

THE LONDON RESORT

The London Resort Development Consent Order

BC080001

Environmental Statement Volume 2: Appendices

Appendix 7.5 – Staffing Technical Note

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Planning Act 2008

The Infrastructure Planning (Applications: Prescribed Forms and Procedure) Regulations 2009

Regulation 5(2)(a)

The Infrastructure Planning (Environmental Impact Assessment) Regulations 2017

Regulation 12(1)

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LDP

Objective Analysis
Creative Thinking

The London Resort

Technical Note on Staffing

Introduction & Disclaimer

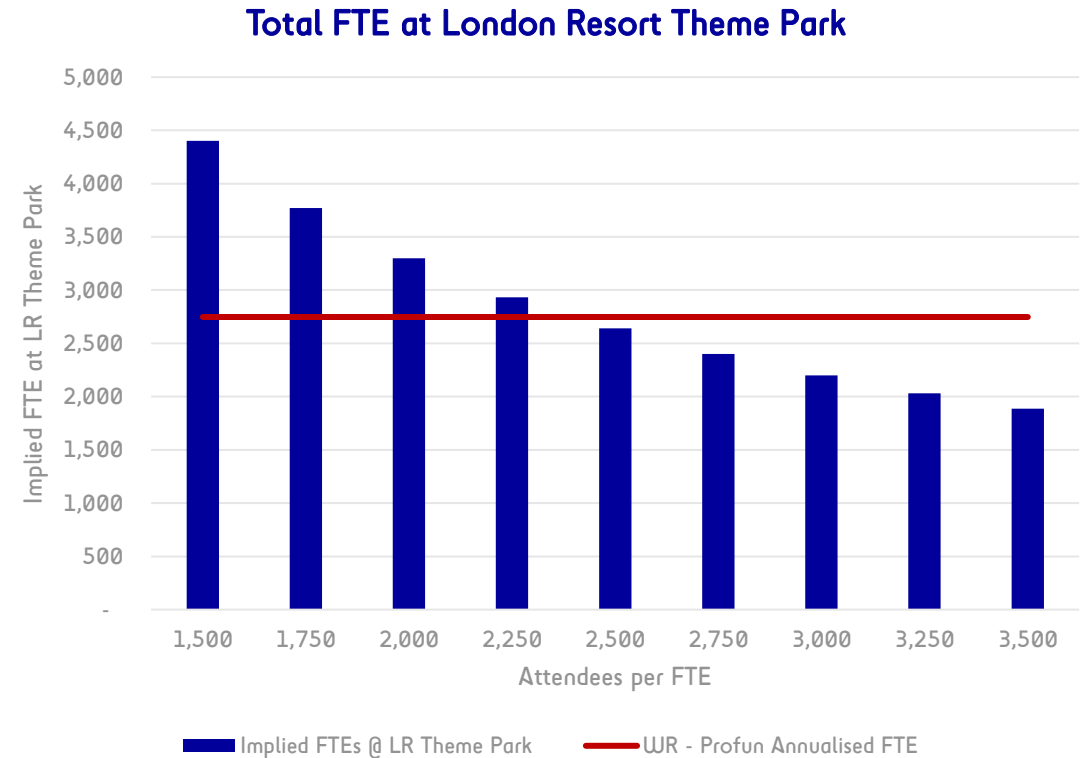
- Following a series of feasibility assessments for London Resort, LDP have been asked to prepare a technical note on likely staffing levels at each of the resort's components.
- Detailed staffing assessments are not our direct area of expertise. Our work is deeply rooted in benchmarking and staff levels are dependent on the location, type of park and, most importantly, employment law, HR policies and operational approach at each individual location and property.
- The intention of this work is to provide a view on what might be reasonable given benchmarks and this is of course no replacement for operational business planning or a staffing schedule. More detailed staffing plans for the theme park and the RDE zone have been undertaken by Profun, and our analysis here seeks to sense-check those estimates.
- Leisure Development Partners LLP (LDP) is a leading consulting firm specialised in the feasibility, review and performance improvement of visitor attractions and leisure real estate. LDP's Partners have more than 60 years experience in this niche.
- The LDP approach relies upon detailed market analysis and the application of carefully chosen real world benchmarks from existing

comparable projects. This nuanced approach came out of the original feasibility work for Disney and has been developed further over the past 50 years.

- ***Disclaimer:*** *This Report is based on estimates, assumptions and other information developed by Leisure Development Partners LLP (LDP) from its independent research effort, general knowledge of the industry and other comparable developments elsewhere and publicly available research efforts/surveys. Every effort has been made that forecasts are based on real life benchmarks and all available information is considered when deriving projected performance. The pre-requisites/ assumptions for achieving projected performances are included in the full feasibility report. No warranty or representation is made by LDP that any of the projected values or results contained in this Report will actually be achieved. All intellectual property rights in this Report including any forecasts, benchmarks, spreadsheets, tables or other materials provided are the property of LDP.*

Staffing Assessment – Theme Parks

- For the theme parks we have updated our international and European theme park benchmarks, focussing on the visits per full time equivalent (FTE), on an annual basis.
- The theme park only attendee per full time equivalent is normally between 2,000 and 5,000, although some mega parks with long operating hours demonstrate this ratio to be as low as 1,500. This is a wide range and with a stable year attendance of 6.6 million would equate to total FTE of between 1,300 and 4,400.
- We would expect the London Resort theme park to behave more like the largest parks in Europe and have an attendee per FTE at the lower end of the range.
- On the chart here we show a range of attendee per FTE levels and the implication on staff at the LR. We have also plotted the WR-Profun number on the chart – as shown the number is in line with norms.



Staffing Assessment – Theme Parks

- Theme park staffing requirements depend greatly on expected operating hours. Parks tend to have a multitude of different operating hours depending on day of the week and season (low, medium or high).
- Profun estimates of staff are based on a 14-hour day for half of the year and a 11-hour day for the remainder of the year, an average of 12.5 hours per day. This is longer than most UK and European parks. We have therefore used a ratio of 1,800 visits per FTE for main park (to reflect opening hours) and 2,000 visits per FTE for second gate (as no concept or operational approach have been determined) to provide indicative staff estimates for the project.
- Based on major parks benchmarking, we have assumed that 40 percent of FTEs are seasonal employees and a factor of 2.5 to convert seasonal FTEs into headcount, based on benchmarks. At 40 percent of seasonal FTEs, London Resort will be more comparable to mega parks in California and Florida (although not quite at that level) than a European or most other smaller parks. We have also assumed that the permanent employees are split 70 / 30 between full-time and part-time, with part-time employees at half of a regular FTE.

Staffing Assessment – Waterpark

- For the water park component we have updated our European Indoor Waterpark benchmarks, focussing on the attendee per full time equivalent (FTE).
- Based on European Indoor Water Park benchmarks attendee per FTE typically equates to between 4,000 and 7,000.
- Based on our attendance estimates at this stage, this would imply a need for between **110 and 191** FTE. But with the space planned we would expect the total to be toward the upper end of this range, and have used a ratio of 5,000 visits per FTE. This assumes reasonable working hours in line with benchmarks.
- Similar to assumptions for the theme parks, we have considered 40 percent of FTEs to be seasonal, with a factor of 2.5 to convert seasonal FTEs into headcount, and that the permanent employees are split 70 / 30 between full-time and part-time, with part-time employees at half of a regular FTE.

Staffing Assessment – The Market

- We have reviewed the retail and dining staffing assumptions as provided by MR-Profun.
- For the **dining component** we have looked at staffing in two ways:
 1. Using industry rule of thumb benchmarks, such as sqm per seat (1.6 sqm per seat for dining area), dining vs kitchen area (60% given over to kitchen), and sqm per FTE (18). Seat capacity was provided by MR-Profun.
 2. We researched specific restaurant groups, such as Wagamama, Pizza Express, Bills, Pitcher & Piano and Turtle Bay, to further our understanding of certain metrics (i.e. covers per FTE, which equated to c. 5.5) and find real practical examples.
- Under these two methods this yielded an annual FTE count of **733** and **750** respectively.
- LDP estimates are marginally short of the figures provided by MR-Profun. In our assessment we have used an FTE of 2,080 hours per annum and a 10% adjustment to factor in vacation, sick and training days.
- We note that in the Market some of the dining elements would only do lunch and dinner and not breakfast on the way in. At certain times of year some elements may be evening only.

Staffing Assessment – The Market

- We have estimated the retail area at **3,250 sqm** based on the programme provided by the client team, which is broadly in line with our warranted space assessment.
 - Based on rule of thumb estimates (where FTE retail requirement is c. **25 sqm per staff NIA**) and research into selected examples e.g. The Disney Store, located at a large UK shopping mall where there are approximately **35 sqm per staff NIA**, we have estimated total staffing.
 - Based on this, LDP estimates a staff requirement of **106** for the retail element which broadly conforms with the **92** projected by MR-Profun.
 - We have added further 20% to allow for Back of House staff based on industry benchmarks.
- The entertainment component is not fully defined but we make the following assumptions:
 1. We have estimated the hourly capacity of the Escape Room at 270 pax, with 15 rooms/ sets of rooms (that can be used simultaneously). We have projected attendance using utilisation of capacity and used a ratio of 8,000 visits per FTE to arrive at the staff level broadly sufficient to maintain this scale of operation.
 2. Due to lack of concept for the branded mini-land, we have used numbers close to those estimated by ProFun (but used the resultant ratio to attendance that we have projected for this use, to allow for some evolution of staff numbers over time).

Staffing Assessment – Phase I Hotel Accommodation

Staffing Considerations

- In order to complete this assessment, we have researched staff per key ratios at UK and international benchmarks, by type of hotel accommodation.
- **Annual Occupancy.** Projected staffing levels for this project by the proposed stable trading year of operation reflect strong levels of demand for both hotels.
- The 800-Key Water Park/MICE hotel has a stable trading annual room occupancy of approximately 85 percent, whilst that for the 1,500-Key themed upscale hotel is a similar 83 percent. Projected demand (which also includes that deriving from robust MICE Centre activity), as well as being strong in room occupancy terms, will also be characterised by relatively high average double occupancy factors and short average lengths of stay, both of which impact on staffing requirements throughout hotel operations, including front office, food & beverage, housekeeping and property maintenance.
- Hotels with annual average room occupancies in excess of 80 percent are, in effect, trading year round at levels consistent with peak season operating levels. As such they are *not* subject to pronounced seasonal variations in staff numbers, due both to the high volume and high turnover of roomnight demand.
- **Part-time Staff.** Given the projected strong levels of demand for these hotels, the stable and subsequent trading years will generate significant levels of full-time employment in all departments. However, the operating nature of both hotels as principally theme park associated properties will enable more flexible job opportunities to be promoted, particularly in front of house 'service-orientated' departments such as Food & Beverage. In-house demand will be most pronounced during breakfast service, affording management the opportunity to promote part-time employment for breakfast service staff, in particular.
- Opportunities for a partial approach to part-time Food & Beverage staffing will also arise in the MICE Centre attached to the 800-key hotel, enabling a more 'semi-variable cost' structure to be adopted relating to payroll peaks and troughs in demand throughout the year aligned with catered event activity.

Staffing Assessment – Phase I Hotel Accommodation

Indicative OVERALL Staffing

- Other influencing factors include the scale of the two hotels in question. At 800 keys and 1,500 keys they are larger than the majority of hotel operations in the UK on which staff to rooms ratio analysis has been based. As such, for the two hotels in question the overall staff to rooms ratio will be at the lower end of the UK average ranges, since some departmental staffing levels will be more ‘fixed’ or ‘semi-variable’ in nature, rather than fully variable. In contrast, Housekeeping and Food & Beverage departments will experience the most ‘variable’ staffing levels, closely linked to occupancy performance.
- We have also considered the likelihood that due to commensurately high labour costs pertinent for the UK hotel accommodation, management is highly likely to seek payroll cost savings wherever possible.
- Consequently, in 2028, the fifth and stable year (indicative-only) we have built-up indicative staffing schedules for each hotel which result in the following stable trading year headcounts as follows:
 - **Water Park/MICE Centre-integrated Hotel (800 keys)**
 - **870 staff equating to an OVERALL staff/rooms ratio of 1.09 : 1**
 - **Themed Upscale Hotel (1,500 keys)**
 - **1,268 staff equating to an OVERALL staff/rooms ratio of 0.85 : 1.**

Staffing Assessment – Phase I Hotel Accommodation

Indicative OVERALL Staffing

- Note: the projected stable year OVERALL staff to rooms ratio for the 800-key water park/MICE centre-integrated hotel is higher than that of the Themed Upscale Hotel. Its more extensive conference and events facilities will generate additional labour needs compared to the Themed Upscale Hotel operation.
- In addition, staffing ‘economies of scale’ will also be achieved at the 1,500-key Themed Upscale Hotel, relative to those of the 800-key water park/MICE Centre-integrated hotel, given the almost doubling of capacity that its inauguration will achieve.

Water Park/MICE Centre-Integrated Hotel (800 Keys) & Themed Upscale Hotel (1,500 Keys) Indicative Projected OVERALL Hotel Personnel Levels 2024, 2028, 2029, 2038

	Opening Year 2024	Opening Year Staff/Key Ratio	Stable Trading (5 th) Year 2028	Stable Trading Staff/Key Ratio	6 th Year 2029	15 th Year 2038
Water Park/MICE Centre-Integrated Hotel (800 Keys)	654	0.8 : 1	870	1.09 : 1	870	870
Themed Upscale Hotel (1,500 Keys)	954	0.6 : 1	1,268	0.85 : 1	1,268	1,268

Source: LDP

- Note: Staff build-up occurs from the year of opening (2024) until the stable trading year in 2028, the fifth year of operation, after which personnel numbers will be largely maintained at consistent levels.

Staffing Assessment – Phase I Hotel Accommodation

Indicative FULL-TIME EQUIVALENT (FTE) Staffing

- Taking into account the potential for part-time employment in some departments, particularly with regard to Food & Beverage (breakfast, banqueting, etc.), the resulting projected FULL-TIME EQUIVALENT (FTE) staffing levels are detailed in the following table.
- The impact of projected part-time staffing on FTE numbers at the 800-key Water Park/MICE Centre integrated hotel results in a stable year differential between OVERALL and FULL-TIME EQUIVALENT staff of approximately -13 percent. Similarly, for the 1,500-key Themed Upscale Hotel, the staffing differential between OVERALL and FULL-TIME EQUIVALENT staffing numbers is a drop of approximately six percent. The impact of part-time employment on FTE staff numbers is more significant, in percentage terms, at the 800-key Water Park/MICE Centre hotel due to the impact of higher part-time employment opportunities deriving from combined demand from hotel residents (higher annual occupancy) and MICE Centre demand (additional non-resident conference and banqueting).

Water Park/MICE Centre-Integrated Hotel (800 Keys) & Themed Upscale Hotel (1,500 Keys) Indicative Projected FULL-TIME EQUIVALENT Hotel Personnel Levels 2024, 2028, 2029, 2038

	Opening Year 2024	Opening Year Staff/Key Ratio	<i>Stable Trading (5th) Year 2028</i>	<i>Stable Trading Staff/Key Ratio</i>	6 th Year 2029	15 th Year 2038
Water Park/MICE Centre-Integrated Hotel (800 Keys)	587	0.7 : 1	768	0.96 : 1	768	768
Themed Upscale Hotel (1,500 Keys)	912	0.6 : 1	1,199	0.80 : 1	1,199	1,199

Source: LDP

- Note: Staff build-up occurs from the year of opening (2024) until the stable trading year in 2028, the fifth year of operation, after which personnel numbers will be largely maintained at consistent levels.

Staffing Assessment – Phase I Hotel Accommodation

Hotel & MICE Centre

- Our payroll and related expense projections for this project are based on analysis of the labour cost characteristics of sampled hotel operations located throughout London and the South East of England. As such, they reflect closely both the distributed (operating department) and undistributed payroll burden envisaged for the 800-key Water Park-integrated/MICE Centre-integrated hotel.
- We have also built-up a more detailed staffing schedule in order to establish the stable trading year projected personnel headcount for this project. Our projections are based on operational synergies in which the integrated conference and events facilities are managed, in effect, as a significant operating department of the hotel. In staffing terms this will be essential with regard to maximising economies of scale.
- By the fifth/stable trading year, the hotel and conference facilities have a projected **OVERALL** staffing requirement of approximately **870**, with a **FULL-TIME EQUIVALENT** headcount (taking into account part-time employee assumptions) of **768**, as shown in the preceding two tables.
- These are distributed amongst operating departments (Rooms, Food & Beverage, Spa, and 'Other' Minor Operating Departments) and amongst undistributed departments (Administration & General, Marketing & Promotions, Property Operations & Maintenance).
- The most significant staffing levels will be incurred by labour-intensive departments such as Housekeeping and Food & Beverage. Whilst staffing numbers associated with Housekeeping relate to in-house overnight guests, Food & Beverage staffing levels (both front of house and back of house) additionally include demand relating to non-residential day-delegate catering and function/banquet demand.

Staffing Assessment – Phase I Hotel Accommodation

Hotel & MICE Centre [continued]

- A stable year **OVERALL** staffing requirement of 870 equates to a staff to rooms ratio for the hotel of **1.09 : 1**, whilst a corresponding **FULL-TIME EQUIVALENT** headcount of 768 equates to a staff to rooms ratio of **0.96 : 1**, which compares favourably to researched averages.
- Whilst we expect this property will have 4-star operating standard, the large scale of the hotel and the resultant economies of scale are likely to allow it to successfully trade as an upper midscale to upscale hotel (high quality 3-Star to 4-Star standard) in term of staff ratios.
- In order to better understand the human resource requirements for the integrated MICE Centre at this project, we have analysed the staffing levels of a number of conference and events centres throughout the UK and Europe.
- However, any direct comparison with the majority of venues is challenging due to the operational differences engendered between typically standalone conference operations and a project such as this that operates as a fully-integrated part of a larger hospitality enterprise.
- In staffing terms, far more flexibility is afforded to this projects conference and event facilities. It derives principally from the ability to centralise staffing in some key areas (administration, marketing, food and beverage, maintenance, etc.), thereby reducing unnecessary management and wider staffing duplication.

Staffing Assessment – Phase I Hotel Accommodation

Hotel & MICE Centre [Continued]

- In addition to robust staffing provision in key departments such as Rooms and Food & Beverage, we have also projected significant, above average, personnel levels in departments that include Marketing & Promotions, Security, and Property Operations & Maintenance (including technical support for conference and events activities).
- Within our projections of overall staffing numbers, we have estimated that between **45 and 50 personnel** by the fifth and stable trading year are principally associated with **MICE Centre** activity. However, in order to compare this project with other researched conference centre staffing levels, this total excludes employees that are also integral to, and shared with, hotel operations such as food and beverage personnel (chefs, waiting staff, etc). We also anticipate that staffing for some management and administrative functions will also be centralised rather than devolved to the MICE Centre in isolation.
- The resulting projected number of primarily **MICE Centre full-time equivalent staff is 48**, equating to a ratio of 73sqm of MICE Centre space per employee. This compares to diverse ratios amongst researched venues that range from 48sqm per staff member up to 435sqm per employee.

Staffing Assessment – Phase II Hotel Accommodation

- Phase II is less defined at this juncture. At present, there are plans for a Family Value Midscale Hotel (400 keys) and an Economy Hotel (800 keys), both limited service.
- Based on this, we have assumed a 1,000 employees between the two properties equating to a ratio of 0.83 staff per key. We have allowed for some evolution in the build up to stability, in line with phase I hotels' trends.
- We have used the ratio of FTE to headcount in line that for the Phase I hotels.

Staffing Assessment – Summary

General Summary & Commentary

- As our staff assessment is based on benchmarking ratios, the staff numbers on the following page cover ALL STAFF including front of house, back of house, management and corporate/ shared services which are typically attributed to each of the resort components in accordance with the size of each business.
- The intention is to provide a view on what might be reasonable given benchmarks and this is of course no replacement for operational business planning or a staffing schedule which will take shape as the project evolves, gains more certainty and moves into operational planning stage.
- With the exception of the hotels, the assessments are driven by FTEs rather than headcounts, as this is the way the attractions are consistently benchmarked. How FTEs translate into headcounts varies significantly depending on the location, type of park and, most importantly, employment law, HR policies and operational approach – therefore benchmarks' data is less consistent in this area.
- We understand, however, that the client team would strive to minimise the number of seasonal and part-time employees in order to maximise the continuity of staff and careers offered. We have taken this approach into account in our assumptions.
- We have used the following **assumptions** to provide an indication of headcount at the attraction components:
 - For the theme parks and the waterpark, it is assumed that FTEs are split

40/60 between seasonal and permanent positions. This is not quite Disney/ Universal levels in warm climates but is very close and is significantly more skewed towards permanent staff compared to most other parks including most parks in Europe where weather is a strong factor.

- Due to flat seasonality, it is assumed that The Market, as well as hotels and convention centre, have no seasonal employees although large events will require additional staffing – this could be managed via agencies. Whilst this may provide an upside to overall employment levels, they would not increase the maximum headcount on site as they would not be scheduled to coincide with peak days (when peak other workforce would be on site);
- Seasonal employees are calculated at seasonal FTE x 2.5 (assuming high season at around 5 months per year) based on major parks benchmarking;
- FTEs related to permanent employees are then split into full-time and part-time FTEs using the 70/30 ratio in accordance with the client view on operational approach. This is more skewed towards full-timers than many parks we have reviewed;
- Part-time employee is assumed at half the full-time employee, in line with ProFun assumptions; hence 1 FTE = 2 part-time employees;
- 1 full-time employee = 1 FTE.

Staffing Assessment – Summary

Corporate/ Shared services

- Large-scale resorts have an advantage in that some efficiencies of scale can be created, especially in sharing the cost of management team and support services. These include legal and corporate responsibility, marketing and PR, IT, HR, Finance, procurement, logistics, associated admin, etc.
- However, there are still employees located permanently on the site whose cost would be attributed fully to a particular component of the resort, be it a theme park, a waterpark or a hotel, etc. These would include, for example, operational directors, onsite IT, legal, accounting and others. In our view, these are not part of corporate or shared services and are therefore still included in the numbers for individual land uses. For example, the operational director of the waterpark is attributed to the Waterpark full-time headcount and FTEs rather than corporate/ shared services.
- The client team have estimated the corporate employees at **278 people**. Based on benchmarks we feel the overall headcount of 278 is not unreasonable.
- Corporate/ shared services are already accounted for in our calculations but we have attempted to separate these out of the estimates for individual uses.
- Based on the client’s operational approach and a fairly flat seasonal pattern anticipated for London Resort, we have assumed that 90 percent of the employees are full-time with the balance 10 percent are part-time. Typically, this varies depending on the department with marketing and commercial, for example, being heavily skewed towards seasonal/ temp work and finance towards full-time employment.
- We have split these 278 employees into full-time and part-time with accordance to our general approach, to be able to incorporate these in our calculations. The split is presented below. We then attributed the corporate office to each of the resort uses based on their share in total revenue, and have reduced individual staff numbers accordingly. The resultant calculations are summarised on the following page.

Corporate/ Shared Services

Department	Headcount
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Total Headcount	278
Full-time employees [@ 90%]	250
Part-time employees [@ 10%]	28
Part-time FTE [*50%]	14
Total FTEs	264

Source: London Resort & LDP

Staffing Assessment Summary

Staff Summary, 2025, 2029 and 2037

	2025					2029					2037				
	FT	PT	Seasonal	Total Headcount	Total FTE	FT	PT	Seasonal	Total Headcount	Total FTE	FT	PT	Seasonal	Total Headcount	Total FTE
Corporate/ Shared services	250	28	-	278	264	250	28	-	278	264	250	28	-	278	264
Theme parks	1,105	1,043	2,938	5,087	2,802	1,827	1,653	4,630	8,110	4,505	2,709	2,420	6,761	11,890	6,623
Hotels	1,363	226	-	1,588	1,477	2,337	401	-	2,740	2,539	2,570	429	-	3,001	2,786
The market (RDE)	715	641	166	1,521	1,102	769	670	59	1,499	1,150	836	747	164	1,747	1,275
Other	157	55	124	337	234	168	64	148	381	260	172	66	154	393	267
Total	3,590	1,992	3,228	8,810	5,878	5,351	2,817	4,837	13,008	8,718	6,537	3,690	7,079	17,308	11,215

Notes: FT = full-time; PT = part-time

* Need to increase staffing during large events via agency

** Other includes waterpark, convention centre and e-sports venue

Numbers contain roundings

Source: LDP

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