL's major fund-raising applications. SGL further recognises that the pandemic has brought about a large increase in construction costs, and this is likely to bring the overall cost of the Phase 2 work to between £4m and £4.5m

At this stage, the work carried out by the Vinden Partnership in preparing their cost report is based upon a number of assumptions about the extent of the work which will be undertaken in Phase 1.



Work remains to be done on the alignment of Phases 1 and 2 which may bring further savings to the projected total cost of both phases.

SGL confidently expects to be able to raise the capital sums needed through:

- A community share issue.
- Grants
- Donations
- If necessary, through loans obtained via the Co-operatives UK network

SGL's plans involve the re-profiling of the existing pool tank, designed to bring a number of advantages:

- The main pool basin will retain its distinctive mushroom shape. There will be a main 6 lane 50m section suitable for county-level competition with a depth profile of 1m to 1.35m. The pool will be deck level.
- Beneath the diving platforms will be a deeper 2 lane section, 25m in length with a profile of 1m to 1.8m or 2m. This section will enable swimmers to be taught to dive safely into deeper water and to attain the appropriate shallow water racing dive qualifications to enable them to swim competitively in the 50m section.
- SGL intends that the entire body of water will be heated to 17° to 20° using geothermal energy. This will enable a longer opening season, possibly year-round.
- The children's paddling pool adjacent to the North pavilion will be retained.
- The re-profiling of the pool will remove the very deep sections. Modern safety standards preclude high diving from the diving platform. Removal of the deeper sections makes the pool safer for general swimming. There is a consequent reduction in the volume of water and therefore a reduction in the capital costs of the plant and the running costs of filtration and heating.

A key element of this business plan focuses on maximising the food and beverage income derived from the central pavilion. In order to do this SGL plans to use the first floor of the historic pavilion as the café and restaurant space. Single storey extensions to the pavilion will provide the space needed for ancillary uses such as kitchens, pool entrance, disabled lift, WCs and a Changing Places facility.

The extensions will be light-weight structures subservient to the original pavilion, in a contrasting palette of materials in order to differentiate the historic elements. There will be roof terraces for café users and diners to view the pool and to take in the stunning panorama over Morecambe Bay.

In August 2020 SGL secured supportive planning pre-application advice for these proposals from SLDC's planning department.



9. The Market for an Open-Air Pool in Grange

The 2014 Feasibility Study for SLDC by Max Associates is now out of date. Since then, Penzance, Ponty, Bristol, Thames, and Saltdean lidos have all re-opened and have provided new data about the growing demand for historic lidos. Many of these lidos have visitor numbers which far exceed their initial expectations.

Demand for outdoor swimming has grown significantly in recent years, and the proposed Eden Project North in Morecambe along with the proximity of the Lake District serve to extend the potential market for the Lido.

A restored Lido will be the only seaside Lido in the North of England, with a considerable visitor catchment.



Photo credit Wolfypics

The Lake District attracts in excess of 41 million visitors per year (Cumbria Tourism), which shows the potential for a heritage attraction to tap into tourist visits. The addition of the Eden Project North will serve to increase those visitor numbers.

Other lidos show considerable demand from cold-water swimmers, triathlon clubs, scuba diving clubs, aqua aerobics and

kayakers for club-based use of the pool in the off-season. Lidos like Portishead have had considerable success generating income from galas, night swims and even Christmas swimming. There are also opportunities to provide school swimming lessons to enable schools to achieve the National Curriculum Key Stage 2 target, and to generate income from activities such as cinema.

SGL's plans have received endorsements from swimming organisations both locally and nationally.

10. Access to the Lido

SGL's primary objective is to encourage visitors to the Lido to use sustainable means of transport for their journey. There are good public transport links and cycling to the Lido will be encouraged.

SGL commissioned Curtins Consulting Engineers to provide a detailed transport study setting out the ways in which transport to and from the Lido can best be managed. SGL recognises that there may be



issues that need to be addressed in terms of transport infrastructure and accessibility but is confident that those issues can be dealt with in ways which are both affordable and sustainable.

Access for the Disabled - SGL's plans for the Lido are fully DDA compliant and include the provision of a Changing Places facility.

11. Water and Heating

11.1 Water Quality

The pool was previously filled with sea water. Water was held in settling tanks under the terraces, then transferred into the pool basin. Tidal changes mean that SGL's plans require the refurbished pool to be operated with mains water.

The proposed re-profiling of the pool basin to remove deep sections will reduce the volume of water increasing the turnover rates to modern standards and help reduce capital and running costs. The pool will need new filtration and disinfection systems.

11.2 Heating the Water in the Pool

There are examples of successful heated and unheated lidos and outdoor pools. SGL plans to be carbon neutral and to adopt an environmentally friendly sustainable approach to the project, using solar and geo-thermal energy and also meeting Government targets for renewable energy sources.

SGL intends to heat the pool using geothermal energy.

11.3 Energy Efficiency and Historic Buildings

Historic England published a guidance note in December 2017 entitled 'Energy efficiency and historic buildings', which states:

"Historic England supports the Government's aims to improve the energy efficiency of existing buildings through Part L of the Building Regulations. Many improvements can be carried out, often at a relatively low cost, significantly enhancing the comfort of the building for its users, as well as providing savings on fuel bills and helping to meet greenhouse gas emission reduction targets. Improving energy and carbon performance may also give a welcome opportunity to protect and enhance a historic building and ensure that it remains viable into the future."

"For historic buildings a balance needs to be achieved between improving energy efficiency and avoiding damage both to the significance of the building and its fabric. Taking a 'whole building approach' can achieve significant improvements in most cases, although not always to the standards recommended in the Regulations. Achieving an appropriate balance requires an understanding of



the Regulations and the building, particularly the point at which alteration to the building's character and significance becomes unacceptable".

SGL will incorporate energy efficiency measures into the restoration of the Lido to mitigate rising energy costs.

12. The Business Model and Structure of the Lido Complex

Research from other comparable lidos shows that, whilst swimming offers a considerable income stream, the key to their success is establishing a business that offers more than swimming. The location of the Lido means the focus in Grange has to be a strong community swimming and well-being hub plus a destination tourist attraction that makes its income from a range of business activities, including a cafe, a restaurant, events, gym, community hire and donations.

The business model proposed here is based on that pursued by other similar successful lidos, both in community and private ownership. The model is also similar to that of other tourist attractions that draw visitors with their unique offering while making additional income from their catering and retail offers.

The Lido is fortunate to have a good range of buildings with space for extension. SGL's architects, Studio Octopi, have expertise in outdoor swimming facilities. They are an integral part of the Thames Baths campaign, working to bring a floating, heated lido to the River Thames and are also advising on the campaign to reinstate Peckham Lido.

SGL's plans are based upon the Society operating the Lido, with paid professional staff, as a community organisation. Other options are available and have been considered:

- For the whole site to be handed over to an operator once Phase 2 is completed, and then to be managed in a way similar to other leisure centres countrywide;
- For SGL to operate the site in conjunction with an operator;
- For SGL to operate the core complex and to let out the catering and gym space under a separate commercial arrangement.

Throughout the country there are a variety of models for operating lidos, with what is an approximately equal split between those operated as Charities (whether as Community Interest Companies or Community Benefit Societies) with a Board of Trustees overseeing operations, and those operated by local authorities or leisure operators such as GLL and Fusion.

SGL is a Charitable Community Benefit Society and is anxious to ensure that a restored Lido is at the heart of the community, and to make certain that the local community has a voice in the management of the facility. For that reason, the business plan and the financial forecasts are based upon the option that the facility should be operated by SGL with paid professional staff, with the catering let to an independent operator. This notwithstanding, we recognise that there is



considerable merit in the second of the options above, not least because such an arrangement would broaden the knowledge and experience base available.

Should the second option become the preferred option, then the forecast annual surplus in excess of 11% is sufficiently attractive for an operator wishing to operate the Lido in the future.



13. The Mix of Facilities

13.1 The Pool Business

The Pool Business covers all the core activities of SGL. It will derive income from seasonal swimming along with weekend and occasional opening during the off-peak months. It is expected that the seasonal opening will be from mid-April to mid-October (6 months) and that the heating of the pool, may make it possible to open all year round.

SGL anticipates that there will also be one-off openings and hires for swimming galas, cold-water swimming, canoe training, paddle boarding, scuba diving etc. In addition, there will be income from sale of lido merchandise and swimming related items. Learn to Swim and Swimming Development programmes can also be developed, both of which meet a social need and provide vital life skills.

The attraction to swimming clubs of a 50m competition length pool cannot be underestimated, and income from pool hire to clubs is included in the projections. There is clearly scope to develop an income stream from hiring the lido to clubs and groups when it is not open for general swimming.

The Max Associates Report in May 2014 stated *“Due to the location of the Lido in vicinity to the Lakes, it is believed there would be a higher than average demand for outdoor swimming...”*. That



report considered the demand for open-water swimming weekends and the companies that offer such activities and concluded, *“this type of local activity is likely to increase swimming in the lido”*.

Safety and lifeguarding are key issues for any swimming operation. The staffing projections in the Financial Forecasts in the Appendix are based upon “The Managing Health and Safety in Swimming Pools” (HSG 179, 4th Edition, HSE). Safety fences will be installed to zone and protect the different spaces so that lifeguards will only be needed when the pool is open for swimming. This will help to ensure that lifeguarding costs are covered by swimming revenue.

13.2 Café and Restaurant Business

A key income-generating activity in the re-modelled Lido complex is a new café and restaurant with terraces created by re-modelling and extending the central pavilion. The offer will be of high-quality to ensure the café and restaurant become established as destinations in their own right. We will seek appropriate commercial tenants for this prime space.

The café/restaurant is positioned to get maximum benefit from the view over the restored pool by day, and by night over the pool with underwater lighting. The building and terraces will offer an exceptional space to dine, and would operate into the evenings and year-round, even when the swimming pool is closed to swimmers.

It is proposed that the building is let out to generate a reliable income stream for the Lido. Alternatively, a franchise type arrangement can be sought.

13.3 Gym Business & Commercial Space

SGL’s plans allocate the upper sections of the North and South Pavilions plus their terraces as space to be let out to generate additional income. The Lamb Report approved the proposal that the first floor of the South Pavilion should be utilised as a gym.

The gym space will be sufficient for at least 15 stations and a reasonable estimate is that each station would serve 15 members, giving a likely membership of 225. The membership model would offer gym membership alone or an alternative of combined gym and swim membership. The figures in the income and expenditure projection assume that 150 members would take up a combined offer and the remaining 75 would be gym alone. A reasonable figure for combined membership is £35 per month² and for gym only £25 per month. Gross annual income generated by the gym would be £85,500. We recognise it to be unlikely that the target membership will be achieved in the first year

² For comparison, other local gyms charge £36/month (Netherwood Hotel), £40/£30 per month (The Swan Hotel, Newby Bridge) and £57/£40 (The Whitewater Hotel, Backbarrow). The alternate figures are for peak/off-peak usage.



of operation, and to reflect this the financial projections are based upon membership of 50% of the target in year 1 and 75% in year 2.

On the first floor of the North Pavilion would be a multi-use space ideal for social prescribing exercises (fall prevention etc), community use, exhibitions and corporate hire etc.

This additional space will serve to provide increased community involvement and it is anticipated that the first floor of the North Pavilion will be in demand from community groups, exercise classes, and that there is also the opportunity for corporate hire for team building away-days, involving the use of the meeting room followed by a swim and refreshments in the café/restaurant.

Both North and South Pavilions will have separate entrances enabling them to operate independently.

A purpose-built Changing Places facility will also be found on the ground floor of the new southern extension to the Central Pavilion with access from the Promenade. There are currently few similar facilities in South Lakeland (Fell Foot operated by The National Trust being the closest to Grange) and this facility will enable the Lido to deliver on its objective of being a key fitness, leisure and holiday destination for the disabled, their families and carers.

14. Friends, Donors, Sponsors, and the Community Share Issue

14.1 Friends / Membership Scheme

In late October 2019 SGL established a Friends of Grange Lido scheme, and membership of the scheme continues to grow despite the Covid 19 pandemic. At the time of writing, there are 317 members of the scheme and over £18,000 has been raised (including Gift Aid). The scheme provides a regular income and increases the engagement of individuals and businesses. It is a means by which those who do not wish or are unable to participate in the Governance of the Society through ownership of community shares can still support SGL's plans and receive regular updates about our work.



14.2 Donations & Legacies

Donations and legacies will be sought during the restoration of the lido and the scheme will be continued long term.



14.3 Sponsors

Save Grange Lido has received considerable support from local businesses and SGL will formalise this support through a sponsorship scheme will enable businesses to receive name recognition and links to the Lido brand and its close association with health, well-being, sport, exercise and relaxation.

14.4 Community Share Issue

Unlike the other schemes the community share issue will take place at a single point in the project and so does not represent recurring income. However, it is mentioned here as it will generate a substantial amount of money during the construction phase.

15. Staff, Volunteers & Job Creation

Currently in the business plan it is assumed that all the staff are employed, hence creating new job opportunities in the area. The Board of the CBS are volunteers.

Proposed staffing levels appear in the Financial Projections in the Appendix.

Whilst not included at this stage the engagement of local volunteers will continue to be encouraged, but for the purpose of the figures it is not included here.

16. Benefits

16.1 Economic Benefits

The 2007 Grange-over-Sands Regeneration Study concluded that the town “needs to continue to evolve and invest to ensure quality and high standards so as to deliver positive economic return from the leisure/tourism sector and it may be necessary to attract additional services into the town”.

The Study also identified the Lido and its surrounding area as a key location for this investment. The 2007 Study concluded that the area around the Lido had seen a general decline in economic activity that could be dated from the closure of the Lido and the removal of essential infrastructure, including the pedestrian bridge connecting the Lido Car Park with the Lido. The report clearly identified these infrastructure problems as having an effect not only on the immediate area but on the whole way in which the economy of the town operated.

It follows that the re-opening of the Lido, together with the opening of the new businesses associated with it, will have a major beneficial impact on the economy of the district. In conjunction with the Promenade improvement work to be carried out by SLDC in 2021-2022, it will arrest and reverse the decline of the immediate area and create a new focus for visitors. If the re-opening of the Lido is linked to a new pedestrian bridge and the investment in the nearby Promenade this impact will be likely to be even more marked.



A fully restored Lido with a swimming pool, and the range of associated facilities will draw more visitors into the town and encourage those visitors to spend more time and money there.

As a regional attraction the Lido will significantly increase visitor footfall in the area. There will be increased economic activity bringing benefits for the Lido business and local businesses generally.

The Lamb Report anticipated that a fully restored Lido would provide £110,000 per annum in benefits to the local supply chain.

New opportunities for young people to develop their careers in the town, either with existing businesses or with their own business start-ups, will help to arrest the flow of young talent away from the local area and into the major urban conurbations: an issue that has already been recognised by SLDC through its contribution to the new Great Places initiative.



16.2 Health Benefits

The health benefits of swimming are well known, more recently the benefits of outdoor swimming have been acknowledged. From boosting metabolism and building and maintaining a strong immune system, right through to encouraging good sleep and improving mental health, the benefits to health are considerable.

The creation of a new hub for swimming and other forms of exercise will provide excellent health and well-being benefits for all of the community. Local residents will benefit from the provision of swimming and exercise facilities on their doorstep, instead of having to travel many miles to enjoy it.

The Lido will be effective as a public health initiative as well as a sporting and leisure facility, whilst also being a unique heritage asset to the community, with the focus remaining as an overall health and well-being community hub for the people in Grange and the surrounding areas.

The community of Grange will be encouraged to use the facilities, emphasis will be given to developing partnerships and relationships with businesses, social enterprises, charities and medical providers in the area, with local residents' discounts and incentives to use the facilities.



One such example is the close proximity of the Health Centre in Berners Close which provides opportunities for imaginative synergies by, for example, linking health promotion and preventative health work to swimming pool and gym-based activities. This partnership could be extended to targeted exercise classes for those with particular problems, for example those suffering from rheumatism and arthritis or those recovering from injury.

The Lamb report estimated that a restored Lido would result in £8.05m in health benefits and £5.1m in well-being benefits.

16.3 Social Benefits

In addition to the specific health benefits of a local pool and gym, opening the Lido is a wonderful opportunity to create a safe environment for all.

For families, it is a safe place for them to spend time in beautiful surroundings enjoying the outdoors and actively socialising together. Children can play and have fun, whilst also developing health and well-being.

It is acknowledged that Grange lacks facilities for young people and this is of concern to many residents. A restored Lido would provide an attractive option for them, in comparison to the “street corner” mentality, by providing a haven from the potential of drug/substance abuse. With creative thinking and a multi-agency approach, the opportunities for the young people of the area here are endless.

Many people of all ages are lonely or socially isolated, but by working with local community groups and utilising the Lido as a community hub, these issues could be tackled effectively. Shared physical activities are a great way of breaking down isolation and providing enjoyable social experiences. This is particularly relevant when considering the impact of the Covid pandemic upon the community and the increase in mental health problems caused by enforced social distancing.

While Grange already has a range of facilities for young children and older people, teenagers and young adults are not well catered for. The provision of a lido will provide new opportunities for them not only to take exercise, but also to learn new skills such as lifeguarding and to participate in a wide range of sporting activities including mini-triathlon events and kayaking.

To ensure that all these benefits are received by those most in need of them the Lido will work closely with SLDC and the local health agencies to offer a range of discounts or free services for those in receipt of specific benefits or receiving specific services.

Grange benefits from a direct rail service linking the town to destinations along the Cumbrian coast and to the major population centres of Lancaster, Preston, Manchester and beyond.



A restored Lido with a spectacular open-air swimming pool, easily accessible from the train station, could generate an increase in passenger numbers and help to make the case for better and more frequent trains to and from Grange. This will benefit all current rail users, including those without cars or unable to drive, and encourage others to leave their cars at home.

16.4 Cultural Benefits

A new film and concert venue at the Lido will enhance the cultural experience of those living in Grange and add to the value of Grange as a holiday destination. The first floor of the North pavilion of the Lido will provide a community space with opportunities for use as short- and long-term exhibition spaces for both art and cultural exhibitions. It is anticipated that the reception area in the central pavilion will host a permanent heritage exhibition celebrating the history of the Lido, with photographs, prints and memorabilia.

17. Financial Projections

17.1 Forecasts

The financial projections for the first 5 years of operation appear in the Appendix and represent the model which received approval in the Lamb report.

The forecasts provide the rationale for the figures adopted, and (where appropriate) the basis upon which the figures have been calculated.

In preparing the forecasts, SGL has had assistance from representatives of the National Trust, national and regional leisure operators, and catering experts. Information relating to the hourly rates charged to swim clubs is based upon the charges levied upon local swimming clubs in south Cumbria.

The forecast demonstrates that even with all contingent expenditure incurred, a fully restored Lido will generate a surplus growing to 13% of turnover by the third year of operation. Although the surplus falls in years 4 and 5, this is due to the calculations providing for annual increases in expenditure items with income (i.e. admission prices and gym membership fees) increasing on a 3-year cycle.

The forecast puts staffing costs averaging 53.7% of income over the 5-year period. SGL understands that the average range for leisure operations is between 50% and 70% and therefore the forecast is very much at the lower end of that bracket.



The income and expenditure projections are below:

Item	Year 1	Year 2	Year 3	Year 4	Year 5
Income					
Pool	£247,500	£256,500	£290,000	£295,000	£300,000
Non swimming spectators	£2,500	£2,500	£2,500	£2,500	£2,500
Swim club income	£44,590	£44,590	£46,820	£46,820	£46,820
School swimming lessons	£20,000	£20,000	£21,000	£21,000	£21,000
Gift Shop/merchandise sales on-line	£30,000	£31,500	£33,075	£34,729	£36,465
Events/Hires	£6,000	£6,450	£6,934	£7,454	£8,000
Restaurant/café rent	£44,053	£44,453	£44,653	£44,853	£45,053
Gym membership (225 members)	£42,750	£64,125	£89,775	£89,775	£89,775
Filming Fees	£1,500	£1,613	£1,733	£1,863	£2,003
Film and Concert events	£15,000	£16,125	£17,334	£18,634	£20,000
Car Park	£22,500	£24,188	£26,002	£27,952	£30,000
Heritage tours	£750	£806	£867	£932	£1,000
Hire of community room in North pavilion	£7,500	£7,500	£7,500	£7,500	£7,500
Income from donations	£17,500	£17,500	£17,500	£17,500	£17,500
TOTAL	£502,143	£537,849	£605,692	£616,511	£627,616
Expenditure					
Salaries	£288,101	£298,185	£308,621	£319,423	£330,603
Utilities	£40,000	£42,400	£44,944	£47,641	£50,499
NNDR	£0	£0	£0	£0	£0
Insurance	£15,000	£16,350	£17,822	£19,425	£21,174
Repairs and Maintenance	£15,000	£15,375	£15,759	£16,153	£16,557
Grounds and maintenance	£2,500	£2,563	£5,253	£5,384	£5,519
Lease of gym equipment (15 stations x £600 pa per station)	£9,000	£9,000	£9,000	£9,000	£9,000



Cleaning & Water Quality	£13,000	£13,390	£13,792	£14,205	£14,632
Equipment	£4,000	£4,120	£4,429	£4,761	£5,118
IT (hardware/software)	£10,000	£10,000	£10,000	£10,000	£10,000
Other supplies	£1,925	£2,021	£2,122	£2,228	£2,340
Advertising and marketing	£4,000	£4,240	£4,494	£4,764	£5,050
Communication	£3,080	£3,265	£3,461	£3,668	£3,888
Other administration	£1,203	£1,239	£1,276	£1,315	£1,354
Training costs	£5,000	£5,150	£5,305	£5,464	£5,628
Professional fees (legal and accountancy)	£7,500	£7,725	£7,957	£8,195	£8,441
Cost of sales	£7,500	£7,725	£7,957	£8,195	£8,441
Irrecoverable VAT	£15,000	£15,000	£15,000	£15,000	£15,000
Total	£441,809	£457,748	£477,192	£494,824	£513,244
10% contingency	£44,181	£45,775	£47,719	£49,482	£51,324
Surplus after contingency	£16,153	£34,327	£80,781	£72,205	£63,047

17.2 Swimming Visits

The previous version of this business plan assumed an annual visitor number of 41,000. This figure was adopted as being a resilient forecast figure, as the research for that number of visitors came from South Lakeland District Council's own feasibility study by Max Associates in May 2014.

Further research tells us that the figure of 41,000 is too conservative. In reaching that conclusion we have obtained visitor numbers from other Lidos around the country. For example, Sandford Parks Lido in Cheltenham attracted 221,000 visits in 2017 and 249,000 in 2018, and Jubilee Park at Woodhall Spa in Lincolnshire attracted 68,000 visits in 2018.

We accept that the Sandford Parks figure is high and that a restored Lido in Grange would not draw such a large number of visitors. However, Jubilee Park is a realistic comparison.

Woodhall Spa is a small community in rural Lincolnshire. Its population of 4,000 is poorly served by public transport. This population is similar to that of Grange over Sands, and yet Jubilee Park attracts visitors in larger numbers than we had proposed in our published plans. Jubilee Park is run as a Charity by volunteers with paid professional staff, a business model similar to that proposed by SGL.



There are of course differences, particularly in that Jubilee Park also boasts a small caravan park/campground and offers other leisure facilities including tennis, putting and bowls, but those or similar facilities exist nearby on Grange Promenade.

The pool at Jubilee Park is smaller (25m) than that at Grange Lido and is heated. In 2019, the Park was open from 6 April to 22 September, a season of 24 weeks. SGL proposes that the pool at Grange is open from mid-April (dependent upon when Easter falls) to mid-October, say 26 weeks, with the possibility of year-round opening.



By having extended opening times, our research suggests that a realistic assessment of likely visitor numbers is as follows:

Table 1 - estimated visitor numbers

Year 1	55,000
Year 2	57,000
Year 3	58,000
Year 4	59,000
Year 5	60,000

Clearly these figures are weather dependent but we consider the visitor numbers above to be a robust assessment of likely demand in an average season.

We next need to break down those visitor numbers, to split them between regular local users and the likely numbers of casual day visitors.

The Max Associates study from 2014 calculated likely visitor numbers based upon the local demographics and primarily anticipated that the Lido would be used predominantly as a swimming resource for the local population of South Lakeland. That assumption ignores the considerable tourist potential of the Lido. A restored Lido in Grange would be a tourist destination in its own right, emphasising the unique art deco heritage of the facility and its status as the only surviving seaside Lido on the North West coast.

Visitors are prepared to travel many miles to see and enjoy the Lido. At the Open Days held by SGL in August and October 2019, visitors on the tours travelled from as far afield as Worcester to get a glimpse inside the Lido. Its attraction as a visitor destination cannot be underestimated.



With the facility mix proposed by SGL, visitors would be able to visit the Lido to swim, attend a gym or exercise class, or simply spend time upon the terraces admiring the surroundings. The catering offer on the first floor of the central pavilion would be an attractive option for casual visitors regardless of whether or not they take part in the physical activities offered by the Lido.

According to Cumbria Tourism's research, the South Lakeland District attracted some 19.1 million visitors in 2019.

This number will inevitably increase when the Eden Project in Morecambe becomes a reality and as greater numbers of the population choose to have holidays in the UK as we move out of the Coronavirus pandemic.

SGL has engaged in constructive discussions with representatives of the Eden Project North and it is anticipated that the two projects will work towards a joint offering or joint ticketing. Should that happen then SGL expects the visitor numbers to increase by at least 5,000 per annum, but our figures are predicated on the lower numbers shown above.

Local use

Grange-over-Sands has a population of approximately 4,000. The district of South Lakeland has a population of 104,555, all of whom live within a 30-minute travel time of Grange over Sands³. 9,673 residents live within a 10-minute travel time with the remainder being 20- and 30-minutes' travel time away.

The population of South Lakeland has a slightly older average age than nationally. This will impact a little upon local use for swimming but will increase the demand for social prescribing/well-being activities. The older demographic would benefit significantly from local exercise opportunities on offer and are less confined by standard working hours and school holidays thus presenting an opportunity for off-peak use.



A realistic assessment of local usage of the pool itself (7.5% of the population within a 10-minute travel time using the pool, and 3% of the remaining population) gives a usage figure for local residents of 3,570 swimmers. This is the base number of people who we consider will use the pool, and it is expected that a large core group of these users will swim at least twice weekly during the open season whilst others will be occasional swimmers. A reasonable basis for the calculation of the number of swims for this cohort of swimmers would be that on average, such swimmers will swim at the Lido 10 times during the 26-week season. On this basis, we estimate that the number of swims

³

Sport England's Active Places Power website.



by South Lakeland residents within the figures shown in “Table 1- estimated visitor numbers” will be of the order of 35,000.

Other visitors

A restored Lido would be an attractive destination for many of the visitors to Grange over Sands, whether they are swimmers or not. The additional facilities offered (gym, multi-use community space, café/restaurant) would attract visitors in their own right, although it is fair to say that the pool offer will be at the heart of the complex and its main attraction.

The restored Lido will be an iconic and attractive destination for visitors to the South Lakes and will reflect the ambition of those in the tourism industry in Cumbria to expand the visitor experience beyond the National Park boundary. Furthermore, the synergy between the location of the Eden Project in Morecambe and Grange Lido cannot be underestimated. The Eden Project is to be constructed upon the site of the long-since demolished Art Deco Super Swimming Stadium in Morecambe, on a site which is adjacent to the Art Deco Midland Hotel, whilst Grange’s Lido is recognised as an Art Deco treasure. Even without the Eden Project, a restored Lido will appeal to many visitors regardless of their level of activity, from casual day trippers to Grange to those holidaying in the South Lakes area. The presence of a Changing Places facility and other facilities and services relevant to older people and disabled people will ensure that a significant proportion of our visitors will come outside the peak school holiday period

Taking all of this into account, SGL expects there to be at least 20,000 casual swimming visits during the first full year of operation, rising to 25,000 in year 5.

17.3 VAT

Whilst at the time of writing SGL is not registered for VAT, registration will follow in due course and SGL will be entitled to recover a proportion of the VAT paid. Advice upon this has been obtained from Third Sector Accountancy. We will also be entitled to an 80% discount on NNDR (Business Rates). It is assumed that SLDC will exercise their discretion in our favour for the remaining 20% as is common practice for charities existing solely to provide a community benefit

18. Managing a transition period

SLDC has committed not to landscape the pool basin with temporary infill provided that SGL is able to meet four conditions. Those conditions are:

1. That SGL raises the funds required to restore the pool basin plant and equipment;
2. That this business plan is viable;
3. That the future management and structure of the business operated at the Lido is such that there is little or no long-term risk to SLDC;
4. That SGL’s plans have the support of Grange residents and representatives.

The current time scale for the Phase 1 refurbishment indicates that the work to the buildings and the sea defences to be carried out by SLDC is likely to be completed in mid to late 2023.



There may be a gap between the completion of Phase 1 and SGL being able to fund Phase 2. It is therefore appropriate to consider what might happen during any intervening period.

SGL's intention is to manage the site during this period, and we have prepared a separate plan demonstrating how that will be achieved. That plan for a "meanwhile use" has the support of SLDC.

19. Management Structure and Governance Arrangements

Save Grange Lido Ltd was incorporated as a Community Benefit Society in January 2019. The CBS is an exempt charity and is registered with HMRC, enabling the CBS to receive Gift Aid donations.

Save Grange Lido Ltd has a Board of Trustees and sub committees harnessing the expertise of the members of the Society.

Day-to day management of the Lido complex will be in the hands of a full-time lido manager who will report directly to the board of Trustees. The management role will reflect the need to balance three key functions:

- Overseeing the whole of the Lido complex and all of its activities and services to ensure that it delivers services to the community in line with the values and objectives of the CBS;
- Directly managing all those involved in both the charitable and commercial services that will be the direct responsibility of the CBS; and
- Liaising with the owners and managers of the privately-owned companies operating services on site; there will be at least two such companies, one running the restaurant, the other running the gym and sauna, each paying rent to SGL.

20. The Sea Wall

It should be noted that the outer wall of the Lido forms part of the sea defences to Grange and needs maintenance regardless of the running of the Lido. This liability cannot reasonably be transferred with the Lido and must stay with the statutory body responsible for sea defences.



Photo Credit: Mark Dixon

21. Risk

The overall approach to financial risk is to have built in a relatively large 10% contingency to the annual projections, and that those projections are set around a conservative financial framework.

Our forecasts have been conservative in relation to likely visitor numbers, usage by swimming clubs and other groups, and in relation to the use of the Lido for functions. For example, although one



possible use for the Lido would be as a licensed wedding venue, we have not included any potential revenue from this particular source in our initial forecasts.

South Lakeland District Council requires us to ensure that any risk to the Council is reduced or eliminated, and we propose working with the Council in order to ensure that this risk is properly addressed, although there is a degree of overlap with Risk 1 below in relation to this specific requirement.

The approach to other risks is to take preventative measures wherever possible.

Risk 1

The Pool Business fails and the pool basin needs covering to make other uses possible – an unlikely but high impact risk.

Mitigation Strategy:

- We have made provision in our projections to carry forward the surplus made year on year in order to enable such a surplus to be retained to cover, for example, any losses sustained as a result of low visitor numbers caused by poor weather during the summer months. Other outdoor pools operate in a similar manner in order to secure long term viability and mitigate the risk of poor weather. Our forecast shows a retained surplus in excess of £130,000 by year 3.

Risk 2

Failure of non-pool businesses and non-payment of rent. This is a risk faced by similar organisations and whilst it is unlikely it is nonetheless a high impact risk.

Mitigation Strategy:

- Ensure that prospective tenants are appropriately vetted.
- Seek a bank guarantee, rent deposit or bond to cover any potential void period and the lack of income. This would give time to find another tenant or to take over a facility.

Risk 3

The design of the buildings and surrounding walls may be vulnerable to flood risk, based on historical precedent, a medium level risk with high impact that might threaten the operation of the Lido.

Mitigation Strategy:

- Financial responsibility for sea wall defences to continue to rest with the statutory body.



- The plant room, kitchens and vulnerable equipment are raised above ground floor. Bund walls are built to the promenade to stop water washing back into the Lido buildings or contaminating the pool water.
- The flood risk to be modelled before building works commence.

Risk 4

Health and safety arrangements are inadequate and do not prevent a serious accident or death – low level risk in a facility of this kind with a high impact potentially threatening the operation of the Lido.

Mitigation Strategy:

- Rigorously adhere to the requirements of the Health and Safety Executive as set out in HSG179 and all other relevant legislation
- Provide regular training sessions for lifeguards, volunteers and others involved in supervising swimming and other activities
- Close facilities, including the pool, if for any reason safe access cannot be maintained, no adequate supervision can be provided, or if water quality cannot be maintained due to plant failure.
- Maintain adequate insurance in relation to public and occupier's liability. The current level of indemnity under the policy held by SGL is £5,000,000.

Risk 5

There are inevitably risks associated with a venture run by a Community Benefit Society with a voluntary Board of Trustees. There is a risk that employed managers and staff would not have sufficient or adequate supervision by the Board, leading to a potential for financial mismanagement and/or inadequate management reporting, or the manifestation of risk 4 above. This is a relatively low risk but with a potentially damaging consequence.

Mitigation strategy:

- Ensure that appropriate policies and procedures are in place for the appointment and supervision of staff.
- Have in place appropriate policies in relation to staff development and training.
- Ensure that Board members receive appropriate training in their roles
- Maintaining appropriate levels of Trustee Indemnity Insurance



www.savegrangelido.co.uk



SAVE GRANGE LIDO LTD



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Appendix

Financial Projections

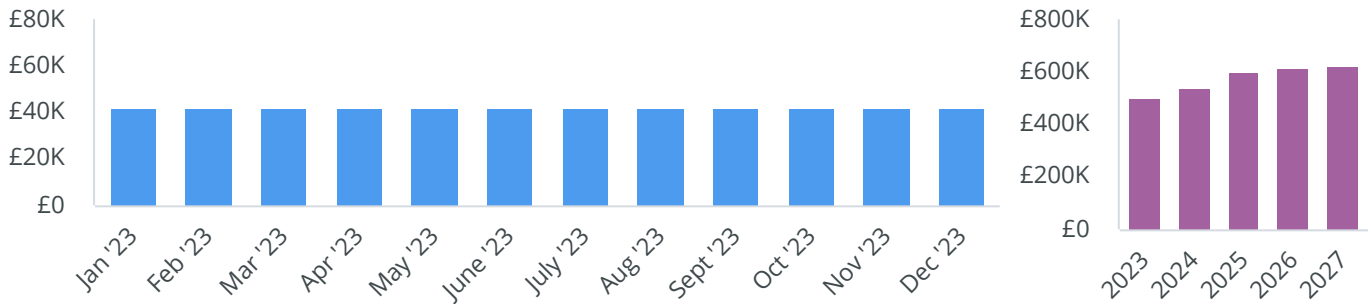
Save Grange Lido

2023-2027 Forecast

Original Forecast

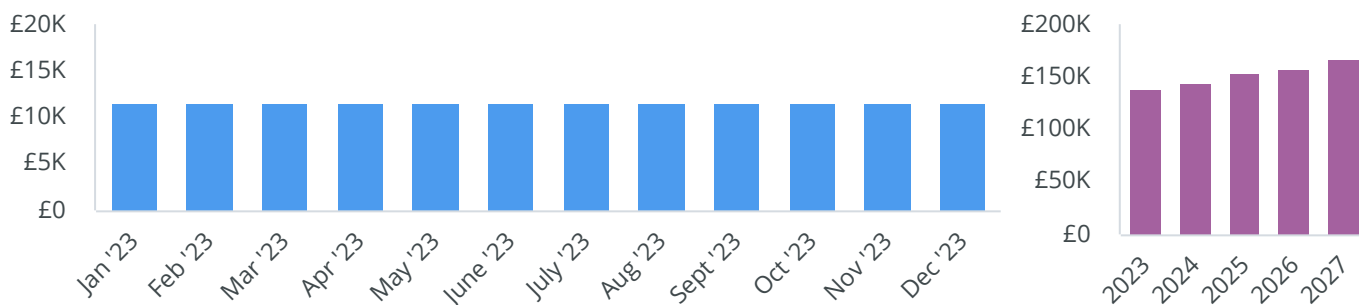
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Revenue



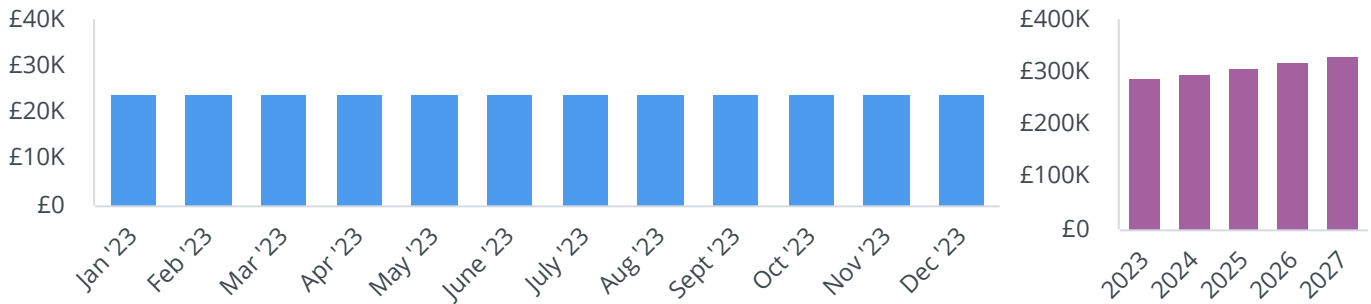
Revenue	2023	2024	2025	2026	2027
Pool admission charges	£247,500	£256,500	£290,000	£295,000	£300,000
Non-swimming spectators	£2,500	£2,500	£2,500	£2,500	£2,500
Swim club income	£44,590	£44,590	£46,820	£46,820	£46,820
School swimming lessons	£20,000	£20,000	£21,000	£21,000	£21,000
Gift shop / online sales	£30,000	£31,500	£33,075	£34,729	£36,465
Events & hires	£6,000	£6,450	£6,934	£7,454	£8,000
Restaurant / cafe rent received	£44,053	£44,453	£44,653	£44,853	£45,053
Gym membership	£42,750	£64,125	£89,775	£89,775	£89,775
Filming hire fees	£1,500	£1,613	£1,733	£1,863	£2,003
Film screenings & concert events	£15,000	£16,125	£17,334	£18,634	£20,000
Car park	£22,500	£24,188	£26,002	£27,952	£30,000
Heritage tours	£750	£806	£867	£932	£1,000
Room hire - community room, north pavillion	£7,500	£7,500	£7,500	£7,500	£7,500
Donations	£17,500	£17,500	£17,500	£17,500	£17,500
Totals	£502,143	£537,850	£605,693	£616,512	£627,616

Direct Costs



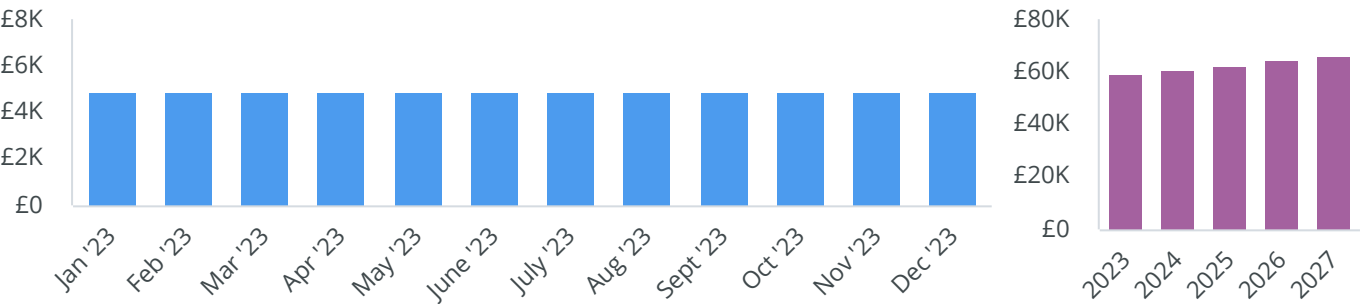
Direct Costs	2023	2024	2025	2026	2027
Utilities	£40,000	£42,400	£44,944	£47,641	£50,499
NNDR	£0	£0	£0	£0	£0
Insurance	£15,000	£16,350	£17,822	£19,425	£21,174
Repairs & maintenance	£15,000	£15,375	£15,759	£16,153	£16,557
Grounds & maintenance	£2,500	£2,563	£5,253	£5,384	£5,519
Lease of gym equipment	£9,000	£9,000	£9,000	£9,000	£9,000
Cleaning & water quality	£13,000	£13,390	£13,792	£14,205	£14,632
Equipment	£4,000	£4,120	£4,429	£4,761	£5,118
IT hardware & software	£10,000	£10,000	£10,000	£10,000	£10,000
Other supplies	£1,925	£2,021	£2,122	£228	£2,340
Advertising & marketing	£4,000	£4,240	£4,494	£4,764	£5,050
Communications	£3,080	£3,265	£3,461	£3,668	£3,888
Other administration	£1,203	£1,239	£1,276	£1,315	£1,354
Training costs	£5,000	£5,150	£5,305	£5,464	£5,628
Professional fees (legal & accountancy)	£7,500	£7,725	£7,957	£8,195	£8,441
Cost of sales	£7,500	£7,725	£7,957	£8,195	£8,441
Totals	£138,708	£144,563	£153,571	£158,398	£167,641

Personnel



Personnel	2023	2024	2025	2026	2027
Head Count	17	17	17	17	17
Average Salary	£15,529	£16,073	£16,635	£17,218	£17,820
Revenue Per Employee	£29,538	£31,638	£35,629	£36,265	£36,919
Net Profit Per Employee	£950	£2,019	£4,752	£4,365	£3,709
Personnel Expenses	£288,102	£298,188	£308,620	£319,424	£330,601
Salaries and Wages	£263,999	£273,241	£282,800	£292,701	£302,942
Manager	£35,000	£36,225	£37,493	£38,805	£40,163
Deputy manager	£27,500	£28,463	£29,459	£30,490	£31,557
Head receptionist	£19,760	£20,452	£21,167	£21,908	£22,675
Receptionists (2)	£36,754	£38,040	£39,372	£40,750	£42,176
Senior leisure assistant / lifeguard	£18,377	£19,020	£19,686	£20,375	£21,088
Leisure assistant / lifeguard (25yrs+) (2)	£36,754	£38,040	£39,372	£40,750	£42,176
Leisure assistant / lifeguard (under 25yrs) (6)	£55,128	£57,060	£59,052	£61,122	£63,258
Shop manager	£12,090	£12,513	£12,951	£13,404	£13,874
Cleaner	£10,156	£10,511	£10,879	£11,260	£11,654
Bookings officer / cashier	£12,480	£12,917	£13,369	£13,837	£14,321
Employee-Related Expenses	£24,103	£24,947	£25,820	£26,723	£27,659
Totals	£288,102	£298,188	£308,620	£319,425	£330,601

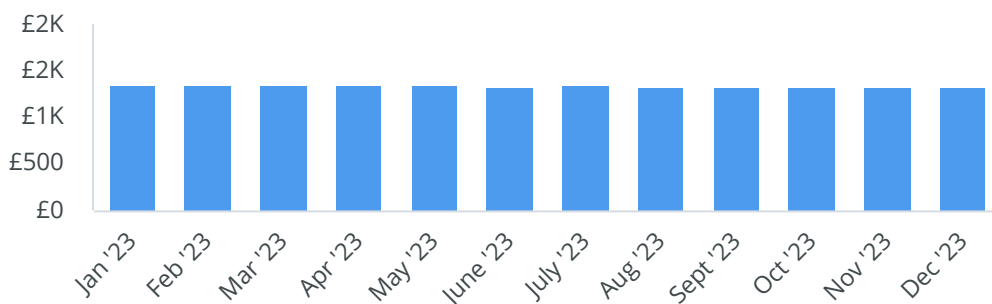
Expenses



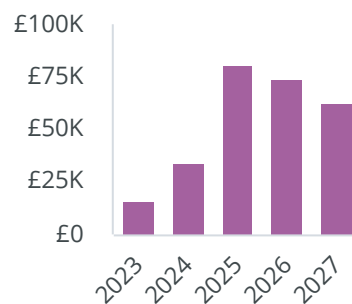
Expenses	2023	2024	2025	2026	2027
Contingency	£44,181	£45,775	£47,719	£49,482	£51,324
Irrecoverable VAT	£15,000	£15,000	£15,000	£15,000	£15,000
Totals	£59,181	£60,775	£62,719	£64,482	£66,324

Projected Profit & Loss (1 of 3)

Net profit in 2023



Net profit by year



Projected Profit & Loss	2023	2024	2025	2026	2027
Revenue	£502,143	£537,850	£605,693	£616,512	£627,616
Pool admission charges	£247,500	£256,500	£290,000	£295,000	£300,000
Non-swimming spectators	£2,500	£2,500	£2,500	£2,500	£2,500
Swim club income	£44,590	£44,590	£46,820	£46,820	£46,820
School swimming lessons	£20,000	£20,000	£21,000	£21,000	£21,000
Gift shop / online sales	£30,000	£31,500	£33,075	£34,729	£36,465
Events & hires	£6,000	£6,450	£6,934	£7,454	£8,000
Restaurant / cafe rent received	£44,053	£44,453	£44,653	£44,853	£45,053
Gym membership	£42,750	£64,125	£89,775	£89,775	£89,775
Filming hire fees	£1,500	£1,613	£1,733	£1,863	£2,003
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Car park	£22,500	£24,188	£26,002	£27,952	£30,000
Heritage tours	£750	£806	£867	£932	£1,000
Room hire - community room, north pavillion	£7,500	£7,500	£7,500	£7,500	£7,500
Donations	£17,500	£17,500	£17,500	£17,500	£17,500
Direct Costs	£138,708	£144,563	£153,571	£158,398	£167,641
Utilities	£40,000	£42,400	£44,944	£47,641	£50,499
NNDR	£0	£0	£0	£0	£0
Insurance	£15,000	£16,350	£17,822	£19,425	£21,174
Repairs & maintenance	£15,000	£15,375	£15,759	£16,153	£16,557
Grounds & maintenance	£2,500	£2,563	£5,253	£5,384	£5,519

continued on next page

Projected Profit & Loss (2 of 3)

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Projected Profit & Loss	2023	2024	2025	2026	2027
Lease of gym equipment	£9,000	£9,000	£9,000	£9,000	£9,000
Cleaning & water quality	£13,000	£13,390	£13,792	£14,205	£14,632
Equipment	£4,000	£4,120	£4,429	£4,761	£5,118
IT hardware & software	£10,000	£10,000	£10,000	£10,000	£10,000
Other supplies	£1,925	£2,021	£2,122	£228	£2,340
Advertising & marketing	£4,000	£4,240	£4,494	£4,764	£5,050
Communications	£3,080	£3,265	£3,461	£3,668	£3,888
Other administration	£1,203	£1,239	£1,276	£1,315	£1,354
Training costs	£5,000	£5,150	£5,305	£5,464	£5,628
Professional fees (legal & accountancy)	£7,500	£7,725	£7,957	£8,195	£8,441
Cost of sales	£7,500	£7,725	£7,957	£8,195	£8,441
Gross Margin	£363,435	£393,287	£452,122	£458,114	£459,975
Gross Margin %	72%	73%	75%	74%	73%
Operating Expenses	£347,283	£358,963	£371,339	£383,906	£396,925
Salaries & Wages	£263,999	£273,241	£282,800	£292,701	£302,942
Manager	£35,000	£36,225	£37,493	£38,805	£40,163
Deputy manager	£27,500	£28,463	£29,459	£30,490	£31,557
Head receptionist	£19,760	£20,452	£21,167	£21,908	£22,675
Receptionists (2)	£36,754	£38,040	£39,372	£40,750	£42,176
Senior leisure assistant / lifeguard	£18,377	£19,020	£19,686	£20,375	£21,088
Leisure assistant / lifeguard (25yrs+) (2)	£36,754	£38,040	£39,372	£40,750	£42,176
Leisure assistant / lifeguard (under 25yrs) (6)	£55,128	£57,060	£59,052	£61,122	£63,258
Shop manager	£12,090	£12,513	£12,951	£13,404	£13,874
Cleaner	£10,156	£10,511	£10,879	£11,260	£11,654
Bookings officer / cashier	£12,480	£12,917	£13,369	£13,837	£14,321
Employee Related Expenses	£24,103	£24,947	£25,820	£26,723	£27,659
Contingency	£44,181	£45,775	£47,719	£49,482	£51,324
Irrecoverable VAT	£15,000	£15,000	£15,000	£15,000	£15,000

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Projected Profit & Loss (3 of 3)

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Projected Profit & Loss	2023	2024	2025	2026	2027
Operating Income	£16,152	£34,324	£80,783	£74,208	£63,050
Income Taxes	£0	£0	£0	£0	£0
Total Expenses	£485,991	£503,526	£524,910	£542,304	£564,566
Net Profit	£16,152	£34,324	£80,783	£74,208	£63,050
Net Profit %	3%	6%	13%	12%	10%

SAVE GRANGE LIDO: BUSINESS PLAN ASSUMPTIONS

Swimming visits

The plan assumes 55,000 visits per annum (pa) in Year 1. Visits are priced at: £5.50 per adult; £3.25 per child/concessions; Family (2 adults 2 children) £15.

The plan assumes an average entrance fee of £4.50 per head in Year 1.

It is assumed that visits will increase to 60,000 swim visits over 5 years, and an increase in admission charges in Year 3 to an average of £5.00.

Allowance is also made for non-swimming entrants at £1 each, assuming 2,500 visits per year.

Average entrance fee		£4.50
Attendance Y 1		55,000
Attendance Y2		57,000
Attendance Y3		58,000
Attendance Y4		59,000
Attendance Y5		60,000

Swim club hire

21 hours per week during mid April - mid October at £75/hour. Weekend hire of the heated section of the pool from November to March at 4 hours/week at £35/hour. (The figures for the number of hours are based upon the sample timetable prepared by the manager of Jubilee Pool, Woodhall Spa annexed to the business plan addendum).

Café income

Base rental for café/restaurant m2: £128.00 per m2. Total area is 101m2 = £12,928.00 total per year.

Outdoor rent m2: £25.00 per m2. Total area is 205m2 = £5,125.00 total.

In addition to direct rental income, the café/restaurant will be let under a franchise arrangement under which SGL will receive 10% of gross takings.

It is assumed that 50% of the swimming visitors will spend an average of £4.00 in the café, and that there will be additional trade of 25,000 customers with an average transaction value per head of £6. These figures include an increase in gross takings in line with the increase in visitor numbers over years 1 to 5.

Gross takings from café/restaurant:

	Year 1	Year 2	Year 3	Year 4	Year 5
50% x visitor numbers above	£110,000	£114,000	£116,000	£118,000	£120,000
25,000 x £6	£150,000	£150,000	£150,000	£150,000	£150,000
Total gross	£260,000	£264,000	£266,000	£268,000	£270,000
Franchise payment to SGL	£26,000	£26,400	£26,600.	£26,800.00	£27,000

Swim club hire

Swim club rate (50m): £75.00

Swim club hours 50m = 546 hrs (26 weeks x 21 hours per week)

Swim club rate (heated): £35.00

Swim club hours heated = 104 hrs (26 weeks x 4 hours per week)

Gym membership

225 members assumed. (See the addendum to the published business plan). The membership model for the Lido would offer gym membership alone or an alternative of combined gym and swim membership. For the purpose of this addendum, the figures in the income and expenditure projection assume that 150 members would take up a combined offer and the remaining 75 would be gym alone. A reasonable figure for combined memberships £35 per month and for gym only £25 per month.

Shop income

- Income is based upon information provided by FMG Consultants

Donations

- Assumes 400 friends at £25pa
- Other donations estimated at £7,500pa

Personnel

Employers' NIC is 13.8% of the salary above the threshold of £8,632.

Pension assumed at 3% of salary.

As a matter of policy and for the purpose of this forecast, we have adopted the national living wage (from April 2020) as the minimum salary, regardless of the employee's age.

It is also assumed that the gift shop will have a group of volunteer staff in addition to those employed.