

CASINOS : THE CALL FOR PROPOSALS MARCH 2006

THE CASE FOR HARROGATE

1. EXECUTIVE SUMMARY

- 1.1. This submission makes the case for the establishment of a small casino in the town of Harrogate, in North Yorkshire.
- 1.2. A key tourist destination of international standing, the town is the central urban area of the large shire District of Harrogate, with a 2001 population of 151,000 expected to rise to 166,000 by 2021. There are low levels of ethnicity, low levels of crime but significantly above average levels of employment and educational attainment
- 1.3. Tourism is an essential component of the local economy, with c. 10-12% of dependent jobs. Visitor expenditure is reinvested in the physical infrastructure, much being of heritage importance. Some 5.5 million visitors are received annually; business tourism in the form of conferences and exhibitions is an important element generating c.66% of total tourism expenditure. The Borough Council's policies support tourism .

- 1.4. Harrogate has generally few social problems by comparison to most, and has an active community safety partnership. Any casino in Harrogate would be likely to have little social impact, being mainly aimed at the staying visitor, and the more mature resident. Night time activity is closely monitored through the safety partnership, who are presently in the course of introducing a Nightsafe initiative aimed at ensuring safety for users of the town centre at night.
- 1.5. As tourism (particularly business tourism), is crucial to the local economy, it is essential to remain competitive as a UK and international visitor destination. Failure to sustain competitiveness would lead inexorably in the longer term to more public money being spent in regeneration. The ability to offer a casino as part of night time leisure attractions would help strengthen the competitive offering and reduce the longer term possibility of more public funds being needed for local economic regeneration
- 1.6. The Council have, for a considerable period, sought to have a casino license and were active in 1996/97 in persuading the government of the day to amend the casino licensing regulations.
- 1.7. If a licence is granted, there are a number of sustainable locations in the town centre area, where a casino could be established. Of particular note is the current feasibility work being undertaken to upgrade conference and exhibition facilities which could embrace a casino development , both to improve the business tourism offering and improve financial viability of the scheme. Several casino operators have expressed interest in operating a casino in the town.

1.8. Harrogate is recognised as the main UK and European destination in Yorkshire and Humberside for conferences and exhibitions- in the Regional tourism strategy, in the emerging Regional Spatial Strategy and in the draft Regional Economic Strategy.

1.9. The community benefits from a casino would include a late night entertainment offering for the more mature resident and provide a source of well paid local jobs.

2. TYPE OF AREA

2.1. Harrogate is an historic spa town, whose livelihood has always depended substantially on visitors. The town is of distinctive heritage, and surrounded by the larger district, with a population of c.151,000. The current forecasts suggest this will rise to 166,000 by 2021.

2.2. Characteristics of the resident population show :

- Low incidence of ethnicity (1.6% in the District cf. 12.5% for England and Wales)
- low crime (17.7 offences per 1000 population as against 24.4 for England/Wales)
- high educational achievements (35% of the resident population had an NVQ equivalent Level 4- equating to degree or higher- compared with 25% average for the UK).
- slightly older age profile (22% age 60+ in Harrogate District compared with 20% in England and Wales)

2.3. Tourism is key in the local economy, particularly for conferences and exhibitions. Harrogate developed as a spa resort in the late 19th century, at one time being the premier spa destination in Europe, (with a casino active until 1970 !!), The demise of the spa in the immediate post war period following the introduction of the NHS, led to instigation of a conference industry which has developed successfully over the last fifty years to the point where the town is now one of the foremost UK destinations, with a high profile both in this country and abroad, being one of the top five UK venues. It brings some £160M of visitor and event services expenditure annually to the town and District.

2.4. Some relevant tourism statistics :

- 10% of GDP in Harrogate is estimated to be accounted for by tourism, with 10-12% of jobs
- 33.5% of all jobs are in hotels, restaurants and in distribution (retail etc)
- 5.5 million visitors to the district each year spending £235M in the local economy
- 2500 registered hotel and guest rooms in the district, 75% of which are in Harrogate town
- some 3,500 conferences and trade exhibitions in the town annually, some of which are national and international in nature

2.5. The Council, through its statutory Development Plan; its tourism Strategy and its policy towards the development of the conference facilities is fully supportive of tourism development.

2.6. In the past (1996/97) the Council has lobbied for the law to be changed in order for the town to have a Casino, and indeed was instrumental in the previous government deciding to alter the Law to allow a limited number of additional resort destinations such as Harrogate to be licensed for casinos. The change of government in 1997 meant this was not progressed as the incoming government had other priorities.

3. SOCIAL IMPACT

3.1. Although casinos represent the hard end of gambling, the corollary is that they are closely regulated and monitored through the robust arrangements set down in the 1968(as amended) Gaming Act.

3.2. The Council recognises the potential threats to social behaviour from an increase in the number of casinos but, in Harrogate's instance, considers there will be very limited social impact, because :

- It expects the main market for a casino would be the tourist visitor, and particularly the conference or exhibition delegate. The casino in Baden- Baden in Germany is an example of a similar facility, whose impact has been largely beneficial to that German towns economy.
- Harrogate has a low level of crime and recorded social problems. It is not expected that a casino would exacerbate these to any appreciable extent, given the factors listed above

- even a small casino is expected to create a significant number of well paid year round jobs. The salaries earned are likely to be spent back in the local economy, adding to local economic benefit.

- Harrogate has a strong community safety partnership and works closely with partners in the police and voluntary sector. These existing networks would allow it to monitor any significant change in social behaviour as a consequence of the introduction of a casino.

4. NEED FOR REGENERATION

- 4.1. Harrogate town is in the fortunate position of having only limited need for regeneration, but this stems from the considerable investment consistently made by both public and private sectors to sustain the conference and exhibition business.

- 4.2. The market is however more and more competitive as new venues come on stream , and improved communications (particularly budget air travel) bring in more destinations.

- 4.3. It follows that, to sustain competitiveness, Harrogate must continue to offer a distinct and viable product to the visitor. The attractions of night time entertainment will help do this. A casino is one such component of this and could form part a significant improvement in the range of evening activity available to visitors.

4.4. Strengthening the leisure offering in such a way would help reduce the chances of a future situation in where increasing uncompetitiveness would be likely to need more public funds to reverse a declining economic position. Utilising opportunities afforded by commercial market trends and shifts in the regulatory environment would be a more cost effective way of staying competitive.

4.5. In Harrogate's case, there are a number of possible sites in and around the town centre, and it is currently embarking on feasibility work to redevelop the main exhibition halls. The inclusion of a casino as one possible commercial element would well enhance the viability of the scheme as well as contributing to the range of night time activities available to visitors.

5. WILLINGNESS TO LICENCE

5.1. The Cabinet at its meeting on 5th April is expected to endorse this submission and be supportive of suitable proposals by private operators to operate a casino, in the town centre area.

6. PROBABILITY OF IMPLEMENTATION

6.1. There are there several factors relevant to this :

- The nature and make up of residents and visitors : Harrogate has a resident population of c.151,000. however within 45minutes

drive the catchment population increases to over 500,000 as it takes in much of northern Leeds and Bradford

- Whilst there are already casinos in Leeds, much of north Yorkshire, west of the A1, would probably look to Harrogate for such a facility; the nearest location to the north would be Middlesbrough . This gives a potential catchment population in excess of 1 million within 1 hours drive time of Harrogate town centre
- The district attracts some 5.5 million visitors a year. Of that some 10% stay in serviced accommodation, creating around 550,000 visitor nights in inspected serviced accommodation (this definition excludes non serviced accommodation such as self catering, and serviced accommodation which is not inspected. It is therefore a significant under-representation of the true level of staying visitors)
- The socio economic make up of both visitors and residents is considered to be biased towards the AB categories with a relatively high spend per capita potential

6.2. The potential market is therefore substantial, and relevant to the casino industry

6.3. Significant interest has been shown by operators, both now, and in the recent past of establishing a facility in Harrogate town. Interest has been expressed by eight operators.

6.4. The probability of implementation is highest in Harrogate Town, in the town centre, and indeed that is where the Council both as Licensing Authority and promoter of holiday and business tourism would see such a venue being located.

6.5. There are a number of opportunities, one of which has been described above (see para 4.5.). A location in the centre of Harrogate is a sustainable position because :

- a) it would complement other night time uses
- b) it is easily and safely accessible by public transport and there is plenty of public car parking
- c) most of the hotel bedstock lies in the centre of town
- d) the town centre is actively covered by CCTV through the community safety partnership

7. REGIONAL AND NATIONAL CONTEXT

7.1. Harrogate is recognised in the region as a key sub regional centre.

7.2. Importantly, all three overarching regional development strategies recognise Harrogate's role as a key tourism destination, and specifically for its UK and European profile in the conference and exhibition market :

- **the Regional tourism strategy**, prepared by the Yorkshire Tourist Board

- the emerging **Regional Spatial Strategy** prepared by the Yorkshire and Humberside Regional assembly where Policy E2 states that sub-regional centres will be the preferred location for any large or small casinos. Harrogate is defined as a sub-regional centre.

- **the (draft) Regional Economic Strategy** prepared by the regional development agency (Yorkshire Forward)

8. COMMUNITY BENEFITS

8.1. The community benefits from a casino would include a late night entertainment offering for the mature resident, those in North Yorkshire for whom Harrogate is the nearest centre with night time entertainment and provide a source of well paid local jobs.