

### Aldershot Lido Review

#### Introduction

- This paper summarises the work of the Lido Review Task and Finish Group and recommends actions that will enable a decision to be made this summer on the viability of transforming the facility into a modern Water Theme Park.

#### Background

- The Lido site, which is designated as open space in the Local Plan, is 9 acres of mainly parkland with some specimen trees and has a large unheated irregular shaped pool with flumes, changing rooms, café, sandpit and picnic tables. It also has two standalone artificial grass floodlit 5 aside football pitches.
- The Lido is operated by Places for People as part of the Leisure Management Contract, which expires in 2019. The facility opens the last Bank Holiday in May for weekends. The facility is not opened on weekdays at this time due to the likelihood of unsettled weather, difficulty of recruiting sufficient lifeguards many of whom will be in tertiary education and that the main users would be in school, resulting in reduced attendances and income, which will increase the costs to the Council. It then opens 7 days a week from 1 July closing at the end of the first week in September when the children return to school.
- The Council pays Places for People a set management fee and carry's out capital works. The contractor is responsible for all other expenditure and retains the income. The contractor has made a loss in 4 of the past 7 years, however overall due in particular to the good weather in the summer holidays in 2013, they have averaged a £10k return pa (see table below) which is still below their anticipated target.
- The average cost to the Council of operating the Lido over the past 7 years is £170k pa, (excluding support costs) with an average of 21,000 visits pa. The Council is subsidising each visit by £8, which is considered unacceptable, and ways have been explored to increase the visitor numbers and reduce the overall costs.

Season	2008	2009	2010	2011	2012	2013	2014	7 year average
Attendance	11,000	19,000	18,000	12,000	21,000	41,000	28,000	21,000
Contractor cost	£29k	£22k	£15k	£28k	(£33k)	(£90k)	(£39k)	(£10k)
Council cost	£179k	£196k	£180k	£165k	£166k	£159k	£147k	£170k

- With surveys showing that each person visits on average 3 times a year the subsidy per user is around £24 pa. With 70% of visitors coming from outside the Borough the subsidy for the 2,100 Rushmoor users only increases to £80 pa each.

### **Strategic Objectives**

- As well as providing a fun place to go, the Lido does encourage a healthier lifestyle through physical activity and assists community safety by providing affordable diversionary activities. The need for extra lifeguards also creates some part time employment for young people (particularly students) during the Lido season.
- Given the age of the Lido (1930), there is a lot of nostalgia attached to the facility, which is held in high esteem. There is also a high level of awareness (94%) from residents and satisfaction (93%) from users.

### **Financial Context**

- It is important that the future options for the Lido are viewed in the context of the medium term financial forecast (MTFF) as reported to the Members Budget Seminar in December 2014. The MTFF predictions are that the Council will need to save in the region of £2.5m by 2017/18 and we have in place our 8-point plan to address this issue.
- Whilst the Lido represents a reasonably priced day out for the family and young people, it requires a significant subsidy from our Council taxpayers. Reviewing the costs/income potential of the Lido therefore forms a specific project within the 8-point plan with the aim of reducing the subsidy to help the Council make the savings it needs to be financially sustainable. The Lido should not be viewed in isolation but as part of a wide variety of Council services.

### **Consultation on initial Options**

- With the high running costs and relatively low levels of usage, the Lido in its current format is not a good use of public funds, particularly given the pressure on public spending and need to deliver significant savings.
- In the Autumn 2013 in order to reduce the running costs and/or increase attendances the Task and Finish Group developed the following options along with a request for any further ideas, which were made available for public consultation. With all options the floodlit artificial grass 5 aside pitches and the Aldershot Indoor Pools remained.
  - Option 1 - Move management of the Lido outside the Council
  - Option 2 - Keep the Lido pool and add a variety of other low cost attractions
  - Option 3 - Develop a water-themed park at the site, removing the Lido pool
  - Option 4 - Remove the Lido and turn the site back to parkland
  - Option 5 - Keep things as they are and make savings from other areas

- The consultation consisted of a standard survey, which all residents were encouraged to complete through widespread publicity as well as face-to-face interviews, with 1,027 responses received.
- Overall, 42% of respondents felt the Lido offered good value for money for the Council. However 78% felt the Council should do something to make it better value for money. Users were more likely to say it offered value for money than non-users.
- With regard to the five possible options for the future of the Lido, Option 3 (Water theme park 59%) and Option 2 (Keep Lido and add attractions 45%) were the options that people said they would most support.
- When asked to rank all five options, 49% ranked Option 3 (Water theme park) as their first choice and 31% chose Option 2 (Keep Lido and add attractions) as their first choice.
- Respondents provided other suggestions for the council to consider for the site. Of those received, the most common included;
  - Extend the Lido opening period, with suggestions including doming the pool; heating the pool; extending the opening times and making it an all-year attraction
  - Mirror other leisure pools such as Bracknell's Coral Reef
  - Combine options such as to provide a water themed play park but keep part of the Lido pool with additional attractions
- There were concerns from the Blackwater Valley Canoe Club that they would lose a clean water-training venue and some respondents stressed that any future option must be an attractive offer to all age groups.

### **Additional evaluation**

- Following the above consultation additional work was commissioned this summer including:
  - Implications of providing a small heated outdoor pool within the water theme park
  - Feasibility of siting the Splash Pad on the current footprint of the Lido pool.
  - Reviewing the additional suggestions including:
    - Heating or doming the pool
    - Providing a sauna and Hot Tub
    - Retain pool and provide small Splash Pad or Lazy river
    - Identify any other viable attractions

- Exploring the concerns and options for the canoe club
- Consultation with families on the water theme park around potential usage and pricing.

**Additional evaluation outcomes.**

- The following options include improvements to the showers and café (£100k), provision of a beach area (£100k) and adventure playground (£200k) and take into account loss of interest on any capital investment (5%) and a 15% return on income to a contractor if operated as a standard contract. Whilst the beach area and playground are optional and could be phased, works will be required shortly to the showers and café.
- The provision of a smaller Splash Pad covering the shallow end of the Lido pool and 4 lane heated 25 metre outdoor pool to be located in the deep end of the Lido pool is estimated to increase attendances to around 46,000 pa and the season to around 180 days. However, the overall cost would increase to around £268k pa.
- The current supply of public water space in Rushmoor is sufficient to meet demand and this does not take into account the Lido pool. With our pools, operating at 55% capacity at peak times compared to a County average of 68% the provision of further lane swimming is not required. There is also a 6 lane heated indoor pool adjacent the Lido.
- A desktop review of ground water and ground conditions has indicated that there is unlikely to be any significant development constraints to locating the Splash pad on the current footprint of the Lido pool, which covers some 3,600m<sup>2</sup>. If this is the preferred option, more detailed ground investigations including boreholes and soil testing will be required.
- A 3,600m<sup>2</sup> Splash pad covering the existing pool footprint will be the biggest in the country and is estimated to attract around 47,000 visits pa and extend the season to around 180 days. The overall costs to the Council would reduce to around £109k pa, providing a saving of £71k pa. With the Adventure Golf this would increase to £91k pa. The facility would be serviced by new plant and equipment removing the risks associated with old plant.
- Heating or doming the Lido pool is estimated to increase attendances to around 39,000 pa and increase the season to around 180 days. However, the overall costs will increase to around £450k and £550k pa respectively and there may be issues finding sufficient lifeguards.
- An outdoor Sauna and Hot Tub will be weather dependent and this will limit its use. It would be better to link these to the Indoor pools to maximise usage.

- The retention of the Lido and creation of additional low cost attractions such as adventure and soft play areas, or a small splash pad, or lazy river could increase average attendances to around 25,000 pa but will not increase the season and increase the subsidy to around £225k pa. The provision of farm / petting animals is not recommended, as these would require 24-hour care and possibly a resident team to look after them.
- The options of a Flow rider (artificial wave machine) and high ropes are also not considered viable at this time.
- There are currently Leisure operators seeking up to 1 acre of land on a 25-year lease to develop Adventure golf, which would operate for the majority of the year. They are seeking sites around London and the Home Counties with strong trading potential and parking near to visitor attractions. The Council will need to determine the future for the Lido site prior to any negotiations, recognising that if in the meantime an alternate site is found locally it may reduce the viability of a facility in the Borough. Indicative figures are attendances of around 50,000 with a rental of £20k pa to the Council.
- In an attempt to gain further ideas from the market, to introduce into the facility mix at the Lido, expressions of interest were sought through a leading trade journal. To date no ideas have been forthcoming. If through development the Lido site can secure increased regular throughput other attractions may become more viable in due course.
- During a good summer, the facility can become very busy. If attendances continued to show significant increases due to any of the options, the current Lido car park could be increased from around 170 bays to 400 plus bays subject to planning permission and funding (circa £200k).
- The consultants have also identified that the Aldershot indoor Pools might benefit from a fitness Gym overlooking the Lido along with improved catering. This would require investigating the viability of swapping the current gym and staff offices. Initial indications are that there would be demand for such a facility, increasing the current Gym from 35 stations to 65 stations and memberships from 950 to 1,600. This could impact on the fitness room at the Connaught Leisure Centre.
- The canoe club who use the clean water at the Lido twice a week from late May to November particularly for their beginners and have storage for their canoes at the site are concerned the loss of the Lido pool will affect their club. They have around 100 individual members and 45 family memberships, of which around 50 are Rushmoor residents. If the Lido pool was unavailable, there may be scope to purchase suitable canoes to enable some indoor pool use for training and we may be able to continue to provide storage.

## **Additional consultation**

- The consultants have interviewed a further 312 families from around the Lido and in both town centres. Of these 39% had used the Lido in the last year of which 60% had used it monthly or less frequently. The most popular reasons from respondents that had not used the Lido were it was too cold, too expensive, children too young, not enough to do or used other facilities.
- Over two thirds (67%) of respondents indicated they would be more inclined to use the Lido if it had additional attractions. The main reason for not using was centred on the children being too old which included 14 to 16 year olds.
- If the Lido was replaced with a similar sized Splash Pad including adventure golf and playground 72% of respondents indicated they would use the facility. The most popular reasons for not using were children would want to swim, they had much older or very young children and golf does not appeal.
- When asked which of the two options they or their families would be more inclined to use, 47% indicated the Lido with a variety of low cost attractions with 53% indicating the Water Themed play park. Those under 55 years were more inclined to select the Water theme park (56%) rather than the Lido with additional attractions (44%). The Water theme park was also the preferred option for those with children 6 to 11 years (63%) or 12 to 16 years (65%).
- When asked how they would travel to the facility 46% indicated they would walk and 44% would travel by car. Those further away in the GU14 postcode were more inclined travel by car (82%) whereas those closer in GU12 would walk (80%).
- When asked what they would be prepared to pay for the new facilities 59% indicated they would be prepared to pay more, of which £9.20 was the average response for an adult (currently £6.90) and £5.93 was the average response for a child (currently £4.20).

## **Financial Implications**

## Options – Estimated costings and attendance figures

	Capital Cost	Loss of Interest @ 5%	Net Operating Cost	Overall Council Subsidy	Season	Attendance
Current Lido	£140k	£7k	£173k	<b>£180k</b>	76 days	21,000
Domed Lido	£6.4m	£320k	£226k	<b>£546k</b>	183 days	39,000
Heated Lido	£0.8m	£40k	£405k	<b>£445k</b>	183 days	39,000
Splash pad 3,600m <sup>2</sup>	£2.4m	£120k	(£11k)	<b>£109k</b>	183 days	47,000
Splash pad and small pool	£2.5m	£125k	£143k	<b>£268k</b>	183 days	46,000
Lido plus low cost attractions e.g. Lazy river or small Splash pad	£0.7m	£35k	£190k	<b>£225k</b>	76 days	25,000

- The above options apart from the current Lido figures include a new beach area (£100k) and playground (£200k). All the options include improvements to the Cafe and Changing Rooms (£100k). The inclusion or phasing of these will need to be considered based on the available capital and level of risk the Council find acceptable.
- There may also be some partial exemption on VAT, additional rates implications and contract costs depending on the management arrangements and income levels.
- The financial models used to date are based on current charges. There may be scope to increase charges and / or introduce different pricing policies such as a resident / non-resident charge and parking charges to encourage more people to walk. If charges are put up in line with the averages that the public say they would be prepared to pay (as set out previously) then additional income, in the region of £50k-90k may be anticipated (assuming attendance levels remain as predicted).
- The provision of an Adventure golf facility should generate around 50,000 visits a year with a rental of £20k pa paid to this Council. These figures are not included in the above options table.
- In order to reduce the financial risks, the option of phasing any investment could be considered. For example the Water Theme Park could include the development of a smaller Splash pad (around 2,400 m<sup>2</sup>) and the works to the playground and beach delayed which would reduce the initial capital required from £2.4m to around £1.6m, resulting in a reduction of £40,000 in loss of interest. With the provision of the Adventure Golf, this could reduce the overall cost to the Council to around £49k pa

and with a £1 increase on entrance charges to £9k pa (see table below). The provision of additional attractions would be dependent on the performance of the initial development.

- If the financial projections are not achieved there would be scope to vary the season to peak holiday periods only and vary the pricing, subject to market forces (see table below). If for any reason, this option becomes no longer viable, the facility could be closed with only the ongoing costs of grounds maintenance and one off cost to make safe. The Council would however have lost the option of investing the capital in other schemes, along with the resultant loss of interest, which for the full scheme (£2.4m) would be £120k pa and for the phased scheme (£1.6m) would be £80k pa.

Water theme park – possible options to reduce risk

	Water theme park 3,600m <sup>2</sup>	Phased including 2,400m <sup>2</sup> Splashpad, showers / cafe with increased charges
Capital	£2.4M	£1.6M
Season	183 days	183 days
Attendances	47,000	47,000
Cost to Council	£109k	£69k
Adventure golf income	(£20k)	(£20k)
Increasing charges (£4.20 to £5.20)	(£40k)	(£40k)
Overall cost to Council	£49k	£9k
<b>Overall financial saving</b>	<b>(£131k)</b>	<b>(£171k)</b>

- The consultancy work shows there would be demand from the public for a Water theme park and that they would be prepared to pay an increased entrance charge. The work has also provided reasonably accurate figures for the capital outlay and operating costs based on information gained from other venues and the current operation of the Lido. The predicted increased level of both daily peak and off peak usage has been kept to 10%, however income will be subject to market forces and could change significantly. For the Water theme park a 10% increase or decrease in attendances (+ or – 4,700 visits) at £5.20 would affect entrance charges by around plus or minus £25k pa.
- The Council will need to consider the level of risk involved with any investment and the loss of any opportunities to invest the money in higher strategic priorities or those providing a better invest to save opportunity.

### Summary



- With the Lido, costing the Council around £170,000 a year (7 year average) and an average of only 21,000 visits it is recognised that something must be done to offer better value for money. It forms part of the Council's 8 point plan with the aim of making savings to assist overall financial sustainability and needs to be viewed in the context of the medium term financial forecast where savings of £2.5m are required by 2017/18.
- The Lido has been subject to review for many years and whilst some low cost improvements have been made there has not been any significant impact on the levels of usage, with the facility still being very weather dependent.
- The proposals contained in this paper have been developed conscientiously by an independent and suitably qualified Leisure Consultant but cannot be guaranteed. They have followed up on a variety of both Member and public suggestions and sought options from the leisure industry in order to retain a significant leisure presence on the site but one that is a lower cost to the Council and remains attractive to the local population.
- Following both user and resident consultation the preferred choice was for a Water Theme Park including a large Splash pad, beach area, adventure playground and adventure golf (49%) and keeping the Lido with additional low cost attractions (31%).
- In general, the Water Theme Park was particularly favoured by those under 55 years and families with children 6 to 16 years. Those over 55 years and living closer to the Lido favoured keeping the Lido pool and providing additional low cost attractions. Respondents also indicated that they would be prepared to pay more for an improved facility.
- If the Lido pool were to close the Canoe club would be seeking replacement clean water training facility and storage. There may be scope to provide some indoor training and storage but this would require further investigation.
- Additional follow up work has shown that the Water theme Park is the only option that will significantly reduce the current cost to the Council saving around £130k pa (including the Adventure golf and an increase in entrance fees), increase the season (from 76 days to 183 days) and increase attendances (21,000 to 47,000 for the Lido site and a further 50,000 for adventure golf). With a phased approach the saving could increase to around £170k pa.
- The Lido is in a key position within the local area but for much of the year it is closed to the local community. If the pool is retained as the main attraction, it is difficult to envisage which additional attractions will significantly reduce the cost and increase usage.
- There may be scope to provide a larger fitness gym and Sauna / Hot Tub within the Aldershot Indoor Pools, which will require further investigation.

- If developments are proposed on the existing pool area, more detailed work will be required on the ground conditions and the management options may need to be determined for the preferred option
- The closure of the facility in its current format is likely to meet with some public resistance, however in these times of austerity with continued pressure on public spending and while this discretionary service continues to require a significant subsidy, or needs significant investment in its infrastructure, this has to remain a possibility.
- Longer term, given the age and unique nature of the plant and machinery it will become more difficult and expensive to keep the facility operating. When retendering in 2019 given the current average operating cost it is likely to require an increased subsidy of around £200kpa from this Council
- If any of the above options requiring significant capital investment were chosen as the preferred way forward they will require planning permission. For example, the Water Theme Park would take a year from initial procurement to opening. It would therefore be proposed that the Lido Pool remains open in its current format for the 2015 season. The development of the Adventure Golf through a long lease would also be considered a disposal of an asset and the Council would need to advertise a Notice of Disposal and consider any objections.
- The Task and Finish group recognised the amount of work that had gone into the review over many years and the importance of this site for our residents. Having considered the views of residents it was recognised that the facilities needed to be improved and in line with their preference, it was felt that transforming the facility into a modern Water Theme Park provided the best option. The retention of the water slides would also be considered.
- They felt that the potential to expand the indoor gym along with a sauna and Jacuzzi should be considered in more detail and the fact that the Lido site was used for the 1948 Olympics should be better promoted. The potential of a day pass to include both the Water theme Park and Indoor swimming pool should be considered and the possible introduction of a leisure pass for our residents revisited.
- The figures provided throughout the review work are the best estimates and may be higher or lower which would affect the financial viability of the chosen project. The Council will need to consider the level of risk involved with any investment and whether funds could be used more effectively elsewhere.

## **Recommendations**

- Both the Task and Finish group and Leisure and Youth Panel recommend the following:

- Given the preferred option is to develop the Water Theme Park, further work is carried out on the ground conditions and costs associated with enabling a Splash pad to be provided on the current footprint of the Lido pool.
- The feasibility of retaining the water slides is explored
- The Council to carefully consider the financial viability and approach to funding the development of the Water theme Park and to explore mitigating any risk by seeking interest in a joint venture, along with the preferred management option, noting there was a preference for one operator for both the indoor pools and water theme park.
- The Council to identify the preferred location for an Adventure Golf facility on the Lido site and advertise a notice to dispose of the area required, as they will be seeking 25-year lease. Subject to the outcome of any feedback, the Council can then seek a preferred operator and planning permission.
- The Lido pool to continue to offer the current facilities in 2015.
- The Council to work with the canoe club to identify storage options and potential of providing some indoor pool training time.
- The Council to explore the potential of expanding the gym as an invest to save initiative and providing a sauna / hot tub in the indoor pools.
- The opportunity to provide a single ticket to enable access to the Splash pad, indoor pools and/or the golf should be explored
- The Council to better promote that the Lido site was used for the 1948 Olympics and consider including reference to this in any rebranding of the site.

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Background papers include:

- Aldershot Lido Review July 2013
- Cabinet paper October 2013
- Cabinet paper June 2014
- Lido consultations 2013/14
- Aldershot Lido options appraisal December 2014

**Capital investment and overall operating costs**

	Current lido	Water theme park	Water theme park (phased approach)
<b>Capital Investment</b>			
Pre-season works	£40k	£10k	£10k
Splash Pad including infill	n/a	£2M (3,600m2)	£1.5m (2,400m2)
Showers and Cafe	£100k	£100k	£100k
Beach area	n/a	£100k	n/a
Playground	n/a	£190k	n/a
Overall	£140k	£2.4M	£1.6M
<b>Loss of interest</b>	<b>£7k</b>	<b>£120k pa</b>	<b>£80K pa</b>
Length of season	76 days	183 days	183 days
Attendances	21,000	47,000	47,000 *
Income	£107k	£272k	£272k
Expenditure	£172k	£217k	£217k
Council costs	£173k	(£11k)	(£11k)
<b>Overall cost to Council including loss of interest</b>	<b>£180k</b>	<b>£109k</b>	<b>£69k</b>
Inclusion of Adventure Golf rental	(£20k)	(£20k)	(£20k)
£1 increase on average charge for enhanced facility as indicated in consultation (£4.20 to £5.20)	n/a	(£40k)	(£40k)*
<b>Overall cost to Council with inclusion of golf and price increase</b>	<b>£160k</b>	<b>£49k</b>	<b>£9k</b>

\*Assumes attendances retained in first few years due to initial interest.

## Performance information

	Current Lido	Water theme park
	7 year average	Estimated
<b>Season duration</b>		
weekdays	15	86
weekends / holidays	61	97
<b>overall</b>	<b>76</b>	<b>183</b>
<b>Throughput</b>		(estimate 10% increase)
Weekday	2,143 (143 per day)	13,518 (157 per day)
Weekends / holidays	19,291 (316 per day)	33,744 (348 per day)
<b>Overall</b>	<b>21,435 (282 per day)</b>	<b>47,262 (258 per day)</b>
<b>Income</b>		
Entrance fees	£74k	£211k
Secondary Spend	£31k	£61k
<b>Overall</b>	<b>£107k</b>	<b>£272k</b>
<b>Expenditure</b>		
Staffing	£65k	£33k
Utilities	£25k	£63k
Cost of sales	£16k	£30k
Other	£56k	£50k
Contractor Profit	£10k (11% of income)	£41k (15% of income)
<b>Overall</b>	<b>£172k</b>	<b>£217k</b>
	2014 actual	Estimated
<b>Council costs</b>		
Revenue	£51k *	£34k **
Average Capital	£40k	£10k
Management fee	£82k	(£55k)
<b>Overall</b>	<b>£173k</b>	<b>(£11k)</b>

\*Includes NNDR £23K, , salaries £6k, insurance £5k, pc sum £7k and repairs £10k and excludes energy payment (£19k) which would be apportioned to other leisure cost centres

\*\* includes NNDR £23k, salaries £6k, insurance £5k