

# Falkirk Council SUBMISSION FOR CASINO LICENSE



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# CONTENTS

Introduction .....	1
Unique Characteristics .....	1
Type of Area .....	1
Social Impact .....	4
Regional and Local Context .....	6
Need for Regeneration .....	7
Community Benefits .....	10
Willingness to License.....	10
Probability of Implementation .....	10
Summary of Submission .....	12

## Introduction

- 1.1 This is Falkirk Council's submission to the Department for Culture, Media and Sport for a license for a large/small casino development. It seeks to comply with the strict criteria and guidance set out by the Casino Advisory Panel and covers the following areas:
- Unique Characteristics;
  - Type of Area;
  - Social Impact;
  - Regional and Local Context;
  - Need for Regeneration;
  - Community Benefits;
  - Willingness to License;
  - Probability of Implementation; and
  - Summary of Submission.

## Unique Characteristics

- 1.2 At the heart of Central Scotland, Falkirk offers distinct locational advantages, with high levels of accessibility by all modes of transport. Falkirk is easily accessible from both the M9 and M876 motorways, and has excellent rail links to the regional and national rail network. The town:
- Has a resident catchment of 243,000 within a 20-minute drive, and 631,500 people in the wider 30 minute drive-time catchment<sup>1</sup>;
  - Is easily accessed by motorway from both Glasgow and Edinburgh airports;
  - Has a developing tourism 'product' primarily linked to its historical and industrial heritage. It is the heart of Scotland's canal network, and home to the Falkirk Wheel (1 of Scotland's Top 10 visitor attractions) which has attracted over 1.4million visitors since opening in 2002<sup>2</sup>; and
  - Is an important business and commercial centre, particularly for the chemicals sector based in neighbouring Grangemouth.
- 1.3 A high profile location for leisure and casino development has already been identified within the Falkirk Gateway, the main regeneration initiative in the area. The site is adjacent to the Millennium Link - the canal network linking Edinburgh & Glasgow - and has been pro-actively marketed, attracting significant advance interest from commercial operators.

## Type of Area

### *Population Structure*

- 1.4 The Falkirk Council area has a population of 147,500,<sup>3</sup> and its age structure closely mirrors that of Scotland. The proportion of the population in working age groups is also similar (62.4%) to the national picture (62.5%).<sup>4</sup>

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<sup>1</sup> Roger Tym and Partners (2006)

<sup>2</sup> Falkirk Wheel - Tourist Information (2006)

<sup>3</sup> NOMIS - Midyear population estimates (2004)

<sup>4</sup> NOMIS- Midyear population estimates (2004)

### *Local Labour Market Structure*

- 1.5 Falkirk has a slightly higher (65.9%) economic activity rate than the Scottish average (65.0%), and a slightly lower unemployment rate (3.8% compared to 4.0%). The area also has a lower proportion of people who are self employed or in full-time academic study.

### *Local Employment Structure*

- 1.6 Relative to the Scottish and UK average, Falkirk has a slightly lower proportion of its workforce in higher paid occupations (requiring better qualifications and training), and a larger proportion in low paid occupations.
- 1.7 Some 8.4% of its workforce are in professional occupations compared to 11.2% in Scotland overall. The area has a higher proportion of its workforce in sales and customer services and elementary occupations.

### *Wage Rates*

- 1.8 Average gross weekly pay for full-time employees in Falkirk (£460.40) is 4.2% below the Scottish national average (£479.60).<sup>5</sup> Male full-time workers in Falkirk receive 93% of the Scottish average weekly wage, whilst female full-time workers receive 1.5% more per week than the average Scottish female full-time worker.

### *Educational Attainment*

- 1.9 Falkirk has a relatively low record of educational attainment compared to the Scottish average. The area has a higher proportion of people achieving no qualifications or the equivalent of Level 1 (63.5% compared to 57.9% nationally). The area also has a lower proportion of people (14.1%) achieving higher Level 4 qualifications relative to the national average (19.5%).

### *Housing*

- 1.10 A slightly lower proportion of households in Falkirk (60.4%) own their own homes compared to Scotland (62.6%). A larger proportion of households in Falkirk (33.2%) socially rent their homes compared to the national average (27.2%). The area also has fewer homes that are privately rented.
- 1.11 This said, Falkirk is an increasingly popular housing location, its accessibility to Edinburgh and other areas helping to drive development in the area. Average house prices in Falkirk have increased significantly in the last few years. Between 2003 and 2004, average prices rose by 27% from £79,150 to £100,745. This compares with a total increase in average prices of £25,700 between 1997 and 2003. There was a further 4% increase in the first three months of 2005. In recent years, house price increases in Falkirk have outstripped the Scottish average.<sup>6</sup>
- 1.12 While new residents may work in and around Edinburgh, they also generate demand for leisure and related goods and services in the local economy.

### *Business Health*

- 1.13 Analysis of VAT registrations and de-registrations indicates that the Falkirk area is relatively dynamic with a reasonable level of business 'churn'.<sup>7</sup> In 2004, Falkirk had seen a higher rate of VAT registrations (12.5%) relative to the national average (9.3%).<sup>8</sup> The area also had a slightly higher rate of de-registrations (10.7% to Scotland's 9.4%).

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<sup>5</sup> Annual Survey of Hours and Earnings (2005)

<sup>6</sup> Register of Sasines, and HBOS Housing Research

<sup>7</sup> Businesses have to register for VAT once their annual turnover exceeds £55,000

<sup>8</sup> NOMIS - VAT registrations and deregistrations by industry (2004)

*Deprivation*

- 1.14 The Scottish Index of Multiple Deprivation (SIMD)<sup>9</sup> identifies the most deprived areas across Scotland. The SIMD is presented at data zone level which enables small pockets of deprivation to be identified. It shows that:
  - Falkirk has 7 data zones (combined population: 4,793) in the most deprived 10%, and 29 in the most deprived 20% (combined population: 20,333);
  - 20,163 people are income deprived, 13.9% of the area’s population; and
  - 12,906 people, 8.9 % of Falkirk’s population, are employment deprived.
- 1.15 Nearly a quarter of Falkirk’s residents (24.3%) live in ‘deprived data zones’. A large proportion of the population in these are income and/or employment deprived.
- 1.16 The site identified for casino development is in the Middlefield ward which has 4 data zones in the most deprived 20%. Significantly, in the neighbouring Dawson ward which is close to where any casino development would be located, all 7 data zones are in the most deprived 20%.

*Tourism*

- 1.17 As a tourist destination Falkirk enjoys a favorable location at the hub of Scotland’s motorway system. The town is midway between Edinburgh and Glasgow and has two mainline railway stations - Falkirk High and Falkirk Grahamston. Falkirk High Station accesses the main Glasgow -Edinburgh line. The area is easily accessible from across the Central Belt and is well located in relation to the trunk road and rail infrastructure accessing the North and East of the country.
- 1.18 The total number of tourists visiting Falkirk increased from 658,000 in 2003 to 699,000, in 2004, a rise of 6.2%. The overall number of tourist days spent in Falkirk increased from 1,488,000 in 2003 to 1,554,000 in 2004, an increase of 4.4%.<sup>10</sup>
- 1.19 Tourist expenditure in the Falkirk area is also increasing. Visitor spending increased by 7.9% in 2002, 9.7% in 2003, and 9.0% in 2004.

**Visitor Expenditure in Falkirk (£ million)**

	2000	2001	2002	2003	2004
Total visitor expenditure	58.98	55.63	60.00	65.84	71.73

Source: Scottish Enterprise

- 1.20 Falkirk’s tourism potential was boosted in 2002 with the opening of the Falkirk Wheel which has attracted worldwide awareness and recognition for its engineering and design. The Falkirk Wheel incorporates a popular visitor centre and is a major tourist attraction across Central Scotland, attracting over 1.4m visitors since 2002.<sup>11</sup> The area also offers several other noteworthy tourist attractions including:
  - Callander House which is a restored 11<sup>th</sup> century mansion offering permanent exhibitions, galleries and Georgian period exhibits; and
  - Bo’ness and the Kinneil Steam Railway which offers people the opportunity to view Scotland’s largest collection of historic locomotives, rolling stock and railway architecture.
- 1.21 Falkirk has a high proportion of business tourism, with corporate customers accounting for 58% of the demand for hotel accommodation in the area.<sup>12</sup>

<sup>9</sup> Prepared by the Scottish Executive (2004)

<sup>10</sup> Scottish Enterprise - STEAM Report Forth Valley (2004)

<sup>11</sup> The Falkirk Wheel - Tourist Information (2006)

<sup>12</sup> Falkirk Visitor Survey (2004)

Independent and short break stays account for 21%, coach tours 15%, and weddings/functions 6%.

- 1.22 A recent accommodation capacity study<sup>13</sup> showed that Falkirk has an overall average room and bed occupancy rate of 58%. The area has 17 hotels (774 rooms), 6 guest houses (23 rooms) and 4 bed and breakfasts (13 rooms), offering a total of 810 rooms. Although there is variety and capacity in Falkirk's accommodation stock this is limited and there is a need to upgrade the quality and standard of existing provision.

**Falkirk Accommodation Capacity**

	Bed Spaces			Rooms		
	Capacity	Occupancy	Occupancy Rate (%)	Capacity	Occupancy	Occupancy Rate (%)
Hotels	403,352	235,222	58%	282,045	166,733	59%
Guest Houses	11,212	5,714	51%	8,332	4,262	51%
B&B	6,262	2,718	43%	4,719	1,586	34%
<b>Total</b>	<b>420,826</b>	<b>243,653</b>	<b>58%</b>	<b>295,096</b>	<b>172,582</b>	<b>58%</b>

Source: Roger Tym and Partners, 2006

- 1.23 The Falkirk Gateway site where the casino would be located will include a new hotel and conference facilities which will help satisfy demand from increased leisure and business tourism and improve the standard of provision locally.
- 1.24 Casino development will increase leisure tourism in Falkirk and help improve the balance between business and leisure-related overnight visits. In so doing, it also has considerable potential to attract further private sector investment into the improvement of Falkirk's accommodation sector.

*Summary*

- 1.25 Overall Falkirk's socio-economic characteristics compare poorly to Scotland, although this is changing. While traditionally, more of a 'blue-collar' area, this is changing as the local economy continues it's restructuring towards more service activities. Educational attainment levels still lag behind the national average and average earnings remain slightly lower. Home ownership in the area is also below national average levels, affected by relatively high levels of social rented provision in the past. This is changing due to a combination of economic factors mentioned above and the effect of Edinburgh's economic growth in stimulating demand.
- 1.26 The development of a casino in the area would also attract custom from across Central Scotland. Falkirk's central location and accessibility is a key feature. In recent years visitor expenditure and the number of tourists visiting Falkirk have all increased. Casino development will complement Falkirk's current tourist attractions; make Falkirk a more appealing tourist destination and adding critical mass to Falkirk's tourism product.

**Social Impact**

*Casino Impact*

- 1.27 Falkirk Council is aware of the range of positive and negative social impacts that are likely to result from development of a casino and its key role in ensuring that these social benefits outweigh social costs.

<sup>13</sup> Roger Tym and Partners (2006)

1.28 A review of relevant literature and consultations with the Council’s licensing and policy officers has indicated the likely social impacts of casino development in the area. It also highlights the extent of different and often conflicting information and opinions that exist in this context. The Council considers the main social impacts to be:

- Jobs (creation and displacement);
- Leisure and tourism impacts (visitor expenditure, leisure facilities and entertainment provision);
- Health and mental problems (problem gambling, drug and alcohol abuse);
- Economic and fiscal impacts (personal bankruptcy, tax revenue);
- Community impacts (crime, domestic violence, divorce, child abuse);
- Aesthetic impacts (design fit of casino with Falkirk landscape); and
- Infrastructure impacts (transportation issues).

*Impact Mitigation Framework*

1.29 Falkirk Council hopes to increase the net social impact of a casino development by implementing a framework which aims to mitigate any negative social impacts, while developing the positive effect of casino development. It is committed to establishing appropriate safeguards, and in this context will implement a mitigation framework as shown below.

**Falkirk Council Mitigation Framework**

<b>Mitigation</b>		<b>Step-by-Step Actions</b>
Health	Services	<ul style="list-style-type: none"> <li>▪ Develop and encourage close relations between casino operators and social services and voluntary sector</li> </ul>
	Youth	<ul style="list-style-type: none"> <li>▪ Create an accessibility policy for young adults with restrictions on slot machines and alcohol</li> </ul>
	Problem Gambling	<ul style="list-style-type: none"> <li>▪ Create new programs to tackle problem gambling in collaboration with the community and casino operator</li> <li>▪ Provide health information to the community</li> <li>▪ Provide counseling and treatment centres in collaboration with casino operator</li> </ul>
Security	Management	<ul style="list-style-type: none"> <li>▪ Policies on responsible management from the operator</li> </ul>
	Policing	<ul style="list-style-type: none"> <li>▪ Create a screening process in collaboration with the police</li> <li>▪ Develop a clear dispersal strategy with emphasis on transport links</li> </ul>
Strategic	Engagement	<ul style="list-style-type: none"> <li>▪ Engage the Falkirk community in planning, services, regulation, implementation and monitoring</li> </ul>
	Forward Thinking	<ul style="list-style-type: none"> <li>▪ Council will set out plans for gambling transparency</li> <li>▪ Undertake a study of the extent of the impact of the casino and develop precise mitigation strategies</li> </ul>
Wealth	Investment	<ul style="list-style-type: none"> <li>▪ Investigate the possibility of a trust fund for local community based on casino’s operators profits</li> <li>▪ Develop links with education providers</li> </ul>

### *Monitoring of Social Impacts*

- 1.30 Falkirk Council is committed to ensuring that robust monitoring of the social impacts of granting a new casino licence is carried out regularly and to addressing any potential social impacts which may subsequently arise.
- 1.31 This will be achieved by developing a clear approach to issue resolution, including detailed discussion, partnership and co-operation between Falkirk Council, the casino operators and other relevant local and national agencies. Falkirk Council will seek to build on existing and established networks to ensure that there is a continuation and consolidation of such relationships.

### *Testing Social Impact*

- 1.32 Falkirk Council believes that the proposed casino site will provide a location that will satisfy the Casino Advisory Panel's criteria of providing the best possible testing of the social impact. Its defining characteristics include:
- Edge of town location at a site identified in the Council's Development Plan as a strategic development site suitable for this form of leisure development;
  - A high profile canal and waterfront location;
  - Proximity to disadvantaged areas, as the social inclusion partnership areas of Bainsford and Langlees are close by. Casino development would afford access to related job opportunities as well as access to the leisure activities within it; and
  - Highly accessible and central location - some 60% of Scotland's population live within an hours drive time.<sup>14</sup>
- 1.33 Falkirk Council believes these features sufficiently differentiate the Falkirk casino proposal from other competing schemes and provide an ideal location for testing social impacts in relation to other areas.

## **Regional and Local Context**

- 1.34 Casino development will have impacts at local and strategic levels. The range of regional, local and strategic initiatives, projects and policies which casino development reinforces is described below.

### *Falkirk Structure Plan*

- 1.35 The Falkirk Structure Plan was approved in 2002 and was recently subject to alterations (March 2005). The Plan's development strategy has broad implications for the areas main settlements. Policy ECON 1 identifies the Falkirk Gateway site, where it is proposed that any casino development be located, as a strategic location for major economic development.
- 1.36 The plan additionally supports sustainable tourism development at a range of key locations throughout the Falkirk area, including the Millennium Link/Canals, Falkirk Town Centre/Callendar Park and Bo'ness (Policy ECON 7).
- 1.37 A casino development at the Falkirk Gateway would support the development of sustainable tourism by providing a high quality attraction and supporting infrastructure. This will further the Plans aims of developing a diverse visitor product, appealing to those making day trips, tourists taking short breaks, those visiting or staying with friends or relatives, as well as business tourism.

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<sup>14</sup> Falkirk as a Location, Falkirk Council (2006)

### *Falkirk Council Local Plan*

- 1.38 The Finalised Draft Falkirk Council Local Plan guides development and land use in the Falkirk area to 2012. The Falkirk District Settlement Statement identifies the Falkirk Gateway site as one of three Strategic Development Opportunities and describes it as a 'major opportunity to create a prestigious new commercial, leisure and retail hub on the Eastern Gateway to town.' A casino development at the Gateway site therefore has strong policy support in the Falkirk Local Plan.

### *My Future's in Falkirk Regeneration Initiative*

- 1.39 My Future's In Falkirk evolved from the Falkirk Action Plan and was set up by a partnership of Falkirk Council, Scottish Enterprise Forth Valley and British Petroleum with additional support from the European Regional Development Fund. It aims to transform Falkirk into one of Scotland's most desirable areas for business, leisure and living. It aims to create 4,250 jobs and stimulate up to £200 million of additional investment over the next 10 years while generating £50 million a year for the Falkirk economy. Public sector expenditure is estimated at £23 million. My Future's In Falkirk's key projects include:

- Falkirk Gateway;
- The regeneration of Bo'ness Town Centre and Harbour;
- The proposed Eastern Gateway;
- Falkirk Eco Park; and
- The regeneration of the district centres in the Falkirk area (through collaboration with the private sector).

### *Summary*

- 1.40 A casino development in Falkirk is supported by the policies of the present structure plan and local plan, and would form an integral element of the success of the My Future's In Falkirk initiative. The next section explains how the casino would assist regeneration in Falkirk and further My Futures in Falkirk's regeneration projects.

## **Need for Regeneration**

- 1.41 The socio-economic analysis (see paragraphs 1.4 to 1.15) clearly indicates areas of deprivation and disadvantage in the Falkirk area and this has been recognised in the designation of the Falkirk Social Inclusion Partnership. My Future's in Falkirk also aims to boost the area's economic development and growth, recognising the development and regeneration needs of the area.
- 1.42 The Government has indicated that casino development could be used as a means of securing the enhanced regeneration of an area. The expansion of a casino sector will have benefits in respect of increased direct employment, as well as temporary short term construction employment.
- 1.43 In Falkirk, a casino development would offer significant linkages with key regeneration projects and initiatives. It would build on the success and experience of recent and current major development and regeneration projects in Falkirk, and also meet a clearly defined and quantified need for local and regional regeneration.

### *Regeneration Initiatives*

- 1.44 ***Falkirk Gateway*** is one of Scotland's biggest mixed-use developments covering 120 hectares at Middlefield/Westfield. The £150 million project will be developed by Macdonald Estates Plc and Royal Bank of Scotland and includes a 250,000 sq ft retail warehouse park, 500,000 sq ft of business space, hotel and conference facilities, a commercial hub and a new marina serving the Forth & Clyde Canal. The site benefits from existing infrastructure such as transport links and the Falkirk

- Stadium. The project aims to generate up to 3,000 permanent jobs and 2,000 construction based jobs.
- 1.45 The proposed casino would be located at the Falkirk Gateway, consistent with the adopted development plans. Casino development will encourage regeneration by contributing to the physical regeneration of **Falkirk Gateway**, encouraging enterprise and tourism related activity. This could lead to further investment in the Falkirk Gateway, increased tourism and tourist expenditure, and the creation of additional jobs. A casino could therefore be a catalyst for further investment which would help the development of a leisure concentration in the area.
- 1.46 The casino would occupy a high profile waterfront location next to the canal. This would not only promote the proposed **Eastern Gateway** project but also further advance the objectives of the overall **Millennium Link project**.
- 1.47 The proposed **Eastern Gateway** project aims to create a new tourist attraction which will complement the Falkirk Wheel, a canal extension to the Forth & Clyde Canal, and revitalise Grangemouth Docks. The project involves the construction of a landmark boatlift structure, a hotel, cafe, bar and restaurant.
- 1.48 The casino would be situated next to the canal between the Falkirk Wheel and Grangemouth Docks and could form an important tourism element of the Millennium Link where tourists and commercial boat trips could stop off and visit the casino. This would also further the objectives of the Eastern Gateway project by enhancing the canals appeal as an area for recreation, tourism and leisure and entice more domestic and international boating communities to access the Eastern Gateway to Scotland.
- 1.49 The **Millennium Link** aims to regenerate the Forth and Clyde Canal, along with the Union Canal, and aims:
- To increase leisure and tourist use of the canals;
  - To enhanced the environment and image of the canals; and
  - To increase business that will benefit from proximity to the canals.
- 1.50 A casino development would contribute to each of the above. The strategic and geographic placement of the casino between the Falkirk Wheel and Grangemouth (the canal entrance) would encourage increased tourist use of the canal. The casino would also benefit from its waterside location in terms of image and appeal and could present further commercial opportunities to the casino operator.
- 1.51 Some seven miles from the Falkirk Gateway, **Bo'ness** will undergo redevelopment of its foreshore, docks and harbour. Dutch company ING Real Estate is investing £150 million in a new marina, shopping and housing development, development of additional mixed-uses including a marina, waterside restaurants, cafes and bars, retail space, a 100-bedroom hotel and c.700 residential units. Bo'ness outer harbour has re-opened to Forth estuary leisure crafts. The harbour will provide a stopping point for boats travelling to the Millennium Link and Falkirk Wheel. The development is a good indication of the level of investment and ambition of the surrounding area. A casino development would represent further investment in the area and form an important component of Falkirk's regeneration.
- 1.52 **Falkirk Eco Park** covers an area from Beancross to Dalderse and is adjacent to the Falkirk Gateway site, and in particular the area which may be considered for casino development. It aims to bring a distinctive and modern environmental ambience to a diverse area. It could form a link between the Falkirk Gateway and the casino. Indeed it would then be possible to walk between the two areas. Falkirk Council and British Waterways Scotland are jointly pursuing lottery funding for the park.
- 1.53 The casino would also further **'My Futures in Falkirk'** initiative, by contributing to the 'Experience Falkirk' theme. A casino development at the Falkirk Gateway and the

perceived regeneration benefits, stimulus to enterprise and increased attractiveness of Falkirk as an overall tourist venue, would further this theme by making Falkirk a more attractive place to not only work, but also live and visit.

#### *Employment Creation*

- 1.54 A casino development will help create a number of direct jobs which will provide local people with employment opportunities and training. A number of short term construction jobs will also be supported by the work necessary to construct the casino premises, and any further developments that may be brought forward through the catalytic effects of casino development. Increased visitor and tourism volumes and expenditure will also bring employment and income benefits to other accommodation, food and drink, and leisure businesses in the area.
- 1.55 Overall, therefore casino development will provide an important boost to the labour market in Falkirk and help alleviate aspects of unemployment in the area.
- 1.56 It would also help to lever other related commercial activities such as hotels, restaurants and live entertainment venues which could be attracted to the Falkirk Gateway, where hotel and conference facilities are planned. This could help to create a cluster of entertainment uses whilst enhancing tourism by virtue of Falkirk becoming a potential gaming and leisure cluster.
- 1.57 Adopting standard employment densities<sup>15</sup> for leisure activities, a casino of the scale proposed could create up to 200 jobs. However, it is likely that lower employment densities would be seen for comparable activities such as bingo halls, and amusement and entertainment centres. By adopting a hybrid of these approaches, it is estimated that actual level of direct job generation due to casino development would be between 150 and 200 jobs. Applying accepted multipliers, this level of economic activity would be expected to create 30-40 further jobs through indirect and induced effects of casino development on the economy<sup>16</sup>.

#### *Falkirk Social Inclusion Partnership*

- 1.58 Falkirk Social Inclusion Partnership (FSIP) is an area-based regeneration programme which targets designated areas, and addresses social, economic and environmental issues. The Dawson ward is adjacent to the Falkirk Gateway to the west. The Dawson Initiative is part of the FSIP and is a multi-agency partnership pursuing the physical regeneration and community development of the area.
- 1.59 Dawson contains the disadvantaged areas of Bainsford and Langless. Male unemployment here is 13.6%, almost double the Falkirk average<sup>17</sup>. The ward also has the highest levels of long-term unemployment in Falkirk.<sup>18</sup>
- 1.60 Casino development could therefore create new employment and training opportunities for disadvantaged people from this area and help reduce long-term unemployment.

#### *Gross Value Added*

- 1.61 A broad assessment of GVA impacts attributable to casino development has been made. It has been calculated in a number of steps: establishing Scotland's GVA by sector - using the most recent ONS data<sup>19</sup>; applying sectoral employment figures from the 2001 Census to derive average GVA per employee; rebasing the figures to 2005-06 prices; and application of the GVA per employee averages according to the sectoral split indicated by the development profile.

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<sup>15</sup> English Partnerships, 'Employment Densities' Guidance (2002)

<sup>16</sup> Input-Output Multipliers 2002, Scottish Executive (Nov 2005)

<sup>17</sup> NOMIS - 2001 Census of Population

<sup>18</sup> The Scottish Council for Voluntary Organisation

<sup>19</sup> Headline Gross Value Added by industry groups, current basic prices by region 1989 - 2001, ONS

- 1.62 On this basis, the potential GVA contribution to the wider economy of the casino has been estimated at between £2.27 million and £4.54 million per annum.

## Community Benefits

- 1.63 A casino development could also provide other activities and contribute to the general well being of the local communities based in and around Falkirk, and in particular aspects of improved quality of life.
- 1.64 The additional community benefits include:
- Attracting a potentially high spending segment of the tourism industry into Falkirk which would benefit Falkirk's retail and accommodation sector;
  - Providing additional direct jobs and supporting further jobs in the local economy through increased tourism;
  - A boost to Falkirk's overall appeal making Falkirk a more attractive place for local residents to work and live; and
  - Provision of an identified development activity at a Strategic Development site which would contribute to the regeneration and well being of Falkirk;

## Willingness to License

### *Licensing of Casino Premises*

- 1.65 Within the Falkirk Council area, all applications for casino premises licence would be lodged with the Clerk to the Licensing Board for Falkirk through the Council's Development Services. The Services' Licensing Section co-ordinates all its lodged applications for both the licensing board and for civic licensing areas.
- 1.66 The Licensing Section is integrated with other respective regulatory services such as Building Standards, Health and Safety, and also Environmental Health, and has an established consultation network with elected members and external partners/organisations including the police and fire service. This integration and networking facilitates the effective, flexible and responsive means to advise on, assess, determine or report upon all such applications, taking full cognisance of all relevant statutory requirements and public interest issues.

### *Support for Casino Development*

- 1.67 There has been much internal discussion and agreement amongst Council officers on an inter-departmental basis, as to the support for a casino-style development in the Falkirk Council area, and the associated benefits attributed to such a scheme.
- 1.68 The development of a casino forms part of the current masterplan for the Falkirk Gateway (the Council's preferred casino location) site. Falkirk Gateway has a key role to play in the regeneration and future economic prospects of Falkirk, and fits tightly with the committed and agreed strategic policy framework and agenda for Falkirk and its surrounding area.

## Probability of Implementation

- 1.69 We strongly believe and demonstrate in this submission that there is a very high and positive likelihood of a casino development being implemented in Falkirk.

### *Market Demand and Catchment*

- 1.70 Falkirk Council has engaged in initial discussion with commercial operators within the casino industry to establish broad requirements and information relating to the detailed market demand and catchment needs of the market.

- 1.71 The market analysis has focused upon numerous aspects of the operator needs and overall commercial viability of a casino development. These comprise:
- Available demand, i.e. sufficient customers with sufficient disposable income and within acceptable travelling times;
  - Close attention to the demographic profile of the catchment area;
  - Business visitors as a key source of local demand; and
  - Good transport infrastructure: road, rail and possibly airport accessibility.
- 1.72 The market analysis demonstrates that there is significant market and consumer demand for additional casino facilities in Falkirk, given the current lack of provision in Central Scotland.
- There is in excess of 630,000 people within the defined catchment area, which positively meets the required demographic profile of the casino operator;
  - There is a high volume of business visitors and tourism in the Falkirk catchment area, which would provide additional local casino demand; and
  - The Falkirk area is highly accessible, with ease of access from the national road/motorway network, close proximity to Edinburgh Airport, and good rail network links to the East, West and North.

#### *Site Location and Casino Requirements*

- 1.73 This submission has been based on typical casino requirements identified through discussion with the key leisure and entertainment market operators, and those who have outlined express interest in the Falkirk Gateway site.
- 1.74 In addition to the key locational requirements expressed for the appropriate and sustainable locations, it is clear that industry operators also consider other site specific features to be equally important to their casino brand and format. In the specific context of Falkirk and the Falkirk gateway site, features including site and physical characteristics; a supportive planning designation; and the schemes fit with wider tourism and visitor development strategies and programmes, all rate very positively in favour of casino development in Falkirk.
- 1.75 Our market research indicates that sites suitable to accommodate up to 50,000 sq ft of casino related floorspace will be preferred, although this may change depending on the nature of any successful licence being granted for Falkirk, i.e. large or small casino.

#### *Private Investment*

- 1.76 On the basis of the market evidence available, there is a projected demand for a casino development of up to 50,000 sq ft in the Falkirk area, which in turn will have a series of economic benefits, most notably private investment and job creation.
- 1.77 In terms of private sector investment it is envisaged that a casino of circa 50,000 sq ft floorspace and associated car parking could attract in the region of £3.59 million private investment<sup>20</sup>. This is based on the following assumptions:
- Private sector investment estimated at £70 per sq ft for leisure development, when applied to a casino would equate to circa £3.5 million investment;
  - Private sector investment estimated at £750 per car parking space, when applied to casino parking provision of 125 spaces would equate to £93,750;

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<sup>20</sup> Coopers & Lybrand, (1995)

### *Pattern of Gambling and Expenditure*

- 1.78 The introduction of the new gambling legislation in 2005 reflects the evolution of a modern gambling industry, which in turn has grown by virtue of the changes in wider social attitudes and technological advances across the UK.
- 1.79 There are currently over 100 casino establishments operating throughout the UK, which according to the British Casino Association employs in excess of 11,500 people nationwide. In Scotland, there are 12 such casino operations located within the major cities of Edinburgh, Glasgow, Dundee and Aberdeen.
- 1.80 In Falkirk there are at present no established casinos operations. The nearest casinos operate in the major cities identified above. There is however a wide choice of local bingo clubs, small high street amusement and slot arcades, and other licensed betting establishments in Falkirk, consisting mainly of high street and online bookmakers/betting outlets. There is a Gala Bingo Club at Kerse Lane which offers both bingo and slot machines. Premier Bingo and Carlton Bingo also operate clubs in nearby towns of Denny and Grangemouth.
- 1.81 On this basis, it is presumed that there is sufficient scope for either a large or small casino facility in the Falkirk area, the impact of increased provision (and thus greater competition) on leisure based operators and activities will be particularly limited. In addition, the location of a casino development at the Falkirk Gateway will enable the potential establishment of a vibrant, sustainable cluster comprising casino, leisure and retailing activities, all situated on a high profile canal and waterfront site.

### *Potential Investment*

- 1.82 Casino operators have been contacted in the course of preparing the Masterplan for the Falkirk gateway. The initial commercial marketing of the site indicates strong commercial demand and interest, mainly in facilities up to 50,000 sq ft.
- 1.83 The close relationship of the site to other planned leisure, retail and business developments is particularly attractive and the accessibility to road and rail infrastructure and with it a large catchment is a key feature.
- 1.84 A series of discussions have taken place with leading UK major commercial casino and gambling investors and operators to ascertain the extent of interest in operating a casino premises in Falkirk. This has identified particularly strong interest from a number of operators, most of whom would be new entrants to the casino and leisure market in Falkirk.

## **Summary of Submission**

- 1.85 A casino development in Falkirk is supported by the policies of the structure plan and local plan, and would form an integral element of the My Future's In Falkirk regeneration initiative. This submission can help advance the regeneration of the Falkirk area, in particular through supporting the development of Falkirk Gateway, as a key opportunity site for achieving sustainable economic development in the area.
- 1.86 Falkirk's central location underpins its developing tourism appeal. In recent years visitor numbers and expenditure have increased. Casino development will complement Falkirk's current attractions, make Falkirk a more appealing tourist destination and add critical mass to the area's tourism product.
- 1.87 Falkirk benefits from a number of distinct locational advantages and features being situated at the heart of Central Scotland, with high levels of accessibility by all modes of transport. It has a significant catchment exceeding 650,000 within 30 minutes drive; and an important role as a business and commercial centre.

- 1.88 A high profile location has been identified for any proposed casino along the canal front, part of a regeneration site that has been pro-actively marketed and is attracting advance interest from commercial operators interested in locating at Falkirk Gateway.
- 1.89 It is envisaged that a casino of circa 50,000 sq ft and associated car parking could attract in the region of £3.59 million in private sector investment related to construction.
- 1.90 In broad economic and employment terms, the casino development would provide up to 200 direct jobs and an additional GVA of between £2.27 million and £4.54 million per annum to the Falkirk economy.
- 1.91 Regeneration benefits would extend to residents of disadvantaged neighbourhoods close by. It is anticipated that measures would be brought forward to encourage training and access to employment both within the construction period and in the business operation of the casino.
- 1.92 Falkirk meets the specific submission requirements of the Casino Advisory Panel and the guidance of the Department for Culture, Media and Sport, whilst simultaneously also satisfying the stringent requirements and commercial demands of the casino industry and market operators for a suitable location for casino development.