



ZIP WORLD LIVERPOOL

ECONOMIC IMPACT ASSESSMENT

Introduction

What is an economic impact assessment?

- Estimating how spending associated with a particular project flows through a regional economy

Measures of Economic Activity

- Output – gross value of revenue generated
- GDP – value of the service less the cost of production
- Investment – during construction and in operation – including communities/charities
- Salaries and Wages – including pensions and bonuses
- Government Taxes
- Visitor types/numbers and their overall spend

Types of Economic Impact

- Direct – constructing and operating expenses
- Indirect – suppliers buying goods off 3rd parties and hiring workers
- Induced – employees purchasing at household level



Background

Zip World, commenced trading in 2013 and, under the inspirational leadership of Sean Taylor, the company has established itself in a short period of time as one of the leading adventure companies in the UK, with a recognisable brand in the UK leisure activity market

Zip World at a glance:

- 13 adventure attractions on three sites in North Wales to provide an unforgettable adventure experience for all ages at a variety of different price points
- The attractions include the longest & fastest zip wires in Europe, the only alpine coaster in the UK and the unique Caverns underground adventure experience
- Attractive restaurant and conference facilities at Penrhyn Quarry
- Family friendly facilities at the Fforest site
- Considerable development potential at all three sites

The ZW strategy is to have a defined mix of site types:

- Iconic e.g. Penrhyn Quarry, Slate Caverns and Rhigos
- Forest e.g. Fforest and Devon
- Urban e.g. Liverpool

Liverpool is the first of a very small number of UK city locations for Zip World. A key driver for the city locations is to raise brand awareness as well as generate income.

Vision

Zip World has the mission statement to “be the most recommended experience brand in the world”. In order to achieve this, Zip World has to utilise its wealth of experience in the outdoor adventure industry, the latest technology and unrivalled creativity and innovation.

The Liverpool zip wire has the challenge of operating in a thriving, established environment. There is significant opportunity to create an exceptional and unrivalled experience within the stunning city of Liverpool.

The concept design has the potential to be a world-renowned adventure, with it likely to be the world's fastest urban zip wire. The opportunity for global marketing as a result of this adventure for both Liverpool and Zip World has a huge opportunity.

Liverpool and North Wales

- Links between Liverpool and Wales go back a long way. In the early 1500s, Liverpool actually had a Welsh mayor – one Dafydd ap Gruffydd – while in the late 1700s many migrants from the North of Wales travelled to the city looking for work. By 1813 almost 10% of people living in Liverpool were Welsh, and by 1815 the city had its own Welsh town.



- Areas such as Vauxhall, Anfield, Everton, Dingle, and Wavertree were noted for their high migrant populations, and Welsh was the dominant language in these neighbourhoods. By 1900, there were around 90 Welsh chapels, churches and mission halls.
- North Wales has long been a favourite holiday destination for the people of Liverpool, especially when the A55 was constructed
- North Wales can be viewed from the top of the St Johns Beacon on a clear day

Output

The gross value of revenue generated by Zip World in Liverpool can be estimated using the following criteria:

- Estimated rider volumes
- Forecast adventure price
- Estimated % spent on merchandise and secondary products

As Zip World has not operated a permanent city centre location previously, these figures will be very provisional estimate at this stage.

	Year 1	Year 2	Year 3	Year 4	Year 5
Rider numbers	50,000	70,000	80,000	80,000	80,000
Adventure Price £	35	35	35	35	35
Forecast Revenue	£1,750,000	£2,450,000	£2,800,000	£2,800,000	£2,800,000

Over five years £12.6m of revenue will be generated by Zip World based on these estimates.

Please note the adventure price has not yet been decided, and rider numbers are estimated. These numbers also exclude VAT.

Investment

The main investment will be the construction costs. These are made up of:

- Planning
- Technical design
- Materials
- Construction contractors

It is estimated that Zip World will invest c. £5m-£6m to design and build the zip wire.

Zip World have already invested c. £200,000 in the design and planning aspects. The remaining investment will be made between now and Q1 2021 when the construction should be completed.



Staff Salaries

We estimate an annual salary bill of c. £350,000, plus pension and bonus.

If rider numbers exceed forecast then additional staff will be required.

There will also be a seasonal variation with increased staff numbers required during the summer/lighter nights and holiday periods.

A team of 30-40 staff will be required. The structure of this is likely to be 10 x Full time positions, and 25 x Part time positions. These will be made up of a number of roles including the following:

- Activity Instructors
- Reception
- Kit-Up/De-kit
- Cameras
- Maintenance
- Management

In addition, ZW may have to increase the Head Office staff to support this new site.

We expect the vast majority of these roles to be recruited locally.

Zip World values the contribution our employees make to our success. As a result, it is fully committed to employing the best quality people who share and complement its values, vision and brand personality.

We expect to target a wide demo-graph of candidates as we have a varied range of positions available; ranging from permanent full-time and part time roles; to seasonal roles with fluctuating hours. Most of the roles available do not require any qualification as we offer a comprehensive training and induction program to provide employees with the skills, expertise and confidence to do the role(s).

Zip World aim to make sure our recruitment drive is as open and accessible as possible, recruiting a diverse and innovative workforce. We aim to target and engage the local (Liverpool) community with recruitment advertisement and activities being undertaken within Liverpool.

Property Rental Payments

Zip World will pay considerable rent to their landlords at both the St Johns Beacon/Shopping Centre and the Central Library.

A percentage of the Zip World adventure revenue is paid to the landlords so that the landlords benefit from the success of the zip wire. In both cases this will have a significant impact on the revenue of these properties.

Both the library and St Johns are looking to Zip World to bring a large number of customers into these locations, and are hoping that the ABC1 consumers that usually buy Zip World adventures will also spend in these locations.



Visitor Numbers and Spend

An independent assessment of Zip World's impact on the North Wales economy was undertaken in 2016, after its first three years of operation.

Zip World has attracted over 1m visitors since inception and contributed over £250m to the local economy. Visitors spend on average £161 per person and 63% travelled just because of the Zip World attractions.

Most visitors stay over, with 74% staying at least one night.

Typical Zip World customer dynamics:

- Predominantly ABC1 from conurbations
- Average travel time is 3 hours/176 miles
- 81% extremely likely/likely to return
- 51% are families with 60% female bookers

In addition to rider numbers, there are an additional 25% who escort the riders to the locations.

Zip World intend offering a wide variety of packages that could include e.g. corporate, gallery viewing from the tower, family deals, deals associated with other Zip World sites, etc.