

SCOTTISH EXHIBITION AND CONFERENCE CENTRE (SECC):

Mike Closier – Group Chief Executive

The SECC opened in 1985 and it is now the UK's largest integrated exhibition and conference centre. In addition to exhibitions and conferences, SECC also stages large scale concerts and "special" events; these include sporting and equestrian events, dance, comedy, ice shows etc.. SECC is a major leisure facility for the whole of Scotland as well as a prime generator of business tourists to the UK. In 2005/2006, SECC staged 230 separate events attracting over 1.5 million visitors:-

	Events	Attendance
Exhibitions	48	453,310
Conferences	51	236,785
Concerts	94	494,342
Special events	<u>37</u>	<u>352,666</u>
TOTAL	230	1,537,103

These events injected over £127 million into the economy of Greater Glasgow through the expenditure of the visitors, exhibitors and organisers. This expenditure supports around 3,700 full-time-equivalent jobs etc in the community.

Mike Closier joined SECC in 1992, guiding the company to its first profit in 1993; it has generated a profit every year since then.

Mr Closier is also immediate past chairman of the Exhibition Venues Association and is a former member of the Board of the Greater Glasgow and Clyde Valley Tourist Board. He has also acted as an advisor on a number of issues to the Minister of Tourism, Culture and Sport at the Scottish Executive and also to Event Scotland.

He was instrumental in the development and construction of the SECC's Conference Centre (the Armadillo). This building opened in 1997 and it has become an iconic building for Glasgow and a symbol of its regeneration. It has also increased Glasgow's presence in the conference market. Conference business has grown from around 50,000 delegate days¹ in the year before the opening of the Conference Centre to over 236,000 delegate days in the financial year to March 2006. In the same period, the economic benefit to Greater Glasgow deriving from conferences increased from £15.6 million to £58 million.

He therefore offers extensive experience in running a major national facility, with the twin remit of operating commercially whilst maximizing the economic benefits accruing to the area. He understands the demands placed on a venue and the surrounding area by large numbers of both leisure and business visitors and dealing with their very different requirements, frequently simultaneously.

1 - a delegate day is the number of delegates multiplied by the number of open days of the conference

Interest in a Regional Casino

Identifying the means by which the level of exhibition, conference and event business could be increased has always been the prime focus for SECC. The positive impact that a regional casino could have on the SECC site was therefore recognised early in the process of reforming the UK's gambling legislation. Initial discussions with potential partners were held in late 2001, prior to the White Paper being published in March 2002.

However, a report commissioned by SECC in 2003 highlighted that further business growth would be constrained by the lack of availability in Hall 4, its largest hall, due to the exceptionally high occupancy rates at which it is operating. (More recent studies show zero growth after the current financial year unless additional facilities are built).

This led to the development of a master plan for SECC's 64-acre site called QD2. The principal objective of the master plan is to build a new 12,500-seat, National Arena. The Arena would allow existing concerts and event business to transfer from Hall 4, freeing space for additional conferences and exhibitions.

The cost of the Arena including road and services infrastructure is £110 million. To fund the Arena, SECC will create capital receipts through:

- the proposal to build a regional casino along with a five star hotel, restaurants, leisure facilities and a car park for 1,600 vehicles on a plot to the north east of the SECC campus.
- developing the west car parks, creating a “Sustainable Village” with a range of mixed residential and commercial properties.

These receipts will not fund the entire project; the balance of the funding will come from the public sector and a relatively small level of commercial debt taken on by SECC.

Whilst a regional casino is not essential for the development of the National Arena, its contribution to funding and operating costs will substantially reduce that required from the public purse and/or SECC’s commercial borrowing. In addition, SECC believes that a regional casino on this site would significantly improve its ability to compete with overseas venues to bring high spending international conference delegates to the UK.

Impact of a Regional Casino on SECC

As mentioned previously, SECC is a major focus for both leisure and business tourism. The mix of meeting and exhibition facilities draws large international conferences (1,200+ delegates) with accompanying exhibitions to the city. According to the Business Tourism Partnership, in comparison with leisure tourists, “business visitors.....spend more than twice as much per day, with conferences delegates and visitors to trade shows and exhibitions spending even more.”

There is now a greater awareness among cities and regions of the economic benefits that international conferences can bring. As a consequence, new convention centres are being built or older ones upgraded. Recent examples include Dublin, Dusseldorf, Lyon, Kuala Lumpur, Vancouver, Boston etc.

In contrast to SECC, many competing venues do not operate on a commercial basis. Their remit is to attract international conferences in order to secure the economic benefits with any attendant losses underwritten by national or local governments. With this increase in global competition, SECC is firmly of the view that a regional casino as part of our site would substantially improve its offering to the conference market and thereby help it continue to attract these conferences to the UK.

The hotel, proposed as part of the casino complex, would add to Glasgow’s limited stock of five star hotels (this has been an inhibiting factor in securing a number of international conferences). The restaurants, leisure facilities and entertainment facilities would provide additional meeting space for the larger conferences creating an integrated business and leisure destination, making the SECC campus a much more attractive proposition to international conference delegates.

During the present year, SECC will stage international conferences that will generate over 95,000 delegate days. In the following five years, 2007 – 2012, SECC currently has bookings and enquiries for international conferences that would generate almost 1.5 million delegate days. These conferences have the capability of injecting almost £400 million into the economy through the expenditure of the delegates, exhibitors and organisers.

The National Arena will have a seating capacity of 12,500, and using the “choir” area behind the stage, the capacity could be increased to 14,000. This Arena will not only host major public entertainment events, it will allow SECC to compete for “mega” international conferences – those with over 10,000 delegates.

When it is considered that the international conferences SECC staged in 2005/2006 generated 95,000 delegate days; our target of securing one “mega” conference each year with 12,000 delegates and four open days would see SECC’s annual international conference business grow by over 50%. Such an increase would not only have a positive effect on SECC, it would bolster the whole conference support

infrastructure, resulting in additional investment in hotels, restaurants and transport. These benefits would not be confined to the Glasgow area; due to the scale of these conferences, many delegates would have to be accommodated outwith the city and bussed to the venue, helping hotels, restaurants and shops throughout the central belt of Scotland.

Although SECC would like a regional casino on site in order to further the conference business and also to help fund the National Arena, we are conscious of the responsibilities that go along with a casino. To that end, SECC organised a seminar on “Responsible Gambling” in June 2006. The concept of the seminar was to highlight, discuss and hopefully overcome the concerns voiced by a number of people about the consequences of a regional casino being located in Glasgow. Speakers included the chief executive of Gamcare, the chief executive of Money Advice Scotland and the Director of the Centre for Gambling and Commercial Gaming, University of Salford. There was a small invited audience comprising MSP’s, civil servants, councillors, council officers, academics, the police and representatives of the Church.

The seminar touched on a number of issues including:

- The requirement for a very clear explanation of the games people can play within casinos and the risks involved
- Quality and security of venues can be a deterrent to problem gambling
- Responsible advertising of casinos
- The dangers of mixing alcohol and gambling
- Co-ordinated services amongst agencies providing counselling
- Public education and the requirement for support and advice
- Maximising the economic benefit for the community

Whilst some of the issues raised were outwith SECC’s area of responsibility, others will shape SECC’s thinking and influence the fine details of the final negotiations with our preferred partner should Glasgow win the regional casino licence.