



EPR Hospitality has been engaged by Sefton Council to carry out a review of Bootle Canalside financial projections aligned with commentary on the proposed design.

We were engaged to provide financial projections based on assumed covers and average spends.

In conjunction with the Sefton team, consider other possible proposals that will offer best value to Sefton Council and local residents.

Where appropriate to offer further financial assessment on any other potential improvements to the design elements

EPR Hospitality will review the information provided from both Sefton Council and others.

Information provided:

Bootle Canalside Event Plan Jan 2022

Bootle Canalside Economic Impact Assessment – Ekosgen

Bootle Canalside Community Engagement Update FINAL

Bootle Canalside – August Event Initial feedback

Canalside v3.3 – Financial Appraisal (Option 2)

Bootle Canalside overview

The site is nestled between the Leeds-Liverpool Canal to the north side and The Strand Shopping Centre to the south. There is a large residential tower on the south-east corner with further residential dwellings over the canal to the north side and over Washington Parade to the east.

Access to the site is via a large stairway from Stanley Road, ramp access to be delivered in this location. Additional access is available from the service road servicing the Strand Shopping Centre and also directly from the Strand Shopping Centre.

The Bootle Canalside proposition seeks to deliver:

- A flexible space for specialist one off events such as music festivals, an ice rink, Christmas markets, cinema screenings and comedy festivals.
- A market space for temporary artisan market stalls, makers, food and drink festivals.
- An 'Eat Street' with food and beverage operators in up to 10 shipping container units with associated covered seating areas.
- Locations for pop up street food vendors and stalls throughout the site.
- A waterside events area for smaller scale, community-based events, theatre and music performances, school holiday clubs, outside fitness and dance classes.
- A waterside urban garden with flower, shrub and tree planting in containers and places to sit.
- A space for community classes and a climbing wall.
- Spaces for local artists and craft makers to exhibit their work, fronting onto the canal towpath.
- Refurbishment and re-surfacing of the canal tow path to provide new mooring locations for canal boats and river craft.

Current Plans:

The current plans for the site include

Existing urban garden at Stanley Road Entrance

A 247m² Waterside Garden

349m² Events Space

10 Containers housing F&B vendors

Bench seating – Covered and uncovered

Canalside seating and steps with access to Leeds-Liverpool canalside walkway

Additional Market Place

Car Park/further event space

Community space/climbing wall

Site WC provisions

The full area of the site is to be tarmac.

The current plans allow for the site to be used throughout the year for community benefit with some additional larger scale events during holidays and over the christmas period.

Within the calender of events there is allowance for monthly makers market.

Larger events such as Food and Drink festival, Sound City will naturally support a greater F&B offering.

Commentary:

It is my view that the current plans would support only a very basic full-time food and beverage provision, the limited footfall during the day couple with the exposed nature of the site would not be enough to encourage significant footfall particularly in the colder seasonal months.

The opening times need to be carefully considered and it maybe the the site is open longer than any F&B provision. I have assumed daily opening in line with Strand opening hours.

The makers market will increase footfall over a period of time for 1 day per month and a concessions F&B offering maybe considered as part of this event.

The exposed nature of the site does limit the uses in the seasonal months October – April, commitment could be given to a monthly entertainment event, which would fall outside the large event policy. This would sit within a pre arranged calendar of events and support some additional F&B concessions.

The larger scale events are harder to forecast and very weather dependant. These events would support F&B concessions.

An issue to highlight is that the containers are shells and for each use would require an operator to invest significant time and resource to set up for each event, this may not be practical and they may already have mobile provision.

The containers could be used in alternate manner during these events.

Consideration to additional covered area with protection from wind would also be beneficial to smaller seasonal events.

The cover table below is a projection of covers who would be eating or drinking in the Canalside not necessarily visiting the site.

	Breakfast		Lunch		Evening		Av Cvs per Day			Total Covers			Total
	MW	WK	MW	WK	MW	WK	BFAST	LUNCH	EVENING	BFAST	LUNCH	EVENING	
January	0	10	30	100	0	0	3	46	0	89	1417	0	1506
February	0	10	50	150	0	0	3	71	0	80	2000	0	2080
March	0	20	50	200	0	0	6	86	0	177	2657	0	2834
April	0	20	50	200	0	0	6	86	0	171	2571	0	2743
May	0	20	50	200	0	0	6	86	0	177	2657	0	2834
June	0	20	100	300	0	0	6	143	0	171	4286	0	4457
July	0	20	100	400	0	0	6	171	0	177	5314	0	5491
August	0	20	100	400	0	0	6	171	0	177	5314	0	5491
September	0	20	50	400	0	0	6	143	0	171	4286	0	4457
October	0	20	50	200	0	0	6	86	0	177	2657	0	2834
November	0	20	50	200	0	0	6	86	0	171	2571	0	2743
December	0	20	50	200	0	0	6	86	0	177	2657	0	2834
Per Events Calendar	EVENT DAYS		CVS PER EVENT		COVERS								
	LGR	SML	LGR	SML	LGR	SML	Total						
January	0	2	0	300	0	600	600	Market Last Sunday of Month/1 evening session					
February	0	2	0	300	0	600	600	Market Last Sunday of Month/1 evening session					
March	0	2	0	200	0	400	400	Market Last Sunday of Month/1 evening session					
April	0	2	0	300	0	600	600	Market Last Sunday of Month/1 evening session					
May	0	2	0	400	0	800	800	Half Term Market					
June	3	3	1750	250	5250	750	6000	Large Scale Event					
July	3	3	1750	250	5250	750	6000	Large Scale Event					
August	3	5	3000	600	9000	3000	12000	Food and Drink Festival					
September	2	2	1250	750	2500	1500	4000	Market Last Sunday of Month/1 evening session					
October	0	6	0	800	0	4800	4800	Half Term Activities					
November	0	6	0	250	0	1500	1500	Illuminos Event					
December	8	16	500	200	4000	3200	7200	Ice Rink/Christmas market					



I have considered the potential for a private operator and but believe that there is insufficient infrastructure in the current designs to support such a solution. This is something that may develop over time and would need to sit with any master plan for the Strand site.

There would also be the possibility that the community benefits of the project would not be delivered.

Site Profit and Loss:

The table below provides for a projected site Profit and Loss account, it has the following assumptions:

That Food and Beverage rent is received from all events at 10%

- This may not be possible in year 1 as the site is developed and improved, it maybe that fees are structured differently.

There has been no ticket income added for any of the events.

- Clearly for the larger events some agreements maybe required. this may involve hire fess for the event, ticket entry sales or a combination of both, these events should be looked at on their own merit.
- No income or costs associated with December festival have been included.

Average spends are Gross amounts.

Bootle Canalside	PROJECTIONS Year Ending December												
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	0	0	0	0	0	0	0	0	0	0	0	0	0
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Full Year
Food Rent 10%	1,189	1,472	1,694	1,798	1,993	6,670	7,179	11,655	5,178	4,977	2,470	6,767	53,043
Bar Rent 10%	654	860	964	1,363	1,624	8,571	8,829	15,729	5,071	5,464	1,768	11,464	62,362
Service Charge	0	0	0	0	0	0	0	0	0	0	0	0	0
Outdoor Markets	0	0	0	0	0	0	0	0	0	0	0	0	0
Retail Rental Income	0	0	0	0	0	0	0	0	0	0	0	0	0
Private Event Hires	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL RENTAL INCOME	1,843	2,332	2,659	3,161	3,617	15,242	16,008	27,384	10,250	10,441	4,238	18,231	115,405
Admin Payroll	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL DIRECT PAYROLL	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING PROFIT	1,843	2,332	2,659	3,161	3,617	15,242	16,008	27,384	10,250	10,441	4,238	18,231	115,405
Admin Expenses	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
S&M Expenses	10,833	10,833	10,833	10,833	10,833	10,833	10,833	10,833	10,833	10,833	10,833	10,833	130,000
Maintenance Expenses	4,483	4,483	4,483	4,483	4,483	4,483	4,483	4,483	4,483	4,483	4,483	4,483	53,792
Energy Expenses	5,866	5,866	5,866	5,866	5,866	5,866	5,866	5,866	5,866	5,866	5,866	5,866	70,392
Total Indirect Expenses	22,182	22,182	22,182	22,182	22,182	22,182	22,182	22,182	22,182	22,182	22,182	22,182	266,184
GOP	-20,339	-19,850	-19,523	-19,021	-18,565	-6,940	-6,174	5,202	-11,932	-11,741	-17,944	-3,951	-150,779
Fixed Expenses (Property)	4,144	4,144	4,144	4,144	4,144	4,144	4,144	4,144	4,144	4,144	4,144	4,144	49,724
Capital Financing Costs	0	0	0	0	0	0	0	0	0	0	0	0	0
EBITDA before mgt charges	-24,482	-23,994	-23,667	-23,164	-22,709	-11,084	-10,318	1,058	-16,076	-15,885	-22,088	-8,094	-200,503
	-1328.1%	-1029.1%	-890.2%	-732.7%	-627.8%	-72.7%	-64.5%	3.9%	-156.8%	-152.1%	-521.2%	-44.4%	-173.7%
Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital Financing Costs	0	0	0	0	0	0	0	0	0	0	0	0	0
EBITDA	-24,482	-23,994	-23,667	-23,164	-22,709	-11,084	-10,318	1,058	-16,076	-15,885	-22,088	-8,094	-200,503

The above forecast is based on achievable rental income allowing for the average spends and covers identified.

The average spends on food and beverage are heavily linked to the events business that could potentially be generated on the site, clearly on these days the spends are significantly increased and this increase is reflected in the average spends.

It should be noted that the current forecast is based on achieving a 10% rental income, this may not be the case for each event.

I do envisage that some events maybe "dry" hire and incorporate a single hire charge and no additional F&B rental income.

Some events may be ticketed events generating some income, again this has not been factored in.

One of the obstacles of the current container layout is that there may not be sufficient footfall and covers to sustain a larger number of vendors.

For vendors to deliver pop-ups for specific events the container model may not work as the cost of set up and dismantle in the containers may prove problematic for one off events. They may prefer to use their existing infrastructure on these occasions.

The site:

The site as currently laid out is spilt into 6 areas,

Waterside Garden

Waterside Events Space

Food and Beverage Vendors and seating

Market Place

Canalside seating and Steps

Car Park/Flexible Event space

This does offer some flexibility, particularly around the events. However on a daily basis and out with main event days much of the space would not be used.

The Waterside Gardens would be a place to visit, sit and enjoy as an extension of the upper Urban Garden, this flows onto the Canalside which offers seating for picnics and families.

My view is that these areas would attract some footfall throughout the day with opening times aligned to the Strand.

I envisage a single café style trader operating through the day offering a sufficient range of food and drink.

Due to the openness of the site and the modular nature of the containers and proposed seating the site offers plenty of flexibility and capacity.

It would be my view that the site as well as being open to the public daily could be offered to event organisers for hire in a similar nature to Victoria Park in Southport.

Once complete the site will be a fully supported multi purpose event space, that can be zoned for both large and small scale events.

When not in use for events the space, the space is open to the public, particularly the Waterside Garden and Canalside seating, with only the staircase open for access.

Staffing/Management Costs:

It is my view that the daily tasks associated with the site, opening and closing the gates and litter collection could be incorporated into existing parks services, I do not envisage a full-time role for this.

As mentioned above if the park were to be available for "hire" purposes to organisations such as Sound City then these events would need to be self sustainable, and managed by the hirer.

Other events such as Food and Drink Festival or Christmas event should be considered on their individual merits and their wider benefit to the community and where the management of the events sit within the Sefton team.

The Sefton team has a track record for delivering large and small scale events and it maybe that this team is expanded to offer resource in delivering events at Canalside also.

Specific Events:

For the purpose of the forecast I worked with the potential calendar of events provided, in addition I consider whether some smaller more community lead events could be added out with these major events.

The capacity of the site does allow for significant footfall on these prime events and as mentioned above these could potential provide 75% on income , this is very dependant on the type of event and how it is delivered.

The average spends at these specific events is a key driver for all revenues across the site. It is also important to understand how the income from these events is achieved.

For the purpose of forecast income projections were based on overall spend per head and the anticipated numbers attending each event, income for Canalside was then calculated at 10%.

Other models may be charging vendors a fixed fee per pitch, however this would delivery significantly less income to Canalside.

An example of this is the Food and Drink festival which could attract several thousand visitors over the 3 days, last year producers were only charged £50 with F&B Vendors charged £100, these figures would be significantly less than the 10% that could be achieved from a rental model , however this maybe the best way forward in the initial years to build up reputation.

Events costs:

It is envisaged that events will contribute 75.5% of income, this is based on a rental percentage 10% of F&B income generated by suppliers over event days.

There is a provision of £100k for events within the budget, theses are for events organised by the Sefton team.

Smaller community events may have a minimal cost and be curated by the Sefton Team, larger events costs will need to be consider in terms of the overall events budget.

Some of the larger events maybe "hirer" events where income can be generated with minimal costs.

No ticket income has been included for any events.

The Ice Rink is a loss making event circa £48k, this is included in the events budget.

Activity Data:

The covers data is very much driven by the 15 key event dates, these are made up of

Large Music event 3 days – June

Large Scale Event 3 days – July

Food and Drink Festival 3 days – August

Large Scale Event 2 days _ September

These days have been forecasted at between 1,250 and 2,500 covers per day and would account for almost 50% of the total event covers.

These dates would deliver significantly higher average spends than other event days and other days throughout the year.

Non event related covers are 40,306, this ranges from average of 130 per day Jan – June to 187 Jul – December.

Non event covers would significantly improve as the weather gets milder in the summer months, this may also be improved with access to Canalside seating.

Offering use throughout the year to community groups would also be beneficial to footfall and covers.

Total Event day covers 44,500 across 70 large and small events, large events average 2,000 and small events 381 covers

Revenue Performance:

The revenue performance outlined is very much driven as a % of overall achievable revenues. As suggested revenues may also come from “hires” of the event space but it needs to be commensurate to achievable revenues.

An example of this maybe Sound City Event

Options for this include “hirer” of event space for set amount to Sound City and they recoup all revenues, ticket sales, f&b revenues etc. The event would be their risk.

Alternatively it could be a partner agreement with a split of ticket sales and f&b revenues following deductions of costs. Risk is split.

I haven't explored these options in detail and these would vary from event to event and each one would need a business case.

I believe it would be reasonable to assume that maturity on revenues may take 2 years and that revenues in year 1 and 2 should be discounted by 50% and 25% respectively.