

Richard Winter

From: Richard Winter
Sent: 12 April 2019 14:38
To: bingleypool@gmail.com; Phil Barker; Claire Tomenson; Alistair Russell; Nigel Gillatt
Subject: Fwd: Priestthorpe Annex Proceeds
Attachments: Bingley Pool - phase 2 CAT.docx

Dear Anna,

Many thanks for the expression of interest which I shall add to the report.

I will arrange for you to be sent a copy of the final report and an invitation to the meeting.

Kind regards,

Richard.

Sent from my Samsung Galaxy smartphone.

----- Original message -----

From: Friends of Bingley Pool <bingleypool@gmail.com>
Date: 12/04/2019 13:31 (GMT+00:00)
To: Richard Winter <richard.winter@bradford.gov.uk>
Subject: Priestthorpe Annex Proceeds

Dear Richard,

I have been advised to contact you by Ros Dawson, Chair of Bingley Town Council, with a view to Friends of Bingley Pool being considered as a recipient for some or all of the proceeds from the sale of the Priestthorpe Annex.

As I am sure you are aware, BMDC has plans to close Bingley Pool with a date given for this of April 2020. Friends of Bingley Pool has been working for the last four years to keep Bingley Pool open and to upgrade it as a sport and health-living hub in Bingley. We are currently at stage 2 of the Community Asset Transfer and at a meeting with the BMDC evaluation panel yesterday we agreed that we are working together to complete the transfer by April 2020.

School swimming is a critical component of the timetable at Bingley Pool and the closure of the Pool would be highly detrimental to the schools in Bingley who use the facility to deliver the national curriculum requirement for swimming instruction. In addition, Bingley Grammar School are closing their pool in July 2019 and this will therefore be unavailable to schools who use this facility.

Our development plans for Bingley Pool will see significant improvements in the facility, with a greater range of sports, health and well-being activities and education available for a wide range of community members tailored to their specific needs.

I attach our working business plan for your attention. We are now in the process of revising this to reflect more specific plans following the meeting with the CAT team yesterday.

I look forward to hearing from you as to how we might advance this discussion further.

With best wishes,

Anna

Dr Anna Mdee
Co-Chair Friends of Bingley Pool

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Business Plan

May 2018



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0.1 INTRODUCTION

This document has been prepared by the Friends of Bingley Pool (FBP). It sets out viable proposals for how the community can take over the operation of the facility and for an initial programme of development to meet established local needs and provide long term increases to revenue.

There are a range of options available and this document puts forward FBPs preferred option based on analysis of leisure provision and consultation with the community. Other options can be costed out on request. All options enhance the role of the facility and its financial performance. This business plan is submitted in accordance with Stage 2 of BMDC's Community Asset Transfer Policy (2017).



In carrying out this work to date, meetings have taken place with FBP Board members, BMDC (Leisure, Finance and Corporate Property), Bradford Aquatics, Bingley Amateur Swimming Club (BASC), Lifesaving Club and an external swimming provider. This work has been facilitated by The Sport Business in order to: a) provide specific advice and guidance relating to the leisure sector and b) to provide independent assessment of the financial viability of the facility in community ownership.

The purpose of this interim document is to determine the viability of FBP to operate the facility – i.e. that it can generate an annual surplus on a profit and loss basis. Once this was established, the second phase of the feasibility study set out how FBP could grow the business and generate the funds to preserve the building's integrity and meet community needs in the longer term.

The potential transfer of ownership of the Pool to FBP has provided an opportunity to look at the facility with fresh eyes and to explore additional activities which could be delivered on site and which would broaden the role of the facility within the local community and which would also generate further revenue to restore, maintain and enhance the current building. These will also be taken forward in the second stage of the feasibility study once priorities have been identified.

The intention is that the finalised feasibility study provides confidence to FBP, BMDC and others that a community-run facility can be financially viable, can increase the impact of the facility within the community and that FBP have the capacity to implement the proposed business model.



1 EXECUTIVE SUMMARY

Bingley Pool was built in 1927 and has been a working pool ever since then, operated by Bradford Metropolitan District Council. Following a review of leisure facilities across the district, the Council originally made an announcement to close the facility but is now working with the Friends of Bingley Pool (FBP) to explore the potential for a transfer of the asset to the community instead.

FBP have engaged The Sport Business to carry out a feasibility study to determine the viability of such a transfer. Its purpose is to establish firstly whether the Pool can be operated by FBP on a full cost recovery basis. It then sets out potential options for the enhancement of facilities to bring about further growth to revenue which would generate a surplus sufficient to address long term preventative maintenance and lifecycle costs.

The facility consists of a 25-yard 4-lane swimming pool, sauna, slipper baths and gym. The centre has an extremely strong swimming programme delivered through the Council and other partners which provides varied opportunities for all ages and abilities. The centre has 275 gym members – and other who use on a PAYG basis – in addition to those who use the pool each week.

On the basis of current usage levels, BMDC pricing policy and using site-specific cost information the facility it is forecast that Pool can be run by FBP at a small surplus. This is summarised in Table 1 and is shown in more detail in Annex 2.

	Year 1
Expenditure	£287,910
Income	£299,110
Surplus/deficit	£11,200

This projection assumes significant savings through the implementation of more flexible staffing arrangements and through the FBP Board assuming Director responsibilities on a voluntary basis. These two assumptions – alongside smaller changes to operational practices – turn a facility which currently makes a loss of around £200,000 into one which generates a small surplus.

Operationally the facility is viable in community hands but this surplus is not sufficient to build up an operating reserve for FBP or to contribute towards a sinking fund capable of addressing long term facility repairs and lifecycle costs. There are though, a number of very feasible development opportunities to increase facility usage and revenue to a level where such a surplus can be made. To undertake these, the group will need to carry out significant improvements to the building by securing external finance from grants, loans, crowdfunding and other fund-raising activities.

Option	Description				
1	Refurbishment of gym space to provide a large space for combined strength, resistance and cardio machines and free weights area. An analysis would need to be made of the gym equipment, but a complete replacement should be considered to support initial launch. This option would require the removal of the sauna and slipper baths.				
Year	1	2	3	4	5
Surplus	£41,455	£110,330	£110,330	£110,330	£110,330
2	Refurbishment of gym and creation of studio - as above and, in addition, including the conversion of the Youth Centre into a studio.				
Year	1	2	3	4	5
Surplus	£77,746	£172,496	£172,621	£172,621	£172,621



Further detail is provided on both these options in Section 3.3 with associated finances in Section 5.7 and 5-year projections provided in Annexes xx and xx. There is, in addition, a combined option which consists of remodelling the existing gym space to include a studio.

FBP invite BMDC to approve this business plan and the associated application for the transfer of Bingley Pool to FBP to be run as a community asset on an initial 5-year lease, because:

- It aligns with strategic council objectives
- It will act as a local employer and provide training opportunities for staff and volunteers
- It will provide a vibrant, ongoing, community service that is much needed
- It will complement rather than compete with existing and planned facilities
- We have a credible business plan that reflects current performance and experience from equivalent projects
- We have a deeply committed team with professional expertise and passion to deliver this vision

2. CURRENT SITUATION

2.1. RATIONALISATION OF LEISURE FACILITIES

Bingley Pool is currently operated by Bradford Metropolitan District Council (BMDC). It is one of 14 leisure facilities which come under BMDC management of which 7 – Bingley, Eccleshill, Ilkley, Queensbury, Richard Dunn, Shipley, Keighley and Tong – have swimming pools. One of these, Bowling Pool, is designed specifically for people with impaired mobility. BMDC has commissioned a formal review of its leisure stock and has agreed a strategy which had initially proposed 4 new pools, but which now includes two – at Sedburgh and Squire Lane.

In addition, there are a number of privately operated swimming pools in the area. Those which will impact upon the business performance of Bingley Pool include Bingley Grammar School, Nuffield Health at Cottingley and Rhodesway.

BMDC's leisure strategy had initially included the closure of Bingley Pool but the Council is now supportive of a transfer of the facility into community hands, subject to the community demonstrating their commitment and capacity to operate the Pool in the long term. BMDC recognises that there is an under-supply of pools across the district – as determined by Sport England data – and that retaining Bingley Pool will serve to address some of this.

This supportive relationship is a significant positive for FBP. It has allowed for the development of a sound business case, based on recent accounts and will also ensure a smooth transition of management of the facility. In particular, it will ensure a consistent and clear message can be provided to members and other user groups which will help to ensure the continued participation in leisure activities by local people.

2.2. CURRENT PROVISION

The facility is open 7 days a week but with late opening on Mondays and half days on Saturday and Sunday. On Saturday the facility opens at 8:00 and closes at 14:00 and on Sundays the facility opens at 7:30 and closes at 11:00.

Bingley Pool currently houses the following facilities:



swimming pool – this is 25-yard x 12-yards and is very well used for school swimming; after school lessons – delivered by Bradford Aquatics, a swim club – delivered by Bradford Swim, triathlon club and life-saving club and with specific sessions for toddlers, families and women. A swimming timetable is attached as Annex 6.

Sauna – there is a good sauna set within an area containing a number of additional rooms which are used for a range of auxiliary purposes

Two slipper baths – these are well used by sections of the local community but do not add significantly to the revenue.

Gym including separate cardio, resistance and free weight areas – there are 275 members (124 prepaid and 151 monthly direct debit) who can access the gym facilities of which 55% are female and 45% are male. The equipment itself is well maintained but quite old and in need of replacement and/or refurbishment

Offices on the first floor which are currently used by Bradford Aquatics with additional rooms available for other Council officers when required. There are also offices on the ground floor - one of which is used for a wellbeing practitioner – as well as numerous staff rooms.

In addition to the offices within the main building, the site also includes premises to the rear of the building which is currently used by a Veterinary Practice. There is also space in the basement which is accessed from the outside and is currently used for youth services.

2.3. LEISURE DEMAND AND COMPETITOR ANALYSIS

Sport England's market segmentation data has been used to indicate potential latent demand in the area and the barriers to increased participation. We can make the following statements regarding leisure demand within the BD16 postcode:

there are 2,855 people who would like to participate in swimming. These include a range of young professionals, those looking to settle down and those approaching early retirement.

there are 3,785 people already participating in health and fitness activities. The key groups are settling down males and mid-life males.

there are 1,469 people who would like to participate in health and fitness activities such as yoga and other classes but who do not currently participate. The key groups are almost all female, including professionals and stay-at-home mums

The key barriers to increased participation among women is a lack of people to go with and being too busy

With regard to **competitor facilities**, there are four. These are:

Amazon fitness – which contains a 41-station gym, a spin studio and one fitness studio. It is a limited class programme with an average of one session per day. These are predominantly in taekwondo but also yoga and box-fit. Also offers personal training.

Bingley Grammar School – has a 21-station gym and a 6-lane swimming pool. However, as a school, none of the facilities are accessible during the day on Monday to Friday. At weekends and evenings, the facility is open but largely for club use rather than public access.



Nuffield – this includes a 90-station gym, swimming pool, sauna and two studios running an extensive range of classes. The facility is open from 06:30 – 22:00 during the week and has slightly shorter opening hours at the weekend. Membership starts at £60 per month.

Yourzone 45 – is a new facility opened in late 2017, offering a specific type of circuits-based class in the facility previously operating as Bingley Fitness Studio. This a franchise operation opening from 6.30-20.00 during week days and 08.30-12.00 at weekends

FBP have also carried out a **survey of over 150 current facility users** as part of the research to date. Analysis of this survey confirms that the Pool serves a very local population, primarily from the BD16 post code. It also indicates a strong swimming offer but a gym which is significantly under used even in its current form. The survey also identifies improvements to changing facilities as a priority along with changes in opening times to facilitate greater access for adults.

In discussions with BMDC and from an analysis of Bingley's demography, it is conservatively estimated that a gym could attract 1,000 monthly members.

The above analysis suggests that there is considerable further growth opportunities within Bingley and its immediate surroundings and that Bingley Pool is well placed to attract additional users with an affordable, varied and accessible offer. It can differentiate itself from its competitors in terms of range of facilities – pool, sauna and gym – and on price. It can also differentiate itself by being able to respond quickly to emerging opportunities and by encouraging a more community-based approach.

3 A FUTURE

3.1 A VISION FOR THE FUTURE

The Friends of Bingley Pool (FoBP) is a charitable incorporated organisation (CIO) established to secure the future of this historic facility for current and future users.

FBP are a group of local professionals with strong ties to the local community who are passionate about swimming and about retaining and enhancing the services at The Pool. The long-term vision is that **the Pool will become a vibrant, multi-generational facility delivering valued services which meet the needs of the different local communities and groups.**

The Community ownership model offers

- A highly localised marketing strategy to develop leisure and ancillary services and a timetable which meets identified local demand
- Decision making responsibility held within the Centre – this supports local marketing and makes the management much more innovative and efficient
- Higher levels of community engagement in the decision-making process – this will build customer loyalty as well as ensuring a strong link between demand and supply

3.2 TRANSITION

A two-stage approach to achieving the long-term vision is proposed. First is a **Transition** stage, during which FoBP will take over the facility ensuring continuation of the current leisure activities and to a largely similar demographic. This stage is based on the continued provision of its' high-quality and varied swimming offer. In addition, the Pool will provide its gym, fitness and sauna facilities. The overall objective of this transition phase is for FoBP to consolidate its understanding of the business and to embed the services, processes and



procedures required to run such a facility at a surplus. Specific objectives relate to **facility management, governance and finance**.

Facility Management. In particular, the objectives include:

- Developing site specific operating procedures
- Developing and adopting health and safety legislation and procedures
- Establish an effective risk assessment process and risk management strategy
- Agree lease arrangements with existing tenants, including the Vets practice.

With regard to **governance**

- Human resource management including the recruitment, training and management of all employees
- Board decision-making and composition

The specific objectives for **finance** are to

- To generate the surplus as set out in Section 5.2.
- Understand the cash flow position of the business in order to be able to invest any surplus without impacting upon day-to-day operations
- Identify and secure finance in order to address capital projects as set out in Section 3.3.

The current timetable for BMDC is that funding for Bingley Pool will cease once the new facility at Squire Lane has been constructed. FBP would then operate the facility and it is proposed to BMDC that this is facilitated through an initial 5-year lease.

However, this phase could be initiated at any stage after the Business Plan has been approved with FBP operating the facility but with staff continuing to be employed by the Council. This has a number of advantages in terms of initial recruitment and providing a greater level of support during the immediate handover period.

It should be noted that if FBP is able to secure external grants during this initial 5-year period then a renegotiation of the lease in order to provide the necessary security of tenure required by funding agencies will be necessary. Anything less than a 5-year lease will impact upon the ability of FBP to repay any loans.

The focus of the transition phase is the continuation of existing programmes and swimming will remain the backbone to the business plan. The continued partnership with local swimming clubs should be facilitated further through the above and support the development of the facility as the 'home' of all clubs. This can be through notice boards as well as access to office space for club administrators.

We also aim to achieve increases in participation within the local population through the development of localised programmes and integrated marketing campaigns. Current financial projections do not yet take these into account, but it is worth highlighting a number of potential growth opportunities:

Within the pool these include:

- Private 1-2-1 swimming lessons
- Pool parties
- Increased opening hours and specifically an early swim on Monday morning

Elsewhere within the leisure brief, they include:



Personal training – either through delivery of such sessions by (part-time or full time) employees or through renting the facility to personal trainers for a monthly fee.

Membership growth – if opening hours and the staff costs were based on opening hours of 06:30 – 22:00 during the week and 09:00 – 5:00 at weekends, we would expect greater footfall could be achieved within a full shift pattern. This would represent a 50% increase in hours (from 62 to 96) and anticipated growth in gym membership and pay-as-you-go swimming of a similar percentage.

Advertising and sponsorship – the facility enjoys a good level of footfall into the building which will be valued by a number of local businesses and larger businesses looking for a healthy association. This might be as simple as advertising boards in the pool area or a company sponsoring the swim school for visibility on certificates and correspondence. Again this is not included in the current figures.

Provision of non-leisure services

The current operation includes office provision for BMDC on the first floor. These are excellent office facilities. They are highly accessible, a 30-second walk to Bingley High Street and have on-site access to leisure services. They currently have five smaller separate offices, 1 larger office and an additional room which is used as a kitchen. All offices could be hired out to small companies or rented out for meetings/training events.

The space could be made acceptable to businesses with minimal work which could be secured through fund-raising and volunteer contributions.

A fairly straightforward capital scheme could reconfigure the space to create a really exciting and attractive co-working space. Alternatively, it could be used for one company or organisation. Annex 7 provides an estimate of revenue by a local property company from such a space for both these scenarios. A grant for such a scheme could be secured from the Community Business Fund.

In summary, there is considerable scope within the current leisure facility to develop more extensive and revenue generating facilities. While the leisure sector is currently projected to grow by up to 8% year on year, there is significant benefits to be achieved from diversifying revenue streams into non-leisure activities. These would increase business resilience, attract greater footfall to the benefit of all services and spread the central costs over a greater number of activities.

3.3. DEVELOPMENT

The long-term viability of the site requires investment into the building in order to generate greater revenue. This investment could be carried out prior to take over by FBP or after an initial 'settling in' period.

These developments will can be raised from a variety of sources including crowd-sourcing, traditional fund-raising activities, community share issue, grants and other forms of external finance. From data analysis and consultation with stakeholders we have identified two main options:

Development of leisure facilities

The current dry-side provision is split across three areas. A separate free weights area can be helpful but generally the existing layout inhibits the development of a 'gym community' and can make users feel isolated. It also makes the provision of music and TV difficult which many now expect as a minimum requirement. In between the three separate areas are the slipper baths and associated changing facilities.



Option 1 - Refurbishment of gym space to provide a large space for combined strength, resistance and cardio machines and free weights area.

A re-configured and revitalised gym area could be developed within the current footprint which contains an increased number of machines and greater space for free weights and stretching. The slipper baths and sauna would not be part of the offer. As part of the revitalisation, the current equipment would be replaced and/or refurbished.

We estimate that such a development in Bingley could increase gym membership from 350 to 800 people and subsequently generate an additional £129,125 per year based on an average membership of £25 per month. This would be sufficient to finance an arrangement with an equipment provider for the equipment. A loan would be secured to cover a £20,000 deposit for the equipment and a £30,000 contribution to the capital improvement work. The 5-year projections for this option are set out in Annex 2.

Option 2: Refurbished gym space and conversion of the Youth Centre into a Studio

There is significant growth across the leisure sector but particularly in group exercise. This also fits well with a community-run group where the role of the facility is to bring people together. The Youth Centre at ground level can be converted quite easily into a studio with a budget of £5,000 to cover mirrors, sound system and matting. A range of classes would be provided during weekday evenings and on weekend mornings. Classes based on 16 people per class would contribute an additional surplus of £15,000 per year from PAYG and also increase the gym membership by 200, up to 1,000. The 5-year projections for this option are set out in Annex 3.

Additional revenue-generating options

Extended Pool Timetable – a survey conducted by FOBP in 2016 demonstrated demand for an extended pool timetable. In particular this would improve the consistency of opening and public access times which would support more regular swimming, particularly for adults. Pool opening times of 6:30 – 22:00 during the week and 9:00 – 17:00 at weekends would represent an increase of pool opening hours of 50%. An increase to PAYG revenue of a similar percentage would amount to approximately £16,000.

3.4. FACILITY MAINTENANCE

Mechanical and Electrical

An M & E survey has been carried out on the Pool and this identifies a number of areas for investment. These include:

Short term: LTHW heating plant, emitters and distribution pipe work; Domestic water services upgrades to provide better distribution of hot and cold water; building management system, field wiring and devices to provide better control to the building services systems; upgrade the electrical small power and lighting system to include RCD protection.

Medium term: replace all electrical panels and distribution boards within the next 5 years; pool hall ventilation and the introduction of heat recovery mechanisms including consolidation of the various local ventilation systems serving the gym facilities.

The survey is available on request.

Development of non-leisure services



In addition to the existing office space, there is scope for refurbishment of a large area on the first floor which is currently used for storage, predominantly by BMDC. The space has considerable glazed areas and steel work which could create an interesting location for further businesses or for public hire. Equally, the current Youth Centre can be converted into co-working space with almost no investment.

4 FRIENDS OF BINGLEY POOL

Friends of Bingley Pool was established as a Charitable Incorporated Organisation (CIO) to explore the potential for a community takeover of Bingley Pool once the Council indicated it was looking to cease funding for its operation. Should the business plan be approved, it is BDP which will take on the lease and be responsible for the safe and effective operation of the facility.

We anticipate that the initial trustees of the CIO will constitute the Board which will takeover the facility. The current team are:

Dr Anna Mdee, Chair of Trustees

Anna has 20 years of research and project management experience in international development and higher education. She is currently an Associate Professor at the University of Leeds. She has held senior management roles within higher education and has designed and led several large-scale research and teaching projects with international teams. She has also worked with small NGOs locally and internationally, and is experienced in issues of fundraising, charity governance and volunteer management.

She is also an enthusiastic swimmer, and is a coach with Bingley Amateur Swimming Club.

Mr Matt Martindale, Trustee

Matt sold his recruitment business in 2006 after 20 years of successful trading. In that time he gained a great deal of experience in business and project management as the company expanded to a 10 + site and £15 M turnover company. Since the sale he has kept himself busy by getting involved in a number of local organisations and projects in a honorary and voluntary capacity. This has enabled him to put some of that experience in to practise. These include management companies and local sport clubs. He enjoys working with like-minded people who value the worth of managing and keeping local amenities. Bingley Pool is no exception.

Mr Stuart Broadbent, Invited working group member

Stuart has more than 30 years' experience in IT and electronics. For the last 15 years he has worked with the DTP group leading a highly successful sales and support team supplying IT to the higher education sector. Stuart is also Head Coach with Bingley Swimming Amateur Swimming Club and is dedicated to developing opportunities for swimmers at all levels.

Mr Iain Wild, Invited working group member

Iain is an experienced Supply Chain Manager with over 17 years background of working in the financial services industry He has strong supply chain, analytical, leadership and interpersonal skills with a record of accomplishment of managing suppliers effectively to drive a marketing leading efficient business. A good relationship builder with an excellent knowledge of RFX, Stakeholder Management, Supplier Chain/Procurement and Supplier Contract Termination. He enjoys inspiring others and leading programmes of continuous improvement. He is also a keen triathlete.



5. THE FINANCE

5.1 RECENT FINANCE PERFORMANCE

The associated income and expenditure for the last 3 years of operation is shown in Table 2. This does not include depreciation of capital assets.

Table 2 – Income and Expenditure, 2014 - 2016

	2014	2015	2016	Average
Income	£251,502	£250,587	£277,670	£259,920
Expenditure				
Staff costs	£264,580	£267,691	£264,531	£265,601
Premises	£110,354	£109,563	£96,860	£105,592
Supplies and services	£24,387	£14,677	£24,501	£21,188
Central overheads	£89,049	£75,472	£74,388	£79,636
Total	£488,370	£467,403	£460,280	£472,018
Surplus/(deficit)	(£236,868)	(£216,816)	(£182,610)	(£212,098)

On the basis of these figures, the facility is effectively running at a loss which averages £212,000 per year over the last 3 years.

We are not assuming any growth in revenue during the transition phase so the question therefore is whether a community-run facility can reduce costs sufficiently to wipe out this deficit. The following adjustments should be made:

Positive	Negative
The majority of the corporate overheads or 'Third Party payments' are no longer required. Provision should though be made for marketing, accountancy, legal and payroll. Net effect is a reduction to the operating costs of £70,000	Current figures are net of VAT. VAT of 20% should be added to all vatable supplies and services. VAT of 5% should be added to all utilities. Net effect is £18,000.
Staff costs – introduction of more flexible staffing arrangements, including bringing salaries into line with leisure industry standards. The forecasted net effect of this is a reduction of £96,000.	
Rates – are currently charged at full cost and will be 20% if a registered charity. Net effect is a reduction of £13,000.	
Reductions to certain expenditure items – e.g. general repairs, public health hazards, climate change levy's. Net effect is a reduction of £15,000	
Total reduction is £198,000	Total increase is £18,000

The combined net effect is a reduction in the operating costs of £180,000. Further smaller savings to individual cost lines based on the experiences of other community-run facilities can contribute to further reductions which bring the costs down by a further £30,000.



5.2. PROJECTED BUSINESS PERFORMANCE

The starting point for all income and expenditure forecasts is the accounts for the centre as provided by BMDC and as set out in 5.1. Where the figures for the last 3 years bounce around, we have calculated - and included - an average figure in the projections. Where the figures show an upwards or downwards trend we have continued this trend into our forecasts, though for revenue items we have not assumed that it will increase as much as previously. We are confident therefore that the figures are robust and represent "just-under-medium-case".

On the basis of the analysis of previous years income and expenditure; we anticipate revenue remaining stable at £291,410 and costs decreasing to £285,709, generating a small surplus of £3,400. The revenue figure remains consistent with previous years and following a similar slight upward trend.

Without any investment in the building these cost increases would need to be met by corresponding price increases of an average of 3% across all revenue lines. This could initially be linked to a simplifying of charges but could start to impact on user numbers. The year 1 – year 5 figures are set out below.

Table 1 – summary of financial projections (years 1 – 5)

	Year 1	Year 2	Year 3	Year 4	Year 5
Expenditure	£287,910	£296,353	£305,219	£314,535	£324,328
Income	£299,110	£308,083	£317,326	£326,846	£336,651
Surplus/deficit	£11,200	£11,731	£12,107	£12,311	£12,323

The £11,200 surplus is positive, in that it indicates that the facility could offer the same services as currently and be run at a profit. However, this level of surplus is not sufficient to allow FBP to build up a reserve or to set aside money into a Sinking Fund for investment into long term facility maintenance and life cycle replacement costs. In order to achieve this level of surplus, one or more of the options set out in Section 3.3. need to be adopted.

5.3. KEY PLANNING ASSUMPTIONS

The following assumptions have been made in putting together these projections:

STAFFING COSTS

Staffing projections have been based on an analysis of ONS data for salary averages in Yorkshire but always ensuring at least minimum wage, which they do not always do for leisure industry positions.

We make no provision for TUPE. This is not a judgement on whether TUPE would apply but on the stated intentions of BDMC to provide existing staff with alternative positions across the District and the assumption that all staff will accept these positions.

We also propose introducing more flexible staffing arrangements when the pool is being used by partner organisations.

Volunteers can make a significant contribution to staffing. There are excellent examples from community-run pools such as Tadcaster and The Pelican in Tyldesley and this should be explored. However, we make no account of these potential contributions here. It is important that the operational viability of the facility is based upon a cost base which includes provision for all goods and services provided.



SWIM SCHOOL MODEL

The Pool hosts a well-respected swim school currently operated by Bradford Aquatics. The business plan anticipates the same levels of use with an FBP-employed swim instructor responsible for the delivery of sessions. There are other ways to deliver the programme, including through an external swim-school provider, which should certainly be explored going forward.

LEASE COSTS AND RATES

There is no rent currently paid for the facility and based on communications with BMBC, we have assumed that we will pay a peppercorn rent for the facility on transfer.

We also assume that we will also receive full rate relief from the Council (as opposed to the mandatory 80% for charitable groups).

We also assume that FoBP will take over the management of the external premises, including the youth centre. It is further assumed that the youth centre is cost neutral to FoBP.

UTILITIES

In forecasting our utility costs we have taken the experience of Withington, Bramley and Tyldesley Baths who have both been able to negotiate savings on the utility costs previously being paid by the respective local authority operator or their private sector operator. These savings have ranged from 10% - 20%. In the interest of prudent forecasting we have assumed that we will make no savings to utilities in our financial projections.

In our "As is" model we include an annual growth rate of 8% for all utilities within our 5-year projections.

OFFICE RENTAL

The curtilage of the current site includes a house which is used for a business practice. It is assumed that this property would stay within the lease and that the rental income would therefore continue to be received by FBP.

5.4. LOWER IMPACT ASSUMPTIONS

In addition, further assumptions have been made around the provision of office space and catering, and their associated revenues. These are

OFFICE SPACE

First floor space is currently used by Bradford Swim Aquatics without any transfer to the facility for rent. In preparing this business plan we have had an evaluation of the revenue which we may achieve from making this space available to local businesses. This is estimated at between £6,700 (for one company or organisation) up to £15,000 (for multiple short-term tenancies). We have assumed a "just-under-mid-case" position of £9,500 in our forecasts.

CATERING

The proposed catering consists of a fairly simple fruit, snacks and bottled water offer which would be available for purchase from reception. In addition, the Pool could also include a hot drinks machine. Current revenue from 'Meals/refreshments' is below £300 for the year but the above offer should generate around £200 per month.



5.5. SENSITIVITY

The planning assumptions outlined above, are based on our ability to achieve the mid-case estimate of members. Our aim, of course, is to exceed these and equally we need to have plans in place to cover the consequences of:

- a reduced membership; and
- increased operational costs

Reduced membership of our swim school

The swim school provides significant revenue into the facility – parents are attracted to a swim programme by the accessibility of the centre and the quality of the teacher. It is important that the Pool retains teachers where agreed with BMBC and/or that it can recruit similar quality replacements. Examples from Tadcaster, Bollington and Jesmond Pool provide really great examples of thriving swim programmes in community pools, driven by long-term excellence.

Increased operational costs

Our assumption on costs have been set out above. Under our worse-case scenario we envisage the following:

Cost item	Description	Variance	
Staff costs	Taking 1 staff on TUPE and inclusion of their increased staff costs and pension contributions	£13,606	
Utilities	A 20% increase to gas and electricity rather than 'as is'.	Gas	£3,400
		Electricity	£4,200
	Total	£21,206	

Impact on the bottom line

The total increase in costs assuming a worse-case scenario for each variable is £21,206 with the facility then generating an annual deficit of £17,805.

5.6. RESILIENCE: DEALING WITH A WORST CASE SCENARIO

To manage this, we have identified a number of contingency measures and we will implement those which are necessary. We may also introduce a number of these even if we achieve our mid-case position as mechanisms for accelerating capital expenditure projects and/or building up a reserve.

FLEXIBLE AND VOLUNTARY LABOUR

Staffing remains a significant cost element within the new business model. Our philosophy remains one of providing stable employment to local people on a living wage. However, if we're unable to achieve sufficient cash flow to implement this approach from the outset we will be able to draw on significant public support to supplement paid employees with voluntary labour. **If volunteers covered one reception position, the saving would be around £16,000 per year.**

MEMBERSHIP STRUCTURE

The Friends of Bingley Pool is a charity and as such can structure its membership to include both a compulsory and a voluntary donation element. We are able to set the compulsory element so that it



covers only the facility operating costs. From our cost projections we anticipate that memberships could be split 70:30 and a gift aid donation can be claimed on the 30% at the rate of 25p for every pound. **This membership fee structure would generate around £7,000 in gift aid per year.**

GRANTS

As a charitable organisation with significant community support and fulfilling a range of social and economic objectives there are a significant number of grant funds out there for capital and revenue works. Capital funding could replace (and reduce) the sinking fund and repair/maintenance budget lines and revenue funding could generate income to cover venue hire and staffing, and lead to increased membership.

PRICE VARIATIONS

All forecasts are based on current prices and we do not aim to increase any on transfer of management of the facility. However, increasing prices is clearly an option and one which we will explore if it supports the business case. **A 5% increase in gym and swim prices generates an additional £4,739 in revenue** which could be achieved non-controversially by rounding up of prices to the nearest £0.50 – e.g. from £2.35 for a swim to £2.50 for a swim.

If we discount grants and fund-raising and include only those elements which are within our control, then the above mechanisms could contribute £27,739 to increasing revenue and completely offsetting the worse-case cost increases.

5.7. PROJECTIONS FOR DEVELOPMENT OPTIONS

We have modelled both of the options which have been presented in Section 3.3. These are summarised below:

Option 1 – - Refurbishment of gym space to provide a large space for combined strength, resistance and cardio machines and free weights area.

	Year 1	Year 2	Year 3	Year 4	Year 5
Expenditure	382,780	382,780	382,780	382,780	382,780
Income	424,235	493,110	493,110	493,110	493,110
Surplus	41,455	110,330	110,330	110,330	110,330

Expenditure includes repayment of equipment over a 5-year period and repayments on a £50,000 paid back over 2 years. Income is based upon a gym membership of 800.

Option 2 Refurbished gym space and conversion of the Youth Centre into a Studio

	Year 1	Year 2	Year 3	Year 4	Year 5
Expenditure	£420,489	£420,489	£420,489	£420,489	£420,489
Income	£498,235	£592,985	£593,110	£593,110	£593,110
Surplus	£77,746	£172,496	£172,621	£172,621	£172,621

A studio would increase membership from 800 – 1,000 increasing revenue by £60,000 per year. PAYG revenue for classes would generate further Revenue increases by £40,000. Instructor costs at £25 per session are £25,000 with additional utility and cleaning costs incorporated.



5.8. TURNING DREAMS INTO REALITY

This business plan will provide all of the information which is needed to further evidence how FBP can continue to operate a viable facility. In putting this business plan together we have made a number of assumptions which will need to be validated prior to our takeover. These are:

- Confirm the structural condition of the building: a full structural survey will be completed, prior to our takeover, as part of the detailed design phase of the transformation.
- Secure cash flow financing: we will need to incur costs – principally for salaries, staff and marketing costs – prior to generating revenue.
- Confirm TUPE requirements – we have included TUPE requirements in our worse-case scenario but we need the situation to be clarified and then quantified

6. ALIGNMENT WITH BDMC CAT POLICY

Our plan is consistent with Bradford Metropolitan District Council's CAT policy, in that:

- the asset (Bingley Pool) is no longer required by the Council for direct service delivery
- the application is from the Friends of Bingley Pool, a charitable and non-profit-making organisation
- it ensures long-term sustainability of the pool, increases community usage and broadens community usage

7. SUMMARY AND CONCLUSION

The Pool is a vital part of local life within Bingley and which adds significantly both to local standard of living as well as to the provision of swimming opportunities for people from the town and surrounding neighbourhoods. Based on our analysis to date, we believe that the Pool can not only survive as a going concern, but thrive as a community hub.

We have the vision, and team to deliver it, and most importantly – the backing of the people.



8. LIST OF ANNEXES

- Annex 1 SWOT Analysis
- Annex 2 5-year projections (Option 1)
- Annex 3 5-year projections (Option 2)



ANNEX 1- SWOT ANALYSIS

Strengths What you're good at and why people choose or trust you over others	Weaknesses Areas where you're not as strong or things that you find it hard to keep on top of	Opportunities Key opportunities to improve and grow your project.	Threats Anything that could damage your business or reputation, or give your competitors an advantage.
Representing users of Bingley Pool and community of Bingley	Time on the part of a small group of trustees to drive the project forward- if the CAT is agreed then this may give others more confidence to come forwards	To agree the CAT transfer and move forward in partnership with BDMC	If the CAT is done in a hurry and without a viable lease or starting conditions
Developing a vision for a future Bingley Pool in the hands of the community		Opportunity for Bingley residents to invest in their asset	Bingley residents don't engage in sufficient numbers
Mobilising people and resources where possible		Opportunities to apply for capital project funds to develop Bingley Pool for sustained and improved community use.	Uncertainty on the timing of the transfer
Offering an improved community facility continuing to provide important local services			Lack of investment in the Bingley Pool by BDMC due to austerity and the decision to close over such a long time period
			A major building services/pool plant failure that cause a sudden closure.

