

Appendix 2 – Response to Member questions

Question	Response	Member																																																																								
1 What do we know about the 87 proposed jobs in terms of type/quality etc?	<p data-bbox="524 261 1845 316">Staffing information taken from the business case</p> <table border="1" data-bbox="524 320 1845 1286"> <thead> <tr> <th data-bbox="524 320 1016 523">Job Title</th> <th data-bbox="1023 320 1279 523">Location Local Authority Area</th> <th data-bbox="1285 320 1541 523">2020 Salary £ (estimates and will be subject to change)</th> <th data-bbox="1547 320 1845 523">Total New Jobs Created</th> </tr> </thead> <tbody> <tr> <td>Finance Manager</td> <td>Sheffield</td> <td>35000</td> <td>1</td> </tr> <tr> <td>Sales & Marketing Manager</td> <td>Sheffield</td> <td>33784</td> <td>1</td> </tr> <tr> <td>Sales & Marketing co-ordinator</td> <td>Sheffield</td> <td>17000</td> <td>1</td> </tr> <tr> <td>Administration / HR Executive</td> <td>Sheffield</td> <td>18000</td> <td>1</td> </tr> <tr> <td>Senior Engineer</td> <td>Sheffield</td> <td>35000</td> <td>1</td> </tr> <tr> <td>Engineer</td> <td>Sheffield</td> <td>25000</td> <td>1</td> </tr> <tr> <td>Luge Cart Technician</td> <td>Sheffield</td> <td>17316</td> <td>2</td> </tr> <tr> <td>Operations Manager</td> <td>Sheffield</td> <td>30000</td> <td>1</td> </tr> <tr> <td>Operations Supervisors</td> <td>Sheffield</td> <td>19240</td> <td>3</td> </tr> <tr> <td>Luge Operators</td> <td>Sheffield</td> <td>16354</td> <td>33</td> </tr> <tr> <td>Training & Compliance Manager</td> <td>Sheffield</td> <td>25000</td> <td>1</td> </tr> <tr> <td>Ticketing & Retail Supervisor</td> <td>Sheffield</td> <td>19240</td> <td>1</td> </tr> <tr> <td>Ticketing & Retail cashier</td> <td>Sheffield</td> <td>16354</td> <td>19</td> </tr> <tr> <td>Zipline Supervisor</td> <td>Sheffield</td> <td>19240</td> <td>2</td> </tr> <tr> <td>Zipline Operators</td> <td>Sheffield</td> <td>16354</td> <td>18</td> </tr> <tr> <td>Zipline Maintenance</td> <td>Sheffield</td> <td>17316</td> <td>1</td> </tr> <tr> <td colspan="3" data-bbox="524 1241 1016 1286">Total Direct Jobs - Created</td> <td data-bbox="1547 1241 1845 1286">87</td> </tr> </tbody> </table>	Job Title	Location Local Authority Area	2020 Salary £ (estimates and will be subject to change)	Total New Jobs Created	Finance Manager	Sheffield	35000	1	Sales & Marketing Manager	Sheffield	33784	1	Sales & Marketing co-ordinator	Sheffield	17000	1	Administration / HR Executive	Sheffield	18000	1	Senior Engineer	Sheffield	35000	1	Engineer	Sheffield	25000	1	Luge Cart Technician	Sheffield	17316	2	Operations Manager	Sheffield	30000	1	Operations Supervisors	Sheffield	19240	3	Luge Operators	Sheffield	16354	33	Training & Compliance Manager	Sheffield	25000	1	Ticketing & Retail Supervisor	Sheffield	19240	1	Ticketing & Retail cashier	Sheffield	16354	19	Zipline Supervisor	Sheffield	19240	2	Zipline Operators	Sheffield	16354	18	Zipline Maintenance	Sheffield	17316	1	Total Direct Jobs - Created			87	Lucy Nickson
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<p>2 Do we know if there are plans to develop the concept beyond this original proposal? Can the business scale up at all?</p>	<p>Can the business scale up (response from SCR Officers)</p> <p>There is a phase three in development for the Parkwood Springs site, however this may not be directly linked to this scheme but look at additional developments aligned to the visitor economy and tourism relating to this development.</p>	<p>Lucy Nickson</p>
<p>3 Further to the point raised at the last Business Growth Board and which was raised and agreed at the CA on Monday to undertake a stocktake of LGF to understand the funding remaining, the current spend profile and the pipeline, will this be applied to BIF and if so, how does it affect the approval process.</p>	<p>Approval process (response from SCR Officers - Assurance Framework)</p> <p>LGF is funding awarded to the LEP to allocate against agreed strategic priorities. The approval and decision-making process is detailed in the approved Assurance Framework for LGF. This establishes the respective roles of the LEP and the MCA.</p> <p>The LEP retains ultimate decision-making authority over how these funds are prioritised and spent, however the MCA tests the value for money of proposed schemes and projects and ensures that decisions are made in a legally compliant, responsible and transparent manner.</p> <p>The LEP Board approve the strategic fit of a scheme with agreed priorities, prior to a scheme being accepted onto the LEP funded pipeline programme. The decision to undertake a stocktake of the LGF pipeline will be considered by the LEP Board at its meeting in September, this will include all LGF schemes including Business Investment and Housing Funds.</p> <p>As all schemes on the established pipeline have been designated by the LEP Board as fitting with their priorities, until this review has been agreed and undertaken by the LEP board the established processes for approval should continue. Any decisions following the LEP paper on the review will be applied to all Boards.</p>	<p>Cllr Lelliott Sharon Kemp</p>
<p>4 The case for supporting an inward investment project of this type isn't really about the technicalities of dead-weight, displacement etc. It is about whether the case that it will be a major attractor and boost to the wider economy is strongly and convincingly enough made to prioritise this project over others. We</p>	<p>Impact of the scheme for Sheffield (response from Scheme Promotor / business case)</p> <p>The (Project 0098) foreign direct investment, through a newly established SPV, has the potential to raise Sheffield and the City Region's profile as one of the UK's premier destinations for outdoor leisure and recreation.</p> <p>The project will act as a complementary catalyst to the Extreme development, creating the city's most significant outdoor recreational hub site and providing the city and City Region with a much-needed visitor attraction of national significance. By locating the attraction here in Sheffield, SCC view is this will drive more visitors to the purpose-built facility, which the Extreme-led consortium are delivering at Parkwood Springs.</p> <p>Parkwood Springs is a hugely important site in its own right and this additional development presents the opportunity to help further cement the Outdoor City identity and deliver associated economic benefits such</p>	<p>Cllr Lelliott Sharon Kemp</p>

<p>find that really difficult to judge from the papers.</p> <p>An opportunity to understand more about the impact and importance for Sheffield and the contribution to the outdoor city strategy would be helpful to assess the issue of prioritisation for the remaining funding.</p>	<p>as increased investment and visitor numbers. Whilst the activities already confirmed at Parkwood (Skiing & mountain biking) can be described as ‘niche’, the universal appeal of the additional attractions will accelerate and increase the scale of the benefits to talent, trade, tourism and participation.</p> <p>SCC anticipate the facility will create a real, lasting and measurable economic impact to the region. This will be derived not only from construction works and the creation of new jobs, but also from the significant visitor spend the facility will drive. It is anticipated that over five years the economic impact from visitor spend could be in the region of £10-13m in the first year, rising to £47-60m by year 5.</p>	
<p>5 Do we have any view on the opposition in this project?</p>	<p>Other potential sites for the scheme process (response from SCR Officers)</p> <p>In addition to Sheffield, the company are considering a site in Swansea Wales. The news feed from the company website states</p> <p><i>The company – which owns a diverse NZ-based tourism, property and accommodation portfolio as well as international Luge operations in Canada, South Korea and Singapore – is currently exploring opportunities to develop Luge facilities in Swansea, Wales and Seoul, South Korea.</i></p> <p>SCC is aware the company are also considering three European sites. The company’s position is that they will only undertake one development at a time.</p>	Neil McDonald
<p>6 It says their decision will be based on return on investment, but what about softer strengths/weaknesses. Surely the development of the ski slope must be a positive for SCR?</p>	<p>Strengths / Weaknesses and whether this is positive for SCR</p> <p>See response to question 4.</p>	Neil McDonald
<p>7 The projections seem optimistic to me. 2367 rides a day seems a lot! Do we know what the ski slope are</p>	<p>Projections (response from the scheme promotor / business case)</p> <p>Using statistics taking from the latest STEAM report (Scarborough Tourism Economic Activity Model – <i>explanatory note at end of this response</i>), shows visitor arrivals at approx. 1.13m and a population of 4.62m within a 60mins drive of the site they have forecast ticket sales in year 1 of 287,000 or visitor arrivals of 364,000. At an average ride of 2.38 rides per person this will provide the company with 864,000 rides in year</p>	Neil McDonald

projecting? I like the profit margin of nearly 40%!!

1. Based on statistics from their existing sites they have forecast year on year growth for the first 5 years of 5% and 1% the years after.

Internally the company has undertaken studies to understand the current attraction offerings in the area and have concluded that currently the number of active/adventure tourism type attractions is very limited and note that Sheffield is lacking a visitor attraction of any kind. There is a chance to capitalise on this gap in the market, especially in light of Sheffield's positioning as the UK's Outdoor City. In Sheffield there is a community who want to engage in outdoor activities and SCC are confident that the Luge and Zipline are active attractions and will attract local visitors and visitors from outside the city region.

The Company recognise the opportunity to work with Extreme who will be bringing their own brand and attractions to the Parkwood Springs development. Extreme are linking up with Continuum Attractions to develop attractions such as ski slopes and mountain biking, plus restaurant, café and retail within the development. Extreme's brand is huge with a monthly media reach of 128m fans and video views of 123m+ per month. Their target market is people between the age of 16-34, though it should be noted that the Luge is an activity that is suitable for people of all ages. Extreme also have 125+ extreme sport ambassadors who will be able to showcase the Luge within their networks.

Having this attraction in Sheffield will raise the profile of the city and in turn increase visitor arrivals. Following the opening of the attraction in Tongyeong, Korea in mid-February 2017, visitor arrivals to the city increased by 20% in year 1. The city council believes this was a direct result of the Luge opening as the previous year saw zero growth on the prior year. We expect to see the same visitor growth in Sheffield. The LGF application for Parkwood Springs forecasts visitor numbers of 1m, a significant number of these will be just Luge riders but some will visit all attractions.

Explanatory Note

The STEAM Report reports on annual tourism figures and is used for tourism economic impact modelling. STEAM quantifies the local economic impact of tourism, from both staying and day visitors, through analysis and use of a variety of inputs including visitor attraction numbers, tourist accommodation bedstock, events attendance, occupancy levels, accommodation tariffs, macro-economic factors, visitor expenditure levels, transport use levels and tourism-specific economic multipliers.

8 This is really about whether we feel this would be a priority project for the

Softer Impacts (response from the Scheme Promotor / business case)

The company has committed to working closely with Talent Sheffield for their recruitment needs, PR/press activity, job fairs and liaising with local community groups and education providers. They will work with

Neil McDonald

Sheffield outdoor city strategy

Marketing Sheffield, who specialise in hospitality and tourism attraction, to promote their offer as part of the Outdoor City promotional activities.

The company has a strong track record in ensuring their investments produce positive outcomes. In Singapore and Korea, they work very closely with local polytechnics that specialise in hospitality and tourism. Each year they accept up to 20 placement students to come and complete their “on job” experience. A number of these staff return to the Company following their course to take on full time roles. The Company has committed to work with local colleges and universities in Sheffield to ensure similar arrangement are in place.

In New Zealand the Company offer mechanical engineering apprenticeships to school leavers who are looking to build a career. The Company will work with Talent Sheffield to offer similar opportunities and they would expect to offer at least 1 apprenticeship per year. All employee’s will go through a series of training courses which will include; customer service, operational (Luge operations, ticketing and photography), Luge cart maintenance, H&S / First Aid. The Company will work with Talent Sheffield and the Skills Bank where appropriate and will explore apprenticeships schemes, which has been successfully implemented at their Gondola & Luge properties in New Zealand.

Following the earthworks the Company will work with Invest Sheffield to identify local suppliers and go to tender for a main contractor (a UK based company, ideally local) who will be responsible for constructing the luge tracks, buildings, footings / foundations and terminal for the chairlift, general site works and landscaping.

The project will deliver significant wider impacts as identified above with jobs and GVA associated directly with the investment and those with the visitor economy. The business case identifies a range of benefits that deliver against the strategic priorities of the SCR SEP including:

- Ensuring new businesses receive the support they need to flourish – Supporting the Company to deliver their first leisure attraction in the UK creating a unique attraction with national and international appeal.
- Attracting investment from other parts of the UK and overseas, and improving our brand – Securing over £11m private investment from the Company, promoting the attraction as the first of its kind in Europe with the ability to host national competitions.
- Increasing sales of SCR's goods and services to other parts of the UK – Enhancing the SCR's tourism offer and strengthening its national reputation for extreme sports, with national standard leisure activities and over-night accommodation on site.
- Securing investment in infrastructure where it will do most to support growth – Delivering fundamental site infrastructure which will then enable private investment which delivers new businesses, jobs and wider economic benefits.

Accordingly, the funding will support activities which contribute to the SEP's 2024 ambitions:

- Increasing SCR's Gross Value Added – £18.7m direct and over £10m pa indirect.
- Increasing the number of jobs in the SCR – Creating gross jobs and 100 net at a range of levels from management to operations and customer service.
- Generating new start-up businesses – Creating a setting which will attract further private sector investment and enterprise both within the site and in its wider area of impact, generating new opportunities for complementary manufacturing and service provision directly related to the extreme sports offer and capitalising on Sheffield's reputation for advanced manufacturing and unique brand of Outdoor City.