

**CASINO ADVISORY PANEL
Formal Proposal Cover Sheet**

Please fill in all categories below:

Name of Local Authority:

WOLVERHAMPTON CITY COUNCIL

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Statement of basis of application:

What exactly are you proposing? Please make clear which type of casino you **primarily** wish to be considered for.

Regional

Large (state number) 1

Small (state number)

If this proposal is unsuccessful what if any is your fall back/ second proposal?

Large (state number)

Small (state number) 1

Wolverhampton
City Council



**SUBMISSION BY
WOLVERHAMPTON CITY COUNCIL
TO THE
CASINO ADVISORY PANEL
FOR AUTHORITY TO
LICENSE A LARGE CASINO**

MARCH 2006

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EXECUTIVE SUMMARY

Type of Area

- The City of Wolverhampton (“the City”) faces a number of regeneration challenges and has areas of acute deprivation. This has created a need for new investment, economic diversification and, particularly, new local job opportunities.
- The City’s existing leisure and tourism sectors are currently under-developed and require new investment in order to modernise. Wolverhampton City Council (“the Council”) believes this requires embracing new commercial opportunities – such as those offered by a new-style casino – in order to revitalise these sectors and maximise the benefits for local people. The Council believes that the proposed casino will provide an innovative scheme of high profile for the City, and will raise quality in an area still largely associated with its industrial past.
- Wolverhampton has recently been awarded “City” status. As one of the newest cities in the UK, the Council’s aspiration is to support and attract exciting and high-profile projects. This is commensurate with this submission for a large casino in the City.

Social Impact

- The Council considers the integration of a new large category casino with an existing leisure and gambling destination – in this case Wolverhampton Racecourse – will minimise the potential for negative social externalities. The Government is seeking the best possible test of social impact through a range of differing types of location. The Council considers that its preferred proposal will contribute positively to this ambition.
- Residents within St Peters Ward, where Wolverhampton Racecourse is located, travel short distances to work. At Wolverhampton Racecourse, 98% of employees live within the Wolverhampton area, many of whom travel by public transport. The new employment opportunities will be of direct benefit to the local area.

Need for Regeneration

- It is anticipated that a new large casino located in the City would generate around 500-600 direct jobs and a further 400 indirect jobs in the West Midlands region. Importantly, these would be across a range of occupation types and skill levels as well as flexible work opportunities in the form of part-time employment. The availability of training programmes would maximise the ability of local people to take advantage of these new job opportunities.
- A large casino will represent a substantial investment in Wolverhampton’s currently under-developed leisure and tourism economy. In relation to previous proposals for a casino and hotel expansion at Wolverhampton Racecourse, the Secretary of State, in reaching his decision, acknowledged the resulting employment growth and substantial economic benefits.
- The economic value generated by a new casino in Wolverhampton will be maximised by forming part of an existing leisure destination at Wolverhampton Racecourse.

Willingness to License

- Wolverhampton City Council’s Cabinet has delegated authority for a bid for a large casino in the City, having regard to the proposals to expand the existing facilities at Wolverhampton Racecourse.
- The submission for a large casino is compliant with Wolverhampton City Council’s approved ‘Statement of Licensing Policy’.
- The Council has both the experience and resources to undertake and support large scale regeneration projects, such as a new large casino – in conjunction with investors, developers, local residents and community groups – to ensure their successful implementation and for maximum local benefit. Having only been recently awarded “City” status, Wolverhampton City

Council is keen to ensure that high-profile projects of this type can be brought to the City, as part of its wider 'vision' for the City.

Probability of Implementation

- The extent of casino need in Wolverhampton has been ascertained through two distinct methods of appraisal, both quantitative and qualitative. This has demonstrated substantial residual capacity at present for a new casino in this area, so much so that the proposed casino would absorb less than 50% of this. This assessment was accepted by the Secretary of State in terms of the previous Racecourse casino proposal as both robust, and confirming the current level of need for a casino in the Wolverhampton area.
- A review of existing casinos in Wolverhampton has shown current provision to be both insufficient and of poor quality. Consequently, the City is losing potential expenditure to facilities elsewhere, which is undermining the local leisure economy.

Regional and Local Context

- At both regional and local levels, and in both planning and economic terms, there is a broadly supportive policy framework for locating a new casino in Wolverhampton. A common theme of these strategies is the recognised link between the growth of the tourism and leisure economy, including through the enhancement of existing facilities, and regeneration.
- The casino proposal at Wolverhampton Racecourse would contribute to the objectives of such policies by securing investment in a Regeneration Zone, by constituting a large scale innovative project that would contribute to the overall offer of the West Midlands region, broadening the economic base by enhancing the potential for increased leisure and tourism activity and as a means of securing sustainable improvements to the quality of life of local people.
- Support has been expressed from local authority and business members within the Regional Assembly for the regeneration and job creation potential associated with the development of a new casino in the City.

Community Benefits

- The clause related to Targeted Recruitment and Training which is utilised in s106 agreements aims to maximise opportunities resulting from major developments such as a casino for Wolverhampton's unemployed. Wolverhampton's Revised Deposit Unitary Development Plan includes significant references to social inclusion and the need to target job opportunities.
- Together these represent significant community benefits that can be secured through a planning s106 agreement attached to a planning permission for a new casino and should reduce social and economic exclusion, stimulate the local economy, and ensure that the growth of Wolverhampton is not held back by labour and skill shortages.

Unique Characteristics

- The proposed casino at Wolverhampton Racecourse would create the UK's first "racino", drawing on the natural synergy between a casino, horseracing, hotel and conference/exhibition facilities. The racino concept has proven very successful in North America, contributing to the continued viability of the racetrack industry.
- The Inquiry Inspector, in considering the previous proposal for a casino and hotel expansion at Wolverhampton Racecourse, concluded that they represented "a unified, holistic and innovative interdependent approach...a disaggregation of the parts of the proposal in terms of the sequential approach would be inappropriate and wrong."
- Wolverhampton City Council, in this case, considers that this unique combination of leisure facilities will contribute positively to the Government's pilot phase for testing new-style casinos, and will also ensure a commercially viable scheme, with the greatest prospect of stimulating the much needed local regeneration and inward investment.

1.0 INTRODUCTION

- 1.1 This document is submitted by Wolverhampton City Council (“the Council”) and forms the basis for the Council’s bid for the authority to licence a ‘large’ category casino – as defined in the Gambling Act 2005 – in the City of Wolverhampton.
- 1.2 It responds to the Invitation to Local Authorities by the Casino Advisory Panel for proposals for new casinos to be located in their areas. Consequently, the structure of the document follows the criteria set out in the guidance published by the Casino Advisory Panel on 31 January 2006.

Approach

- 1.3 This submission outlines, in general terms, the Council’s case for a new “large” casino in the City of Wolverhampton. This is founded on the over-arching need for regeneration in Wolverhampton, which has areas of considerable deprivation and under-privilege.
- 1.4 Throughout, this submission has regard to the current proposals for the expansion of the existing facilities at Wolverhampton Racecourse (also known as Dunstall Park Centre), which includes a “racino” i.e. a casino at a racecourse. At this time, this project is the Council’s preferred proposal for a new casino as, in the Council’s view, this not only represents a unique and highly developed project, but also benefits from strong investor support and operator interest.
- 1.5 It is therefore believed that, should the Council be awarded a licence for a large casino in the City, the project has a strong likelihood of being implemented. This will maximise the opportunity for the type of local regeneration which the Council envisages the proposals at Wolverhampton Racecourse will generate.

Wolverhampton Racecourse

- 1.6 Wolverhampton Racecourse is the United Kingdom’s busiest racecourse in terms of the number of races held and, until recently, its only floodlit racetrack (there are now two, including Kempton Park). The track is located in an urban location, close to Wolverhampton City Centre. In addition to racing, the Racecourse offers extensive meeting space and a 54 bedroom Holiday Inn hotel. Facilities are also provided on site for the care and attention of horses. Extensive car parking can accommodate around 1,200 vehicles.
- 1.7 A proposed expansion at the Racecourse would see the incorporation of a large casino operated by a major UK casino operator. In addition, the hotel would be significantly extended from the current 54 bedrooms to around 180 bedrooms and an integrated leisure club constructed, housing a swimming pool and gymnasium. There will be a considerable increase in the range, quantity and quality of the food and beverage offerings.
- 1.8 An application for an extension of existing facilities and hotel at Wolverhampton Racecourse – including a “racino” – was submitted to Wolverhampton City Council in 2004. This application was subsequently ‘called-in’ for determination by the Secretary of State, with the Inquiry held in November 2004. All of the evidence submitted in support of the application, including the site’s suitability in sequential terms, and the need for a new casino and additional hotel facilities in Wolverhampton, was accepted by both the Inquiry Inspector and the Secretary of State. The application was however refused on the conclusion that very special circumstances did not exist to outweigh the perceived visual impact on the openness of the Green Belt. Arena Leisure Plc, the owner of Wolverhampton Racecourse, is currently preparing revised plans that, it is believed, will resolve those issues raised in terms of the original proposal.

2.0 TYPE OF AREA

- 2.1 This section establishes the geographic context for this submission, first by reviewing the local demographic and socio-economic situation, and second, by reference to the existing local tourism and leisure infrastructure in the City. This is important in defining the particular needs and opportunities present in Wolverhampton.

Socio-Economic Overview

- 2.2 At the time of the 2001 Census, Wolverhampton had a resident population of 236,582 persons. This represented a decrease of almost 5% since 1991. This level of decline was the highest in the West Midlands and is in contrast to an overall national increase of 2.5%. Despite the reduction in population, Wolverhampton remains one of the most densely populated areas in the country (34 people per hectare). Within the West Midlands, only Birmingham had a higher density.
- 2.3 There were a total of 19,222 households, averaging 2.5 people per dwelling. Almost one third of households (31.8%) were single occupancy dwellings, which included lone pensioner households that made up 15.6%.
- 2.4 Less than two-thirds (60.5%) of occupied dwellings in Wolverhampton were owner-occupied. This is amongst the lowest 10% of council areas in England and Wales. One quarter of households in the City lived in Council owned accommodation, significantly higher than the national average of 13%.
- 2.5 One in five of the population were from a Black/Ethnic Minority background. The largest group within this were 'Indian' (12.3%). The 'mixed-race' ethnicity category was included for the first time in 2001 and was selected by 2.7% of residents. Two-thirds (66.5%) of Wolverhampton people stated that their religion was Christian. The second largest religion in Wolverhampton was Sikh. The Sikh community is the fourth largest of the 376 council areas in England and Wales.
- 2.6 12% of the population stated that they felt that their general health was not good - the national average was 9.2%. 21.2% claimed they had a Limiting Long Term Illness which limited their daily activities - the national average was 18.2%.
- 2.7 Two-thirds (66.5%) of local people aged 16 - 74 years were economically active, i.e. either working or in a position to undertake paid employment.
- 2.8 Just over one half (55%) of local people in work travelled to their place of employment by car. However, the percentage of households in Wolverhampton that did not own a car (35%) was above the national average (27%).
- 2.9 Over two in every five adults in Wolverhampton did not have any formal educational qualifications - the eleventh highest out of 376 council areas in England and Wales.
- 2.10 According to the Indices of Deprivation 2004, Wolverhampton was ranked at 35 out of 354 local authorities in England, where 1 was the most deprived area and 354 the least deprived. These indices provide a measure of multiple deprivation, based on indicators such as income, employment, education, health and crime.

Existing Tourism and Hotel Provision

- 2.11 Wolverhampton is not viewed as a tourist destination due, primarily, to its industrial heritage.
- 2.12 The regeneration and increasing popularity of Birmingham with domestic and overseas visitors has led to the Black Country region being overshadowed.
- 2.13 The Black Country hotel market is characterised by a limited number of small scale mid-market properties. The majority of the hotels in Wolverhampton offer a dated product. Consequently, room revenue yield is significantly below the national provincial hotel market.

- 2.14 The local hotel market is dominated by price-sensitive corporate demand originating from companies located in the local area. There is limited leisure demand.
- 2.15 There is an imbalance between the supply of hotel accommodation and conference space, leading to residential conferences being turned away from the region.
- 2.16 Given the growing profile of the City of Wolverhampton due to its regeneration programmes and a number of corporate demand generators in the area, demand for quality hotel accommodation is expected to increase in the short and medium term.
- 2.17 The Council is keen to promote the development of a full service hotel in order to raise the profile of the City. However, the majority of planned developments are either in the mid-market or budget segments.
- 2.18 The redevelopment of the existing Holiday Inn hotel at Wolverhampton Racecourse as a contemporary 180-bedroom hotel to be operated under an international brand will help address the imbalance that exists at a City and regional level.

Relevant Leisure and Tourism Strategies

The Black Country Visitor Economy – Vision and Strategic Framework (March 2004)

- 2.19 This Strategic Framework indicates that visitor economy initiatives should be visibly creating destinations that provide a high quality visitor experience. A small number of flagship projects should receive strong support and leadership at Black Country level. One of the product development themes within the Framework – Performance Venues and Events – recognises Wolverhampton Racecourse as such a destination.
- 2.20 “A Strategy for Business and Conferences”, as part of the wider Strategic Framework, states that “there should be continued and increased use of unique Black Country venues and experiences within the product offer [including] Wolverhampton Racecourse to create distinctiveness and add value to a “city region” offer”.

The West Midlands Visitor Economy Strategy (January 2004)

- 2.21 This sets out a vision for the sector to 2010 and beyond providing a framework for partnership working among major organisations, local authorities and the tourism and leisure industry.
- 2.22 A key feature of the Strategy is the need to create successful, sustainable destinations, the development of, and investment in, destinations of the future, particularly through the integration of the visitor economy with the regeneration of places throughout the region.
- 2.23 Destination developments are intended, amongst other things, to exploit regional strengths, including business tourism and other product themes.
- 2.24 The Strategy suggests that a successful visitor economy will multiply the effects of regeneration investment – attracting private investment and enhancing the appeal for residents and businesses.

Wolverhampton Tourism Action Plan

- 2.25 This Action Plan monitors the City’s progress against the Black Country Visitor Economy Action Plan. As such, one of its actions is to: “develop the hotel product and offer in Wolverhampton to feed into the Black Country Hotel Strategy and incorporate into the City Council’s economic planning”. The proposed developments at Wolverhampton Racecourse align succinctly with this action.
- 2.26 Another action is to “contribute to the Black Country’s input into product development themes across the West Midlands”. As highlighted above, the Black Country strategy also recognises the importance of Wolverhampton Racecourse in this context.

Cultural Strategy Action Plan (2002)

- 2.27 This Action Plan for Wolverhampton identifies the following objectives:

- Develop jobs in the local economy to encourage local people to take up jobs in the leisure industry;
- Improve the visitor experience for residents and visitors to Wolverhampton;
- Increase the number of visitors to Wolverhampton and the Black Country;
- Attract more visitors to Wolverhampton.

2.28 It is stated in paragraph 1.11.30 of the revised Draft Unitary Development Plan (“UDP”) (as subject to Proposed Modifications) that: “Cultural activities and associated facilities provide employment and enjoyment for many local people. These include opportunities offered by the City’s leisure and nightlife, tourism, media and creative industries, arts and crafts studios, sport and recreation, museums, art galleries and theatres and important facilities at many of the City’s educational establishments”.

Wolverhampton City Centre Strategy and Action Plan (March 2005)

2.29 This Plan is intended to provide a framework for the areas in and around the City Centre. It recognises that: “there is a pressing need to improve the quality of Wolverhampton’s hotel provision. This will be important in helping to instil confidence in the City as a business location and to support a number of the new uses and attractions which we are proposing”.

Principal Regeneration Needs of the Area

2.30 The regeneration benefits of the proposed casino to the local community within which it lies is provided by reference to the demographic and socio-economic profile of St Peters Ward, in which Wolverhampton Racecourse lies.

2.31 Wolverhampton Racecourse lies within an area of high unemployment and economic inactivity. Based on February 2006 data, the claimant unemployment rate in St Peters Ward was 8.3%, significantly higher than the national average 2.7%. This reflects the long term position of the Ward. The picture of significantly higher levels of unemployment is repeated across the City as a whole, where the unemployment rate is 5.2%.

2.32 Similarly, the proportion of economically inactive residents in St Peters Ward and in Wolverhampton as a whole is substantially higher than the national average (39.0% and 27.5% respectively, compared to 24.0% nationally (2001 Census of Population)).

2.33 In terms of employment structure, it is evident from the Census data that there is a relatively low skills base in the area, with the highest proportion of people in elementary occupations within St Peters Ward. There are relatively few people in managerial, professional or skilled trades. The manufacturing industry remains the dominant sector, followed by wholesale and retail trades. The hotel and catering industry in St Peters Ward now represents 8.1% of the population, compared to the national average of 4.8%.

2.34 There are significantly more households in Wolverhampton and St Peter’s Ward that, compared to the national average, do not have access to a car. The distances travelled to work by residents of this Ward are generally shorter than for Wolverhampton as a whole, and relative to regional and national statistics, with over 50% travelling less than 5 kms to work (21% travel less than 2 kms).

2.35 One of the Council's strategic priorities is to create sustainable communities. Through this the Council is committed to: "continue to support and lead the development of our City, ensuring that the successful regeneration of our City centre is mirrored by vibrant local centres..... to ensure economic prosperity and the continued regeneration of the City, the Council recognises that it must increase its competitiveness and encourage further job opportunities, particularly for local people". It will meet the challenges in a number of ways, including to: "continue to lead and support the development of a flourishing local economy, providing jobs, wealth and leisure and a well-regulated entertainment industry" and to: "increase the numbers of people in well paid employment, especially for unemployed groups and those in neighbourhoods where unemployment is significantly higher than the national and regional average." In light of this, the regeneration benefits associated with the proposed racino at Wolverhampton Racecourse are of key importance.

3.0 SOCIAL IMPACT

3.1 This section considers the social implications of locating a new casino in Wolverhampton.

Benefits for the Local Community

3.2 The Census data indicates that residents within St Peters Ward travel relatively short distances to work. This is confirmed by the situation at Wolverhampton Racecourse, where 98% of employees live within the Wolverhampton area, many of whom travel by public transport. The new employment opportunities will be of direct benefit to the local area.

3.3 The existing and proposed development will therefore represent a significant employer of local people in an area where there is a pressing need for new employment opportunities. There will also be significant opportunity for construction employment that will be necessary over the construction programme, again providing important job opportunities. The Local Jobs for Local People Initiative which is operational within Wolverhampton will ensure that those people furthest removed from the labour market are able to access emerging job opportunities, particularly those in the construction and retail sectors. This Initiative aspires therefore to connect local people, especially those who are most disadvantaged in the labour market, with the job opportunities that are anticipated in Wolverhampton and will be instrumental in ensuring that the regeneration benefits of a new casino are transferred directly to the local population.

3.4 In addition to the jobs created, a new large casino, coupled with the proposed expansion of existing facilities at the Racecourse, will enhance the opportunities for leisure and recreational activities for the local community and the City by providing a more exciting expanded and enhanced leisure destination.

Social Responsibility

3.5 From a social responsibility viewpoint, the Council considers it is good practice to develop additional casino facilities in a conjunction with existing gambling facilities, such as Wolverhampton Racecourse. Enhancing an existing gambling facility as opposed to opening a new one elsewhere, enables the cost of preventing the social externalities sometimes associated with gambling to be minimised.

3.6 Furthermore, it also avoids the public having to deal with the introduction of casino gambling into new areas of their community. Wolverhampton Racecourse has been a destination for race goers and gamblers for many years, and so the public's perception of this facility will remain unchanged.

4.0 NEED FOR REGENERATION

4.1 This section identifies the particular regeneration priorities within Wolverhampton and, more specifically, the area in which the Council's preferred proposal for a new casino is situated. It then considers how the economic value and investment generated by a new casino development would contribute.

Direct Employment

4.2 In employment terms, Wolverhampton Racecourse already provides a total of over 400 jobs within the Wolverhampton economy.

4.3 A large number of these jobs are in low skill areas such as maintenance, porters, waiting and bar staff, which clearly fits with the employment profile of the area, thereby providing essential jobs. A number of opportunities do however exist in managerial, professional and skilled occupations, for example, accountants, sales and marketing etc, providing opportunities in higher skilled professions which will improve the skills base and levels of disposable income in the area.

4.4 Wolverhampton Racecourse faces a number of significant challenges in order to maintain its status and levels of employment in the years ahead. Kempton Park has recently installed an all weather racing surface with floodlights, thereby removing Wolverhampton's monopoly position, and competing for available fixtures. Musselburgh Racecourse has presented a proposal that includes a £7 million refurbishment providing a floodlit all weather track and Great Leighs is a new, all weather racecourse that hopes to open in October 2006. Other racecourses that have publicly declared plans for all weather surfaces include Newbury and Sedgefield. In addition, the future level of funding of the horse racing industry via the Levy is in some doubt.

4.5 It is anticipated that the proposed development will create an additional 195 new jobs; 30 within the proposed expanded hotel and 165 within the new casino. While the full-time/part-time split is currently unknown, based on the existing split within the facility, this would equate to 78 full-time jobs and 117 part-time jobs.

4.6 The following table illustrates the breakdown of both current and forecast jobs. With agency jobs included, the total number of jobs would be around 570.

	Full Time	Part Time	Total Jobs	Full Time Equivalents (inc. Agency)
Existing	137	175	312	432
Proposed	78	117	195	137
Total	215	292	507	569

4.7 These jobs will be concentrated within the service sector and range from management positions to administration and sales to bar and catering staff, croupiers, security and cleaning staff. The growth in hotel and catering employment opportunities further fits with the employment profile of the area.

4.8 The creation of these new service sector jobs, particularly in relation to the casino, will also assist in the diversification of the economy and the skills base in the local area.

4.9 The owner of Wolverhampton Racecourse is committed to investing in the training of its employees and has gained IIP "Investors in People" accreditation. The catering franchise operating at the Racecourse also holds this accreditation. Employees therefore have opportunities to increase their knowledge and skills, providing them with a more solid foundation for retaining and finding employment in future.

Indirect Employment

- 4.10 Further jobs will be supported by the existing and proposed development in the form of indirect employment arising from the spending of Wolverhampton Racecourse on goods, supplies and services with firms within the West Midlands region. In addition, “induced” employment will be supported in local shops, services and other firms from the spending of employees’ wages. The level of induced jobs is related to employee spending. It has been calculated that the existing and proposed facility combined are likely to generate in the region of 118 full-time equivalent jobs in indirect and induced employment bringing the total to nearly 690 full time equivalent jobs.

Investment Potential

- 4.11 The proposed development at Wolverhampton Racecourse represents a significant investment in the leisure and tourist industry in the Wolverhampton area to the benefit of this sector of the local economy, and to the regional economy as a whole. It is estimated that the total investment potential of the proposals at Wolverhampton Racecourse is at least £20m.
- 4.12 Currently, the City does not enjoy a high profile as a tourist destination and has relatively few visitor attractions. The Wolverhampton hotel market performs poorly and the current climate for securing new hotels lacks confidence. The best opportunity for increasing the profile and success of the tourist sector is through investment in existing tourist facilities to increase their attraction and, therefore, visitor numbers. This would give other investors in this sector the confidence to pursue developments in the City on the basis that there is a sufficient critical mass of facilities.
- 4.13 The Council recognises in the Wolverhampton Local Area Agreement that the external perception of the City has a major influence on the potential for new investment, and currently the City is under-represented in certain key growth sectors. To encourage new investment, the Council recognises the need to capitalise on existing assets, and raise the business community’s perceptions of the City as a good place to invest.
- 4.14 In this context, if the extended facilities are not provided at Wolverhampton Racecourse, not only will business be lost to other locations outside the City - with attendant economic and transportation effects – but it will also have implications for further investor confidence in the City. Fundamentally, it would also mean the loss to the City of at least £20m of investment by the Racecourse’s owner and the casino operator. The future of the Racecourse could also potentially be thrown into doubt.

5.0 WILLINGNESS TO LICENSE

- 5.1 Wolverhampton City Council has taken a proactive approach in order to make a large casino in the City a reality. This section considers the steps already undertaken and the protocols in place to ensure that, if granted the right to license a large casino in the City, the Council has the ability to take this forward.

Wolverhampton City Council

- 5.2 Wolverhampton City Council's Cabinet considered a report at its meeting on 15 March 2006 on "The Implementation of the Gambling Act 2005", which considered the key issues for the Council to address in respect of the implementation of the Act.
- 5.3 At their meeting, Members of the Cabinet resolved that "the Director for Sustainable Communities, in consultation with the Cabinet Members for Environmental Services and Economic Development, be authorised to approve the submission of a bid for a Casino Premises Licence in respect of a large casino, the bid submission to have regard to the proposals by Dunstall Park Centre Ltd to create a Racino as part of a larger regeneration project for that site."
- 5.4 In considering the submission of a bid, the licensing authority is clearly under an obligation to have regard to its Statement of Licensing Principles. The Statement was approved by full Council pursuant to the requirements of the Licensing Act 2003 and demonstrates that no conflict of interest exists between the Council's Licensing Policy and its bid for a Casino Premises Licence.
- 5.5 Wolverhampton City Council has both the experience and resource to undertake and support large scale development projects, working in conjunction with investors, developers, local residents and community groups, to help deliver successful and effective regeneration. Recent examples include: the £265m Retail Core Expansion in conjunction with Multi Development (UK) Ltd: the i54 90-hectare Strategic Employment Area (incorporating a regional Major Investment Site) in conjunction with the Regional Development Agency Advantage West Midlands and Bilston Urban Village. Should the City be granted the authority to award a large casino licence – a high profile project – this experience would mean the Council would be well-placed to ensure it could be implemented successfully and for maximum local benefit.

Local Responses to the Proposals

- 5.6 Very few responses were received in relation to a previous proposal to locate a casino at Wolverhampton Racecourse. Overall, the proposal received local support.
- 5.7 The Black Country Chamber, the regional Chamber of Commerce, commented that the City needs a variety of high quality leisure venues and additional hotel accommodation and consequently offered its support to the proposals.
- 5.8 One respondent supported the development on the basis of creating local employment and an environment bringing total leisure facilities under one roof. One respondent opposed the development, citing increased noise and traffic, the attraction of undesirable people, anti-social behaviour and increased crime. A petition was signed against the proposal, on local environmental issues. Wolverhampton Wanderers Football Club objected on the grounds that they were planning their own casino. However, no application was submitted and, in November 2004, the Council's Planning Committee confirmed its support for the proposed development of a racino and hotel extension at Wolverhampton Racecourse.

6.0 PROBABILITY OF IMPLEMENTATION

- 6.1 A core strength of this submission is that it draws on highly advanced proposals, for which investor interest has been confirmed over a long period of time, and which is underpinned by a depth of technical evidence. This section draws on this evidence and demonstrates that the Wolverhampton City Council's proposal for a new large casino benefits from a high probability of implementation.

Casino Need Assessment

- 6.2 As to the extent of casino need in Wolverhampton, two distinct appraisals have been undertaken of the case for casino provision, one of which echoes a technique which has been used in the assessment of multiplex cinemas. It has been sufficiently demonstrated that the core catchment is significantly deficient in casino provision, in both quantitative and qualitative terms. There is a projected surplus of almost 71,000 casino visitors per annum which could support additional casino provision in the area, and there would be a residual of some 36,900 surplus casino visits even with the provision of the proposed casino. There is no doubt that this proposal would enhance the regional attraction of Wolverhampton Racecourse whilst helping to address the wider need of the City of Wolverhampton at the same time.
- 6.3 The Secretary of State, in reaching his decision on the previous proposal for a racino at Wolverhampton Racecourse, considered the casino need assessments undertaken by the applicant to be robust, and demonstrated that both quantitative and qualitative need for a casino in the Wolverhampton area.

Existing Casinos in Wolverhampton

- 6.4 A qualitative review of existing casinos in Wolverhampton has demonstrated that the present level and quality of facilities at the existing casinos is very limited and, consequently, casino gamblers are either gambling elsewhere or refraining from gambling altogether. The development of a new casino in Wolverhampton should therefore prevent much of the available gambling spend going elsewhere. After deregulation, the increase in demand will significantly exceed the present casino supply. The casinos already operating in the area represent a low standard and mix of facilities, establishing a clear deficiency of supply.
- 6.5 Consequently, there is a definite need for a casino in Wolverhampton that provides high standards of facilities, both gaming and non-gaming. The development of a new casino at Wolverhampton Racecourse would go a long way to fulfilling that need.
- 6.6 From a social responsibility perspective, also it is believed that it is better to have additional casino facilities at an existing gambling destination.
- 6.7 In conclusion, the above indicates that there is a clear need for a casino based on:
- The present level of facilities at the existing casinos within the West Midlands conurbation is low;
 - Not all of the casino gamblers in the West Midlands conurbation are actually gambling within this area and must either be gambling elsewhere or refraining from gambling;
 - A casino of the type proposed at Wolverhampton Racecourse should prevent much of this available gambling spend going elsewhere;
 - Under the new regime, new casino gamblers will be attracted to higher levels and mix of casino facilities, and unless there is a casino of the type that is proposed at Wolverhampton Racecourse, these too will either gamble elsewhere or will refrain from gambling or, potentially, gamble illegally;
 - The hotel and racecourse could provide a market for casino gambling of a similar size as that is found from the residents of the West Midlands conurbation area. This market will probably only gamble at the casino at the Racecourse.

The Proposed Casino at Wolverhampton Racecourse

- 6.8 The location of a large casino at Wolverhampton Racecourse would create a unique destination venue in the UK, as the mix of a hotel, racecourse and casino is not found anywhere else in this country. Similar facilities presently only operate in North America, where they are known as “racinos” and the combination of a casino at a racecourse is a proven, successful concept.
- 6.9 A racino differs from a city centre casino in that it is a destination casino. A destination casino may be described as a quality casino, located alongside a venue which already acts as a destination, with complementary night-time activities and secure car parking. A synergy exists between horseracing, hotel, conference/exhibition facilities and casino. Wolverhampton Racecourse provides the correct ingredients for such a venue to operate successfully.
- 6.10 The Inquiry Inspector, in reaching his conclusions on the previous proposals submitted in respect of Wolverhampton Racecourse, suggested that the proposals represented: “a unified, holistic and innovative interdependent approach to the overall enhancement of Dunstall Park. A disaggregation of the parts of the proposal in terms of the sequential approach would be inappropriate and wrong.”
- 6.11 The synergies between racing and casino activities have been clearly demonstrated by the North American racinos, where the introduction of gaming activities significantly increased the number and range of visitors to the racecourses and, in most cases, has led to the resurgence of the racing industry. This experience demonstrates how these two elements can be successfully combined to create a leisure attraction greater than the sum of its parts.
- 6.12 Despite the wider interest in horse racing (and associated betting), the racing industry in the United Kingdom will likely face some of the same pressures as experienced in North America when gaming expands beyond the current restricted casino model.
- 6.13 The sales proposition for integrated developments is much more powerful than that of the individual components. Integrated developments have a potential to outperform stand-alone facilities by realising synergy benefits whereby the value of the whole destination is greater than the sum of its component parts, hereby giving greater certainty to success. An integrated development, comprising a hotel together with conference/exhibition facilities and casino, would result in a significant increase in the general profile of Wolverhampton as a leisure and business destination. By locating the casino at the Racecourse, it becomes part of the wider leisure destination, providing an extension to existing entertainment facilities.
- 6.14 The racecourse and hotel will provide the casino with significant numbers of customers. The propensity of both sets of customer to visit a casino is high. The inter-relationship in participation terms between gambling at a casino and betting at a horse race has been demonstrated. The British Gambling Prevalence Survey (2000) reported that 55% of those who visited a casino within the previous year also bet on horse racing, while 11% of those who bet at a horse race also visited a casino. This is supported by a survey conducted for Mintel (2002). Of those betting at a sports event, 27% had also gambled in a casino, compared to 6% of all adults surveyed. Of those gambling in a casino, 58% had also bet at a sports event, compared to 12% of all adults surveyed. The facilities will be mutually beneficial in terms of attendance.
- 6.15 A casino also represents an important additional offer for the hotel, with guests and conference bookers looking for a wider leisure offer for use in the evenings and outside conference hours. There is widespread experience of hotels and casinos sharing premises, and the inter-relationship of these elements is widely known.
- 6.16 The integrated racetrack and expanded hotel, together with the anticipated increased patronage, should contribute to additional local employment, in a more significant way than a stand-alone casino. A stand-alone casino would likely not be capable of attracting visitation from outside the local area. The combination of racing, gaming and non-gaming amenities provides a more appealing product offering.
- 6.17 This integrated, racino proposal will maximise the regeneration opportunity for the City of Wolverhampton.

7.0 REGIONAL AND LOCAL CONTEXT

- 7.1 This section reviews the regional and local policy context relevant to the location of a new casino in Wolverhampton, and considers how such a development would contribute both directly and uniquely to achieving the objectives of these policies.

Statement of Regional Planning Policy

- 7.2 The existing West Midlands Regional Spatial Strategy (“WMRSS”) provides a policy framework with locational guidance that could be applied to any potential large scale casino operation.
- 7.3 The WMRSS seeks to promote an urban and rural renaissance. Critical to the successful implementation of the WMRSS is the creation within the Region’s Major Urban Areas of sustainable communities, attractive to investment and supporting a high quality living environment. The Major Urban Areas (“MUAs”) are identified as the West Midlands (Birmingham, Solihull, Coventry, Walsall, Wolverhampton, Sandwell, Dudley) and North Staffordshire (Stoke-on-Trent and part of Newcastle-under-Lyme) conurbations.
- 7.4 This strategy is supported by the identification of urban Regeneration Zones (Policy PA2) within the MUAs which are to act as the focus for concentrated investment to help reverse long standing trends of economic and population decentralisation. Within this context, Policy UR1 (Implementing Urban Renaissance in the MUA’s) provides overall support, with Wolverhampton Racecourse falling within the North Black Country and South Staffordshire Urban Regeneration Zone, the project is wholly consistent with PA2.
- 7.5 This approach is complemented by the identification of a network of strategic centres and local regeneration areas which are to act as critical drivers of the regeneration renaissance agenda. These centres identified in the strategic network are seen as the focus for major retail, leisure, office and tourism growth.
- 7.6 With respect to the tourism sector, the WMRSS seeks to encourage new provision and to improve upon existing facilities. In particular, Policy PA10 encourages the improvement of existing tourist facilities and the creation of new facilities subject to the capacity of infrastructure and the environment. It supports the development and success of key regional tourism and cultural assets, including indoor and outdoor sports stadia and venues. It further encourages large scale innovative projects that can contribute to the overall offer of the Region, where these are well served by the public transport and can make a contribution to urban regeneration.
- 7.7 To date, while there have been brief discussions at the Assembly Board and the Full Assembly. The Regional Assembly has not formally expressed any views on the matter of regionally significant casino development. There is support within the Assembly, particularly from some local authority and business members stressing the regeneration and job creation potential.

Statement of Local Planning Policy

- 7.8 The Local Planning Policy framework for Wolverhampton Racecourse is formed by the adopted Wolverhampton Unitary Development Plan (“UDP”) (1993) and the Revised Deposit Wolverhampton UDP (2005) as subject to Proposed Modifications (2006). The Revised Deposit UDP has reached an advanced stage in the adoption process and so can be afforded significant weight.

UDP Strategy

- 7.9 The adopted UDP explains that the Council’s economic regeneration strategy is based around five main action themes. These are:
- Providing the conditions necessary to regenerate the existing economic base.

- Broadening the economic base. The diversification of the economic base could be enhanced by developing and enhancing the potential for tourism and increased economic and leisure activity.
 - Retraining and adapting the skills of the workforce and the unemployed.
 - Improving accessibility and provisions and modernisation of strategic infrastructure.
 - Environmental and image improvement. Improvements to the physical environment can improve the image of Wolverhampton which, in turn, creates an impression of confidence and optimism in the future and can therefore support the economic regeneration strategy.
- 7.10 The Revised Deposit UDP (as subject to Proposed Post Inquiry Modifications) establishes four objectives. These are:
- Economic regeneration;
 - Social inclusion;
 - Protecting and enhancing the environment;
 - The prudent use of natural resources.
- 7.11 To implement these objectives, the Plan establishes a spatial strategy which provides an overall approach to the location of development in the City. This strategy directs large scale development to Strategic Regeneration Areas, sites within or adjacent to defined centres, and the Strategic Regeneration Corridors which link the City's major investment opportunities with areas of greatest need. Wolverhampton Racecourse is well related to the Stafford Road / West Coast Main Railway Line Strategic Regeneration Corridor, which links the City Centre with a range of investment opportunities along it, and on to regionally significant development proposals along the M54. The development opportunities within this corridor are also key to delivering the objectives of the Wolverhampton to Telford High Technology Corridor.
- 7.12 Policy S3 of the Revised Deposit UDP confirms the commitment to local area and neighbourhood renewal, with a special emphasis on Priority Neighbourhoods. It specifies that such initiatives and proposals will help to secure sustainable improvements to the quality of life of local people, through promoting and encouraging employment development in appropriate locations to provide local jobs, and meeting, where practical, the cultural, leisure and recreational needs of the local community.

Tourism and Recreation Policies

- 7.13 The adopted UDP identifies Wolverhampton Racecourse as a private sports ground within the Green Belt. These allocations are carried forward into the Revised Deposit UDP as subject to Proposed Post Inquiry Modifications. Policy R1 of the adopted UDP seeks to retain, consolidate and enhance existing leisure and recreation facilities. Policy R9 specifically seeks to secure the retention and improvement of Wolverhampton Racecourse.
- 7.14 The Revised Deposit UDP seeks to provide new and improve existing sports facilities to ensure that all local people have the opportunity to participate in a wide range of sports activities, at different levels (para 12.1.1).
- 7.15 Policy E13 of the Adopted UDP recognises the significant contribution of tourism to the local economy and encourages the development of Wolverhampton's tourist potential. A key issue in the consideration of tourist proposals is the benefit to the local economy and employment. The supporting text notes that one of the major contributions the town makes to the areas tourism is the availability of hotel bed space, particularly for conference delegates.
- 7.16 Policies TC6 and TC7 of the adopted UDP support proposals for new leisure, recreational and social uses in the Town Centre and the development of a leisure and entertainment area within this.

Regional Economic Strategy and Black Country Study (August 2005)

- 7.17 The Regional Economic Strategy for the West Midlands, and the emerging Black Country Study, set the long-term strategic context and vision for the region and sub-region, within which Wolverhampton will play a key role.
- 7.18 The Study of Black Country Centres, prepared by the Black Country Consortium for the West Midlands Regional Assembly, concluded that the casino market in the Black Country is expected to grow substantially in the future, through a combination of population growth and the deregulation of the gambling industry. Consequently, it is suggested that there is scope for additional provision, including potentially up to two regional scale casinos within the Black Country.

The West Midlands Economic Strategy and Action Plan 2004-2010 (Jan 2004)

- 7.19 The Strategy builds on the original West Midlands Economic Strategy (Creating Advantage) and focuses on the delivery of key actions through four objectives:
- i) Developing a diverse and dynamic business base;
 - ii) Promoting a learning and skilful region;
 - iii) Creating the conditions for growth;
 - iv) Regenerating Communities.
- 7.20 A key mechanism to achieving the first of these is through developing the visitor economy. Key elements of this Strategy include:
- Improving the quality and competitiveness of the region's tourism businesses in order to be market-led and deliver consumer requirements;
 - Growing income, employment and other economic benefits to the region's communities while ensuring that development is environmentally sustainable, reflects regional diversity, promotes quality and is based around core strengths;
 - Branding and marketing the region's tourism products in a more positive and effective way;
 - Developing links to other economic sectors e.g. sport.
- 7.21 The region uses three delivery vehicles – Regeneration Zones, High Technology Corridors and Business Clusters – to target its resources where they will most make a difference. Wolverhampton is situated in both a Regeneration Zone (Future Foundations – the North Black Country and South Staffordshire Regeneration Zone) and is a key partner within the Wolverhampton Telford Technology Corridor.

Neighbourhood Renewal Strategy (May 2002)

- 7.22 Wolverhampton's Neighbourhood Renewal Strategy ("NRS"), published in May 2002, sets out the framework for joint action by public agencies, local communities, voluntary and community organisations and businesses to improve the quality of life in the City's most deprived neighbourhoods. It forms part of the national strategy for neighbourhood renewal, which has the aim that, "in 10-20 years, no one will be seriously disadvantaged by where they live".
- 7.23 In developing the strategy, 85 distinct neighbourhoods were identified and profiles prepared for each neighbourhood. This process confirmed that the City contains both highly affluent and deeply deprived areas. For example, St Peters Ward, where the new racino would be located, and which is ranked as the 316th most deprived nationally, adjoins Tettenhall Regis, ranked 3,055th, and just touches Tettenhall Wightwick, ranked 4,928th. Using various deprivation rankings and information from local consultations, 29 Priority Neighbourhoods, which suffer from the highest levels of multiple deprivations, were identified. The application site lies within Dunstall which was identified as a Priority Neighbourhood.

Review of Wolverhampton Community Plan (February 2006)

- 7.24 The Community Plan presents a vision for the City of Wolverhampton. The 2006 Review takes account of local, regional, national and international developments which have occurred since the first Community Plan was published in May 2002. The Review is intended to strengthen the ability of the Wolverhampton Partnership to make good decisions and to promote effective leadership across the City.
- 7.25 The priorities of the Community Plan include “raised income levels by ensuring better skills and range of employment”, “new and growing businesses supported” and “increased use of play, leisure, cultural, sports and social activities”.

Consistency of Proposals with Regional and Local Policies

- 7.26 It is evident from these strategies that Wolverhampton and the immediate surroundings of Wolverhampton Racecourse are recognised as an area of some deprivation and under-privilege, where the importance of regeneration is paramount. A key objective is the diversification of the local economy, providing a more robust economic base and broadening job opportunities and the skills base of the resident population.
- 7.27 A strong theme of the strategies is the recognised link between the growth of the tourism and cultural economy with regeneration. The expansion of this sector is highlighted as being key to diversification and the creation of jobs. Inward investment within this sector is encouraged, including the expansion of existing leisure and tourist destinations. The visitor and business tourism sector is particularly recognised as an important source of expenditure in the area, and this area is given specific encouragement.
- 7.28 The development will contribute to recreation and tourism in Wolverhampton and the wider area in the following ways:
- i) The proposals will underpin the future viability of an existing important recreation facility, which is unique in the region and important nationally;
 - ii) The proposed development will promote the tourism economy through the provision of an innovative “all-round” tourist destination for the region. It will provide for the continued success of a key regional tourist asset in an area in significant need of a boost to the tourist industry to allow it to compete with the likes of Birmingham as a tourist and business visitor destination and to consolidate its role as a new City.
 - iii) The proposed hotel extension will provide much needed additional bed space and assist in raising Wolverhampton’s profile as a major conference venue for business visitors;
 - iv) The existing and proposed development will make an important contribution to the local economy and regeneration in Wolverhampton, through the provision of essential jobs, investment and tourist profile.
 - v) Without the proposal, the decline of an existing tourist facility and the loss of jobs and spending in the local economy will result.
 - vi) The development is in a sustainable location, in that it represents an already developed urban area well connected by a choice of means of transport.
- 7.29 In relation to the previous proposals submitted at Wolverhampton Racecourse, the Secretary of State in his decision letter dated July 2005, agreed with the Inquiry Inspector’s conclusion that the development would enhance the regional attraction of the Racecourse, and also address the wider needs of Wolverhampton at the same time. It was also acknowledged that the proposals would create employment growth, and would likely provide “substantial” economic benefits.

- 7.30 Overall, the proposals for a racino at Wolverhampton Racecourse represent the expansion of a key regional leisure destination, building on the success to date of the racecourse, hotel and business/hospitality facilities with innovative new facilities. The expansion of existing facilities will expand and diversify the tourism and leisure economy, paving the way for other new facilities to come forward. It comprises a significant new investment that will have spin-off benefits to the local economy and the creation of new jobs and skills. The proposals will therefore make a very significant contribution to agreed regeneration and cultural strategies for the area.

Wolverhampton Racecourse Proposal and Implications for Wolverhampton

- 7.31 Parallels can be drawn and implications identified based on the actual results experienced in the various racinos in North America. From a marketing and patronage point-of-view, the proposed Wolverhampton Racecourse redevelopment programme will provide incremental activity:
- Improved utilisation of the meeting space and expanded hotel as a result of increased gaming-relating patronage from corporate and social markets. In many American racetracks and Woodbine racetrack in Toronto, meeting space has provided an important justification to host a variety of corporate and social functions. The animation of the racetrack and gaming area provides meeting planners with a unique alternative venue for day usage and in the case of the larger facilities with on-site accommodation (e.g., Dover Downs, Mountaineer Park) multiple night visits.
 - Reasonable cross over between racing attendees and casino patrons. As both racing and table game play is skill based, as opposed to slot machine play which is chiefly luck, the greatest concentration of cross over is likely to come from racing and table game patrons. Given the greater participation rates of UK residents in horse racing, the combination of racing and table games is expected to provide considerable synergy.
- 7.32 In addition to any benefits generated from cross over between racing and gaming patrons, Wolverhampton Racecourse will be a much more attractive entertainment destination once the expansion is completed. Many of the Racecourses current and proposed components e.g., racing, hotel, conference space, and casino, are capable of drawing visitation in and of themselves. However, the combination of all components on the same site, operating under common management, provides a much more attractive product offering. For example, leisure groups/couples may be drawn to Wolverhampton Racecourse given the opportunity for some to participate in racing, while others in the same party might take part in gaming or food and beverage offerings. From a corporate perspective, incentive and conference groups would be well served with meeting/banquet space as well as overnight accommodation while the racing and gaming components would provide animation during non-working hours or to accompanying spouses and/or family.
- 7.33 The expanded racetrack and hotel, together with the anticipated increased patronage, should contribute to additional local employment, in a more significant way than a stand-alone casino. A stand-alone casino would likely not be capable of attracting visitation from outside the local area. The combination of racing, gaming and non-gaming amenities provides a more appealing product offering.
- 7.34 The expanded racetrack and anticipated increase in handle will indirectly benefit prize pools. Further, as one of a few racetracks in the UK actively boarding racehorses, increased racing will support increased activity in this critical industry area.
- 7.35 Despite the wider interest in horse racing (and associated betting), the racing industry in the UK will likely face some of the same pressures as experience in North America when gaming expands beyond the current restricted casino model. Should visitation, both on-track and that delivered through betting shops, fall off in favour of wider gaming opportunities, racing handle will almost certainly decline. A reduction in handle will likely, as experienced in North America, lead to reduced prize money, reduced breeding activity and ultimately to a degree of diminishment of the industry.

- 7.36 The co-location of gaming at existing racetracks in North America has proven to be beneficial for both the racing and gaming sectors. Not only has the revenue model been structured in such a way that one sector supports (directly and/or indirectly) the other, but the enhanced destination appeal of the multi component racing and gaming facility has also resulted in extensive capital investments, marketing and decreased operating costs. These factors contribute greatly to the overall viability of the racing and racetrack industry and have resulted, in some situations, to racetracks being saved from obsolescence.

Wolverhampton Racecourse

- 7.37 Wolverhampton Racecourse has been operating as a horse racing facility since 1825. In 1993, the Racecourse was redeveloped with the construction of a new floodlit all weather track, grandstand, stables and training facility and hotel. It is therefore a long-standing, well established racing destination with national, regional and local significance and is one of the leading racing facilities in the UK.
- 7.38 Wolverhampton Racecourse is one of only four all-weather racecourses and one of only two floodlit racecourses in the UK. It has a very significant role to play nationally as a location for evening race meets during winter months.
- 7.39 The new all weather track replaced in 2004, provides a state-of-the-art all weather racing surface which is widely regarded as the best racing surface in the world.
- 7.40 Wolverhampton Racecourse is scheduled to hold over 100 race meetings in 2006, including Saturday evening meets, making it the busiest racecourse in the UK. The Racecourse attracted 76,000 visitors in 2005 and this is expected to exceed 80,000 in 2006. This puts the Racecourse in the top four of Wolverhampton's most visited tourist attractions. It therefore brings significant visitor spending into the local economy and helps put Wolverhampton on the map as a leisure destination.
- 7.41 Wolverhampton racecourse also has a unique combination of associated facilities. It is the only UK racecourse with an on-site hotel and this is complemented by conference, banqueting and hospitality facilities that are one of the largest of their kind in the Black Country and in the wider West Midlands region outside of Birmingham and Telford. The variety and flexibility of facilities means that the Racecourse is able to accommodate a diversity of functions, including conferences, exhibitions, trade fairs, weddings, private parties etc. For example, it is the primary location for computer fairs within the West Midlands.
- 7.42 Wolverhampton Racecourse provides significant opportunities for leisure and recreation for the local community

8.0 COMMUNITY BENEFITS

- 8.1 The clause related to Targeted Recruitment and Training which is utilised in section 106 agreements aims to maximise the opportunities for non-employed people living in Wolverhampton that result from major developments such as casinos. This should reduce social and economic exclusion, stimulate the local economy, and ensure that the growth of Wolverhampton is not held back by labour and skill shortages.
- 8.2 Wolverhampton's Revised Deposit Unitary Development Plan includes significant references to social inclusion and the need to target job opportunities. As well as the vision statement above, there are statements on the need to:
- Target job opportunities;
 - Reduce social exclusion and increase equality of opportunity;
 - Provide local employment and business opportunities;
 - Use planning agreements on major employment developing schemes to secure new training opportunities for local people.
- 8.3 These represent significant community benefits that can be secured through a planning section 106 agreement attached to a planning permission for a new casino.
- 8.4 Under Policy IMR2: Planning Obligations and Agreements of the Revised Deposit UDP, a range of planning obligations can be negotiated with developers to enable development to proceed and/or secure the proper planning of the development and of the area. Policy C1: Health, Education and other Community Services states that "Where major new developments are proposed (especially residential and mixed use schemes) contributions towards the provision of new community facilities may be required to serve the needs of the development and the local area." Such facilities could include community centres, cultural facilities, education and health facilities, childcare provision, and sport facilities.

9.0 UNIQUE CHARACTERISTICS

- 9.1 This section highlights those aspects of the Council’s proposal for a new casino which differentiate it from proposals that might come forward from elsewhere in the Country. Consequently, a new casino in Wolverhampton would contribute positively to the Government’s intentions for the ‘pilot’ phase for new-style casinos.
- 9.2 The location of a “large” casino at Wolverhampton Racecourse would create a unique destination venue in Great Britain. The mix of a hotel, racecourse and casino can not be found any where else in this country. Similar facilities presently only operate in North America, where they are known as “racinos” and the combination of a casino at a racecourse is a proven, successful concept.
- 9.3 A racino differs from existing city centre casinos in so far as it is a destination casino. A destination casino may be described as a quality casino, located alongside a venue which already acts as a destination, with complementary night-time activities/facilities and secure car parking. There is a natural synergy between horseracing, hotel and conference facilities and a casino. Wolverhampton Racecourse provides the correct ingredients for such a venue to function and operate viably.
- 9.4 The integrated racetrack and expanded hotel, together with the anticipated increased patronage, should contribute to additional local employment, in a more significant way than a stand-alone casino. A stand-alone casino would likely not be capable of attracting visitation from outside the local area. The combination of racing, gaming and non-gaming amenities provides a more appealing product offering.
- 9.5 The co-location of gaming at existing racetracks in North America has proven to be beneficial for both the racing and gaming sectors. Not only has the revenue model been structured in such a way that one sector supports (directly and/or indirectly) the other, but the enhanced destination appeal of the multi component racing and gaming facility has also resulted in extensive capital investments, marketing and decreased operating costs. These factors contribute greatly to the overall viability of the racing and racetrack industry and have resulted, in some situations, to racetracks being saved from obsolescence.
- 9.6 Since the introduction of gaming machines at racetracks in 1990, at least nine US States and five Canadian provinces have implemented or in the process of implementing “racino” programs. Racinos are the fastest growing sector in the North American gaming industry, with several more jurisdictions looking to enter the field.
- 9.7 For the most part, those jurisdictions embarking on racino programs have accomplished pre-determined objectives (e.g. supporting the racing industry, finding alternative funding sources) without any significant negative impacts at either the community or industry level – and with relatively little public opposition. Several conclusions may be drawn from the review of North American horse racing and gaming convergence, including:
- The decision to consolidate gaming at racetrack sites has proven to be an effective strategy to expand gaming supply without expanding the number of gaming facilities.
 - Sizeable marketing and operating efficiency of co-locating racing and gaming:
 - Tourist visitation and associated spending on non-racing activities can be significant at those facilities with appropriate amenities.
 - Full-time, part-time and casual employment generated on a year-round basis.
 - Even greater benefit comes from co-location of not only racing and gaming but also hotel, conference and related leisure amenities on the same site.
 - Revenue flows from direct gaming taxation can be significant.

- Community issues such as crime, parking and congestion are minimised. Such issues have not typically been noteworthy in other racino jurisdictions.
 - The impacts on the horse breeding industry is positive and increased prize money has resulted in stabilised or, in some cases, improved handle.
- 9.8 The synergy between the uses arises from the operational similarities between the existing facility and the proposal casino, and through this, the opportunity to share infrastructure, services and running costs, including combined security arrangements, parking provision, a joint travel plan, and marketing and sales activities.
- 9.9 Despite the wider interest in horse racing (and associated betting), the racing industry in the United Kingdom will likely face some of the same pressures as experienced in North America when gaming expands beyond the current restricted casino model.
- 9.10 The synergies between racing and casino activities have been clear in the experience of the North American racinos, where the introduction of gaming activities significantly increased the number and range of visitors to the racecourses and, in most cases, has led to the resurgence of the racing industry. This experience demonstrates how these two elements can be successfully combined to create a leisure attraction greater than the sum of its parts.
- 9.11 The sales proposition for integrated developments is much more powerful than that of the individual components in isolation, combining the marketing strength of all elements i.e. hotel, conference centre and casino, within an integrated development to attract demand. Integrated developments have a potential to outperform stand-alone facilities by realising synergy benefits whereby the value of the whole destination is greater than the sum of its component parts i.e. giving greater certainty to success. An integrated development, comprising increased hotel capacity together with conference/exhibition facilities and casino, would result in a significant increase the general profile of the City of Wolverhampton as a leisure and business destination. By locating the casino at the Racecourse, it becomes part of the wider leisure destination, providing an extension to existing entertainment facilities.
- 9.12 The racecourse and hotel, the latter in both its current 54-bed format and in its proposed new format of around 180-beds, will provide a new, on-course casino with significant numbers of customers each year. The propensity of both sets of customer to visit a casino is high. In 2005, Wolverhampton Racecourse attracted 76,000 customers and this number is expected to increase to around 80,000 in 2006. All of these customers came to the Racecourse with an intention to gamble. Both racing and table game play is skill based, as opposed to slot machine play which is chiefly luck, the greatest concentration of cross over is likely to come from racing and table game patrons. Given the greater participation rates of UK residents in horse racing and the proclivity for various forms of gaming, the combination of racing and table games is expected to provide considerable synergy
- 9.13 Hotel customers have traditionally also been a key market for casinos. Evidence of this can be found across the country with a number of casinos being part of or close to hotels. The integrated hotel would be expected to provide a significant number of the casino's customers.
- 9.14 A casino also represents an important additional offer for the hotel, with guests and conference bookers looking for a wider leisure offer for use in the evenings and outside conference hours. There is widespread experience of hotels and casinos sharing premises, and the inter-relationship of these elements is widely known.