

## Response to ExQ1; 1.10.19

“In your relevant representation, you refer to the viability of the business being prejudiced by the Proposed Development. Are you able to quantify the % of business lost/ revenue not taken as a likely potential effect of the Proposed Development if no mitigation is put in place?”

As with all leisure businesses, the last two trading seasons have been affected by Covid 19. It is therefore difficult to quantify what trading results would be in a normal year. Based on comparison of open periods prior and post Covid restrictions, the business is growing by approximately 20% year on year so the figures stated here are significantly lower than they will be at the time that Highways serve future notices. We are in the process of significantly expanding our car parking capacity to deal with such increase.

Income for 417 Bike Park – 1<sup>st</sup> July 2021 – 30<sup>th</sup> September 2021 (no specific Covid restrictions in place but very much a recovery period).

£145,175 tickets  
£25,045 cafe  
£47,243 shop

Such gives a total income over those three months of £217,463. On a straight-line basis, such amounts to £869,852 per annum.

In 2018, the shop turned over £248,000, which would suggest £20,666 per month on a flat line basis. Over three months that would show income of £62,000 illustrating a dip in business of approximately 23.8% that we believe is entirely Covid related. Applying the same percentage to the entire income of the site would suggest our non-Covid income for the year to be in the region of £1.14M.

The main car park holds 90 cars with capacity for a further 30 non-staff cars elsewhere on site when we are at our busiest. The main car park is currently being extended to increase the capacity to 120, so 150 spaces overall.

We anticipate three areas where the works will lead to loss of income;

- Loss of income from loss of car parking spaces.
- Loss of income from additional spend on site.
- Loss of income from repeat trade.

### Loss of income from loss of car parking spaces and additional spend

The losses incurred are quantified as follows and assume that the % loss of parking spaces equates to the same loss in people. They are based on current figures, not the 30% increase in car parking spaces in the new year, nor an adjusted figure for Covid. Based on the above noted likely business growth, these figures can be increased by 20% each year before the development starts.

The business' main constraint is lack of parking. Based on the above figures, each parking space (at full capacity) is worth £7,249 per annum. It is not clear how many spaces will be lost to the scheme but on percentage terms;

20% loss in car park spaces = £173,970 per annum

30% loss in car park spaces = £260,956 per annum

40% loss in car park spaces = £347,941 per annum

If NH were to provide replacement parking, then the loss of business would not directly follow loss of car parking spaces. We suspect that the main initial losses from the car park and the services being divorced would be loss of income from the café and shop. It is difficult to predict what such figures would be but we think it likely that such would amount to at least 50% of such income, which would reduce the viability of these elements of our business and therefore the viability of the whole.

General day to day customers will likely bring lunch when they return and eat it at their car rather than go to the café. Those same people are therefore unlikely to browse the bike shop that leads to impulse purchasing. No one is going to walk 1/4km uphill to visit a shop for items they aren't specifically looking for.

#### Loss of income from repeat trade

The above situation of divorcing the car park from the services would, we believe, lead to a significant reduction in repeat trade. Very few commercially successful leisure businesses operate without suitable services close to the main areas of trade and our competitors would directly benefit from our lack of services.

It's very hard to accurately predict loss of business from non-returning customers but we imagine this could be significant. In excess of 20% of our customers have small children and we are a family-based venue. Walking uphill to the toilets, bike shop and office will not be something customer are likely to see as anything but negative and we think it unlikely that many would return to a site that was difficult to navigate with children.

The above will further reduce the viability of the café and shop and almost certainly move the business from viability to loss making.