# CASINO ADVISORY PANEL
## Formal Proposal Cover Sheet

**Please fill in *all* categories below:**

**Name of Local Authority:**

| |
|---|
| **Hastings Borough Council** |

**Main Contact:**

| | | | |
|---|---|---|---|
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**Name and title of Submitting Officer:**

| | |
|---|---|
| Name: | **Simon Hubbard** |
| Title: | **Executive Director, Regeneration & Planning** |

**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 Yes/No | No |
| Large (state number) | None |
| Small (state number) | **One** |

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

| | |
|---|---|
| Large (state number) | One |
| Small (state number). | |

## Introduction

Hastings stands at a crossroads in its long history. After years of decline, it is rediscovering its self-confidence, and beginning to establish itself as a hot-spot of activity, and a destination for visitors and investors.

Since the 1960's, Hastings suffered from the downturn in domestic tourism. Once respectable hotels and guest-houses became dilapidated, and many were converted into bed-sits. The town is the most deprived borough in the south-east of England, and one of the most deprived seaside resorts in the whole country.

Nevertheless, Hastings has retained assets which now form a basis for a renaissance. First and foremost, Hastings has its world-famous heritage, England's first Norman castle, and is the focus for "1066 Country". It has Europe's largest beach-launched fishing fleet, and the unique net huts of the Stade. One of the UK's densest concentrations of Tudor half-timbered houses in the Old Town has been called the south coast's best-kept secret.

At the other end of town, St Leonards-on-Sea boasts James and Decimus Burton's Georgian villas, as well as the stunning art-deco Marine Court (once England's tallest residential block). It has a fine natural environment, with one existing country park and a second planned; and dramatic cliffs in the town centre with views to Beachy Head.

Recent improvements are obvious. Seafront facades have dramatic facelifts. The town centre has been transformed with a modern shopping centre and a high-tech style station, while a new Plaza and college campus are planned, and further leisure / retail development alongside the new University Centre, Media Centre, and Innovation Centre. Work has started on a new sustainable Millennium Community of 500 homes.

Word of this transformation is spreading: a recent Tourism South East survey showed Hastings is now extremely popular with "cosmopolitans" and "style hounds" – fashion conscious folk who keep up with latest trends. Proportionately Hastings attracted more "Style Hounds' than Brighton.

In short, Hastings is on its way to becoming a jewel of the south coast.

Behind the scenes a great deal of work is in train to tackle the multiple deprivation that remains. Unemployment remains above regional levels, and educational attainment (which is linked to low aspirations, and too few opportunities for young people) remains poor. Perception of crime is still an issue, although actual crime levels have improved dramatically in recent years. There is a need to diversify the town centre's evening economy, which is still dominated by young people and pubs.

Hastings was put forward as one of nine new casino locations outside London in a government discussion paper in 2000[1]. This was based on viability criteria such

[1] Gaming: regulation & taxation of casinos, Research Paper 00/57, House of Commons, 2000

as catchment population (300,000 within 20 miles), distance from existing casino (20+ miles), and population density. Hastings was the only one of the nine to meet the criteria for resort towns as well as non-resort towns.

Hastings Borough Council sees a new, well-run, stylish casino as potentially making a major contribution to the town's regeneration. It will create employment, attract new visitors to a more stimulating night-time offer, and draw in major investment for a new or improved town centre or seafront building.

## 1. The Hastings Area

### 1.1 Demographic

Hastings Borough includes the towns of Hastings and St Leonards-on-Sea. The total population is 85,029, of which the adult population (18+) is 64,883 (76%). The population is 97% white, with only 3% from non-white BME groups.

The social profile is typified by high levels of deprivation, within the country's most prosperous region. One-fifth of the SOA's are within the most deprived 10% nationally in relation to income, employment, crime and child poverty; and one-seventh of SOA's are in the worst 10% for health and education. There are high levels of economic inactivity and unemployment, and the economy as a whole lags behind that of the wider area.

Trends have broadly followed national patterns, with two exceptions. Crime is still higher than the national average, but the dramatic fall of 50% since 2000 exceeded national trends. The work of the Safer Hastings Partnership has been cited by the Home Office as an example of best practice, and achieved an ODPM Quality Standard Award for the Neighbourhood Warden service. The other exception is school attainment, which dropped by 0.9% between 2003 and 2004, while the national figure rose by 0.8%.

The economic and regeneration strategy is focused on closing the gap between the Borough's and county / regional levels.

Key indicators:

| Indicator | Hastings | S.E. Region | National |
|---|---|---|---|
| Economic inactivity | 25% | 17.9% | |
| Job density (no of jobs per head of w-a pop'n) | 0.7 | 0.9 | 0.8 |
| Employment rate | 70% | 79% | 74% |
| Unemployment (claimant count) | 3.1% | 1.4% | |
| Long term unemployment | 16.7% | | |
| Proportion of school leavers with GCSE A-C | 42.1% | | 53.7% |
| NVQ level 3 | 34.6% | | 46.9% |
| NVQ level 4 | 15.9% | | 28.5% |
| Crime rate (/1000) | 166 | | 133 |

## 1.2 The Hastings Economy

Hastings shows several features of a weak local economy. :

- Low business density, low start up and survival rates
- A high proportion of businesses supplying a restricted local market
- Lower than national average productivity
- Relatively low skills profile of workforce

These are exacerbated by poor transport infrastructure, the 180$^{o}$ hinterland of coastal towns, and in-migration exceeding employment growth.

The employment breakdown shows a high dependence on public sector jobs, and very low numbers in financial and professional work.

| | HASTINGS | SOUTH EAST | ENG/WALES |
|---|---|---|---|
| Manufacturing | 11.9 | 10.6 | 13.5 |
| Construction | 3.9 | 3.9 | 4.4 |
| Distribution, Hotels, Catering | 25.4 | 26.3 | 24.7 |
| Transport, Communications | 4.0 | 6.4 | 6.1 |
| Banking, finance, Insurance | 10.5 | 23.0 | 19.8 |
| Public Administration, Education, Health | 40.6 | 23.0 | 24.6 |
| Other Services | 3.6 | 5.1 | 5.2 |

Economic development aims to build and develop skills for both high-value sectors, such as advanced engineering, IT and media, electronics and other knowledge-based businesses; and for the general manufacturing and service industries which provide entry-level employment relevant to deprived communities. A casino will make a major contribution to the latter strand, and help to pump-prime the retail and leisure sectors, which have been identified as offering significant potential for growth.

## 1.3 Tourism

“1066 Country” is a partnership of public, private and community organisations concerned with the development of the area’s tourism industry. It includes Hastings, Bexhill, Pevensey, Battle, Rye and Camber. Up-to-date tourism data has been collected for a 1066 Country Destination Management Strategy.

| | |
|---|---|
| Staying visitors | 1.1 million pa (90% from UK, 10% from overseas) |
| Day visitors | 8.5 million |
| Estimated annual tourism spend | £400 million (50% due to staying visitors, 50% due to day visitors) |
| Estimated no. of tourism-related jobs | 10,000 |

Over 3 million people live within a 60 minute drive, while another 30 minutes includes most of South London (casino customers as well as overnight stayers will drive this distance). The area also draws visitors from Europe and elsewhere due to its heritage, and to Hastings's flourishing English-language schools.

Hastings's tourism industry has a turnover of £110 million, providing direct employment for 3,100 people (2002 figures). Therefore even a "small" casino would make a significant impact on these figures – for example 300 new jobs represents a direct 10% increase in tourism-related employment.

Some parts of the tourism industry face difficulties at a time of transition. 37% of the accommodation in 1066 Country is within Hastings, and some providers are struggling to stay competitive. They are specifically calling for new investment especially along the seafront to improve the local tourism offer. A Seafront Strategy aims to improve the appearance of, and activity along, the esplanade. It identifies key sites for improvement, several of which could accommodate a new casino. The draft Destination Management Strategy calls for Hastings to "maintain the momentum of its regeneration as a seaside town".

The Destination Management Strategy also recommends more highly segmented marketing of tourism, packaging different kinds of attractions to different groups. A casino fits this approach, targeted as it is to market segments that the strategy aims to grow (some of which – "cosmopolitans" and "style hounds" – are already showing signs of growth).

The Strategy builds on existing tourism and cultural strategies to develop tourism projects and facilities which will pull in more high spending, weekend break visitors, lengthen the tourism season, and increase business tourism. There is a limited tourist/leisure offer in Hastings, particularly aimed at adults. Without these attractions, this key market is less likely to visit Hastings, so the market never reaches the point where investment is justified. A casino would play a large part in breaking this vicious circle: with a casino as an anchor, other investors will attempt to attract customers into new restaurants, cultural facilities, and shops.

### 1.4 Regeneration needs

As the most deprived town in the South East, and one of the 10% most deprived nationally, Hastings has a range of regeneration issues which are being addressed through an integrated strategy using Neighbourhood Renewal, European Objective 2, SRB/single pot, and other funds:

- Creating new employment to raise incomes and reduce deprivation, and providing pathways to employment and training
- Building up skills and qualifications levels across the board, lifelong learning, and increasing aspirations and achievement of young people
- Physical and infrastructural improvements, and attracting inward investment
- Improving the natural and built environment, townscape and heritage, especially along the seafront

- Business development in all key sectors: advanced engineering, creative/media, construction, manufacturing, tourism and retail
- Improving community safety and tackling crime
- Community development and capacity-building, support for vulnerable people and families, addressing substance abuse
- Health promotion: exercise, diet, anti-smoking
- Improving the existing housing stock, creating sustainable communities, diversifying tenure in renewal areas

A publicly-owned regeneration company Sea Space has been set up to lead major physical improvements, urban renaissance, improved transport, higher education, improving transport, and stimulating business.

Hastings has recently been awarded £m3.6 funding through the Local Enterprise Growth Initiative (LEGI). This programme consists of a comprehensive range of projects to increase entrepreneurial activity and employment opportunities, alongside programmes to provide local people with skills. LEGI and other regeneration programmes are managed by the Hastings & Bexhill Economic Alliance, a partnership of public, private and voluntary organisations leading the area's economic development and inclusion strategies.

Mainstream education, health, police and other agencies, and the voluntary sector, are also contributing to the town's health, wealth and future.

The skills shortage, which reinforces unemployment especially among young people, is a pressing need. Skill levels need to be built up, and new businesses attracted which are within reach of those with lower skills and qualifications. Tourism, leisure and retail have been identified as key growth areas in this regard. A casino, where transferable skills and knowledge can be developed and applied, could play an important role.

Tourism and Regeneration strategies pre-date the 2005 Gambling Act and Hastings response to it, hence no reference to casinos is made as Hastings is not a permitted area for casinos under the 1968 Act. However it is clear that a casino in the right location contributes to both the specific and the general strategic aims.

### 1.5 Appropriateness for the testing of social impact of casinos.

Hastings combines two key factors for testing the social impact of a casino, namely regeneration need, and a seaside resort context.

It is the most deprived local authority area in the South East region, and one of the most deprived 10% in the country. It is also the most deprived seaside resort of those submitting an initial expression of interest in December 2005.

Hastings is a small and relatively isolated town, over 40 miles to the nearest existing (1968 Act) casino, therefore impacts are easily attributable. It also has great growth potential. As such, Hastings will provide an ideal test of both positive and negative impacts (see also below).

## 2. Social and Economic Impact

### 2.1 Social and economic impact of casino proposal

The social impact of a small or large casino on Hastings is hard to assess in quantitative terms, as they are a new scale of activity. Most recent research relates to the regional casino, which is qualitatively different by virtue of its scale and catchment, numbers of Category A machines, related hotel and leisure activity, and other factors.

In qualitative terms, a small or large casino is likely to have the following social and economic impacts. Mitigating measures will be implemented to minimise negative impacts.

| Area of impact | Positive | Negative | Estimated balance |
|---|---|---|---|
| Employment | • Construction employment<br>• direct employment by the casino<br>• indirect employment by suppliers, and due to ancillary spend by visitors<br>• employment due to local multiplier effects | • employment displaced from competitive leisure activities | Very positive impact |
| Wealth | • Inward investment in establishing casino<br>• Casino as magnet for further inward investment<br>• Increased visitor spend | • Leakage of local wealth out of area | Positive impact |
| Skills | • In-house training, transferable skills<br>• Stimulus for college and other training | | Positive impact |
| Town centre crime and anti-social behaviour | • "natural surveillance" due to greater numbers in town centre<br>• Enhance CCTV | • Car crime<br>• Robbery<br>• ASB by customer groups | Negligible impact |
| Other crime | | • Debt-related crime by problem gamblers<br>• Possible money laundering | Negative impact |
| Debt, stress, depression etc | • Individual or group leisure activity<br>• Winnings | • Financial losses<br>• Problem gambling and debt<br>• Addictive gambling, | Negative impact |

| | | | |
|---|---|---|---|
| | | mental health, relationship breakdown | |
| Community cohesion | • Multi-ethnic customer base<br>• Positive image of town due to casino<br>• Townscape improvements | • Exclusion of low income groups<br>• Negative image of town due to casino | Small positive impact |

## 2.2. Resolution of negative and positive impacts

There are obvious difficulties in evaluating positive economic impacts in relation to potential negative impacts. An accepted methodology is to attempt to put a financial value onto two key factors: employment, and problem gambling (these serve as proxies for other positive and negative impacts.)

Using this methodology, a total social cost of additional problem gambling attributable to a new generation “small” casino in Hastings is estimated at £671,000pa. The social benefit of new jobs, less displacement effects, is estimated to be over £1,260,000pa.[2]

This cannot account for the personal anguish of addiction of any type, and knock-on effects on families. Equally, neither does it measure the morale-boosting effects of a job to someone previously unemployed.

It also includes two key assumptions:

(a) that mitigation and support measures will be set up to minimise the scale and effect of addictive gambling and debt (see below); and
(b) that mechanisms are in place to maximise the uptake of jobs by local people.

Given these caveats, the calculation does help substantiate Hastings Borough Council’s belief that the overall impact of a casino will be beneficial.

[2] The calculation of social cost is based on the conservative estimates and parameters gathered in the Hall/Aitken report on *The Social and Economic Impacts of Regional Casinos in the UK*, the Pion *report Casinos in England’s North-West*, information from the Henley Centre, and the *Gambling Prevalence Survey*, among others.

It is based on Hastings adult population of 64,833. The rise in problem gambling is estimated at 0.3% of the adult population, of which 38% is attributed to new casino legislation. This implies 76 extra problem gamblers in Hastings. However there is wide agreement that 1968 Act casinos are not a major focus of problem gambling, which is more likely to be associated with the regional casino than with large/small casinos. Therefore a 50% weighting is applied. On the other hand, deprived areas are disproportionately vulnerable, so a 150% weighting is added. This implies 57 extra problem gamblers. The Hall/Aitken report estimates the social cost of problem gambling as £8,761 per individual. The average level of gambling-related problem debt is estimated to be £20,000 (based on the average debt of local CAB debt clients). This is annualised at 15% (average credit card APR).

The social and individual value of employment is based on the minimum wage (approx £10,000 pa), plus the cost of unemployment (£4,000pa), times 300 jobs, less 40% to account for possible displacement of other employment, and less a further 50% to account for employees living outside the Hasting travel-to-work area. This underestimates the value of employment, as most jobs will be over the minimum wage.

### 2.3. Response to claims that the effects of your proposals would have a negative impact on social cohesion and sustainability

Comments and objections have been made through the consultation process. These can be divided into six themes:

Problem gambling and the social impact thereof:

- Casinos are not the prime focus of addictive gambling behaviour
- Group visits, pre-planning, non-gambling areas, and use of chips encourage self-control in gambling (compared to individual impulse gambling with cash, and on-line gambling)
- Operators are required by current regulations to identify and support problem gamblers
- Commitment to provide a significant financial contribution to local debt and addiction support agencies will be a criterion in selecting an operator
- Gamcare will be encouraged and offered support in establishing a local presence (the nearest specialist support is Sussex Breakeven, based in Brighton).

Other moral, ethical, and community cohesion issues

- These are common concerns, although best directed at other forms of gambling than upmarket casinos.
- Casinos are one of the few places where different ethnic groups share a common leisure pursuit.
- An upmarket casino is by definition to an extent exclusive; however a restaurant, bar and entertainment, functions and events, mean low-income non-gamblers can still patronise it.

Crime and community safety:

- Casinos are not associated with disorder and antisocial behaviour, and it is in their interest to minimise this, to a far greater extent than pubs and clubs
- They tend to attract a wider variety of more mature people into the town centre, over a longer period, which may reduce town centre disturbance through “natural surveillance”
- They do not contribute to the “closing-time” rush (11-11.30pm is their peak time)
- They generate greater demand for taxis after midnight, which may lead to more taxis on duty earlier (crowded taxi ranks are a focus for disturbances)
- A casino will be required through licensing and/or planning conditions to ensure its environs and car parking areas are adequately lit, and covered by CCTV which is linked to the wider surveillance network
- The casino will be required to liaise closely with the police

- Customers are encouraged to pay via debit cards or cheques, and take winnings in cheques rather than cash, to reduce the risk of being targeted by muggers
- Casinos are very highly regulated to prevent involvement of organised crime, money-laundering etc
- Casinos have a history of supporting community safety initiatives

Image and effect on visitor numbers
- An upmarket gaming-focused casino will enhance our image in some quarters, and do little harm in others
- Marketing Hastings as a casino destination should be linked with marketing other attractions
- The casino should be encouraged to sponsor arts activities and festivals etc
- Tie-ins with hotels should be arranged (legislation permitting)

Economic benefits being reduced by displacement
- Calculations of economic benefit already include assumptions of 40% displacement of employment from other local leisure activities. This is considered very pessimistic.
- Any displacement is likely to affect businesses that are less labour-intensive than a casino, so there is net gain
- Some displacement may be from existing seafront amusement arcades, which are locally unpopular, and do not enhance Hastings's image or seafront
- Displacement effects will themselves be offset and perhaps even exceeded by increased ancillary spend by visitors. For example, the local cinema, which might be thought to be vulnerable to competition, supports the proposal as creating jobs among its customer base, and attracting more people into Hastings.

Loss of wealth to the local economy through leakage effects
- Wealth retained through employment and suppliers would still be very significant
- The operator will be required to support physical and social regeneration through a variety of measures
- Some diverted leisure spend would leak anyway (eg cinema, national health club and retail chains)
- A local company may be the selected operator

No direct research on problem gambling has been undertaken. Of the two key support agencies, the Citizens Advice Bureau does not hold data on gambling debt, while Sussex Breakeven (Gamcare) cannot provide data on Hastings clients.

## 2.4. Proposals to counter potential negative impacts and optimise any positive impacts of a casino

Any casino operator will be required to contribute to advice and support work in the community, on issues of debt, addiction, relationship breakdown, and mental illness. The operator will also need to support and integrate with community safety systems.

Planning Conditions and (Section 106) Agreements will be used to ensure the operator contributes to improving buildings, public realm, infrastructure and community facilities[3].

In addition, Hastings Borough Council proposes to explore the potential of entering into agreements with operators that a share of the profits is assigned to local regeneration or investment funds (possibly linked to the Community Investment Tax Relief Scheme). HBC would do this in concert with other local authorities.

The casino operator will be encouraged and expected to utilise existing and planned frameworks for local recruitment, training, supplies and services. These are funded through Area Investment Framework, Local Enterprise Growth Initiative, and Neighbourhood Renewal funding, alongside mainstream operations.

## 2.5 Testing the social and economic impacts of a new casino

The key method for monitoring social impact will be against a series of baseline indicators covering

- the value of the evening and leisure economy, numbers and variety of outlets
- town centre crime and anti-social behaviour
- numbers and value of jobs
- value of external improvements to buildings and public realm
- The casino will also be asked to monitor numbers of problem gamblers identified and advised, uptake of information leaflets etc.
- numbers of clients supported by CAB, Gamcare and other agencies with gambling-related problems; debt levels
- crime and anti-social behaviour in/near casino and town centre;
- debt-related crime due to problem gambling

The casino operator may be asked to cooperate by providing information on employment and local supply costs, and customer numbers and spend. This can inform calculations on “leakage” effects.

HBC is working with the New Economics Foundation to use its “Local Multiplier” methodology to evaluate Local Enterprise Growth Initiative projects, and would also use this with respect to a casino.

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[3] As indicated by Yvette Cooper MP, to the Joint Committee on the Gambling Act

Surveys of hotels, shops, leisure attractions, and visitors will indicate usage of casino, value of ancillary spend, and any loss of trade to a casino

### 2.6 Comparable initiatives in place to manage social impacts from other activities, training programmes

A number of agencies operate in Hastings to offer support to people with substance abuse, alcohol, mental illness, debt, risk of offending and similar problems. These have a lot of experience in their fields, and are well coordinated. Many have common funding streams (HBC, Supporting People, Primary Care Trust, Safer Hastings Partnership, Neighbourhood Renewal).

These agencies will be encouraged to coordinate their gambling advice with Gamcare. The initiatives coordinate well through the Healthy Hastings, Hastings Housing, and Safer Hastings Partnerships under the Local Strategic Partnership

It is expected that a small casino will run its own training in-house, especially if run by one of the national chains. Hastings College offers Customer Care and related courses. Community learning, including IT skills, basic skills, and personal development / readiness for employment, is available to support long-term unemployed and returners into work. These will be encouraged and enabled to make links with a casino operator to ensure easy access for local people to the employment opportunities.

This will be facilitated through employment brokerage projects involving community support organisations, Hastings College, and Jobcentre Plus. This process is managed and overseen by the Hastings & Bexhill Economic Alliance.

## 3. Regeneration

### 3.1 Contribution of a casino towards regeneration objectives

A casino will assist regeneration in several ways:

- Employment provision, especially at entry- and up to NVQ3-level
- Increased visitor numbers, and increased ancillary spend in hotels, pubs, restaurants and shops
- Enhancing Hastings image as a destination with diverse attractions
- Improvement or construction of a sizeable building, in a strategic seafront or town centre location. This might be a focus for local renewal, or help to anchor a larger development
- Related public realm and community safety improvements
- Reduced dependence on public sector employment
- As a catalyst for further private sector investment

A small casino with 300 employees would be the 8th largest private sector employer in Hastings. A large casino with 500 employees would be the 4th largest. The range of jobs likely to be offered matches the needs of the Hastings community. Casinos prefer to recruit staff with the right aptitude and attitude, and are less concerned about qualifications; hence low educational attainment may be less of an issue than for other employers.

The most appropriate location would be within or close to existing tourism areas, such as the seafront and town centre locations in Hastings and St Leonards-on-Sea. The two wards in question (Central St Leonards and Castle) are among the most deprived 10% in the country. Several sites have been identified as potential locations, and can accommodate either small or large casinos. These are not named to reduce risk of speculation or blight. Some are in public ownership.

HBC welcomes early discussion with owners and potential operators. In making a selection, HBC would consider “overall benefit to the area” in its widest definition.

It is difficult to estimate the increase in Gross Value Added GVA without detailed intelligence on the economics and profitability of casinos, information that is not currently available to HBC. However we would expect operators to support their proposals with this information. The same applies to leakage effects, with the added complication that at least one interested party is a local business. Again, we would expect interested operators to provide this information, which would be subject to independent assessment.

### 3.2 Partnering and investment

HBC proposes to explore (with other local authorities) the potential for entering into a partnership or profit-sharing arrangement with the selected operator. This would potentially involve an “open book” arrangement between the council and operator, and payment by the operator into a local regeneration fund. This might be structured within the provisions of the Community Investment Tax Relief Scheme, and linked to existing Community Development Finance Initiative, and the proposed Hastings Community Bank.

This would be over and above specific measures to address problem gambling, community safety etc, S106 agreements, and sponsorship activities by the operator.

### 3.3. Leakage and multiplier effects

The potential for “leakage” of wealth out of the local economy is recognised, but by taking the above steps, HBC hopes to reduce this effect. Such arrangements will also help to bind the casino in to the overall well-being of Hastings.

Multiplier effects are also hard to anticipate, being dependent primarily on spend at the casino and elsewhere in town by new visitors to Hastings (rather than local customers, whose spend is largely diverting alternative local flows). This can be maximised by encouraging overnight stays through hotel tie-ins and targeted marketing. HBC and 1066 Country marketing will support such initiatives, and sees the casino as making a significant investment into this effort. Again, this helps tie an operator into the local economy.

## 4. Willingness to licence

### 4.1. Hastings Borough Council decisions

Hastings Borough Council Cabinet formally agreed on 27$^{th}$ March 2006 to make a full submission to the Casino Advisory Panel for a "Small" casino. This follows the initial expression of interest submitted in December 2005. The provisions of this document (including the intention to seek operator support for community and economic support and investment) were summarised in the text of the Report, and a draft was attached as an Appendix.

### 4.2. Consultation summary

HBC invited 130 identified stakeholders, including private sector representatives, trade associations (hoteliers, LVA etc), statutory bodies, community and voluntary groups, and faith organisations.

This was supported by a discussion in the local paper, and an invitation for individuals to comment on the casino proposal.

A summary of responses is provided below

| | Agree with casino proposal | | Disagree with casino proposal | | No view stated | Total |
|---|---|---|---|---|---|---|
| | Number | % | Number | % | | |
| **Total responses** | **15** | **37%** | **26** | **63%** | **2** | **43** |
| Statutory | 2 | 100% | 0 | 0% | 2 | 4 |
| Private sector | 8 | 89% | 1 | 11% | 0 | 9 |
| Community | 1 | 14% | 6 | 86% | 0 | 7 |
| Faith | 0 | 0% | 4 | 100% | 0 | 4 |
| Individual | 4 | 21% | 15 | 79% | 0 | 19 |

The responses were broadly as anticipated, with the private sector over-whelmingly in favour, and community and faith groups overwhelmingly against. Many respondents made constructive proposals.

While the individuals who responded to the public invitation were largely opposed to the proposition, the number of responses was much lower than anticipated.

A stakeholder meeting was also held, which included the opportunity to propose measures to reduce the negative impacts and maximise positive ones. This generated further valuable suggestions which are incorporated into this submission.

It was clear from several responses that the publicity given to “regional” style casinos has coloured people’s thinking. Some of the objectors assumed the small casino would be an open-fronted walk-in, brash array of high-prize slot machines. Instant access and high payouts would heighten the risk of problem and addictive gambling; and this style of casino would be detrimental to Hastings’s image, and spoil the seafront. A wider understanding of the more discreet and up-market style of typical 1968-Act casinos, as envisaged by HBC in this submission, would perhaps ease some concerns.

Nevertheless the key points and comments made warrant serious consideration – as outlined in Section 2.3.

### 4.3. List of responding organisations

**Statutory Agencies**
Sussex Police
Rother District Council
Hastings Borough Council Departments (Planning, Licensing, Marketing, Economic Development)
Primary Care Trust

**Faith Groups**
Hastings Christian Trust
Christ Church Ore
Salvation Army
Methodist Church
Churches Together
Deanery Synod

**Community Groups**
Burton’s St Leonards Society
Hastings & Rother Citizens Advice Bureau
Sussex Breakeven (Gamcare)
Old Town Residents Association
Hastings Credit Union
Hastings Sea Angling Association
Gensing & Central St Leonards Community Forum
Hastings & St Leonards Play forum
Old Town Preservation Society
Hastings Youth Council

**Business / Private Sector**
Talk Up Productions
Coastal Amusements Ltd / De Luxe Leisure Ltd
Grand Hotel
Odeon Cinema
Bet Bet Bet 24/7
Odeon Cinema
Stade Developments (Hastings) Ltd
BOSS Management (Hastings Pier)
1066 Enterprise
Chamber of Commerce
Town Centre Management

Informal discussions and fact-finding also took place with operating companies London Clubs International and Stanley Leisure. Neither responded formally to the consultation.

## <u>5. Implementation</u>

### 5.1 Investor interest

Hastings Borough Council has received indications of investor interest from six potential operators. This includes four established national chains: London Clubs

International, Stanley Leisure, Aspers, and The Rank Organisation; as well as two local leisure companies. Potential investors have stated an interest in a stand-alone 750$m^2$ customer area casino, up to a 1,499$m^2$ customer area casino as part of a larger mixed leisure development totalling 4,000$m^2$ or more.

If granted permission to license a casino, Hastings Borough Council would expect, and invite, further expressions of interest.

Market research is beyond the capacity of HBC at this stage, while potential operators are treating any detailed research they hold as confidential. However, based on current statistics and some information from operators, it is estimated that a small casino would generate over 100,000 customer visits a year, mostly from outside Hastings, from the full range of social classes, with middle income socio-economic groups 2 – 7 predominating (although this would vary with the market orientation of the selected operator).

Most casino customers will travel by car, and over 3 million people live within an hour's drive. The nearest towns with existing casinos are Brighton (40miles) and Margate/Ramsgate (70 miles). Brighton's casinos draw customers from South London and even further afield, and there is no reason not to expect a larger, newer casino in Hastings to do the same.

### 5.2 Potential sites

There are several potential sites available or potentially available which meet one or more of the following criteria:

- Seafront location
- Town centre (Hastings or St Leonards)
- Building in need of investment, or brownfield site
- Location as part of larger new development
- Proximity to parking, access to taxis (rank or drop-off bay)
- Not residential area, and no other neighbourliness issues

In selecting an operator, HBC would consider the totality of the packages on offer, in relation to these criteria, as well as:

- the style and activities proposed, projected customer profile
- security arrangements
- operators track record,
- employment and training proposals,
- compliance with licensing and planning policies
- measures to reduce problem and addictive gambling, and partnership potential to support wider regeneration investment

HBC would issue a brief to guide potential investors (based on forthcoming DCMS advice). The Council would also work even-handedly with operators to support their feasibility studies or options appraisals to ensure both a level playing field and best overall benefit to the area.

### 5.3 Infrastructure

Hastings suffers from inadequate road links, although segments of the A21 are being improved to dual carriageways, by-passing some bottlenecks. While this has inhibited economic development and tourism, and reduces the potential drive-time populations, this issue is ameliorated since casino customers are more likely to travel outside the busiest times of day.

The locations identified have adequate parking nearby, with plenty of evening capacity.

Public transport is not thought to be a major consideration with regard to a casino.

### 5.4 Effect of a casino on existing gambling and leisure spending patterns

There are 10 amusement centres in Hastings, 2 bingo halls, and 16 betting shops.

In the consultation one betting shop owner said that a casino would have no impact on his business one way or the other, as they cater to different markets.

However the owner of several amusement centres was concerned about loss of business. This conforms to evidence given by the British Amusement Catering Trades Association (BACTA)'s evidence responding to the Gambling Bill. HBC consider that a small reduction in the number of amusement centres would not have a harmful overall social or economic effect on the town, as more jobs would be created in a casino than lost.

A "small" casino will not be permitted to run bingo.

A casino may cause a small shift in gambling behaviour among current gamblers, away from betting shops, amusement centres and online betting. If so, this may reduce problem gambling as casinos are better monitored and provide a more self-controlling environment. Against this, a casino with its other attractions may draw more people into gambling as a leisure activity, and there is a risk that this will lead to greater problem gambling. It is anticipated that any growth in problem and addictive gambling among Hastings residents due to a "small" casino will be negligible. However, pessimistic assumptions have been used in estimating the social costs of a "worst case" (see section 2.2).

As a new leisure choice, a casino may to some extent divert customers' leisure spend from other non-gambling activities, including shopping, restaurants, pubs and clubs, cinema and theatre, fitness, and visits away from Hastings. This is likely to be a measurable effect in the early days when a casino has local novelty value, but when it builds up its customer base from a wider catchment area, it is anticipated that this effect will be more than counterbalanced as more people visit Hastings, make overnight stays, and visit other local attractions.

## <u>6. Regional and Local Planning and Economic Context</u>

### 6.1 Regional Spatial Strategies

The Draft South East Regional Plan includes policy TSR4: Tourism Attractions. This states that *"Priority should be given to improving the quality of all existing attractions to meet changing consumer demands and high environmental standards in terms of design and access."* Local authorities and partners should encourage the enhancement and upgrade of existing visitor attractions; and include relevant policies in development plans. These local policies should help attractions to:

- help reinforce the distinctiveness of a locality,
- be accessible by public transport
- provide wet weather facilities and help extend the season
- facilitate regeneration
- complement existing attractions

HBC considers that a small casino will support all these criteria.

Further policies within the Draft Regional Plan relate to a possible "regional" class of casino, and other attractions of regional significance (defined as attracting 250,000+ visitors a year). A "small" casino is not thought to approach this scale. However if a "large" casino was permitted, which could draw in this number, Hastings meets the requirements of a sequential approach, whereby development should be first sought in a priority area for regeneration. As a coastal resort, Hastings also fulfils the second of the sequential steps.

### 6.2 Regional Economic Strategy

The draft Regional Economic Strategy 2006-12 does not refer specifically to casinos, but to the tourism sector in general. It states that the coastal area in particular has a tourism sector which could benefit from major efforts to raise the quality of product and services on offer. The key draft strategy is to diversify and improve the tourism and cultural offer, to increase distinctiveness, reduce seasonality and create year round employment. Clearly a casino is consistent with this.

Further RES aims include

- Promoting flexible job design and work organisation
- Raising the skills, quality and status of lower paid jobs
- Secure an Urban Renaissance
- enabling large firms to source staff and supplies locally
- joining up regeneration and skills development programmes to meet the recruitment needs of local businesses.

Such efforts are in train in Hastings, which would increase the potential benefits of a casino.

### 6.3 Local planning framework

Hastings's emerging Local Development Framework has not yet reached draft policy stage, and a potential casino will be considered in due course. Advice from the Borough Planning Officer is that casinos are in principle permissible within the Borough's existing Local Plan. A planning application would be dealt with under generic tourism and leisure policies, conservation and other development control considerations, and guided by emerging government guidance.

## 7. Conclusion

Hastings is a unique town, which offers a unique potential to test the impacts of, and to benefit from, a small casino.

As a testing ground, it meets both contexts of regeneration need and a seaside resort location.

Hastings is undergoing a renaissance, which the right kind of prestigious and well-managed casino would both support and benefit from. The "small" category of casino is thought to be the right scale of initiative: big enough to generate significant improvements, but not so big as to distort the local economy or risk major social impacts.

The Council proposes measures such as partnership arrangements to maximise the contribution, and minimise the potential adverse impacts, of a casino. Given this. a casino would support local and regional priorities to achieve the regeneration of coastal resort towns. It would provide a major boost to employment in the tourism sector, attract higher-spending visitors throughout the year, help diversify the night-time and town-centre economy, and provide an opportunity to improve the chosen building or site.