

# Horseshoe Lake Country Park - Business Case



## 1. EXECUTIVE SUMMARY

- 1.1 The vision for Horseshoe Lake is to compliment the natural beauty of the location with new services in order to create the first country park within the borough.
- 1.2 Bracknell Forest is well recognised by residents for both the quantity and quality of open space that is provided, but currently has no country park. Investment in open spaces to improve opportunities for residents to access and enjoy nature is entirely consistent with the boroughs approach to ensure the borough is a desirable place to live and work, with opportunities to learn and be active for independent and healthy lives.
- 1.3 On the majority of borough open spaces a walk in nature cannot currently be combined with a nice lunch or access to baby change facilities or toilets. We have an arts centre located within South Hill Park and a Discovery Centre at the Look Out which are the only borough facilities that would allow a comfortable stay of longer than a couple of hours or provide food and drink. These facilities are great assets but are not providing the natural escape of a country park. Residents are currently travelling long distances to reach country parks for instance to Wokingham Borough (i.e. California Country Park / Dinton Pastures) or Reading Borough (i.e. Wellington Country Park).
- 1.4 Through the enhancement of the popular Horseshoe Lake the aim is to provide another opportunity within the borough for longer stays, with the added enjoyment of good wholesome food through a new lakeside café, with extensive new outdoor play and learning opportunities for children, with additional car parking and various other benefits.
- 1.5 The cost of building the enhancements and the ongoing operational running costs are proposed to be met by the income arising from the new services, primarily the café and the car park. Based on the current assumptions and financial predictions there is the potential for a Country Park to contribute to the provision of open space borough wide, by generating a modest financial return for the Council.
- 1.6 The fundamental assumptions on which the financial model is built are intended to predict the potential visitor numbers that can be achieved and the likely conversion of visitors to car park and café custom.
- 1.7 In providing this significant place enhancement the current business case predicts broadly breaking even in year one (a £4,000 loss which includes costs of mobilisation), improving to £86,000 net income per annum from year four onwards. This equates to £255,000 net income over the first five years of operation and £1.11m net income over the 15 year borrowing period. Net income after debt repayment has been completed is predicted to be £263,000 per annum.
- 1.8 The initial plans for the development on which the business case has been based, are provided within the separate Atkins report. The exact details of building will be subject to further refinement if the scheme is approved to proceed. The ongoing design process will further model and refine visitor journeys in order to ensure the scheme exceeds customer expectations and will deliver high quality leisure experiences. Adjustments will also be required in relation to Natural England or other feedback from the planning process and other consultations.
- 1.9 The business case has been developed in accordance with the Parks and Countryside gateway reviews, where the potential to develop the Bracknell Forest place offering to include a new country park was agreed to be tested, recognising the important contribution that country park sites are making to the place offerings and financial performance of authorities across the country. The Country Park was identified in Transformation as a potential £85,000 contribution to a £400,000 savings target.

## 2. PROJECT DEFINITION

- 2.1 The project aims to make Horseshoe Lake a regular site of destination for residents and wider visitors, who will be drawn to the site to enjoy a café, outdoor play and walking experiences at a state of the art, sustainable building on a lakeside frontage with views over the Blackwater Valley and Finchampstead Ridges. A Country Park has the potential to become a treasured natural asset for future generations, whilst also providing financial support to the provision of the borough's wider natural estate as a whole.
- 2.2 The Horseshoe Lake site already comprises fifty acres of enhanced natural spaces in a beautiful lakeside setting which provides the ideal location for enhancing the borough's place offering through the creation of a first country park.
- 2.3 The site is currently classified as a SANG for its provision of high quality natural circular walks which mitigate new development by drawing residents away from the protected heathland in the borough. The retention of SANG status has by necessity been the overriding priority in decision-making regarding the development of the new country park, given the significant strategic obligations to support housing delivery that have to be met through the site.
- 2.4 The project extent includes the following primary services, in order of priority based on profitability / importance to overall site function:
- Easy access to circular walking routes with a strong natural character (to comply with obligations under SANG status);
  - A lakeside café with indoor and outdoor (part covered) seating;
  - A large natural play area for a wide age range;
  - A new formal, chargeable car park to cater for Autumn, Winter, Spring demand; supported by a new overflow parking area for peak weekend and school holiday demand (free to use SANG car parking spaces are to be relocated on the site);
  - A biomass burner / water source heat pump feeding the building and any other showers with hot water;
  - Green waste storage / drying / handling space;
  - Ranger staff facilities to ensure greater presence of SANG staff on the site.
  - Provision for water sports activities (including storage and launch points for dinghies, kayaks, paddle boards, open water swimming).
- 2.5 The offering has been designed to delight a range of users as would be represented by the following customer profiles: a solitary dog walker, an adult open water swimmer, a family on an activity outing, a school educational group, and a corporate activity group.
- 2.6 The business case continues to provide for a water sports offering on the lake, but reflects that, on their own, these activities are a small niche market, with relatively limited income potential available in the sector generally and on this site a history of providing no net income to the council despite a steady use of water sport services historically.
- 2.7 This water sports usage is recognised to support to the profitability of other income generating elements, but the project design has deliberately re-prioritised the space utilisation on site to maximise the natural appeal of the site as a SANG and to ensure that the services with greatest long term profit potential for the council (i.e. the café and play areas) are located in the prime lakeside locations. The water sports provider currently operating on the site has indicated their initial interest in continuing

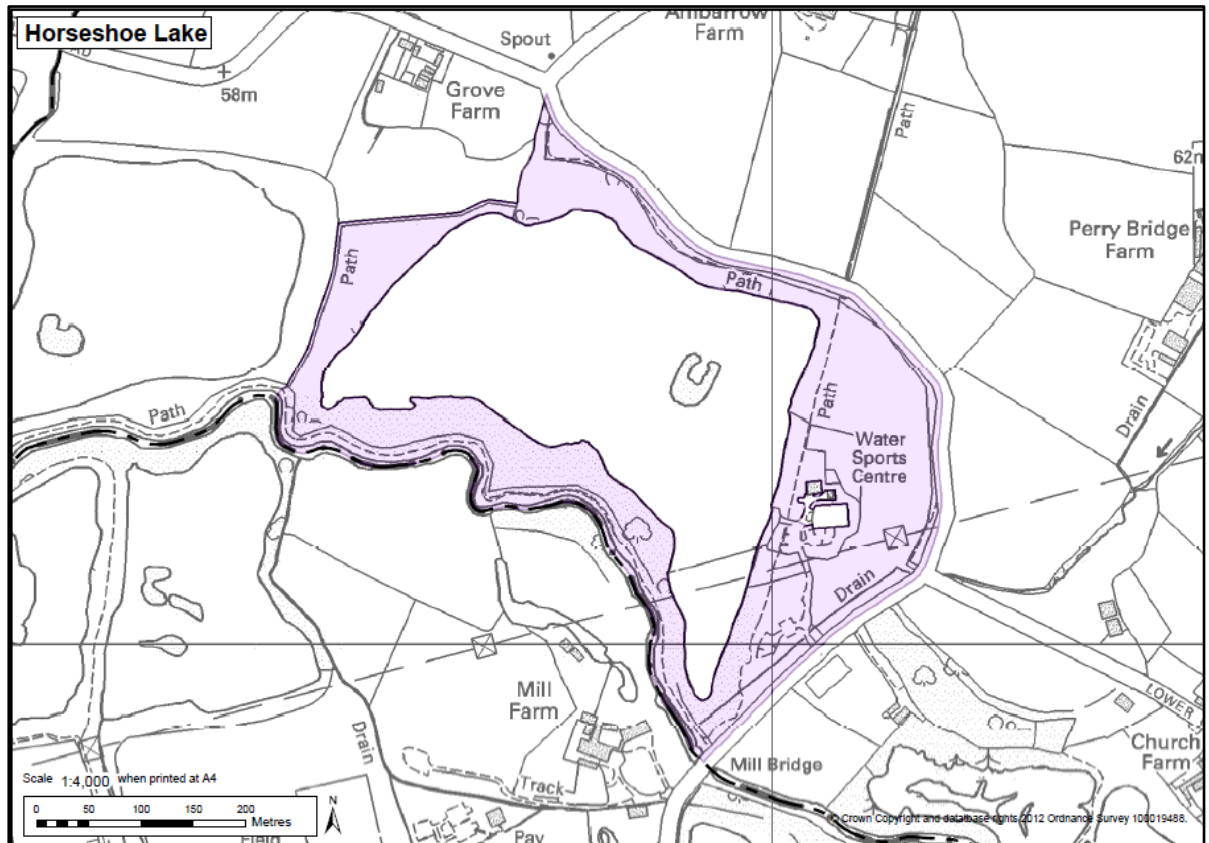
to operate from the site, basing themselves in new facilities relocated on the site, which it is anticipated that they would provide. It is intended that the relationship with the water sports provider will be developed further to provide opportunities for cross-selling of their and the Council's offer to mutual and community benefit.

- 2.8 This key design decision also reflects responses to a public survey which showed strong support for a new Country Park (75%) within the borough but noted that an activity centre (10%) and outdoor activities (10%) are the least popular facilities to include in a new Country Park, compared to toilets (47%) and a café (31%) as the most popular.
- 2.9 The site has incorporated ancillary facilities as required to provide an excellent customer experience including toilets, changing rooms, showers, community rooms; and other facilities required to meet essential visitor and staff needs, but has sought to minimise demands for office space, vehicle access and equipment storage in order to contain construction costs and to ensure the prime lakeside estate is presented in an uncluttered and visually appealing fashion.
- 2.10 The requirements of the country park retaining SANG status are given by the Thames Basin Heaths Special Protection Area Supplementary Planning Document 2018, as interpreted by representatives of Natural England who are the statutory consultees within the planning process, with final say on eligibility for mitigation in the planning legislation. The obligations for retaining SANG status are incorporated to the design principles and the project allows for use of a consultation advice service offered by Natural England to get input to the design proposals at the appropriate stages.

### 3. BACKGROUND INFORMATION

- 3.1 Horseshoe Lake is a 19 hectare (49 acres) Suitable Alternative Natural Greenspace (SANG) site in the South East corner of the Borough of Bracknell Forest.
- 3.2 There are two public rights of way that cross the site which form part of the large Blackwater Valley and Three Castles Walk networks. The River Blackwater also runs close to the site which is managed by the Blackwater Valley Countryside Trust on behalf of the local authorities that border the Valley (Hampshire County Council, Surrey County Council and Bracknell Forest Borough Council). The Lake is set in a series of former gravel pits which are managed to various purposes including neighbouring lakes used as nature reserves, power water sports areas and fishing.

**Figure 1: the current site location and the extent of SANG area**



#### **4. BUSINESS OBJECTIVE**

- 4.1 This project is part of the Parks and Countryside Transformation review and overall it aims to contribute to the substantial savings target of £400k from a current annual budget of approximately £1.2m.
- 4.2 Creating the borough's first Country Park would fulfil dual objectives of delivering a place enhancement while providing income generating services. It was identified as a potential contributor to the financial savings during Transformation but was also recognised to potentially enable greater public enjoyment of a fantastic natural resource. The generation of new income from existing natural assets is a key part of enabling the borough to reduce the cost of open spaces provision overall, whilst maintaining the quality and quantity of the natural resource that residents describe as 'the best thing about living in the borough.'
- 4.3 Generating additional income from the improvement of facilities is a double benefit for the council improving not only financial position but also improving the borough's reputation as a service provider and a protector and provider of natural recreation.
- 4.4 Capital investment is needed to enhance the site and create the opportunity for additional income and this project has drawn upon on the relationship that the Council has with its Managing Partner, Atkins, to explore the site and enable the realisation of the income streams.
- 4.5 The Council Plan leads with the quality of the borough as 'a good place to live' and a new Country Park has significant value to this aim as a place enhancement which contributes greatly to the opportunities for outdoor recreation. Furthermore, ensuring that residents are active and are regularly using open spaces is beneficial to delivering all strategic themes of the Council Plan, so this project adds to the aim of ensuring community involvement whilst also identifying opportunity for long term savings through new income streams.
- 4.6 Parks, open spaces and access to nature are rated by the public as the best thing about living in the borough so adding a showpiece of a Country Park will only increase the public's appreciation of council services.

#### **5. BENEFITS AND LIMITATIONS**

- 5.1 The main benefit of the project is the creation of a new visitor attraction that will encourage residents to take advantage of the Country Park's natural environment. The secondary benefit is the income that could potentially be generated from the site. The figures are outlined in section 12 but the main income generators would be the café and car park.
- 5.2 The biomass boiler and potentially a water source heat pump would be an efficiency saving that would generate Renewable Heat Initiative (RHI) payments from the government and reduce utility costs during operation. Access to a biomass boiler will reduce the cost of disposing of green waste from some elements of the borough's natural estate, for instance meadow grass and waste wood. The in-sourcing of meadow cuts on council land has already been completed to produce the hay bales that would fuel a biomass burner. The biomass income within the business case reflects the avoided costs of employing meadow cut contractors in future years along with the potential income from RHI.
- 5.3 Apart from the place enhancement and financial return there are many other environmental benefits that will be realised; including educational opportunities to inform the public about the wildlife habitats of the borough, SANG sites, sustainability issues and the responsible use of open space including dog ownership.

- 5.4 The limitations on the project include the need to ensure the site retains a 'suitably natural' feel for visitors, so that site status as a SANG is retained. The area around the site has no local roads suitable for parking and walking access from local facilities and houses is currently very limited. As such it is very important that car traffic is well provided for, with good parking on site, to ensure smooth operation.

## **6. SCOPE, IMPACT AND INTERDEPENDENCIES**

### **Scope**

- 6.1 The project has within its scope all aspects of the Horseshoe Lake use and management.
- 6.2 The project excludes the financial receipts arising from the operation of the site as a SANG, other than recognising the importance of retaining SANG status in the design and consideration of any future changes.
- 6.3 The project currently excludes the detail of the water sports offering, other than making provision in the design for the relocation of some associated storage and operational areas. This is to reflect the importance of prioritising profitable services within the design process, ensuring that designs are not led by unprofitable elements of the existing service provision, and ensuring that future tender / re-negotiation of water sports services are in a position to be undertaken once the priorities of the site are established and can be clearly communicated to any providers.

### **Interdependencies**

- 6.4 Biomass burner: the provision of a biomass burner on site will significantly reduce expenditure on green waste disposal across the borough and produce 'free' hot water at a site where it can be very effectively used as it is a huge asset to the water based services being provided. There are no other local opportunities to install a biomass burner and the absence of this from the project would increase operational costs of the country park and the efficiency of the borough's natural estate. It is anticipated that the biomass burner will be located alongside the water sports facilities rather than the café in order that the water can drive a large number of outdoor showers for large group use.
- 6.5 The profitability of large scale events is massively enhanced by the availability of a country park on which to host them. For instance the new open air cinema screenings on other sites were profitable as standalone attractions, but if these were based on a country park the additional income driven by the higher site capacity and café takings would make them even more successful. Given the difficulty of walking access to the site any ticket based event will be easy to administer and control at the Horseshoe Lake site. The café, the play areas, the appealing natural setting and the chargeable car park are all interdependent requirements for the success of the site.
- 6.6 The interior café space is intended to be multifunctional in order to cater for a wide variety of space rental and event opportunities, these would include meetings of community groups, team building sessions, business meetings, small conferences and potentially wedding reception hire.

## **7. OUTLINE PLAN**

### **Designing and delivering the new building**

- 7.1 The project design brief was written by the Head of Parks and Countryside to provide Atkins with the parameters and requirements for the site design. Ground surveys have been commissioned to provide accurate information on ground conditions, utilities and services to further the accuracy of the feasibility report.

- 7.2 Atkins have provided design and high level costs (based on BICS) inputs to the project which have informed the financial model and have taken information about the elements of the business that should be prioritised in the design to generate an assessment of whether the project is viable.
- 7.3 If the project is agreed by BFC for delivery then the designs will be developed and finalised and taken to the planning process, including being shown to Natural England through their consultation process as part of ensuring the SANG requirements are met for the site. Natural England is the stakeholder for SANGS in England and their consent will be required in order to gain planning permission. The Planning team will be the liaison with Natural England as they have an established relationship around the delivery of SPA mitigation. Subject to Natural England feedback the project will enter the formal planning process through which stakeholders and local residents can input. If completing the project would prevent the continued function of the site as a SANG the project would stop in order to retain SANG status which is the priority use of the site to meet strategic council goals.
- 7.4 Should planning permission be granted then the Council will commission a main contractor with the assistance of Atkins to build the new building. This will be project managed by the Property Services team within BFC as well as Atkins. The construction of a new SANG car park will need to be completed before the groundworks on the current one are commenced and this work would be funded as a SANG enhancement and delivered through the borough's term contractor for Highways. This will ensure that the site provides the SANG obligations continually. The new car park which will be sited in the north of the site will provide approximately 12 free parking spaces to users of the site seeking a natural escape. The opportunity to use the site without needing to pay for parking is a vital component of meeting the SANG obligations for the site.
- 7.5 The aim is to have the site open and fully operational by April 2021 and the implementation plan below outlines the various design phases and the estimated construction period. The actual construction period will be based on the most economical tender submission.

#### **The café and catering offer**

- 7.6 The financial model has been compiled in consultation with BFC finance and Activist's specialist catering consultant who has advised on the most appropriate catering offer and has contributed to converting visitor assumptions to projections of catering income.
- 7.7 A café and catering offer has been prepared by Activist, building on the market research undertaken by the Council's project team into comparable facilities in the region and beyond and on the team's visitor projections.
- 7.8 The vision for the café at Horseshoe Lake is for it to be a destination in itself as well as a welcome addition to the experience of recreational users of Horseshoe Lake.
- 7.9 The target market for the café at Horseshoe Lake are the user profiles identified by the project team, i.e. dog walkers, family groups (inc families with young children), water sport facility users and destination users. This is a reasonably broad group but is essentially one that *enjoys the natural environment around them, being outdoors and active*.
- 7.10 The food and drink offer will be simple but using excellent ingredients with recipes that can consistently be delivered to a high standard.
- 7.11 The menu will reflect these interests and the café's location, focusing on healthy, freshly made dishes that are appropriate to the season. The entry price point should represent good value and be inclusive, nevertheless giving the guest the opportunity to trade up with larger or additional dishes.



**Figure 2: abundant displays at different heights - eye catching and appealing**



- 7.12 The initial outline of the menu is:
- A small well-chosen menu using good quality ingredients that can be delivered by a small team.
  - The focus must be excellent quality coffee using an espresso machine.
  - A menu focused on the quality of the ingredients mostly built around freshly made sandwiches and salads.
  - A small hot food offer, brunch based featuring eggs as the key ingredient.
  - Having a hot 'one pot' daily special and soup of the day that will appeal to water park users and those out for a bracing stroll.
  - A selection of home-made cakes.
  - A small wine list and some local beers will elevate the feel of the café and enhance the destination appeal.

- 7.13 The offer aims to be more elevated than a standard café offer whilst being inclusive, affordable and familiar to its target market. The proposed menu style could be easily scaled up to suit catered room hire for corporate and group bookings (see the section on event and room hire below).

- 7.14 The service style will be counter service with cold items and drinks taken by the customer to the table. Hot dishes will be brought from the kitchen to the guest or a 'buzzer' system for the guest to collect. With the right packaging, most menu items could be taken away if required.

- 7.15 This café offer is designed to provide a good quality offer while maximising the financial return, taking into account the location and target market. A full restaurant service is unlikely to generate the same net returns and is higher risk and a basic 'no frills' café will not act as a sufficient attraction or offer the same level of 'conversion' of Country Park users into café users, nor generate sufficient net returns. Once established and earning a reputation for quality food, extending the café opening hours into the evenings with an enhanced offer (e.g. 'relaxed' restaurant dining) could be considered, but the risks would need to be carefully managed.



## **Event and room hire**

- 7.16 The design for the new building includes a meeting room that will be offered for corporate, community group and party hire. The room will include screens and AV equipment and includes a room divider to allow more flexible use. Research in the area has suggested strong demand for quality room hire at prices that will provide a good return.
- 7.17 The room hire fees will include options for catering and a small bar and it is assumed that room hirers will be required to use the café's offer rather than bring their own food in order to avoid competition for the café's facilities and to maximise the café's income.
- 7.18 It is recognised that there will need to be a small and recurring investment in marketing and that the quality of customer service offered will need to meet high standards (particularly for corporate business). The booking process will need to be efficient and the on-site team will need to be proficient in room preparation and ensuring that AV equipment functions effectively.
- 7.19 As the room hire business develops, the potential for evening hires (e.g. for wedding parties) could be evaluated, although the impact on the setting and the local area would need to be considered.

## 8. MARKET ASSESSMENT

Site Name	Café Name	Comments	Trip Advisor
Cotswold Water Park	<b>Café</b>	Traditional café (Snack shack) plus pizzeria, gelato ice cream parlour, hireable bbq spots and picnic areas. Café is mainly burgers, wraps, coffee, cakes, and sandwiches.	3.5
Dinton Pastures	Dragonfly Café	The main café is said to be award winning and offers A range of homemade cakes and coffees and teas. They offer various lunchtime options from cooked meals to sandwiches. Cost of food is too expensive	no recent Trips Advisor 3.7 on google
Finchampstead Church	Café	Large modern café along the lines of a Costa Coffee Coffee between £2.50 and £2.80 Comfortable inside seating/outside terrace Hot food	4.5
Frensham Ponds	Café	Café- servery friendly staff Located between car park and Beech in a multi-use building  Example Coffee £1.80 Hot Food £6.00 No inside eating Menu limited (roadside café)	4 only part of general reviews
Jakes Tri Lakes	Café Restaurant	Offering hot and cold drinks, snacks and meals. Sandwiches, jacket potatoes, chips. Not really any healthy options.	4 only part of general reviews
Nene Park	Ferry Meadows Café/Lakeside Kitchen and Bar	Two to choose from offering different menus (one is more upmarket with a wide offer and a bar and the other is more basic food)	3.5 FM/4 LKB
Pistachios	Pistachios Café	Based at Sandhurst Memorial Park. Part of a chain of café under the franchise 'Pistachios in the park' located in green glad parks. Privately run cafe offering hot and cold drinks and a range of hot and cold foods. Customers are those visiting the parks, families, dog walkers, football tournament's. <ul style="list-style-type: none"> <li>· Family friendly coffee shops.</li> <li>· Located in the hearts of neighbourhoods bringing communities together.</li> <li>· Freshly prepared foods from light snacks to more substantial meals.</li> </ul> Offer healthy menu options and vegetarian options.	4.5 Sandhurst
Blackwater Valley Golf Club	Bistro 19	Bistro 19, a small catering company occupying a café, gazebo and bar within the golf club at Blackwater Valley. Catering for golfers and with the addition of function hire, particularly weddings. Their offer is geared towards people who play golf and then require a drink or food afterwards. However they are also heavily geared for functions and offer a detailed wedding package for up to 72 people (sitting)	4.5

<b>Other Country Parks</b>	<b>Offer</b>	<b>Distance from Horseshoe Lake</b>	<b>Population Size (of surrounding town)</b>
Dinton Pastures Country Park	180ha with lakes, play area, water sports and a lakeside café	9 miles	160,000 (Wokingham)
California Country Park	40ha with a play area, paddling pool, café and fishing lake	5 miles	160,000 (Wokingham) (Finchampstead 12,000)
Wellington Country Park	140ha with play areas, miniature railway, petting zoo, indoor soft play and splash zone	8 miles	340,000 (Reading)
Lightwater Country Park	59ha with playground, café, fishing, tennis, football and a gym	9 miles	7,000 (Lightwater)
Virginia Water	Large lake with 4.5 mile walk and lakeside cafe	13 miles	6,000 (Virginia Water)
Bramshot Farm Country Park	37 ha brand new country park with countryside walks	7 miles	65,000 (Farnborough)
Frimley Lodge Park	24ha with playgrounds, trails, miniature railway, sports pitches and a pitch and putt	7 miles	6,000 (Frimley)
Trilakes Country Park (Jakes)	<b>Offer</b>	1 miles	15,000 (Yateley)
	180ha with lakes, play area, water sports and a lakeside café		
<b>Nearby towns</b>	40ha with a play area, paddling pool, café and fishing lake		
21,000 (Sandhurst)	140ha with play areas, miniature railway, petting zoo, indoor soft play and splash zone	<1	
7,000 (Blackwater)	59ha with playground, café, fishing, tennis, football and a gym	3.5	
14,000 (Crowthorne)	Large lake with 4.5 mile walk and lakeside cafe	2.3	
1,600 ( Eversley)	37 ha brand new country park with countryside walks	3.7	

## 9. RISK ASSESSMENT (SWOT analysis of development potential)

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Well located on several existing well publicised walking routes.</li> <li>• Natural flow through the site.</li> <li>• Lake view is hugely impressive with year round seasonal appeal.</li> <li>• Water sports increases potential of lake, despite not generating income in itself for the council.</li> <li>• Relatively low cost of customer acquisition resulting from extensive and existing varied customer use.</li> <li>• Water sports provision is established.</li> <li>• Open water swimming is a rapidly developing market which Horseshoe Lake would be ideally placed to succeed in.</li> <li>• The site has underused space which could provide car parking and play solutions.</li> <li>• Ranger service expertise available to support facility.</li> <li>• Nearby towns are inhabited by wealthier socio-economic residents.</li> <li>• Survey indicates resident desire to have their own Country Park, particularly with café and toilets</li> <li>• Site currently has a lot of use (even without any facilities and despite two season operation of water sports)</li> <li>• Other developed sites generate significant income in the local area</li> <li>• Rangers need additional space for other income generating activities – site can support meadow grass sales etc.</li> <li>• Site could benefit from a wider network of BFC and neighbouring sites linked by public footpaths.</li> <li>• Geographically close to neighbouring areas of high residential occupancy, such as Blackwater, Yateley and Eversley.</li> </ul>	<ul style="list-style-type: none"> <li>• Site surrounds a lake and from the shore can have a ‘pinched’ feeling which may negatively impact on visitor numbers and the length of time visitors might choose to stay (and spend money).</li> <li>• Much of the lake is currently obscured by trees, limiting lake views in many areas.</li> <li>• No café/lavatories currently which reduces the time that people are able to stay and also limits the appeal to families with young children.</li> <li>• Water sports provision currently limited by the season.</li> <li>• Limited parking provision so site regularly exceeds capacity causing problems on the roads.</li> <li>• Site is mainly accessible by car, unless following footpath network.</li> <li>• The distance of the site from Bracknell Town may be a disincentive to visiting for some families in the main population area of the borough.</li> <li>• Size of car park will limit the total number who can visit the site at a time. Some equivalent sites become ‘ticket only’ at peak times such as summer holidays.</li> <li>• Site is located at a remote edge of the Borough.</li> <li>• Road network around site is rural in nature.</li> <li>• Path network is narrow and carries minor flood risk in places</li> <li>• Alternative car park required for SANG provision</li> <li>• No mains sewerage to site</li> <li>• Electricity pylon located within the site and cables run directly over the site and one lake edge.</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Very upmarket waterside wedding venue directly alongside the site and a local church within half a mile, which may allow future development of an event hire package.</li> <li>• Ranger Service could expand successful volunteering work into team building and corporate events packages including water sports provisions.</li> </ul>	<ul style="list-style-type: none"> <li>• Creation of a similar or better facility on an adjacent lake might decide to compete for the same market.</li> <li>• Other facilities and operators in the Borough and surrounds, expanding their events and offers.</li> <li>• Requirements of retaining SANG status of site could impact the designs and business case through process of</li> </ul>

<ul style="list-style-type: none"> <li>• Water sports facility exists and the most successful elements could be built on with Open Water Swimming being an area of particular promise.</li> <li>• Other land may become available around the site following future housing allocations, allowing the site to expand and become more balanced in proportion between the lake and publicly accessible land.</li> <li>• Future housing sites may provide opportunity to link nearby large open spaces through circular walks, such as Ambarrow.</li> <li>• New café building could have renewable energy sources such as water source heat pumps and rain water recycling for toilets, with grants available if it feeds into the environment agenda.</li> <li>• A range of exciting future attractions could be added, such as a Zip Wire from shore to shore across the lake or even to the island.</li> <li>• Inflatable aquatic play equipment very popular, although anything left on the water is not covered by insurance.</li> <li>• Future housing development in Sandhurst and the wider area will increase the potential market for the Country Park.</li> <li>• Neighbouring lake is set to become large RSPB reserve (without visitor facilities) with established connecting footpaths.</li> <li>• Potential for whole Blackwater valley footpath to link up and be accessed from our site.</li> <li>• Site could support biomass boiler saving BFC waste disposal costs</li> <li>• Chargeable car park could generate significant income</li> </ul>	<p>making planning application</p> <ul style="list-style-type: none"> <li>• Unreasonable car parking charges which are not proportional to the improvement in facilities could jeopardise public support for the project and reduce visits.</li> <li>• Current ground conditions are wet which could complicate building works.</li> </ul>
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## 10. PROJECT APPROACH

- 10.1 BFC has commissioned the services of the Council's Managing Partner, Atkins's, and multi-disciplinary design team to undertake a RIBA Stage 2 Concept Design study to create a new country park facility.
- 10.2 As part of this commission there was a requirement to procure a number of key third party surveys to advise on site constraints and assist with the initial design layouts / options
- 10.3 The key aspects of the design brief were included within section 2 and the Project Definition.

## **11. PURCHASING STRATEGY**

- 11.1 The budget will be determined by the income projections of the business plan but is expected not to exceed £2.20m to include construction, professional fees, statutory fees and other development costs required to deliver the country park and including a reasonable contingency. This will also need to include the construction and development costs for the Bio Mass burner and the children's play area.
- 11.2 There are three major capital cost elements to the project, the first element of which was created by Parks and Countryside declaring two properties which had been used for staff housing as surplus to requirements, through the process of transformation, with the gateway review providing support to the proposal to ring fence the capital receipt from these sales, estimated at £599k for investment into the Country Park project.
- 11.3 The second element was identified as part of the funding research and identified the project would potentially be eligible to draw funding from built sports and open space S106 contributions. This channel of funding is being explored further to ensure it can be used for this purpose and has not been earmarked for other projects.
- 11.4 And finally, the third element is an 'invest to save' application for the remainder of the investment required. The Financial detail of the application will seek to evidence a viable capital investment opportunity and this requirement has informed the design and production of the business case and financial modelling. The scenario of needing to fund the entire project through 'invest to save' has also been calculated to ensure viability even without the first two elements of funding.
- 11.5 The current plan is for the café and catering offer to be delivered in-house as the project team considers that this will maximise the net return to the Council, informed by the experience of bringing the Lookout café in-house. However, the café offer at Horseshoe Lake will require a higher level of catering skills than demanded by the offer at the Lookout, so it will be essential to ensure that staff with the right skills and potential are recruited to ensure that high standards are achieved and maintained from the outset. Professional advice will be taken on the design of the kitchen and counter; on the recruitment and selection of staff; on the mobilisation of the café; and finalisation of the menu offer.

## **12. FINANCIAL APPRAISAL**

- 12.1 Financial modelling has been completed over the past 3-4 months. The future usage level of the new facilities and services cannot be guaranteed and can only be estimated which creates a level of risk as to what the actual performance of the new facility will be over time. The business case has made estimates using assumptions about existing data and comparable facilities wherever possible. However, the actual performance of new facilities will be higher or lower than the projections and will change and evolve over time in response to site management, marketing decisions and other factors.
- 12.2 For income the foundation of the projection is estimates of visitor numbers, to predict proportions of visitors by the major target market groups, to predict volumes of cars, to make assumptions about conversion rates to café use, to predict average spend in the cafe, to identify profit margins on catering offers and to combine all these variables to predict revenue income.
- 12.3 For visitor numbers two key data sets have been used: the current recorded visits of cars to the site from a car counter at the entrance and this is the foundation of dog walking visit assumptions. The recorded visits to the chargeable car park at California Country Park is the foundation for predicting general family visits to a broadly equivalent site with café, toilets and a play area.

- 12.4 For dog walking visits the assumption is that total volume of dog walking visits will remain as the current situation. It assumes that whilst some existing users may not like the additional facilities and might prefer other locations that an equal number of new dog walkers will be drawn to the site for the extra facilities available.
- 12.5 For family visits the assumption is that usage levels will achieve 80% of the visits being made to California Country Park. This is a relatively bold assumption and to be achieved requires that there is an unmet latent demand for family play opportunities in the area so that more people will come out and use a new facility of this type if provided. Also it assumes that any new Sandhurst facilities will be capable of matching or exceeding the offers at more distant locations such California Country Park or Dinton Pastures in order to compete for a share of the existing family use of comparable facilities. Feedback to Transformation surveys and feedback to P&C surveys over the years has consistently indicated the desire to see café, toilet and play facilities on more of our sites. The proposed Horseshoe Lake enhancements would bring significant distinctions from alternative facilities, for instance an accessible lake edge, sandy play opportunities, a café with genuine lakeside views and water sports / swimming opportunities. The assumption is that the proposals would have a different draw and would meet unmet demand that supports visitor assumptions at the levels proposed.
- 12.6 For the chargeable car parking use the assumption is that 90% of early morning dog walkers and 50% of all other dog walking users will not pay to park and will use the free car park. The assumptions allow for 100 regular dog walkers to take up an annual pass offer for unlimited year round parking in the chargeable areas. Income from the chargeable car park calculates from the reduced figures assuming that a small car park charge will be an acceptable trade-off for the additional facilities on the site.
- 12.7 For the café the conversion rates have been estimated per quarter and by time of day, to account for the likelihood that customer behaviour will vary by time of visit and season. The percentages for dog walkers range from the lowest figure of 5% conversion for instance in a winter evening, to the highest of 35% for summer afternoons. Given the volume of dog walking use that the site receives these relatively low percentages still deliver a significant proportion of café income and this is an important market sector to the success of the site. In keeping with the status of the site as a SANG the facilities will be very 'dog-friendly' and marketing and promotion of the site will specifically target services to the dog walking community.
- 12.8 The conversion for family visits to café use is varied by season and within the range 50% to 70%. This assumes the café will be the primary driver for a significant proportion of the visits and that the convenience of the catering offers alongside the play facilities will encourage good uptake.
- 12.9 A total of 149,000 annual visitors are projected by the business case, with in total a 33% conversion to café use and an average spend of £6.60 per café customer.
- 12.10 Income generation is predicted based on a series of linked assumptions and cannot be guaranteed but the model has made every effort to make balanced assumptions about the visitor levels and conversions that could reasonably be targeted and then derived income projections accordingly.
- 12.11 Income generation has not been based on derivations from other council services such as The Look Out (TLO). The range of site users and the potential markets are very different to the country park proposals and the direct comparison of visitor numbers or conversion rates were considered to be less meaningful than applying industry catering expertise to projections.
- 12.12 For expenditure estimates the predictions of operational costs have been made, using where possible existing and comparable costs within the council or from other

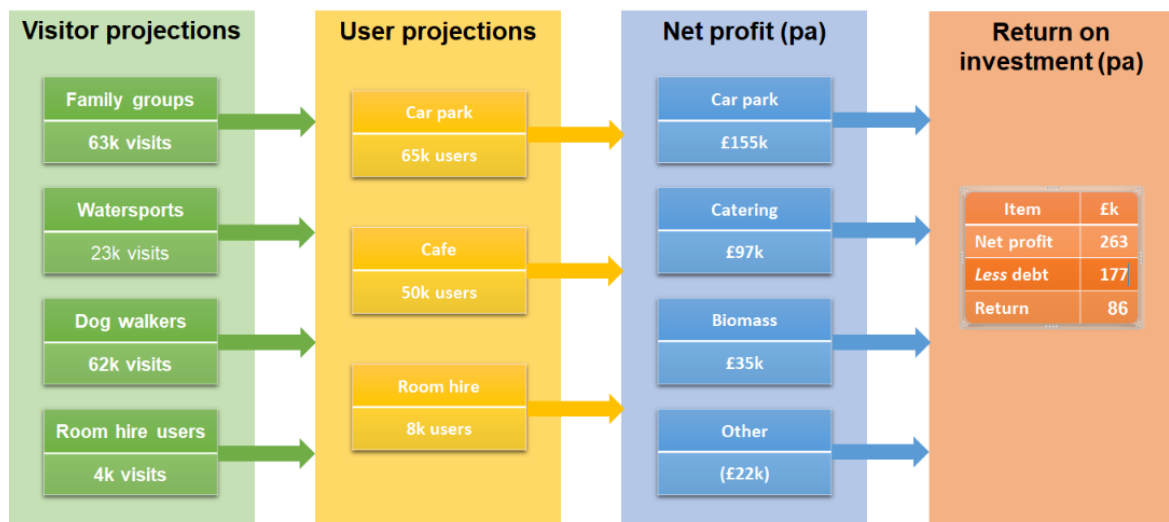


market research. Revenue income and expenditure has then been used in conjunction with the capital costs of finance to achieve estimates of net income.

- 12.13 The relationship between the various site users and the income generating services are represented visually in Table 1 below.
- 12.14 The main income generators for the site are the café, car parking provision, biomass and event space hire, with Table 2 below showing summary information and expected net income.
- 12.15 Capital funding which is existing and available for investment is at £719,000. This is based on the assumption that capital receipt from the sale of 2 properties will achieve £599,000. It also assumes that there is at least £120,000 funding available from S106 contributions that can be obtained and that this development is eligible for.

- **Table 1 – Overview of financial model by year 5**

### Overview of financial model by year 5



(Note: Table 1 contains rounded figures to simply the information.)

**Table 2 - Financial Model**

<b>Capital Expenditure</b>	
Bio Mass	200,000
Modular Country Park	2,100,000
Play Area	300,000
<b>Total Capital Expenditure</b>	<b>2,600,000</b>
Capital receipt (sale of 2 properties)	-(599,000)
S106 Funding	-(120,000)
<b>Total Capital Available</b>	<b>-(719,000)</b>
<b>Total Capital Cost</b>	<b>1,881,000</b>
<b>Revenue Income</b>	
Catering	-(367,495)
Other Income (Incl. Bio Mass, Car Parking, event space hire.)	-(276,631)
<b>Total Revenue Income</b>	<b>-(644,126)</b>
<b>Revenue Expenditure</b>	381,331
<b>Net Income</b>	<b>-(262,795)</b>
<b>Capital repayment(for £2m)</b>	177,128
<b>Total Profit</b>	<b>-(85,668)</b>

### 13. Implementation

	<b>Stage</b>	<b>Date</b>
1.	RIBA Stage C&D – Concept and design	25.02.19 - 18.11.19
2.	Planning – Pre Application and planning process	12.03.19 – 18.11.19
3.	Procurement process	12.03.20 – 23.03.20
4.	RIBA Stage E&F – Technical design	24.03.20 – 01.06.20
5.	RIBA Stage J&K – Construction to practical completion	26.05.20 – 12.04.20
6.	Handover – Business mobilisation / soft launch	29.03.21
7.	Setup period - Official opening	30.03.21 – 12.04.21

13.1 Opening is proposed from April 2021, this is later than anticipated and reflects the further work undertaken at the feasibility stage and recognises the winter months would not be appropriate for a formal launch.

## **14. Project Governance**

### **14.1 Roles and responsibilities in the project**

- Andrew Hunter (sponsor)
- Stephen Chown (Project Lead)
- Kamay Toor (BFC Project Manager)
- Stuart Green (Atkins Project Manager)
- Tbc (Catering advisor – input to Café recruitment, counter and kitchen design)

## **15. Review points**

- RIBA stage A&B – Appraisal and design brief
- Executive Decision 18<sup>th</sup> December 2018 – Stage A&B Feasibility report, Business Case and Financial Modelling
- RIBA stage C&D – Concept and design development
- LA Planning proposal and review process
- Procurement – CMT review and approval
- Procurement – Executive review and approval

## **16. Progress Reporting**

16.1 The project is an integral part of the Council's transformation programme. The Transformation Programme Board chaired by the Chief Executive monitors the delivery of the projects in the portfolio through monthly board meetings. The project sponsor is accountable to the board and reports on project performance at the board meetings.

## **17. Project management arrangements**

17.1 The Project Board are the first point of escalation for the project. The sponsor is the only member who can make a final decision and has the casting vote. The sponsor will sign-off on behalf of the Project Board. The Project Board will meet monthly.