

INTRODUCTION

Torbay is an established coastal resort facing significant regeneration issues which are set out below. Torbay Development Agency (TDA) was established in 2004 specifically to address these regeneration needs of Torbay. The TDA is an arms length department of Torbay Council and works with partners such as Government Office South West, South West RDA and the private sector to bring forward measures in response to the needs of Torbay. The TDA has been responsible for working on projects such as Torquay Harbour Regeneration, a public realm scheme to reinstate Torquay's capacity to host major sailing events and attract private sector investment. An impact evaluation of this scheme has shown that early phases of this work have been a success with 200-250 net new jobs being created, the economy growing by over £5 million and £5.5 million of private sector investment levered into the area. Other schemes delivered include New Market Development to widen the area's tourism appeal, a new Community Centre in one of the most deprived areas and the TDA is working on major capital projects for new managed workspace facilities and the complete regeneration of Brixham.

The opportunity to introduce a new Casino meets a number of the needs of the area and strongly complements schemes already in place to regenerate Torbay and help restructure the key economic sector of a coastal resort's economy, a high priority area for regeneration.

TYPE OF AREA

Torbay has an outstanding environment and setting, including 22 miles of coastline, which have shaped its economic and social development over time. The three major towns in Torbay (Torquay, Paignton and Brixham) are all located on the coast and the local economy has historically focused on tourism, fishing and some manufacturing activities. Tourism is the dominant sector in Torbay and is closely related to the other major sectors in Torbay such as retail. Tourism also benefits from fishing activities in Brixham, which attract visitors to Torbay, as well as providing employment and adding value within the local economy.

However these key industrial sectors have experienced increased pressure and declining fortunes in recent years:

- The tourism industry is facing increased competition from low cost overseas holidays, causing visitor numbers and tourist nights to fall

- The fishing industry has experienced a gradual decline over time in line with national trends and as a result of pressures from European legislation
- The manufacturing sector experienced significant growth in the 1980s and 1990s with the advent of the opto-electronics industry. Employment in the electronic engineering sector peaked in 2000 with approximately 4,500 employees. However the effective closure of Nortel activities in Torbay in 2001 inevitably had a huge impact on the local economy and employment in the sector has since fallen to approximately 400.

Population and Demographics

Torbay is situated on the South Devon coast and comprises the towns of Torquay, Paignton and Brixham, with a combined population of approximately 130,000, making Torbay the 2nd largest conurbation to the South West of Bristol. This population increases to 200,000 in the summer season, with the large influx of tourists. Table 2.1 presents the structure of the Torbay population and shows the relatively high proportion of elderly people.

Table 2.1: Population Age Structure, 2001

Age Group	Torbay	South West	England and Wales
0-14	16.8%	17.8%	18.9%
15-64	60.6%	63.5%	65.1%
65-79	15.3%	13.4%	11.8%
80+	7.3%	5.2%	4.2%

Source: Census Statistics, 2001, ONS

Table 2.2 presents the population structures in terms of social grade. The data shows that Torbay has a significantly lower proportion of ABs (higher and intermediate managers, administrators and professionals) than the regional and national averages but does have a higher proportion of C1s (supervisory, clerical junior level managers, administrators and professionals). The proportion of C2s (skilled manual workers) in Torbay is slightly lower than the regional average but higher than the national average. Torbay has a higher proportion of Ds (semi-skilled and unskilled manual workers) and Es (lowest grade workers, unemployed and those on benefits).

Table 2.2: Social Grade Structure, 2001

Age Group	Torbay	South West	England and Wales
AB - Higher and intermediate managerial/administrative/professional	15.7%	21.2%	22.0%
C1 - Supervisory clerical junior managerial/administrative/professional	33.0%	31.4%	29.7%
C2 - Skilled manual workers	15.8%	16.2%	15.1%
D - Semi-skilled and unskilled manual workers	18.5%	16.0%	17.2%
E - On state benefit unemployed lowest grade workers	17.1%	15.2%	16.1%

Source: *Census Statistics, 2001, ONS*

Labour Market

Table 2.3 presents a summary of key labour market statistics. Claimant count unemployment outperforms the national average but remains higher than the regional average. The significant dependence upon the tourism sector inevitably leads to seasonal unemployment trends, adding approximately 500 claimants to the JSA register during the winter months. Claimant levels in August 2005 for Torbay were at the lowest level for a year, at 2% of the resident working age population, as one might expect during the peak summer month of such a seasonal local economy.

Table 2.3: Summary of Labour Market Statistics, 2003

	Torbay	South West	GB
Unemployment: Claimant count as % of working age population	2.0%	1.4%	2.4%
Self employment as % of economically active population	12.6%	11.0%	9.0%
Employment growth (1998-2003)	3.5%	12.0%	6.5%
Full-time employment	55.4%	63.4%	68.1%
Part-time employment	44.6%	36.6%	31.9%
Employment by occupation			
Managers/Senior officials	13.2%	14.3%	14.6%
Professional	9.1%	11.7%	12.1%
Associate Professional & Technical	12.4%	13.7%	13.8%
Admin & Secretarial	11.9%	12.5%	13.0%
Skilled Trades	12.6%	12.5%	11.4%
Personal Services	10.8%	8.0%	7.5%
Sales & Customer Service	8.0%	8.0%	8.0%
Process Plant & Machine Operatives	7.1%	6.8%	7.7%
Elementary Occupations	14.9%	12.2%	11.8%

Source: *ONS/NOMIS, 2003*

There are a number of concerns regarding the local labour market, where Torbay underperforms against the regional and national averages:

- ABI data suggests that employment in Torbay has increased by just 3.5% between 1998 and 2003, underperforming regional and national averages. This is only half the national average (6.5% growth), and is significantly lower than the regional average of 12% growth.
- The part-time nature of many jobs in Torbay, particularly in the significant tourism, retail and health and social work sectors, is reflected in the employment data, which suggests that 45% of Torbay employees are employed on a part-time basis, compared to 37% in the South West region, and a national average of just 32%.

Deprivation

Torbay has relatively high levels of multiple deprivation. The ODPM Revised Indices of Deprivation 2004 identify seven out of Torbay's 12 wards in the 20% most deprived wards in England. Two of these wards (Tormohun and Torwood) are just outside the 10% most deprived wards in England. Analysing at even more detailed level suggests that 4.6% of Torbay's population live in an area that is within the top 10% most deprived in England and 14% live in an area that is within the top 20% most deprived. Torbay is ranked as the 89th most deprived local authority in England by rank of average rank, out of a total of 354.

Wages, Incomes and Output

Torbay suffers from relatively low levels of wages, incomes and output. Mean annual gross earnings in Torbay are just 72.5% of the 2005 national average according to the ONS Annual Survey of Hours and Earnings. This measure ranks Torbay as the 29th lowest earning local authority in the UK, from the total of 448 authorities. Torbay's GVA per head figure was £10,208 in 2003, which has fallen to 63% of the national average. This ratio has fallen in each of the last seven years. Torbay has the lowest GVA per head figure of all county and unitary authorities in the South West, having been surpassed by Cornwall and the Isles of Scilly in the latest data. Torbay now has the 9th lowest GVA per head figure of all county and unitary authorities in the UK. GVA per head has increased by 15.1% between 1995 and 2003, the slowest rate of growth of all county and unitary authorities in the UK.

The Office of the Deputy Prime Minister conducted a National General User Satisfaction Survey in 2003. The same questions were asked of the Torbay

Resident Research Panel, ViewPoint, including the question “Thinking about your local area, which things, if any, do you think most need improving?” The most common response was “wage levels and the local cost of living”, and was mentioned by 60% of Torbay residents compared to just 50% in the national survey.

Tourism

Tourism in Torbay today accounts for 1.45 million staying visitors plus 3.8 million day visitors, generating a direct and indirect spend of £442 million per annum. This represents around one third of the area’s wealth and also one third of its jobs.

Visitor numbers peaked in the 1970’s at over 12 million tourist nights. By the start of the 1990’s this had fallen to just under 10 million and by 2003, just under 8.5 million. Although the figures now appear to be static there is a real risk that further decline will significantly affect the viability of many operators within the sector. Torbay’s loyal, core markets are not high spending, and this lack of higher spend has stifled strong investment.

Visitor Survey 2003

- Torbay attracts a high proportion of staying visitors (87%), day visitors (6%) and touring visitors (7%) featuring less prominently.
- The majority of visitors are adults holidaying without children
- 63% are 55+, 16% 45-54, 10% 35-44, 9% 25-34 and only 2% 16-24
- 59% are C2DE’s
- 80% are repeat visitors
- They spend their time shopping, walking and spending time on the beach as well as attending events and the theatre
- 16% were part of an organised group

In summary, tourism is an important industry to the area, and should be embraced by the local industry to maximise its impact to the economy of Torbay and the local population. The Torbay Tourism Strategy 2005-2015 supports the development of new capital projects which ensures that “the tourism product and associated marketing is developed to meet the needs of market segments that will provide a sustainable future for the resort.”

Principal Regeneration Needs

Torbay has a range of regeneration needs that must be addressed. One of the needs is for new and better workspace for our talented business people and young entrepreneurs. TDA is taking forward a separate project to provide over 2,500 square metres of new incubation space. We have shown above that there are acute problems relating to the very low levels of wealth and earnings in the area, problems with significant pockets of deprivation and higher than average benefit dependency. There is also an urgent need to provide new and varied opportunities to encourage young people to remain in or return to Torbay as young people are currently exported from Torbay. The wider regeneration needs of the area are clear, Torbay needs

1. New investment in jobs
2. More year round employment
3. Investment in the public realm and built environment to improve quality of life
4. New attractions to deepen and strengthen the tourism offer of the area

In summary Torbay's proposal makes it an appropriate testing ground because;

- Economically the area lags behind the South West and the UK
- There are acute deprivation issues
- Torbay is a leading coastal resort area with over 1.4million staying visitors a year heavily dependent on the tourism industry
- A large casino would add significant weight to complementary regeneration activity
- Strong fit with the local and regional policy framework

SOCIAL IMPACT OF PROPOSAL

Torbay has invested considerable time in assessing the social impact of a new Casino development. We consider that impacts are likely to include positive and negative impacts including the following;

- Problem gambling;

Although assessing the impact on problem gambling is perhaps the hardest task it is arguably the most important. Research suggests that an increase in casino participation to 10% is likely and the introduction of advertising and the existing

increased awareness of gambling opportunities will generate new customers for gambling businesses. We believe that a casino development in Torbay would present an excellent opportunity to work in partnership with the operator of the casino to develop projects to help with problem gambling. We have also met with support organisations to better understand the issues relevant to problem gambling. In Torbay's case a key aspect of the gambling issue is the difference between **destination gambling** and **casual gambling**¹. Our status as one of the UK's leading resorts will encourage a higher number of visits to the casino from visitors to the area as these visitors are already in search of leisure activities.

- Crime;

The Torbay Community Plan places particular emphasis upon minimising crime and disorder under its theme "Making Torbay a safer place". Empirical evidence has indicated that in the highly managed and regulated environment of a large casino, the issues of crime and disorder are much more likely to be proactively addressed. The impact of problem gambling is again less prevalent in such a regulated environment. The Council's Community Safety Strategy also has a positive role to play.

- Children and Young People

One primary aspect of the new Gambling Act is the Government's focus upon protecting children and young people from the possibly detrimental impact of gambling. This emphasis will be carried forward in any casino development in Torbay where we will seek to adapt existing good practice such as the successful "Know the Code" poster campaign aimed at young people to encourage them to adopt a safe and responsible approach to drinking.

There are also likely to be changes to consumer's use of time. Time spent in the casino may have impacts in terms of the way people allocate their time as well as economic impacts. For example, casino based activities may be less socially interactive than the activities these consumers currently engage in and this could lead to greater social exclusion from the local community. Alternatively, the new casino may offer a place for people to meet and so expand their social contact.

¹ Destination gambling is where a person decides to go to a location to gamble, and is the most responsible and controlled approach. Casual gambling is unplanned, spontaneous and lacking in

Not all social impacts should therefore be seen as negative. Professor Peter Collins, director at the Centre of Study of Gambling at the University of Salford, notes that

“The evidence from around the world is quite clear - that introducing large casinos does not automatically lead to an increase in problem gambling or other negative social impacts.

"On the contrary, it can lead to a decline in problem gambling numbers provided the introduction of the casino is accompanied by an appropriate public awareness campaign."

We believe that a casino offers the potential to meet the community plan's vision for the future of Torbay as a prosperous community where people can live in a safe and beautiful natural environment and businesses can develop. As part of this it is recognised that improving "quality of life" for those already in the area and those whom we hope to attract is vital for the future of Torbay. A new casino will be an important part of the overall offer, image and attractiveness of the area as a whole.

The location of the casino within a recognised deprived area in Torbay and the broad scale of the jobs to be offered, directly and indirectly associated with the casino, will help us further reinforce our overall approach to equal opportunities and help to address the wealth and employment deprivation experienced in parts of Torbay.

There will be a range of economic benefits to the area resulting from direct and indirect investment and employment and the predicted economic impacts associated with a large casino are considerable. Direct job estimates vary from 200 to 400 FTEs and in the Torbay labour market such a figure would make a very significant difference to the economic position of the area. We have indicated above that advice from local and national organisations has been sought so that a balanced assessment of the positive and negative impacts can be made. There is considerable local support from the community, trade and other stakeholders for a new casino. That support and the economic case means that where necessary, we will work with the operator and others to mitigate against any negative impacts resulting from the development.

We appreciate that there is likely to be a diverse range of impacts on the community should the Panel recommend Torbay as an appropriate area. While any increase in problem gambling and other associated negative effects must be mitigated against, Torbay is mindful of the impacts that will manifest as a result of those who participate in a positive way.

While there is no existing data to assess problem gambling or gambling prevalence in Torbay, the national data would suggest that gambling participation is already strong. Given the rapid rise in fixed odds betting terminals and internet gambling it is probable that the national participation rate of 46% will increase in the next national prevalence survey and we would expect the national trend to be mirrored in Torbay.

In response to the new legislation Torbay is already preparing for the impact on licensing policy and practice. A working group for the Licensing Committee has been established to consider in detail the impact of the legislation and how best to respond to it. A strong partnership with Devon and Cornwall Police already exists in the management of the night time economy and this partnership is well placed to identify and counter anti social behaviour impacts from a development. Recently the Council and the Safer Communities Partnership has introduced an SOS bus to the harbourside in Torquay to provide an alternative source of help and support to customers leaving the pubs and clubs in the Torquay harbour area. The Safer Communities Partnership includes Torbay Council, Devon & Cornwall Police, Primary Care Trust and Probation. The SOS Bus has been an unqualified success and displays our strong commitment to ensuring that negative impacts of leisure activities are managed properly. Specific plans on how the impacts of a casino would be optimised or addressed are not yet in place, we would however expect to work closely with the developer/operator as well as organisations such as GamCare to minimise the risks of problem gambling and to support other regeneration activities in Torbay.²

If selected for a license we would, using Torbay Council's consultation team, carry out a Gambling Prevalence Survey on a sample of local people within three months of the announcement. This would provide us with benchmark information with further surveys to follow 12 months and 36 months after the opening of a new

² One possible step would be a community fund offering grants to local community groups and charities.

casino. This would provide a dependable, formal evidence base to assess the impact of a casino. Additionally we would also look for information from key stakeholders such as the Citizens Advice Bureau, Police and others on impacts such as debt or anti social behaviour.

TDA is working on the delivery of a number of projects designed to create new employment for Torbay, including the development of managed workspace facilities with South Devon College, the regeneration of Brixham and public realm improvements in Torquay. Softer programmes to increase employment include working to improve the supply of business support. TDA has bid for grant for the provision of training for the key tourism industry. Within Torbay there is a strong network of training providers working with Jobcentre Plus in the provision of vocational training for the area's unemployed.

A casino development would complement existing jobs creation and regeneration steps being taken in Torbay. Partnerships are already in place (the Safer Communities Partnership, Licensing Committee Working Group and Torbay Community Partnership) to assess and manage the social impact of the development. These partnerships and our experience in managing the impacts of a vibrant night time economy means that Torbay is well placed to both manage the impacts and benefit from the investment and employment that the following section clearly demonstrates is needed.

NEED FOR REGENERATION

We expect a broad range of regeneration outcomes from the proposal including an investment in a key site in the area, new jobs both direct and indirectly supported by the casino, increase in levels of economic activity and GVA and other benefits including catalysing other investment. Research suggests that £12m of Gross Value Added and over 350 jobs would result from a large casino development in Torbay.

The proposal has already highlighted some of the economic difficulties facing Torbay, further evidenced by poor economic activity rates with 76.9% of all people economically active in Torbay. This is lower than both the South West and GB average. Unsurprisingly, therefore, economic inactivity rates are higher with the number of those unemployed and not wanting a job also higher than the regional average at 15.4%.

Torbay is one of the most deprived local authority areas in the country, ranked 89th in England. There are particular problems with wealth deprivation as evidenced by the low wage rates and the high incidence of benefit dependency. The favoured area for a casino development is in one of the most deprived wards in Torbay, Tormohun, and this ward primarily through the physical presence of the casino would bear the most obvious benefit. There would also be a wider benefit to Torbay. The benefit would be from the investment in the area, additional investment attracted by the development and possible gains through the planning system. As indicated above the economic benefits would accrue widely across Torbay with the likely locations being easily accessible to workers, not simply those within close proximity to the casino.

These projects are set against the context of the Torbay Economic Regeneration Framework which clearly highlights the need for economic regeneration in Torbay and clearly sets out the need to support our existing core business. Tourism is one of the key sectors for the local economy and the identified need is for a higher level of quality in the tourism offer to help attract new visitors, a large casino would add considerable cachet to Torbay and contribute enormously to a swift increase in our offer. It would complement the increase in business tourism from conferences and events as well as other initiatives. These include growing under represented tourism markets such as overseas visits (where Torbay is part of the Destination South West partnership) to encourage new cruise ship visits. Torbay is also identified within the Regional Spatial Strategy and Regional Economic Strategy as a key area in the South West for regeneration, the regional policy context is therefore supportive of significant regeneration initiatives for Torbay.

WILLINGNESS TO LICENESSE

In January 2006, the directly elected Mayor of Torbay endorsed the proposal for Torbay to submit a response to the Casino Advisory Panel. Councillors have also formally pledged support for the initiative subject to suitable checks being in place. The Mayor of Torbay is strongly in favour of regeneration and a casino development is seen as being a positive step in this regard in keeping with the English Riviera brand and representative of the step forward in quality of tourism offer we wish to see.

At its meeting of 1st March 2006 the Torbay Strategic Partnership unanimously expressed its support for the proposal as the following excerpt from the minute's shows:

“77. Casino

77.1 Richard Morgan (TDA) provided an update in relation to the Council’s proposals to bid for one of the new Casinos which was being introduced under the new Gambling Act. It was anticipated that if the Council was successful in its bid for one of the Casinos it could create approximately 200 new jobs and bring around £12m to the local economy. It was anticipated that the casino would be a properly managed establishment providing high quality leisure, including good quality dining and services for local people and visitors.

Agreed: The Partnership supported the principle of a casino in Torbay provided that appropriate safeguards were put in place to protect vulnerable people”

The chair of Torbay Council’s Licensing Committee has been involved in discussions on a potential casino development as has Devon & Cornwall Police. The Police have indicated that they are supportive of new leisure activities in the area particularly where these activities are not alcohol dependent and well managed. Torbay is a mature licensing authority that takes its responsibility to the community seriously. With regard to alcohol licensing it has taken a number of steps to ensure that the impact of licensed premises is managed including the introduction of a Cumulative Impact Zone which acts to manage the numbers of licensed premises in the Torquay Harbour area.

We have not directly engaged in correspondence with organisations or individuals on this matter although meetings have been held with

- Devon & Cornwall Police
- Torbay Councillors
- GamCare
- Stanley Casinos (operators of the existing Torbay Casino)

The purpose of the meetings was to understand the range of views and issues associated with Casinos and to accurately reflect those issues to better inform the public consultation. Concerns reported to TDA have generally fallen into a dislike for a location and fears over the negative impacts. Should this proposal be approved we would work with the developer/operator and the partnerships indicated earlier to address the latter point. Over 73% of respondents to our public consultation stated that they would either Definitely or Probably support the idea of a new casino in Torbay. The reasons for supporting our interest primarily was for

the jobs and impact on the tourism trade that the development could have which was viewed as positive. Negative comments highlighted concerns over the antisocial or criminal impacts of a development which was the chief worry of those against the proposal. These views are taken extremely seriously and as we've indicated elsewhere we will work with partners and support agencies to minimise risks to the community.

We have referred earlier to the Torbay Tourism Strategy which this development fully accords with. This Strategy seeks to develop attractions which are relevant to Torbay and can appeal to the local market and encourage new visitors. It recognises that to maintain Torbay's tourism industry that development of the offer is essential in attracting new visitors in a way that meets customer needs and expectations. The proposal also complements other existing and emerging local strategies including the following³;

- Torbay Community Plan – actions including the creation of more and better jobs, regeneration of our towns and communities, to make Torbay a high quality year round destination of Torbay and to improve our built environment.
- Torbay Local Plan – Policies TU1, TU3 & R1 covering developments in tourism and recreation & leisure.
- Torbay Local Development Framework – Torquay Harbour Area Action Plan (Regulation 25 Pre-Draft issues and options document)

The above clearly demonstrates that a wide cross section of the community in Torbay has very firmly expressed support for this proposal and the willingness of decision making bodies to respond positively to a license application.

PROBABILITY OF IMPLEMENTATION

In assessing the likely demand from the tourist and resident market a number of assumptions have been used based on existing research including the percentage of the population likely to visit a casino and the number of visits different types of customers might make.

³ Copies of these documents can be made available to the Casino Advisory Panel on request

The catchment area for Torbay is assumed to be those within a 45 minute travelling time which would encompass the neighbouring Local Authority areas of Teignbridge and the South Hams as well as the cities of Exeter and Plymouth. The population of that catchment area is estimated at 690,000 as shown in Table 1 below.

Table 1 Torbay's Catchment Area Population

Main Population Centres	Local Authority	Population
Torquay	Torbay	130,000
Brixham		
Paignton		
Totnes	South Hams	79,000
Dartmouth		
Kingsbridge		
Exeter	Exeter	108,000
Newton Abbot	Teignbridge	117,000
Dawlish		
Buckfastleigh		
Ashburton		
Plymouth	Plymouth	256,000
TOTAL		690,000

Torbay is served by the A380 and linked to the motorway network via the M5. Torbay and much of South Devon is served by the rail network with links to all of the major cities in the UK. Exeter airport is 30 minutes travelling time away. Sea links are also possible with high quality marina facilities available at Torquay and Brixham.

As one of the country's premier holiday resorts Torbay receives a very high number of tourist visitors as shown below;

Key Facts for English Riviera 2003	
Volume of Tourism	
Capacity in bedspaces	48,410
Tourist Nights	8,470,000
Staying tourists	1,410,000

Day visitors	3,795,000
--------------	-----------

Because tourists are visiting the area they are assumed to have a higher propensity than residents towards visiting an attraction such as the casino as they are interested in seeking out new leisure opportunities. Using these figures, the Gambling Prevalence Survey and the estimated increase in Casino participation, it is clear that the market can sustain the number of visits required for a large casino. A casino would be expected to increase the aggregate spend in gambling activities in Torbay and is likely to have a displacing effect on existing gambling activity. However the extent of that displacement is not known.

Although no criteria for selecting an appropriate location for the casino have been set they are likely to include the level of deprivation of the area, complementarity with other schemes and accessibility of the site, in addition to other statutory requirements. Research in NW England suggests that development costs for a large casino will be a minimum of £8 million rising according to the specification of the development i.e. the degree to which ancillary uses are included.

There are over 40 current gambling premises in Torbay but there is no prevailing trend. TDA has previously been involved in a number of discussions with interested operators to gauge our view on the development of new casino facilities in Torbay. At no point have we committed to an operator as we are committed to an open and competitive process should the proposal be accepted. It is clear that there is a high level of interest in Torbay as a venue from the existing operator in the area, hotel operators and other casino operators who have approached TDA expressing their willingness to invest in Torbay if Torbay is given approval to proceed.

This suggests that if Torbay is selected as an appropriate venue for a large casino there will be no shortage of interest. This places the licensing authority in a strong position to ensure that the widest possible benefit accrues to the area.

REGIONAL AND LOCAL CONTEXT

This proposal complements the aims of a range of regional and local strategies concerning regeneration and economic growth.

The draft Regional Spatial Strategy recognises Torbay as a strategically significant area in the South West and Torbay fully complies with the tests outlined in the RSS:

- support and extend the range of attractions in existing major regional tourism
- destinations named as SSCTs in the Spatial Strategy (see Development Policy A);and/or
 - assist regeneration measures in a location named in Section 3, which will not threaten
- the economic viability of established tourist resorts in the immediate catchment and where an adequate labour supply can be provided;
 - offer large scale and appropriate public transport access.

The development of major, new, high quality and high profile attractions is also identified in the draft RSS as an important plank in the enhancement of the South West's offer as a destination. This proposal would complement this aim.

The Regional Economic Strategy has three Strategic Objectives. The benefits we believe would accrue to Torbay as a result of an investment of this magnitude most closely reflect the themes of Strategic Objective 2; Strong and Inclusive Communities particularly priorities 2A Improve Participation in The Economy and 2B Regenerate the Most Disadvantaged Areas.

The SWRDA Corporate Plan also identifies that casino developments could be positive for the South West noting "The Agency is aware of the regional benefits that may occur where these developments are located and is keen to ensure that they are promoted only in the most appropriate locations, which, once decided upon, can capitalise on the wider economic benefits". We have been working with SWRDA over the past six months to ensure that they understand and are supportive of Torbay's aspirations in this area.

A casino development strongly complements existing local strategies especially the Tourism Strategy, Cultural Strategy, Adopted Local Plan, emerging Local Development Framework and the Economic Regeneration Framework. It also complements other private and public sector development initiatives including an upgrade of the Imperial Hotel, development of new apartments on Torquay Harbourside, and complete harbour upgrade (Phases 1, 2 and 3 as outlined

previously). Such a proposal would also add a further dimension to the developing events programme, which includes visiting cruise ships, international sailing events, harbourside performances and maritime events.

COMMUNITY BENEFITS

There would be economic and social benefits to the community as a result of this proposal.

A study commissioned by the North West Regional Development Agency estimated that the generic local economic impacts of developing a new large casino would be approximately £12m of Gross Value Added (wages, non-repatriated profits, indirect and induced expenditure flows) per annum and £7m for a small casino. New employment figures were estimated at 377 for large casinos and 181 for small. In an economy such as Torbay's these figures are significant. The direct jobs from the casino as well as the indirect employment from supply of goods and services to the casino generate substantial induced effects.

In addition to the specific economic impacts, the construction of these operations has the potential to provide a range of new and improved ancillary and complementary facilities through the planning process. Such facilities can enhance the regeneration potential of the proposal. More broadly, a casino will assist in bringing about the creation of a new entertainment destination helping to create a positive change in the image of an area; acting as a catalyst for the physical redevelopment of a wider area.

In putting forward this proposal we have considered the impact of a casino development on operators of other non casino gambling ventures such as arcades and bingo. We believe that there is limited potential for displacement as the Casino will offer a vastly different type of experience to those other areas.

As the National Opinion Research Centre in the US has indicated, 'those communities closest to casinos experienced a 12 per cent to 17 per cent drop in welfare payments, unemployment rates and unemployment insurance.' While there is conflicting evidence that disputes the degree to which Casinos are a positive intervention for regeneration, there is little doubt that Torbay is an area which depends on the tourism industry, suffers high levels of part time employment and benefit dependency and is in need of significant new investment to drive the economy and the area forward. Previous large scale regeneration

initiatives in the Torquay Harbour area have already played a key role in attracting new investment and addressing some of the economic and social issues⁴ and we believe that a casino development would also have a catalyzing effect on the area.

UNIQUE CHARACTERISTICS

Torbay first became fashionable as a resort in Victorian times when the country's wealthy began to enjoy the fine weather and beautiful scenery of the English Riviera. Torquay was then described as the "Queen of the Riviera" and in the 1980's the modern day English Riviera brand was developed.

Torbay is an incredibly strong resort which has placed an unsustainable reliance on core markets and has not maximised opportunities to build new markets with real volume, and value potential for the future – an issue which the new Tourism Strategy (2005 – 2015) aims to address.

The 1995 –2005 tourism strategy illustrated a 10 year decline in tourist nights and predicted that this would continue without investment, co-ordination and the determination to succeed. The last decade has seen tourist nights decline by a further 6.5% with the exception of a slight, yet encouraging peak in 2002. It is evident that this peak can not be converted into sustained growth without focused product development and promotion of year round tourism.

The national picture

Continued large-scale growth in the tourism industry world-wide is forecast with long haul destinations seeing the highest growth. The 1990s saw a 34% increase in holiday related domestic trips, with the highest increase in the 'visiting friends and relatives' (VFR) market and a continued move to 1-3 night trips.

It is important to note that more short or additional holidays are now taken in the UK rather than long holidays, and the long main holiday in the UK has declined significantly. The growth of short breaks is reducing seasonality but this is predominantly weekend based in its demand, and seaside destinations have experienced lower growth than city destinations. Visit Britain's Business Confidence Monitor notes that businesses are generally more optimistic with two thirds anticipating growth in 2004.

The consequences of these trends for the English Riviera are likely to be:

⁴ Ekos Consulting "Economic Impact Assessment of Torquay Waterfront Regeneration"

- increasing demand for quality, convenience and security
- increasing demand for activities, relaxation and learning skills
- increasing demand for 1-3 night holidays
- increasing demand for 'one person' holidays
- increasing shoulder month demand
- a family market more accustomed to higher standards and broad range of leisure options
- growth in VFR market
- increasing success for new, authentic and innovative holiday concepts and products that distinguish themselves by added value
- increasing demand for 'holidaying with the tribe' be they friends, sporting groups, reunions etc.

Non-tourism leisure spend is also in competition with UK holidays, and many urban centres in particular now offer a huge range of activities. The 'stay at home' holiday is also a threat – with DIY, gardening and computer games, all competing for the leisure pound.

Torbay is in an excellent position to take advantage of these national trends and aim for planned and sustainable growth; resort management is strong and Torbay benefits from natural resources and comprehensive year round product offering. The physical infrastructure and product can and should be developed to appeal to a wider market place. This should include public realm improvements and events of regional, national and potentially international importance, whether these be focused on Torbay or part of a wider experience such as Tall Ships or Olympics 2012.

Raising the game

There is clearly the potential to widen the range of market segments enjoying an English Riviera holiday. We need to work to target and to attract the growing segments that have more flexibility, more spending power and more propensity to promote the destination. We must realise the need to adapt in order to offer a different experience; a holiday that exceeds quality expectations, can be easily booked and one that includes the activities and experiences that will bring that customer back again and again.

Attracting new customers

There are clear opportunities for building on the existing core markets by targeting new market segments; Torbay develops the product that those markets require and promotes the product in a way that results in measurable business growth. This growth will be year round growth and will represent a higher spend in our accommodation, our attractions and our retail and dining sectors. Torbay, as the English Riviera, has a strong core product and external image. However, in developing future markets it is important to ensure that the holiday experience exceeds the expectation of the visitor. Complacency is likely to result in the continued slow decline of the sector, conversely, a sharp awareness of changes in the market place and an ability to evolve to meet the requirements of visitors can result in a sustainable and profitable future for Torbay.

Brand awareness

There are high levels of awareness of the English Riviera brand (Quality, classy, hot and sunny, good nightlife, clean and quiet); however, non-visitors hold poorer perception than visitors (Downmarket, tacky, traditional, stag and hen weekends, old fashioned logo). New developments, such as casinos, will help to change this external profile and ensure a more positive profile for the resort in general.

CONCLUSION

Torbay is a prominent coastal resort area with an acute need for regenerative measures to support its key industries and to attract new jobs and investment. This proposal would provide a new form of attraction for the area complementing existing projects to regenerate Torbay and broaden the area's tourism appeal. Our experience in managing a vibrant night time economy and the social impacts of that gives us confidence in the area's ability to minimize any anti-social impacts of a casino. The policy support for Torbay regionally and locally is clear and makes this an ideal area to test the regeneration impacts under the new bill.