

Jubilee Pool Penzance: Project Business Plan

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Jubilee Pool Penzance: Project Business Plan

1. Executive Summary

- Jubilee Pool Penzance is the largest of only 5 surviving seawater lidos in the UK and sits in an unrivalled position with views across Mounts Bay to St Michaels Mount. An important part of the built and social fabric of Penzance, and highly valued by local people, it is a source of considerable civic pride for Penzance. It also plays an important role as an affordable and accessible community sport/activity and leisure amenity.
- Having recently received a significant investment to repair structural defects and storm damage, Jubilee Pool is once again thriving with user numbers higher than seen in decades. However a short opening season and, given its exposed coastal situation, high winter maintenance costs mean that the pool is not currently financially sustainable.
- This project proposal submitted by Jubilee Pool Penzance Limited (JPPL), a charitable Community Benefit Society, represents an exciting and viable route to financial sustainability by creating a unique year round visitor destination which also meets the leisure, sport/activity and health needs of the local community.
- The project is primarily a £1.75m capital investment to:
 - Utilise a geothermal energy source to create the UK's only heated sea water pool; and
 - Upgrade existing facilities to create a unified "hospitality zone" along the pool's top terrace comprising a café, reception area, retail and community/event space
- Key Project Outcomes:
 - Improved financial and social sustainability;
 - Improved local economy through the creation of a unique visitor destination;
 - Improved opportunities for employment, training and volunteering;
 - Enhanced opportunities for the local community to benefit from affordable year round outdoor leisure, sport/activity and health facilities and free access to leisure facilities and tailored health/wellbeing services for those most in need.

- Cost breakdown:

Investment	£000	Comment
Geothermal heated zone	1350	Capital
Hospitality Terrace	400	Capital
Geothermal manager	30	Revenue
TOTAL	1780	

- Potential funding structure and status:

Source	£000	Category	Funding	Status
Power to Change	300	Grant	Geothermal zone	Granted
	30	Grant	Geothermal Manager	
West Cornwall LAG	136	Grant	Hospitality Terrace	Second stage application submitted and under review
Community Share Issue	350	Equity	Hospitality Terrace £175k	Planned for summer 2018 to follow the planned well drill and to coincide with the visitor season
			Geothermal zone £175k	
Corporate donations	30	Donations	Hospitality Terrace £12.5k	Corporate donor scheme developed and launching June 2018
			Geothermal zone £17.5k	
Loan Capital				
Lenders	500		Geothermal zone £884k	934k is the maximum amount of social investment loan capital which JPPL will take on. JPPL will actively seek additional sources of grant funding to reduce anticipated debt levels.
Social Investors	434		Hospitality Terrace £50k	
TOTAL	1780			

Funding, including additional potential sources of grant funding is discussed in more detail in Section 4 below

- Project Status
 - A separate project led by Cornwall Council in partnership with Geothermal Energy Limited has secured £1.8m for the installation of a geothermal well. This funding is contingent up a secured end use for the energy. JPPL's project represents that end use and JPPL will be the sole beneficiary of the energy produced.
 - The geothermal well project is scheduled to commence early in 2018 and be completed prior to October.
 - JPPL's project has procured design and costings to RIBA stage 1 for the geothermal installation and RIBA stage 2 for the hospitality zone following which planning permission will be sought.
 - Subject to funding and planning, the capital works at Jubilee Pool will take place between November 2018 and March 2019.
- Financial and Social Sustainability

The project will transform our financial situation. For the year ending 31st March 2019, JPPL forecasts a deficit of £10.5k on revenues of £335.6k. For the year to 31st March 2022, we forecast revenues of £1,148k and a surplus of £210.5k. Assumptions underlying the forecasts are set out in Section 6 below but include the following:

 - Costs of providing free/subsidised pool use for local people and services for people in need – estimated at £129,200 p.a;
 - Grant support; and
 - Interest payments on loan capital
- Social Provision
 - Locals' Discount of 20% for people living in Penzance
 - Free access to the geothermal hot zone for people from the most deprived communities – 6x 45 minute sessions per week for up to 50 people per session;
 - Therapeutic/Activity sessions and tailored programmes aimed at improving health and well-being for up to 180 people/week living with ill health, disability, social isolation/exclusion, or affected by substance abuse/addiction issues.

In summary JPPL's project proposal will secure the future of Jubilee Pool as a successful community enterprise with a significant impact on the local economy whilst enhancing access to affordable year round outdoor leisure, sport/activity and health facilities for local people

2. Background

The Story so Far

- Built in 1935 Jubilee Pool is not just a highly valued local resource and tourist attraction but a significant and iconic national asset. It is Grade 2 listed, the largest of only 5 surviving sea water Art Deco lidos in the UK and, in 2013 was voted one of the world's top outdoor pools, not surprising given its unique location in the spectacular setting of Mounts Bay.
- Like many sea-side lidos, Jubilee Pool has had a chequered history. By 1992 Jubilee Pool was dilapidated and its future was in doubt. In response, a group of local people got together to form the Jubilee Pool Association (JPA). Working with the then owner, Penwith District Council, JPA secured funding for essential structural works and it re-opened in 1994. JPA was renamed The Friends of Jubilee Pool and over the following 22 years worked to ensure the survival of the pool, providing volunteer labour and fund raising to support maintenance and repair activities. Ownership of the pool transferred to Cornwall Council when it was established in 2009 as the unitary authority for the county.
- In February 2014, severe storms hit Cornwall and Jubilee Pool suffered serious structural damage. Once again its future was on a knife edge. The Friends of Jubilee Pool immediately began campaigning to ensure repairs were made to the pool. Local stakeholders were keen to support the repair and restoration of this much loved community asset, with the overwhelming backing of the wider community. Both Cornwall and Penzance Town Council were supportive and as a result Cornwall Council as owner determined to secure funding for repairs. However, other serious structural issues were identified and it became clear that the pool required a £2.9m investment programme if it were to survive and be more storm resilient. £1.95m was secured from The Coastal Communities Fund with match funding from Cornwall Council; Cornwall and Isles of Scilly LEP; Friends of Jubilee Pool; and Penzance Town Council. This group of key stakeholders came together in a formal Steering Group to oversee delivery of the investment programme and to develop a strategic vision for the future of the pool.
- Jubilee Pool re-opened in May 2016 with an official opening by HRH Prince Charles later that summer. During the season over 40,000 people used the pool a higher figure than for some decades.
- In May 2017, Jubilee Pool Penzance Limited (JPPL) – a charitable CBS – was granted a 99 year lease on Jubilee Pool. Trading as The Friends of Jubilee Pool, JPPL has assumed full responsibility for the operation, maintenance and development of the pool.

A Sustainable Future

- Having secured an investment programme of close to £3m, the Steering Group determined that developing a financially sustainable future for Jubilee Pool was a necessity. Sustainability had long been an issue and for decades the pool has been supported by significant public subsidies.
- The primary barriers to sustainability are the limited “summer season” during which the pool is open; the extent to which its use during that time is at risk from adverse weather; and the fact that activities delivered are primarily swim related and restricted to daytime.
- It is clear that without a new business model, the investment will otherwise only serve as a “sticking plaster”, improving the fabric of the pool but with an inevitable cycle of underutilisation followed by deterioration and the need for another costly publicly funded physical intervention. Alongside which is the ever present risk of storm damage.
- It is also clear that with its unique setting and the right “visitor offer” Jubilee Pool has the potential to generate a surplus and furthermore make a significant positive impact on Penzance’s economy.
- JPPL has established key criteria for achieving financial sustainability:
 - Year round (or significantly extended) opening period;
 - Exploiting the pool’s unique maritime location;
 - Creating a visitor “destination”;
 - Broadening the range of activities – both activity/sport/health and other leisure; and
 - Reducing weather dependence
- Key outcomes from achieving financial sustainability have also been identified:
 - Improved physical resilience – creating reserves for routine repairs/maintenance and storm damage
 - Improved business resilience – being able to invest in new services, activities or business areas
 - Improved access to outdoor leisure/sport and health facilities for the local community
 - Enhanced social sustainability
 - Discounted prices for the local community
 - Free access to geothermal for people from the most deprived communities

- Subsidised/free health and well-being services for people who are disadvantaged; disabled and/or living with life limiting health conditions
- Increased direct and indirect employment, training and volunteering opportunities for local people

The VISION

The Geothermal Solution

- Heating the pool is the “silver bullet” which will act as the catalyst for achieving all the key financial sustainability criteria (above) but conventional means would be both prohibitively expensive and environmentally unfriendly. Moreover, there is an opportunity on the doorstep! Cornwall has deep geothermal resources which provide a significant opportunity for renewable heat and power generation. In the 1970’s and 80’s the world renowned ‘Hot dry rocks project’ at Rosemanowes Quarry in Penryn, led by Camborne School of Mines, confirmed the high temperatures which are found deep underground in Cornwall’s granite.
- Working in partnership with JPPL and Geothermal Engineering Limited (GEL) a world-leading company working on the development of deep geothermal heat and power projects, Cornwall Council has secured £1.8m (ERDF £1.4m, GEL £0.4m) to drill a geothermal well with the specific purpose of providing heated seawater to the Jubilee Pool.
- The ERDF funding is contingent upon identifying and funding an end use. The end use has been identified (JPPL’s geothermal project) and JPPL is now in the process of securing funding to create a partially heated pool; for the additional investment in the hospitality facilities which will enhance the user experience and add to the year round attraction; and to develop and operate new services/activities associated with the geothermal installation.

The Unique Destination and Visitor Experience

- Jubilee Pool Penzance will be the UK’s only sea water pool heated using geothermal energy
- Cornwall is one of the most popular tourist destinations in the UK with ~ 4.5m visitors per year. The pool sits between St Michael’s Mount and Land’s End - the county’s 2nd and 3rd most visited attractions, yet *“Penzance as a town fails to respond to its unique maritime location and thus to fully exploit the potential of the visitor economy. Its sole significant tourist attractions are the art deco lido “Jubilee Pool” and Cornwall’s only promenade.....The town as a whole lacks identity”* (Cornwall Development Company 2014).

- The pool sits in an unrivalled location with some of the UK's most spectacular maritime views – this element is what will bring together the geothermal and hospitality offersthey complement each other to enhance the visitor experience and also act as a financial multiplier

The Community Asset

- Affordable year round access to outdoor leisure, sport/activity and health/well-being facilities
- High quality facilities and services meeting the needs of deprived, disadvantaged and people living disability and or/ill health
- A nationally renowned leisure resource engendering improved civic pride

3.Capital Project Delivery

Capital Project Development

The Capital Project will:

1. Connect the geothermal well to the Jubilee Pool to provide a source of heated sea water at 35 degrees;
2. Carry out work to enable the existing childrens’ pool to be utilised as a heated zone for leisure and health related activities and services;
3. Construct a similarly sized and shaped zone in the pool to create a new childrens’ pool; and
4. Carry out construction work to the pool’s Top Terrace – linking the existing original buildings with contemporary infill structures to create a unified “hospitality zone” comprising an enlarged café; customer service kiosk; community/exhibition and retail space.

JPPL’s focus to date has been on securing design and costings for the above work. The table and narrative below summarises the current status:

Project element	Responsibility	Activity	Status	Deadline
Geothermal well	Cornwall Council/GEL	Feasibility	Complete	
		Funding	Contingent offer secured	
		Tender process	Complete	
		Pre-planning consultation	Complete	
		Planning Application	Submitted	
		Planning approval	Consent granted	
		Drill	Scheduled for Jan/Feb; June and September	Nov 2018
Pool Geothermal facilities	JPPL	RIBA Stage 0	Complete	
		RIBA Stage 2	Complete	
		Planning Application	Listed building consent	
		Funding	Work in progress	Aug 2018
Hot zone	JPPL	Quotation	Complete	
		Detailed design	Work in progress	

		Planning Application	Listed building consent	
Pool Hospitality facilities	JPPL	RIBA Stage 0	Complete	
		RIBA Stage 2	Complete	
		Planning Application	Pre App and Full application	
		Funding	Work in progress	Aug 2018

- JPPL has been working closely with Cornwall Council and GEL as a member of the “Geothermal Steering Group” bringing together all parties involved in securing delivery of a geothermal well which will supply heated seawater to Jubilee Pool. Although this is a separate project which will be funded and managed by Cornwall Council, it and JPPL’s project are interdependent and JPPL will be the sole beneficiary.
- JPPL commissioned design and costings for the proposed geothermal installation in the pool (RIBA1) and the work to enhance the hospitality facilities along the pool’s top terrace (RIBA2):
 - Cornwall Council’s Capital Projects team (CCCP) committed £30k to providing professional advice (in house and through its external framework partners Lorne Stewart and GPJ Consulting Engineers) to develop design and costings to RIBA Stage 1 and to support submission of a planning application for the geothermal installation;
 - Marine Design & Construction, a Falmouth base firm which specialises in the design, build and installation of floating docks, pontoons, jetties and access brows has advised on the design, construction and installation of a replacement childrens’ pool; and
 - Scott Whitby Studio a London based firm of architects worked pro bono to create and cost 3 design concepts (RIBA stage 0) for the enhanced hospitality terrace, following which JPPL committed £20k for Scott Whitby Studio to progress to RIBA stage 2 and outline planning submission.

Capital Project costs

Investment	£000
Geothermal heated zone	1350
Hospitality Terrace	400
TOTAL	1750

Geothermal Heated Zone

Provided by GPJ Consulting Engineers and Fox Engineering Consultants

	£
Site surveys	10,600
Pool related builders work	724,825
Architectural items	21,150
M&E pool water plant items	90,575
Pool water distribution	38,200
Plant room builders work/M&E	26,770
Subtotal	562,120
Prelims (20%)	112,424
Subtotal	674,544
Overhead & Profit (10%)	67,454
TOTAL construction	741,998
Fees and on costs	257,200
	991,998
Contingency	148,800
Irrecoverable VAT	198,400
TOTAL	1,339,198

Hospitality Zone

Provided by Scott Whitby Studios with costings provided by PT Projects a firm of Quantity Surveyors

	£	
Construction costs	338,000	Including 15% contingency
Fees		
Architecture	27,500	
Cost consultancy, contract administration	12,500	
CDM	3,000	
Building Services	5,000	
Civil and Structural	10,000	
TOTAL	396,000	

4. Project Funding

We anticipate that project funding package will comprise a combination of Grant Funding, Equity via a Community Share Issue and Social Investment Debt. Based on a total project cost of £1780k our current potential funding envelope is as follows:

Source	£000	Category	Comments
Power to Change	300	Grant	Secured
West Cornwall LAG	136	Grant	2 nd stage grant under assessment. Match to come from Community Share Issue
Community Share Issue	350	Equity	
Corporate	30	Donor/Equity	
Loans	500	Loan	Feasibility supported by financial projections.
Social Investment	434	Loan	
TOTAL	1750		

- JPPL is actively pursuing additional sources of funding to reduce the overall debt level. We have identified the following charitable trusts and foundations as potential grant funders for the project

Potential Funder	Target Grant
Trusthouse Charitable Foundation	45,000
Garfield Weston Trust	40,000
BIG Lottery Reaching Communities	75,000
Sport England –Community Asset Fund	50,000
Clore Duffield Foundation	90,000
Architectural Heritage Fund	5,000
American Express Philanthropic Programme	10,000
Charles Hayward Foundation	5,000
Duchy of Cornwall Benevolent Fund	5,000
John Anthony Floyd Charitable Trust	5,000
Pilgrim Trust	5,000
Peter Stormont Darling Charitable Trust	5,000
TOTAL	£335,000

5. Project Timetable and Milestones

MILESTONES	TIMING								
	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9 – 12
From 01/10/2017 to 30/09/2020									
Well drill Planning permission									
Well 1) Drill 2) Connection to Jubilee Pool		1			2				
JPPL project Options Appraisal Results									
JPPL capital project budget defined									
JPPL Finalise revenue model, secure social delivery partners									
JPPL project planning submission									
Secure JPPL grant funding									
Secure loan funding									
JPPL community share issue (see below)	Planning	Implementation							
JPPL project steering group	Monthly meetings to manage and secure project delivery								
JPPL capital project delivery		Tender & Contract		Construction					
JPPL project launch and promotion		Marketing/comms				Launch	PR/Marketing		
JPPL initial project monitoring and evaluation									

Community Share Issue

JPPL has been working with the Community Share Company and Real Ideas Organisation. They have provided advice on the establishment of the CBS, supported JPPL's Board in developing its business model and on preparation for the proposed Community Share Issue.

The table below shows the timetable and milestones for the Community Share Issue

Task		Week		01/01/2018 08/01/2018 15/01/2018 22/01/2018 29/01/2018 05/02/2018 12/02/2018 19/02/2018 26/02/2018 05/03/2018 12/03/2018 19/03/2018 26/03/2018 02/04/2018 09/04/2018 16/04/2018 23/04/2018 30/04/2018 07/05/2018 14/05/2018 21/05/2018 28/05/2018 04/06/2018 11/06/2018 18/06/2018 25/06/2018 02/07/2018 09/07/2018 16/07/2018 23/07/2018 30/07/2018																																		
		Start	End	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31				
Secure non equity funding	JP	1	12	█	█	█	█	█	█	█	█	█	█	█	█																							
Refresh business plan	JP	1	13	█	█	█	█	█	█	█	█	█	█	█	█	█																						
Refresh financial projections	JP	1	13	█	█	█	█	█	█	█	█	█	█	█	█	█																						
Plan the campaign	JP	1	10	█	█	█	█	█	█	█	█	█	█	█	█																							
Get tax breaks confirmed	CSC	5	17					█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█		
Begin engaging the local community	JP	1	22	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█		
Determine offer metrics (interest, with	CSC	13	14													█	█																					
Draft share offer document	CSC	15	16															█	█																			
Design documents	JP	17	18																	█	█																	
Get Community Shares standard mark	CSC	19	20																		█	█																
Get BSC Matchfunding agreed	CSC	21	22																			█	█															
Begin marketing the offer	JP	23	27																							█	█	█	█	█	█	█	█	█	█	█	█	
Launch share issue	JP	28	31																																█	█	█	█

Share issue marketing

We believe that there is strong support for the Pool from the local community. When the storms damaged the pool in 2014, local appeals enabled over £100,000 to be raised from supporters to go towards the renovation. We believe that as this was a ‘shot in the dark’, a targeted offer with an investment plan and social and financial returns to investors will be successful.

Penzance is Cornwall's poorest town. Wages are > 30% below the national average and 42.7% of the population is economically inactive vs 32.5% for the SW region. Penzance’s Treneere estate ranks amongst the 2% most deprived areas in the UK and all 6 Penzance wards are amongst the 20% most deprived: 15.7% of work age adults receive out of work benefits; 22.9% of all people are income deprived; 26.8% of

children are in no income households; 28.6% of housing lacks central heating; and 37.4% of all households have no access to a car or van (Source: OCSI 2009).

As a result, the share issue will be made affordable to ensure mass participation in the ownership of the pool, with the minimum of £20 available to every (adult) Cornwall resident. Outside of the county, £50 is the minimum investment. In order to incentivise higher investment levels beyond the minimum, additional rewards have been created:

<i>Eligible to</i>	£20 <i>Cornwall residents</i>	£50 <i>Anyone</i>	£150 <i>Anyone</i>	£250 <i>Anyone</i>	£1000 <i>Anyone</i>	£5000 <i>Anyone</i>	£7500+ <i>Anyone</i>
Democratic rights	✓	✓	✓	✓	✓	✓	✓
Badge	✓	✓	✓	✓	✓	✓	✓
Free visit to the pool		✓	✓	✓	✓	✓	✓
5 Postcards of the limited edition print		✓	✓	✓	✓	✓	✓
A4 version of limited edition print			✓	✓	✓	✓	✓
Framed and signed A3 limited edition print				✓	✓	✓	✓
Attendance at gala opening in 2019					✓	✓	✓
30% tax relief	✓	✓	✓	✓	✓	✓	✓
50% tax relief						✓	✓
Pool Patron							✓
3% interest							✓

The share issue has been promoted locally for some months, with reference made in a variety of media outlets. We have also distributed flyers announcing the opening of the share issue. The share issue will be launched on 26th May, at the summer re-opening of the pool for 2018, and

it will run throughout the summer opening period, to maximise investment from the 40,000+ visitors expected at the pool; banners will be created to advertise the share issue, and we have recruited a new member of staff at the Pool to act as our champion for marketing the share offer in situ, and their role will be to promote, field enquiries and try to encourage as many people as possible to be aware of the share issue, as many of those to become investors, and as many who do not to leave their contacts details to enable us to follow that us.

We have had excellent press coverage in the past, ranging from *The Guardian* through to the *New York Times*, and we are confident national and international press stories can be generated on the back of the combination of the 1930s splendour of the pool and the 21st century technology being deployed, creating the UK's first geothermal sea pool. This will be augmented by regular press contact with local and regional press, radio and TV; BBC TV in the SW has recently covered a share issue at Cawsand and we believe that interest is higher in the subject than is the case in many regions of the UK.

We will also be targeting the professional services community in SW Cornwall, who are likely to be plugged into HNWI networks, to promote the attractive returns we are aspiring to. We have received Advance Assurance for Seed Enterprise Investment Scheme Relief, Enterprise Investment Scheme relief and Social Investment Tax Relief which we have received, but as a condition of these reliefs, the Board have determined that no individual investor will be able to withdraw investment for the first 3 years.

6. Management and Operational Delivery

Governance and Leadership

- JPPL assumed responsibility for the strategic and operational management of Jubilee Pool in May 2017. Prior to that, the pool was a public sector amenity, managed by Cornwall Council, maintained by its wholly owned subsidiary Cormac and operated by Tempus Leisure which held the county's Leisure facilities management contract.
- JPPL is constituted as a Community Benefit Society and governed by a Board of Directors, and is recognised as a charity by HMRC.
- JPPL is a democratic organisation because we wish to ensure that everyone in the community who supports their goals can become an owner and share the pride and responsibility that comes with that. We also believe that owners have a role in keeping the Board accountable to what members and the wider community feel, and that in turn benefits the trading business. Members also have a role as advocates for the facilities, as users of them, volunteers or people who drive attendance through being active and engaged promoters of the pool as a leisure destination.
- Our experience of running the precursor to the society (the Friends of Jubilee Pool) demonstrated that we were able to generate sufficient interest in volunteering and member engagement in our activities centred on the pool and believe that to a greater extent than might be the case elsewhere, we can continue to rely on the draw that the pool brings us to enable us to maintain volunteer engagement.
- We have also priced the share issue differentially to attract more local members who we can attract to become customers and so support the business they own, as well as being people closer to Penzance and thus likelier to be able to be more actively engaged in the governance of the society.
- The Board of the society appoint the staff who run the pool on a day-to-day basis and have oversight of their work. All of them will resign at the first AGM of the society, to be held by September 2018, but current Directors) to enable a new board to be elected with the confidence and legitimacy of being democratically elected by investor members. In addition to the members elected by members, the Board also has two members nominated by Penzance Town Council.
- The current Board comprises 6 directors with an extensive range of skills and experience to support effective delivery of strategic and operational management plans.

Director	Martin Nixon*	David Hoyes*	Gillian Rowe*	Susan Stuart*	Nigel Davis **	Cornelius Olivier ***
Skills/Experience						
Business Management/development	x	x	x	x	x	
Project Management	x	x	x	x		
Fund raising	x	x		x		
Marketing and Communications	x					
Brand development and management	x					
Finance			x	x		
Legal and Governance		x				
Policies and Procedures		x				
Planning			x		x	x
Health and Social Care				x		x
Third Sector				x		x
Local Government/Statutory Sector					x	x
Community Engagement	x	x		x	x	x

* Friends of Jubilee Pool CIO

**Penzance Town Council representative

***Cornwall Council representative

The Board is looking to attract an additional 3-4 Directors to supplement the existing skills base and to ensure that the Board is representative of the wider community. These Board positions will be advertised and subject to a robust selection process.

Prior to June 2017, whilst sharing a plethora of business management experience, the current Directors had no hands-on experience of managing a leisure/sports amenity. The Board received specialist advice and support from Cornwall Council, Cormac and Tempus Leisure ahead of the start of the 2017 season including, but not limited to, providing JPPL with a comprehensive manual of operational and H&S procedures and policies. The Board adopted these and has since produced and adopted an Equalities & Diversity policy and a Financial Policy and Regulations.

- The Board is committed to ensuring best practice across all areas of delivery and has commissioned a comprehensive professional review of JPPL’s operating/H&S policies and procedures during the 2017/18 winter closure. Following this review the JPPL will seek “gold standard” accreditation from QUEST the sector’s leading professional body.
- The Board has taken a strategic decision to employ a direct labour force:
 - A pre-season tendering process for the 2017 season demonstrated clearly that for a single asset contract, commissioning a contract operator is significantly more expensive than direct management;
 - In addition to being more costly, the contract models proposed by potential operators would severely limit the Board’s influence over service delivery and potentially jeopardise JPPL’s ability to secure status from HMRC enabling investors in the proposed community share issue to secure tax relief on their investment;
 - JPPL is a “Real Living Wage” (Living Wage Foundation) employer and has been able to secure staff who are local, committed to the pool and its role in the community. Furthermore, the majority of JPPL’s poolside operations team have previous experience of working at the pool.
- Board meetings are held monthly. Standing agenda items include:
 - Operating and Financial Update;
 - Operational business planning;
 - Strategic planning;
 - Recruitment – Board, Staff, Volunteers; and
 - Statutory and Governance matters.

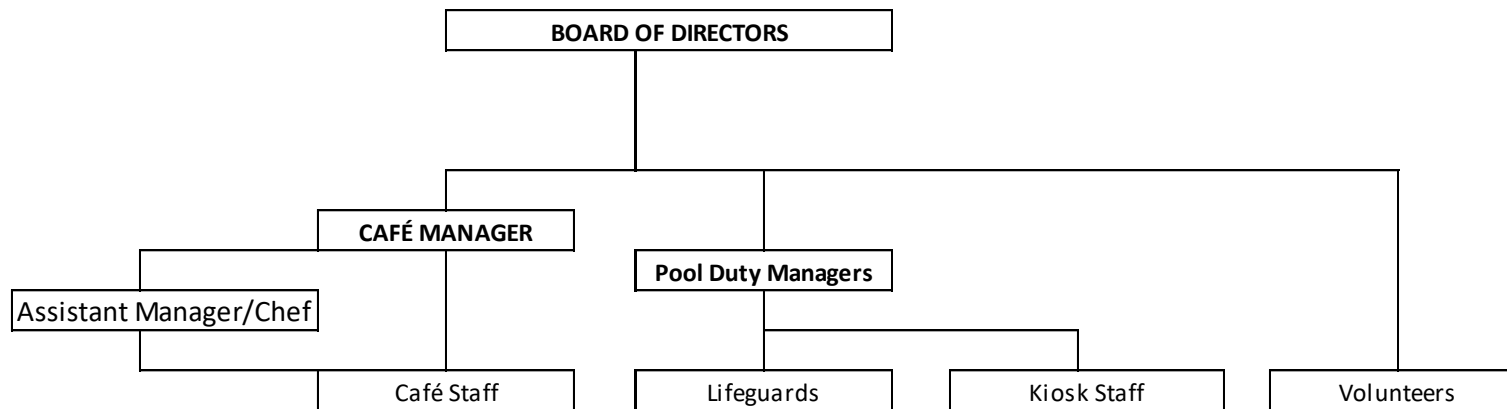
A Board report covering the above is produced to inform the agenda and also to meet reporting obligations to Penzance Town Council and Cornwall Council as providers of grant funding.

Whilst provision of leisure opportunities is a core primary purpose trade, operating a café will not be, and so the society has created a wholly-owned subsidiary to operate this aspect of the trading in order to not be in breach of guidelines governing non-primary purpose trading. The surpluses generated by the café will, after any reserves have been accumulated for reinvestment, be passed to the society as a charitable donation. Even though the café will be a separate legal entity, it is an intrinsic part of our operations and we consider it

to be part of the society's operation. The staffing structures and financial projections shown in this business plan show the two enterprises together.

Operational Delivery 2017/18

Organisation structure



In this first year of operation under the newly established CBS, staffing at the Pool and Café has been (as shown in the chart above) limited to operational delivery staff, as a result of which Directors played a relatively hands on role in operational management:

- Inducting, directing and advising staff;
- Establishing procurement protocols, payment procedures and supplier accounts;
- Authorising and processing payroll;
- Authorising and managing supplier payments;
- Bank account management
- Monitoring delivery – daily site visits and weekly operational meetings

This situation is neither sustainable nor desirable for anything beyond the very short term and the Board has appointed a Chief Operating Officer (COO) to take on the executive management of JPPL. This is discussed in more detail below.

Staffing:

1. Pool

2x full time (seasonal) Pool Duty Managers - responsibilities include:

- Day to day management of poolside delivery;
- Recruitment and line management of lifeguarding teams;
- Maintenance of safe working facilities;
- Monitoring and maintenance of safe water quality;
- Management of kiosk staff
- Delivery of pool and poolside training/classes
- Interaction with and support for the pool using public

2x full time (seasonal) kiosk staff:

- Manning the pools entry point to the public
- Sale of entry tickets
- Information and support for the general public
- Operation of tills

Up to 12x (seasonal) full and part time lifeguards – maximum 6 on duty at any one time dependent upon number of bathers:

- RLSS qualified
- Provision of lifeguarding services
- Provision of water based classes (ad hoc)
- Maintenance of a safe and clean poolside

2. Café

1x Full time permanent café manager, responsibilities include:

Developing and delivering a business plan for the café;
Overall financial and operational control of the café;
Weekly financial and operational reporting;
Line management of café assistant manager/chef and café staff;
Promotion and marketing

1x full time permanent assistant manager/chef, responsibilities:

Develop and deliver a high quality modern menu, attracting new customers and meeting the needs of pool users
Supporting the manager in developing and delivering the café business plan
Procuring supplies and consumables, liaising with suppliers
Day to day management of café staff

Up to 12 full and part time café staff (maximum 7 on duty at any one time)

Supporting the manager and assistant manager to run an efficient and friendly customer service

Volunteers - There are currently around 30 volunteers registered with JPPL. However in common with many voluntary sector organisations, the majority of volunteers are only prepared to commit their time on an ad hoc basis. We estimate that of the 30 registered volunteers around 8 are committing approximately 150 hours per week on a regular basis with the remainder only giving time to ad hoc events. We will seek to expand and develop our volunteer resource in 2019 (with our members the first port of call) to support our expanded post project delivery offering (see below for delivery in 2018 and 2019). The volunteer cohort is expected to increase to around 35 donating approximately 190 – 200 hours per week.

Offer

- Pool opening hours 10.30 – 18.00 7 days per week from 03/06 to 30/09 and 5 days per week from 01/10 to 29/10
 - Swim sessions;
 - Inflatable Floating obstacle course (Tuesdays and Sundays)
 - Stand Up Paddleboard classes (ad hoc - external provider);
 - Swim Safe classes for children (ad hoc - provided by RNLI);
 - Sessions/event facilitation for local sports clubs/organisations and schools

- Water polo club
- Aquathons
- Biathlons/Triathlons
- School swim sessions
- Free (by arrangement) activities for services users from organisations supporting disabled people
- Ad hoc events/pool hire by arrangement

JPPL aims to offer an affordable and accessible leisure and amenity service. The 2017 pricing structure is shown below together with prices for comparable entities. Jubilee Pool offers concessions and under 18's a 30% discount in addition to which of people living in (the parish of) Penzance (Population 21,500) are offered a 20% discount.

	Time restrictions	Adult		Concessions		Family		Free	Spectators	Other
		day	season	day	season	day	season			
PENZANCE										
Jubilee Pool	10.30 – 3.30	5.00	69.00	3.50	52.00	15.00-18.00	175	Under 4's	2.00 poolside	Family day: 2+2 £15; 2+3 £18. Family season: 2+3 £175 10 ticket swims £30 20% locals discount except after 3.30pm
	3.30 – 6.00	3.15		2.50		12.40				
Leisure centre	Prices per hour	4.05		2.60 A						10 swims £35.65 Adult; £23.70 U16
				3.10 Ch						
STONEHAVEN		5.40	166.00	3.30	100.00	14.65	400	Under 5's	3.30	12 swims for the price of 10 Family 2+2 or 1+3 After 5pm all swims £3.30 (day), £90 (season) Midnight swim £7.10 (A), £4.85 (C), £18.40 (F), £4.85 (Sp)
TINSIDE		4.75	67.50	3.75	42.50	13.00	135	Under 4's		
					52.50 OAP	10.00 Conc	100 Conc			
SALTDEAN	7-9am	4.00	70.00	4.00						Adults only
	5.30 – 7.30pm									
	Session	7.50		5.00		20.00				Session: 9am – 1pm or 1.30pm – 5.30pm
	All day	12.00	150.00	8.00	150.00	30.00	200			Family season: 1+2 additional children £30
							250			Family season: 2+2 additional children £30
BROCKWELL	6am – 10pm	3.15		2.05						5 swims £23.35; 10 swims £46.00
	10pm – 6pm	6.00		3.95						
	6pm – 10pm	3.35		2.70						
PORTISHEAD		5.00	110.00	3.50	75.00	14.00	230		3.00	Family=4 + £2(day) +£30(season) per additional child
NANTWICH		4.00		3.20		10.00		Under 3's		

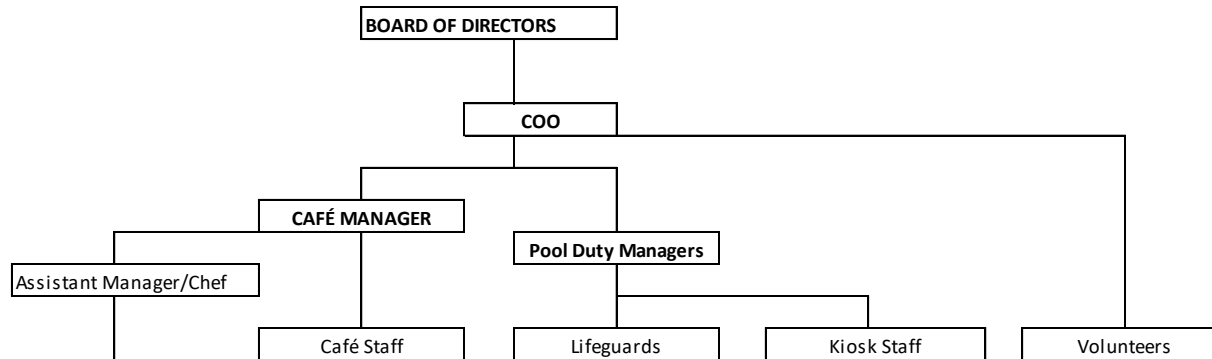
SANDFORD	Early/late	3.80		2.20		5.50 – 11.00				Family: 2 £5.50/ 3 £9.00/ 4 £11.00
	Day	4.80		2.60		6.90 - 14.00		Under 5's	As swim	Family: 2 £6.90/ 3 £11.50/ 4 £14.00
										1 on 1 swim lessons £18/30 minutes
ARUNDEL		7.00	75.00	6.00 A	60.00	10.00–17.00	100-170			Family (day): 1+1£10/1+3£14/2+1£15/2+4£17
				4.00 Ch	50.00					Family (season): 1+1£100/1+3£140/2+2£150/2+4£170
				5.00 Jun	55.00					Child 2-7, Junior 8-17

The 2018/19 pricing structure has been amended to create a more affordable offer for families and children. Specifically: we will be introducing an “After School Club” where parents/grandparents/guardians come for free and pay only for the children; and we will introduce a “Loyalty Card” which means that people can pay for a season ticket by instalment making it possible for people on low incomes to benefit from the discount afforded to frequent users by having a season ticket.

- Café: 7 days per week from 03/06 to 29/10. Opening hours 8.30 – 8pm Sunday to Thursday and 8.30pm -10pm Friday and Saturday; 5 days per week from 01/11 to 31/05/18 9am – 5pm Sunday, Wednesday and Thursday; 9am – 10pm Friday and Saturday.
 - A range of hot and cold drinks, snacks and light meals including gluten free, vegetarian, vegan and childrens’ options.
 - Pizzas in the evenings during summer and at weekends throughout the year;
 - Themed supper evenings and Sunday roasts
- As with the pool affordability is important and the café menu reflects that. However another important role of the café is to generate a surplus – 100% of which is either invested back into the expansion and enhanced profitability of the café or for the benefit of the pool. We capitalise on the café’s unique location as well as the quality of food to attract local people and visitors alike.

Operational Delivery 2018/19

Organisation Structure



Delivery and Staffing

2018/19 will be a crucial “stepping stone” year putting in place the finances, people and physical infrastructure to take Jubilee Pool forward to a new era which will cement it’s financial future and enable it to play a meaningful role in the health/well-being and economic future of Penzance.

The COO will take executive responsibility for the management of JPPL. The new COO will be in place for the open of the new season. Key elements of this post will include:

- Development of business plans to deliver the strategic aims established by the Board;
- Regular Financial and operational reporting to the Board against established delivery targets;
- Ensuring best practice delivery across all areas of JPPL’s operations;
- Line management of staff;
- Stakeholder Engagement and Management:

- Working with the Board to secure support and “buy in” to the planned Community Share Issue as part of the funding for the proposed project; and
- Working with local stakeholders and delivery partners to secure optimal use of the pool’s facilities including but not limited to delivery of subsidised/free services for those most in need;
- Working with the Board to play a key role in delivering the Board’s marketing and communications strategy to support the Community Share Issue and the ensuing launch of the Geothermal facilities and services

This appointment is critical:

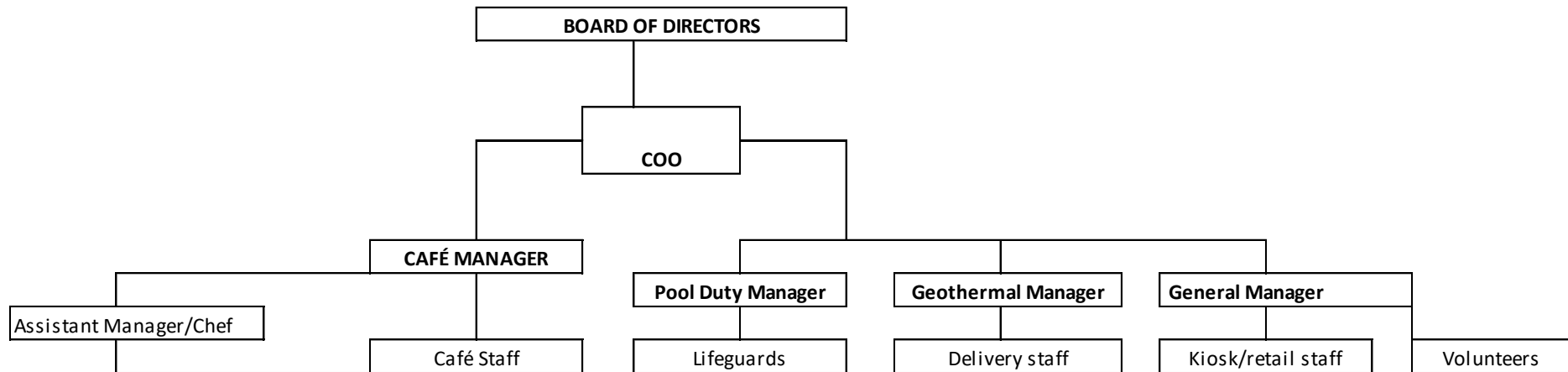
- It will provide the Board with the skilled senior management support required to develop a successful business which meets or exceeds its social and financial targets; and
- It will enable the Board to focus on the pieces of the jigsaw which need to be put in place to secure implementation of the capital project.

Given the enormity of the strategic targets and project milestones which need to be achieved during 2018, JPPL does not intend to make any significant changes to the current operational business model for the pool or café between the start of season (end of May 2018) and their anticipated closure for construction works at the end of October 2018.

- There will be minor operational improvements for example extending opening hours to facilitate early morning and evening swims and associated exercise/activity classes;
- There will be minor changes to the Pool’s pricing structure to remove some anomalies and clear the way for more wholesale changes in 2019;
- The pool will attain QUEST accreditation; and
- The pool will develop and improve its communication with and provision for schools and other organisations serving young people in (the parish of) Penzance.

Operational Delivery 2019/20

Organisation structure



The above organisation structure shows a significant increase in the size of the organisation to support the post project delivery plan which is summarised below. The COO will be supported by a full time General Manager (£18k salary) who's responsibilities will include:

- Volunteer recruitment, coordination and management
- Line management of kiosk/retail staff
- Event management
- Social Media delivery
- Banking and submission of financial information to accountants

Delivery

Following completion of the capital project (geothermal facilities and hospitality zone) 2019/20 is the year which will see Jubilee Pool becomes a unique visitor destination – the UK’s only geothermally heated sea water lido. JPPL expects that the attraction, supported by local, regional and national Marketing & PR campaigns will significantly boost visitor numbers. We have assumed a 25% increase in the numbers of summer visitors during year 1 (2019/20) with winter visitors averaging ~ 15% of the summer numbers:

Anticipated visitor numbers (2019):

Month	Apr	May	June	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	TOTAL
'000	5	7	8.2	11	11	7.8	2	1	0.75	0.75	1	2	57.5

Visitor numbers are expected to rise by 10% in years 2&3

Up to 2014 prior to the storm damage, visitor numbers were running at 26,000 per year. On the re-opening, that leapt by 54% to circa 40,000 and stayed there last year in 2017. This project is about far more than a mere renovation and give us the UK’s only geothermally heated sea water lido. We think a 25% uplift from to 57,500 visitors and 10% annual growth seems is a cautious estimate, against the context of the visitor economy:

Cornwall has 14.7m day visitors and 4.3m staying visitors in 2016

Penzance has 618,000 day visitors and 88,000 staying visitors (data from the last town survey commissioned by Visit Cornwall in 2012). 57,500 equates to around 9.3% of all visitors to Penzance, but we know that around 60% of our users are local people, and 40% are tourists. We further assume that that 80% of additional pool users will be drawn more heavily from visitors, so, we estimate that 16,000 of the current 40,000 annual visitors to the pool are tourists. We also think that of the 17,500 extra visitors, 80% will be tourists, so that’s another 14,000 tourists. Combining these two groups would mean we would need to hit around 30,000 tourist visitors per year to meet these projected numbers, around 5% of the total numbers visiting back in 2012.

Both the opening season and opening hours will be significantly extended:

- The pool and café will be open throughout the year for 7 days per week, subject to a total of 4 weeks closure in the winter for maintenance and repair;
- Opening hours (subject to daylight) will range from 6 hours in January to 14.5 hours in high summer.
- Staff will be recruited and/or trained to deliver a range of poolside and water based classes and treatments including for example:
 - Classes - Pre and Post work circuit training (Pool/Poolside and Hot water); Daytime circuit training; Aquaerobics; Stand Up Paddleboard; SCUBA/Sub Aqua training; Yoga and Pilates;
 - Treatments will comprise a range of in water and poolside massage options
- Anticipated service uptake
 - Summer
 - 35% use the pool and pay for access to use the heated zone - £12.50;
 - 65% pay for pool access – average entry ticket £3.50;
 - 2.5% pay to attend a class – average price £5;
 - 2.5% pay for a treatment session – average price £15;
 - Winter
 - 90% of winter visitors paying for access to the heated zone (£12.50) of which:
 - 20% pay for a treatment – average price £15;
 - 20% pay for a class – average price £5;
 - 5% of pool users will pay for a class
 - The pool closes for a total of 4 weeks across the winter to allow for repairs & maintenance and due to storm conditions

Community Benefit

- JPPL will continue to offer the 20% “locals’ discount” to people living in Penzance, in addition to which we will introduce:
 - 3x weekly 2 hour blocks of time (2x 45 min sessions) providing free leisure access to the hot water zone for local people – 6 sessions for up to 50 people per session – with priority being given to those from Penzance’s most deprived neighbourhoods; and
 - 3x 45 minute health and well-being sessions/day 5 days/week for people in need (up to 12 people per session) – 15 sessions for up to 180 people per week (assuming a weekly session/person)

- Health and well-being sessions will be targeted at those most in need and who will benefit from access to the geothermal and associated services and the year round access which geothermal facilitates. Including:
 - People with mobility constraints for whom weight bearing exercise is not feasible or who have balance problems eg:
 - Arthritis and chronic rheumatism sufferers
 - People recovering from accident or injury
 - People who are morbidly obese
 - Stroke survivors
 - Dementia sufferers – Swim UK has recently conducted a nation-wide pilot project which has shown significant beneficial outcomes from swimming for people living with dementia
 - People living with poor mental health
 - People living with substance abuse problems
 - People of all ages who are living with or at high risk of social isolation and or exclusion.
- The health and well-being sessions will be devised together with our delivery partners and their service users in order that they contribute to a wider ranging social intervention and are not carried out in isolation. Each “service user” will establish what benefit they want to get from engaging with Jubilee Pool. This will work as a basis for monitoring and measuring the benefit that accrues

The opening hours, anticipated visitor/user numbers, service offer and service uptake will drive the numbers of delivery staff

Month	Apr	May	June	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Hours	8-7	7.30 – 7.30	7.30 – 10	7.30 – 10	7.30 – 7.30	8-7	8-5	10- 4	10-4	10-4	10-4	8-5
# Hours	11	12	14.5	14.5	12	11	9	6	6	6	6	9
Avg Visitors/ day 2019/20 (paying)	167	226	273	355	355	260	64	33	38	25	36	65
Avg Visitors/ week 2019/20 (free)	330	420	480	480	480	420	420	330	270	270	270	330
Staff												
# Lifeguards (“l/g”)												
▪ Senior (duty managers)	2	2	2	2	2	2	2	2	2	2	2	2
▪ Junior	4	5	6	6	6	4	3	2	2	2	2	3
Geothermal Manager	1	1	1	1	1	1	1	1	1	1	1	1

Geothermal delivery	1	1	1	1	1	1	1	1	1	1	1	1
Classes/treatments (included in l/g)	1	2	2	2	2	2	2	1	1	1	1	1
Kiosk Staff	2	2	2	2	2	2	2	2	2	2	2	2

Job Creation

	2017/18	2018/19	2019/20
Full time posts			
Permanent	2	4	12
Seasonal	2	2	6
Part time posts			
Permanent	0	0	0
Seasonal FTE	14	14	8
TOTAL FTE	18	20	26

The Geothermal Manager is a full time permanent post (£27k salary). Responsibilities include:

- Working with the COO to develop the geothermal service offering
- Managing delivery of a high quality, safe hot water experience and a range of hot water based classes, treatments and therapies
- Working with local stakeholders and delivery partners to secure uptake of geothermal service offering and monitor outcomes for free treatment for those most in need
- Recruitment and line management of geothermal and classes/treatments delivery staff
- Operational and outcome reporting to COO
- Delivery of therapeutic geothermal provision for those most in need

The geothermal delivery staff (1 FTE £18k salary) will be trained to: support the Geothermal Manager in delivering therapeutic services for those in needs; deliver 1 on 1 therapeutic treatments (eg warm water massage); and supervise hot zone sessions

Junior lifeguarding staff will support the delivery of classes/treatments. They will be trained to do this in addition to which they will be required to be trained lifeguards so that at peak times, there is flexibility within the staff team to ensure efficient and safe delivery of all aspects of service provision and safety supervision.

Cost of Social Provision

We have calculated the cost of providing free services for local people (2019/20) as follows:

Service	Calculation	£000
Free hot zone leisure sessions	Lost Revenue: Total numbers of users anticipated (see table above - Total free users less 180/week attending health and well-being sessions) x £7.50 per session x assume 60% take-up if paying	99.1
Free Health and Well-being sessions	Additional Costs:	
	30% Geothermal manager salary (+ on costs)	10.0
	30% Geothermal delivery staff (+ on costs)	5.9
	30% Classes/Treatment staff	14.2
TOTAL		129.2

Demand

Leisure users: Prior to the pool renovation project completed in 2016, the numbers of pool users was running between 20,000 and 26,000 per year. Following the renovation user numbers increased to ~ 40,000 in 2016 and this has continued during 2017. We anticipate a 25% increase in summer user numbers on the launch of the geothermal facilities in 2019 and user numbers from November to May averaging 15% of summer users – the Board considers that the latter is conservative.

Health and Well Being: Penzance is Cornwall’s poorest town with high levels of deprivation, ill health and people suffering or at risk of social isolation.

- All 6 of Penzance’s wards are within the 20% most deprived in the UK and 2 have communities within the UK’s 2% most deprived
- 15.7% of work age adults receive out of work benefits; 22.9% of all people are income deprived; 26.8% of children are in no income households; 28.6% of housing lacks central heating; and 37.4% of all households have no access to a car or van (Source: OCSI 2009)
- 16.9% of the population have a life limiting illness – 70% above the average for the SW Region
- Single person households are significantly above the regional average:

Household	Penzance	SW Region
Lone Parent	27.7%	19.9%
Lone Pensioner	20.3%	15.5%
1 person	17.9%	14.2%

We have discussed the proposed service provision for Health and Well-being services with: Cornwall Council’s Director of Public Health; Cornwall Council’s Head of Commissioning and Transformation; Penzance Community Mental Health Care Team; Penzance’s 2 largest GP Practices; addiction charity Addaction; Pengarth an activity and day centre for older people; Trelya and Three Villages – 2 youth organisations who provide support for younger people who are disadvantaged/disenfranchised and living with the resultant mental and physical health risks; John Daniels centre who’s service users live with Learning disabilities; and Nancealverne a Penzance special needs school for young people with severe physical and learning impairments

On the basis of these discussions, it is clear that there is support from senior leaders and professionals engaged in health and social care. We are confident that there will be considerable demand for the services being offered and that those services are over and above those currently being offered both locally and in West Cornwall.

Outputs and Outcomes

- Outputs in terms of operating activities and numbers of sessions are shown above
- Outputs in terms of user numbers:

Month	Apr	May	June	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Average # of paying users/day	167	226	273	355	355	260	64	33	38	25	36	65
Average # of users – free hot zone sessions/week	150	240	300	300	300	240	240	150	90	90	90	150
Max # of health/well-being users/day 5 days/week	180	180	180	180	180	180	180	180	180	180	180	180

- Outcomes – who will experience change?
 - Improved Civic Pride
 - Pool Users
 - School and college students

- Health and Well-being beneficiaries
- Stakeholders and Delivery partners
- Local business people
- Sports and activities clubs and organisations
- Improved Health and Well-Being
 - People from deprived/disadvantaged communities
 - People living with physical ill health specifically
 - People in recovery/rehab;
 - People with mobility/balance problems
 - Morbidly obese people
 - Stroke survivors
 - People living with mental ill health, including dementia
 - People who are living with social isolation/exclusion
 - People living with substance abuse/addiction issues
 - People living with Learning disabilities
- How will we know people are experiencing change?
 We will create questionnaires asking people for their feedback and for target groups which we engage through specific initiatives, we will do this in a formal way which will include establishing expectations/target outcome aims at the point of engagement and engaging in regular reviews as part of IAG sessions associated with their use of Jubilee Pool.

Outcome	Target Groups	Medium – Questionnaires: hard copy, on line, social media	Target %
Improved Civic Pride	Pool Users	Pool side feedback forms	70
	Students	School college projects	70
	Health Beneficiaries	Review of Jubilee Pool personal achievement aims	70
	Delivery Partners	Intervention analysis derived from Outcome Reports	70
	Local businesses	Economic impact analysis	70
	Sports and Activities org's	Activity feedback forms	70

		Medium – Personal achievement aims and reviews	
		EXAMPLE outcome targets	
Improved Health and well being	Deprived/disadvantaged	Improved frequency of pool use	75
		Improved levels of activity	50
		Improved physical/mental health	50
	Recovery/rehab	Improved coordination	60
		Improved confidence	60
	Mobility and Balance	Improved mobility	60
		Improved balance	60
		Improved confidence	60
	Morbid obesity	Improved levels of activity	60
		Weight reduction/stabilisation	60
		Improved confidence	60
	Stroke survivors	Improved strength/stamina	60
		Improved mobility	60
		Improved balance	60
	Mental health	Improved mental health	60
		Improve confidence/self esteem	60
	Dementia	Reduced anxiety	60
		Non aggressive memory trigger	60
	Social Isolation/exclusion	Engagement in social activities	60
		Reduction in loneliness	60
	Substance abuse/Addiction	Positive thoughts	60
		Engagement in activity	60
		Improved confidence and self esteem	60
	Learning disabilities	Improved levels of activity	60
		Improved water safety	60

Output and outcome reporting will form part of the internal monthly reporting structure which feeds up from delivery staff/practitioners to line managers, COO and the Board. By the same token outcome analysis will be made available to all pool staff.

Stakeholders and Delivery partners will receive quarterly outcome analysis reports.

Marketing and Promotion

The Board has considerable Marketing and Promotion experience as this is a core activity for Nixon Design, a business owned and managed by Director Martin Nixon. Advised by Martin in his capacity as a Director, the Board will devise a Marketing and Promotion Strategy which will largely be implemented by the COO, General Manager and through PR professionals. JPPL is a member of Penzance BID and as such has access to Massey Travel, one of the UK's leading travel PR agencies which is contracted by the BID to deliver PR for Penzance. Jubilee Pool gained a significant amount of local, regional, national and international coverage during the recent renovations, prior to and during its first season.

Given that the Jubilee Pool will become a major visitor destination, the UK's only geothermally heated sea pool, the geothermal project and associated hospitality facilities are expected to create a considerably more significant media draw than the 2015/16 renovations and re-opening.

JPPL has already created an active and impactful local social media presence and established awareness through printed media which will continue ahead of, during and post project.

7. Financial Projections

Financial projections reflect the operational delivery outlined in 4.above and are based on the following bases and assumptions:

- Jubilee Pool’s operations are essentially “pay on use” so that (excluding capital and grant funding streams), income and expenditure forecasts approximate to cash flow projections
- Projections include:
 - Operational grant funding from Penzance Town Council to support the provision of a “locals’ discount”. This funding is currently secured for 2017/18, subject to confirmation for 2018/19 and subject to negotiation thereafter. Our projections reflect this;
 - A winter maintenance and storm damage grant from Penzance Town Council. This funding is in place for the foreseeable future and is based on the Town Council’s estimate of the average cost of maintenance and repairs across a 10 year cycle.

PENZANCE TOWN COUNCIL GRANT FUNDING	2017/18	2018/19	2019/20	2020/21
	£000	£000	£000	£000
Operational support	53.3	53.3		
Winter maintenance and storm damage	61.0	61.0	61.0	61.0

- Net Income from St Anthony’s car park and gardens:
 - 2017/18 and 2018/19 - £35k in grant funding from Cornwall Council provided under the terms of JPPL’s lease and which equates to the net profits from St Anthony’s Car Park;
 - In May 2019 JPPL is committed to enter into a lease for St Anthony’s Gardens and Car Park and take on the management and maintenance of both. Projections for 2019/20 and 2020/21 assume a £25k surplus. This lower figure reflects the ongoing cost of revenue and capital maintenance which JPPL will take on and which is currently absorbed centrally by Cornwall Council
- Income projections are net of the “locals’ discount” and costs reflect the provision of free locals only “hot zone” sessions as well as subsidised health and well-being services for people in need:
 - 3x weekly 2 hour sessions providing free access to the hot zone for local people;

- 3x 45 minute health and well-being sessions/day 5 days/week for upto 10 people in need
- Revenue generation from geothermal facilities are based on anticipated user numbers and service uptake
 - 25% increase in year 1 user numbers during the summer season (secured via communication/marketing and PR) of which:
 - 35% use the pool **and** pay for access to use the heated zone - £12.50;
 - 65% pay for pool access – average entry ticket £3.50;
 - 2.5% pay to attend a class – average price £5;
 - 2.5% pay for a treatment session – average price £5;
 - Winter visitor numbers average 15% of summer with 90% of winter visitors paying for access to the heated zone (£12.50) of which:
 - 20% pay for a treatment – average price £15;
 - 20% pay for a class – average price £5;
 - 5% of pool users will pay for a class
 - The pool closes for a total of 4 weeks across the winter to allow for repairs & maintenance and due to storm conditions
 - 10% increase in visitor numbers in each of years 2&3
- Revenue generation from the poolside café is based on 2017 performance to date adjusted to reflect increased user numbers;
- Events and private hire generates £18,000 per year with a 60% profit margin

Financial projections are summarised below and supported by fully detailed worksheets:

Year	2017/18	2018/19	2019/20	2020/21	2021/22
	£000	£000	£000	£000	£000
Income	331.2	335.6	941.8	1040.6	1148.5
Gross Profit	219.3	222.4	720.0	796.7	880.1
Operational Expenses	286.6	339.8	576.4	651.2	682.8
EBITDA	(67.3)	(117.4)	143.6	145.5	197.3
Financial Costs	0	(42.1)	(49.6)	(49.3)	(47.8)
Revenue Grants	149.0	149.0	91.0	61.0	61.0
Net (Deficit)/Surplus	81.7	(10.5)	184.0	157.2	210.5

8.Risk Analysis

Risk	Likelihood	Impact	Mitigation
The geothermal well drill does not take place	Low	The geothermal project will not happen The project would be limited to an upgrade of the hospitality zone	Funding is already in place. Geothermal Energy Limited has commenced drilling and further work is scheduled for June and September 2018
The geothermal well does not produce sufficient energy for the project as envisaged	Med	The pool hot zone would fail to reach the target temperature which would limit it's attraction for visitors and the extent to which it would be suitable for the most vulnerable/frail health/well-being users	Geothermal Energy Limited has already conducted a feasibility study which has established that there is an extremely low risk that this would be the case. The well drill will establish at an early stage - and some 7 months prior to starting geothermal construction works in the pool – the energy production levels Should there be a shortfall it is possible to “boost” energy levels using environmentally sound methods
The geothermal equipment fails	Low	Failure to provide geothermal services	Geothermal Energy Limited will enter into warranty and legally binding supply agreements with JPPL which will entail commitment that the facilities are fit for purpose and provide unencumbered energy
Cost estimates for the construction work to create the Hospitality Zone and Geothermal facilities are insufficient	Med	Partial delivery impacting JPPL's ability to deliver the business plan	Geothermal estimates costed on worst case basis + contingency Construction related risk assessments required as part of the work being carried out Adequate contingencies factored in Rolling risk register Rigorous tendering process
Failure to gain Planning Permission	Low/Med	Undeliverable project Pool – low risk Hospitality Terrace – med risk	Design brief reflecting sensitivity to the Grade 2 listed structure Engagement with conservation officer at outline planning stage
JPPL is unable to fund the project	Med	The project would have to be scaled back or would fail to happen	JPPL has produced a robust business model which takes a conservative approach to income generation and is based upon a full staffing cohort (the largest proportion of

			outgoings) and which both demonstrates financial sustainability and demand for the facilities and services which would be offered
JPPL is unable to recruit a COO	Low	JPPL would lack capacity to deliver both the capital project and ensuing delivery plan	N/A recruitment has taken place
Demand falls short of expectations	Low	JPPL would fail to reach its financial or health and well-being outcomes.	The potential for a geothermal facility in the pool has been promoted in regional and social media and has received an overwhelmingly positive response. JPPL has carried out extensive consultation with potential delivery partners which has indicated a high level of demand. These services will be free at the point of use.
JPPL is unable to recruit appropriately skilled delivery staff (Duty managers, Geothermal Manager, Lifeguards and Classes/Treatment staff)	Low/Med	JPPL would be unable to deliver and manage the proposed services and facilities	2017 established a core cohort of lifeguards of whom 2-3 would be capable of taking on the role of Duty Manager. JPPL is a Real Living Wage employer and provides staff with in work benefits. JPPL will use the Marketing and Promotion for the project to advertise and recruit for these posts well ahead of time.
Café revenues fall short of expectation	Med	The café fails to deliver anticipated surplus	Whilst we aspire to creating permanent and full time jobs, these represent the core of our workforce and during high season, when predicted user numbers and are highest – additional staff posts will be on flexible part time seasonal contracts. This will enable us to reduce staff costs should demand and or adverse weather cause sales to be lower than anticipated. The café is also becoming part of the “locals” café/restaurant market so whilst the business will remain dependent upon visitor numbers, there is a base of regular customers throughout the year.
Working capital is insufficient to sustain the business needs 2018/19 going into 2019/20	Med	The business would be unable to re-open in April 2019	Whilst loan financing is secured to support delivery of the project, JPPL will also seek to secure a £50k working capital facility to protect against this eventuality.