

North East Lincolnshire Council

Casino Advisory Panel Submission
for a *Small Casino*

31 March 2006

This report contains 21 Pages

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1.1 Introduction

This document is provided in support of North East Lincolnshire Council's submission for a small casino.

In line with the Casino Advisory Panel guidance, this document includes an evidence-based assessment of North East Lincolnshire's 'case' for a small casino. This case is based on developing a small casino in Cleethorpes, which is a well-established seaside resort. However, Cleethorpes, and the wider North East Lincolnshire area, is in significant need of economic and social regeneration. It has below UK averages on most economic and social indicators. However, we have a clear strategic framework within which to enhance the situation for residents, businesses and visitors. We see great potential for a carefully planned, managed and monitored casino to assist North East Lincolnshire Council, and our partners, in meeting necessary economic and social development objectives and priorities.

Over the following pages, we outline supporting evidence under each of the categories highlighted in your submission guidance. Clearly, there is a wealth of supporting information that can be provided across all areas.

1.2 Type of Area

North East Lincolnshire is an area characterised by levels of socio-economic deprivation. This presents significant challenges for local regeneration. The key socio-economic characteristics are as follows:

- North East Lincolnshire has a total population of 157,979. The major urban areas are Grimsby and Cleethorpes, with populations of 37,704 and 84,777 respectively¹;
- The North East Lincolnshire population is forecast to decline by 1% over the next 20 years despite growth of 7% in the Yorkshire and Humber region. Young people and working age adults are projected to decline significantly in numbers whilst the retirement age population is anticipated to increase. By 2009, the retirement age population will out-number young people²;
- The Black and Ethnic Minority population³ is low, representing less than 2% of the resident population compared with 9% nationally;
- Until recently, the North East Lincolnshire employment rate compared well with national levels. Recent job losses have pushed the employment rate down to 72%, below the 75% national rate.⁴ Only 26% of North East Lincolnshire residents are employed within the 'higher' occupational grouping⁵ compared with 41% nationally.

¹ Census of Population (2001)

² Office for National Statistics (2005)

³ Census of Population (2001)

⁴ Annual Population Survey (April 2004 – March 2005)

⁵ Higher occupational groups include Managers & Senior Officials, Professionals and Associate Professionals (Source: Annual population survey April 2004 – March 2005)

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Also, 31% are employed in 'lower' occupational grouping⁶ compared with 19% nationally. This is reflected by local salaries which are only 79% of the GB average⁷; and

- Overall, 37% of adults possess no qualification, significantly higher than the 29% recorded nationally. In addition, only 10.5% of adults possess qualifications at level 4/5 compared with 20% nationally⁸. This underachievement is reflected at all levels of education including GCSE performance where the percentage of pupils achieving Level 2 (5 or more grades A*-C) was 42.6% compared with 57.1% for England.⁹ Levels of deprivation are high and in 2004 North East Lincolnshire ranked 52nd most deprived (out of 354) local authority in England¹⁰.

Tourism is a key driver of North East Lincolnshire's economy. The Local Strategic Partnership Community Strategy - 'Shaping the Future' - recognises tourism as a major economic force with the potential to create employment and enhance the leisure resources available to local people. The strategy outlines the following vision for North East Lincolnshire:

'By improving the physical appearance of the area and the quality of life for its residents, make North East Lincolnshire a place in which we are proud to live, work and welcome visitors'.

Tourism remains an important sector in North East Lincolnshire accounting for 7% of overall employment¹¹. The tourism infrastructure is well developed, centred mainly on the resort of Cleethorpes but with a number of other attractions, including performing arts venues such as Grimsby Auditorium and Claxton Theatre as well as major music and dance festivals.

Recent trends suggest renewed prosperity within the tourism sector with growing visitor numbers and spend. From 2000 to 2003, North East Lincolnshire visitor levels increased from 6.2 million to 7.2 million, and over the same period visitor expenditure increased from £208 million to £271 million¹². There have also been a number of new developments including a number of recent restaurant openings within Cleethorpes enhancing the night-time tourism offer. Historically visitors to Cleethorpes have tended to come from west and south Yorkshire.

North East Lincolnshire has well-developed transport links, which enable relatively easy access to the area. The A180 highway connects the motorway with Grimsby and Cleethorpes, and a passenger rail service provides a similar link to the national rail network. TransPennine Express has announced recently that they will be investing in both Grimsby and Cleethorpes Train Stations and introducing air-conditioned three car

⁶ Lower occupational groups include Process, Plant & Machine Operatives and Elementary Occupations (Source: Annual Population Survey April 2004 to March 2005)

⁷ New Earnings Survey (2003)

⁸ Census of Population (2001)

⁹ DfES School Performance Tables (2005)

¹⁰ Index of Multiple Deprivation (2004)

¹¹ Annual Business Inquiry (2003)

¹² STEAM (2003)

trains providing increased capacity for visitor traffic. There are a wide range of accommodation options in the area and significant recent investment, including the creation of a 4 star hotel within the Cleethorpes resort.

There is a clear strategic framework for a new small casino. As outlined above, tourism is an important economic ‘driver’ for the future of North East Lincolnshire. Yorkshire Forward (the Regional Development Agency for Yorkshire and the Humber) is pursuing a pioneering initiative called the ‘Urban Renaissance Programme’¹³ to achieve attractive, sustainable places that will enhance the economy and quality of life for visitors. North East Lincolnshire has been selected to participate in this initiative. A period of consultation with residents has culminated in the production of two strategies that will drive forward development of sector. These are as follows:

- The Grimsby Master Plan; and
- The Cleethorpes Resort Regeneration Strategy.

These strategies will be implemented as part of the Local Development Framework. They have already culminated in a number of exciting developments for tourism in the local area including:

- The Meridian Lakeside Arena which is a 10,000 capacity outdoor arena to be located within Cleethorpes;
- An extension to the Cleethorpes Light Railway; and
- Development of the Discovery Centre in Cleethorpes, and improvements to the boating lake and lakeside area.

Such developments outline the importance the Council and its partners place on tourism development to assist in the economic development and regeneration of our area. Opportunity for a casino development has already been identified within the Resort Regeneration Strategy

Regeneration is paramount for our area. The economy of North East Lincolnshire has been dominated by employment within low skilled and low-value-added sectors including Manufacturing and Food Processing industries. This has led to the creation of a ‘low skilled equilibrium’ where employer demand for skilled labour is low, meaning that individuals have been less likely to acquire skills because they are not required locally, leading to low levels of education attainment.

Whilst employment levels have traditionally been quite high, the declining manufacturing sector and recent job losses within food processing combined with a relative lack of growth in other sectors (e.g., IT, Finance and Banking & Insurance) have pushed the employment rate below national levels.

The net result is that North East Lincolnshire is now ranked 52nd most deprived local authority in England¹⁴ (out of 354). This compares with a rank of 73rd¹⁵ in 2000. North

¹³ Yorkshire Forward Regional Economic Strategy, 2003 to 2012

¹⁴ Index of Multiple Deprivation (2004)

¹⁵ Index of Multiple Deprivation (2000)

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East Lincolnshire is ranked within the 10% most deprived districts for education, skills & training and crime. Deprivation is particularly acute in parts of Grimsby and Cleethorpes where some neighbourhoods are ranked in the 1% most deprived in England.

Given the seriousness of regeneration issues facing North East Lincolnshire, almost the entire area is eligible for European Social Fund Objective 2 funding. In addition, all of North East Lincolnshire is eligible for ESF Objective 3 funding. These and other funding streams are being used to tackle the five pillars of performance within our initial draft Regeneration Strategy, which are as follows:

- Place and Promotion *building a unique brand for our place exploiting our unique proposition as a place to live, work and do business;*
- Performing Economy *creating a supportive and thriving economic environment where businesses can grow and compete;*
- Physical Environment *focusing on the development of key sites and the exploitation of physical assets as economic drivers;*
- Policy Context *implementing a policy context which enables development and investment;* and
- People and Partnership *making the most of our communities, workforce and partnerships.*

North East Lincolnshire has also been awarded £9.1 million Neighbourhood Renewal Funding for 2006 to 2008 to tackle local priorities in communities with the greatest need. Twelve neighbourhoods will be the focus of delivery, derived from analysis of the Index of Multiple Deprivation alongside public consultation. The majority of these wards are clustered within Grimsby and Cleethorpes.

The development of a casino would play a significant role in local regeneration providing much needed employment in areas of greatest need, and a flagship development to help build a unique brand for our place.

We believe that North East Lincolnshire would make an excellent testing ground of social impact relating to casino development. Our reasons for this are as follows:

- We would be able to provide a robust evaluation of the social impact of a casino development through the developed monitoring and consultation infrastructure within our Community Strategy including indicators across a range of potential social impacts including tourism, employment, training, debt and crime;
- Through a partnership approach we would develop an outreach programme to recruit casino employees from the most deprived areas surrounding Grimsby and Cleethorpes. From this we could evaluate the ability of a casino development alongside other initiatives and programmes to tackle the concentrated levels of deprivation and alleviate regeneration issues; and

- We would intend to closely monitor the impact of a casino development on gambling behaviour within the locality. Given that the nearest Casino is located 35 miles away in Hull means we could be confident of attributing any impact directly to a development in North East Lincolnshire.

1.3 Social Impact

There are a variety of potential positive and negatives aspects of a casino development within North East Lincolnshire. Potential positive social aspects include the following:

- Creation of employment with an estimated 200 additional jobs associated with the operation of a new small casino¹⁶. This would be significant in terms of offsetting recent declines within the manufacturing and food processing industries;
- Targeted employment recruitment within significantly deprived neighbourhoods surrounding Grimsby and Cleethorpes suffering from extreme levels of unemployment and inactivity;
- Increased ability to capture spend from the significant 'traffic flow' from Immingham Port and related industries which is projected to increase by 22% over the next ten years;
- Increased ability to capture in overseas visitors from the positioning of the Humber as a 'Global Gateway'¹⁷ for the North of England and planned expansion of Grimsby Institute for Further and Higher Education; and
- A 'flagship' tourism development that will - alongside other recent and proposed developments - increase visitation from the local area and reduce the outflow of residents travelling to neighbouring conurbations.

With reference to possible negative impacts, there are on-going debates concerning any links between gambling and other social issues. Whilst the weight of research would suggest increased proximity might lead to increased problem gambling, other research has shown that this may not necessarily be the case where strong gambling support services have been implemented.

The potential negative social impacts are as follows:

- Potential increase crime and gambling related problems. For example, North East Lincolnshire' residents have high rates of debt compared to national levels and this may rise; and
- Average earnings in North East Lincolnshire are significantly lower than the rest of England. This means gambling spend may form a higher percentage of family income.

¹⁶ Pion Economics

¹⁷ Northern Way

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We have considered the potential social impact of a casino development in North East Lincolnshire and believe that the potential benefits, combined with the steps we will take to tackle the potential negative impacts, would provide an overall net gain. We would resolve the potential for negative impacts through the following initiatives:

- Effective local partnerships to enhance the employability of residents in deprived wards and ensure that they form a significant proportion of casino employees;
- Consultation with residents and stakeholders (including police, voluntary groups and the church) both before and after the casino development to understand fully concerns and address any issues through our Safer Communities Strategy with immediate action;
- Steps taken to minimise potential criminal activity, including a CCTV system and the introduction of neighbourhood wardens;
- A requirement that the selected casino operator adheres to the Gambling Commission's emerging Licence Conditions and Codes of Practice; and
- A requirement that the selected casino operator behaves in a socially responsible manner, which includes making contributions to the Responsibility in Gambling Trust and achieving GamCare Certification.

We are aware of the potential impact of a casino development in terms of problem gambling, social cohesion and community sustainability. Research into problem gambling has suggested that nationally 0.9% men and 0.3% women are 'problem gamblers'¹⁸. As stated previously, the available research suggests that increased availability to gambling leads to increased problem gambling¹⁹. International evidence suggests this has tended not to be the case there have been strong support mechanisms in place to provide problem gambling services²⁰. This finding has implications for our policy to minimise the potential negative social impact of a casino development.

Whilst we do not have details regarding management arrangements or approved budgets, we do fully understand that a strong system of support would play a significant role in reducing the potential for negative social impacts of gambling. To counter any potential negative social impacts, and optimise positive social cohesion, we would carry out a full evaluation using the Regional Sustainable Development Framework²¹, which adopts the key principles of sustainable development to evaluate major policies and plans in terms of the impact on the environment, community safety and community health.

The Regional Sustainable Development Framework can be used to assess the contribution of projects to sustainable development at all stages of the decision-making process from initial strategy development through to action planning and implementation. This will ensure that we maximise the contribution that a casino

¹⁸ Gambling Prevalence Survey (2000)

¹⁹ Fisher, S (1998) Gambling and Problem Gambling among young people in England and Wales

²⁰ Volberg, R (2001) Gambling and Problem Gambling in Oregon

²¹ North East Lincolnshire Community Strategy part 3 (2003)

development to the economic, social and environmental well being of North East Lincolnshire. The Regional Sustainable Development Framework would help to:

- Assess and Compare alternative options;
- Mitigate the potential negative impacts;
- Enhance positive / beneficial impacts that contribute to sustainable development; and
- Demonstrate the overall balance achieved by an activity across 15 sustainability aims.

An important aspect within the context of a potential small casino development would be to monitor the impact to ensure that anticipated gains are realised. Where the anticipated gains are not realised, or adverse effects are experienced, further action and mitigation measures may be required

The Local Strategic Partnership Rights, Roles and Responsibilities paper states that *'we commit ourselves to work to ensure the decisions to ensure the decisions we make lead towards a more sustainable future. We will strive to adopt the principles of strategic decision-making'*.

The Local Strategic Partnership Community Strategy has pledged to *'adopt the key principles of sustainable development'* and monitor all major policies and plans against the Regional Sustainable Development Framework. The social impact of a casino development would be managed to ensure that an integrated approach that maximises the contribution to the economic, social and environmental well being is achieved.

Improving the levels of employment for North East Lincolnshire residents is an aim that runs through all of our strategic and delivery plans. A number of key developments will lead to job creation including the following:

- The identification of the Humber as a key City Region²² in Northern Way strategy, allowing us to build on our key physical and economic feature, namely the Humber Estuary. Over the last ten years, ABP Hull and Immingham has invested over £300 million on new ports and trade development with more investment and job creation planned;
- North East Lincolnshire inclusion in Yorkshire Forward's Urban Renaissance Programme with key proposed developments in Grimsby, Cleethorpes and the Fish Docks; and
- The transformation of Cleethorpes through significant regeneration developments including the Meridian Lakeside Arena will create 187 jobs.

Improving the skills of residents is a further essential aspect of our policy and there has been significant local activity including the following:

²² The Northern Way Business Plan 2005-2008

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- Significant growth in the education offer at Grimsby Institute for Further and Higher Education to include a range of vocational courses in Further and Higher education that support local businesses including tourism;
- The CATCH Project, which is an innovative workforce development facility to meet the recruitment needs of the chemical and allied industries in North East Lincolnshire and make a real contribution to increased competitiveness; and
- A number of training programmes to provide people disadvantaged in the labour market with the required skills to enter employment. One example is Lone Parent Pathways, a European Social Fund funded project offering lone parents a 26 weeks training programme, assistance with childcare, work placement, help in gaining employment and 13 weeks aftercare support

The Local Strategic Partnership is the ‘partnership of partnerships and organisations’ in North East Lincolnshire. It brings together chairs of partnerships and the senior decision-makers of organisations working in the key areas of employment, crime, education, health, housing and general well being. Overall, there are 33 members spread across each sector as follows: community (4), private (6), voluntary (5) and public (18). It is through this partnership that we would engage policy makers to manage the social impact of a casino development. This will ensure that all potential avenues of social impact are explored and we achieve the maximum potential benefits of a casino development.

1.4 **Need for Regeneration**

Economic activity within North East Lincolnshire currently stands at 77.8%, marginally lower than the 78.3% recorded for Great Britain. The breakdown of economic activity by gender reveals that economic activity for males (84.6%) is marginally higher than the GB average (72.9%)²³. Unemployment²⁴ is higher in North East Lincolnshire, standing at 4.4% compared with 2.7% for GB in (Feb. 2006). Unemployment for males is 6.5% compared to 3.8% GB. For females, the current rate is 2.2% compared with 1.4% for GB.

The analysis of economic inactivity in the area reveals that a higher percentage of males and females are ‘wanting a job’ compared with figures for GB suggesting that there is significant capacity within the local labour market to support a casino development.

Whilst North East Lincolnshire has levels of economic activity only marginally lower than GB, much of the local employment is in low skilled low value added sectors including manufacturing and processing. This is reflected by the significantly lower average wages in North East Lincolnshire, which are 79% of the GB average wage²⁵.

²³ Annual Population Survey (April 2004 – March 2005)

²⁴ NOMIS

²⁵ New Earnings Survey (2003)

Further analysis reveals that within North East Lincolnshire certain neighbourhoods are in need of significant regeneration and we would insist that the casino operator targets staff recruitment at significantly deprived communities. Some communities in Cleethorpes and Grimsby scored in the most deprived 10% (in England) on indicators of deprivation such as income, employment, health, education, housing, environment and crime²⁶.

Our strategy for regeneration is ambitious. The timing of a casino development would fit well with our significant regeneration developments and further proposed initiatives including the following:

- The £4.9 million Meridian Lakeside Development and other regeneration initiatives within Cleethorpes;
- £9.1 million Neighbourhood Renewal Fund; and
- £12 million over four years funding from the Urban Renaissance Programme to transform Grimsby Town and Cleethorpes.

It is commonly accepted that casinos will generate major additional economic benefits. Independent research carried out by Pion

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Economics²⁷ suggests that a typical small casino would generate the following benefits:

- Have construction costs of approximately £5 million;
- Generate 223 jobs;
- Contribute £7 million Gross Value Added²⁸; and
- Have a multiplier effect of 1.24.

The proposed casino development would form part of a coordinated strategic programme of sustainable regeneration for those areas in most need, through the connection of area-based initiatives with mainstream programmes and people to economic opportunities. For these reasons a number of potential sites around Cleethorpes have been identified to ensure maximum impact on those wards in most significant need

²⁶ Index of Multiple Deprivation (2004)

²⁷ Casinos in England's North West An Assessment of Demand (Pion Economics, 2005)

²⁸ Includes consideration of direct flows (including employee wages and salaries), non-repatriated profits and GVA generated through indirect and induced expenditure flows.

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of regeneration in Cleethorpes and nearby Grimsby. Our delivery focus for employment and training would be upon those neighbourhoods that will receive Neighbourhood Renewal Funding, identified through analysis of deprivation data and public consultation, including the following:

- West Marsh and West Marsh Macauley;
- East Marsh Grant Thorold; and
- Cleethorpes North and Cleethorpes Sea Front.

As detailed throughout this submission our plans for a casino development will form part of a wider programme of regeneration in an area with a significant tourism infrastructure. A casino would represent one of the ‘flagship’ developments of North East Lincolnshire regeneration strategy. Our reasons for believing that the additional economic activity would outweigh potential leakage of money from the local economy are as follows:

- The significant untapped ‘spend’ potential arising from the recent and continued expansion of Immingham Port;
- The ability to attract residents from neighbouring conurbations and a reduction in the outflow of North East Lincolnshire residents to neighbouring conurbations for leisure pursuits;
- The ability to link targeted employment and training programmes with mainstream regeneration programmes in areas of most need; and
- Economic activity created through purchase of goods and material through construction of development and sourcing of supplies (we would intend to develop local targets with any prospective developer).

Our regeneration outcomes and outputs are detailed within this submission. We do believe that the current high profile of casinos within the media would provide us with a platform to present a clear and credible marketing message for the growing tourism offer within our area.

1.5 Willingness to Licence

Strong support exists within North East Lincolnshire Council. The North East Lincolnshire Council Cabinet have given us approval to progress with a casino development and such a development would support many of the objectives within the North East Lincolnshire Council Corporate Plan (2006-9) including the following:

- Neighbourhood Renewal Development;
- Improving image, opportunities and activities in the area for tourism, business, visitors and residents; and

- Increase town centre activities through support of the Urban Renaissance Programme.

North East Lincolnshire Council is acutely aware of the need to establish the extent of support among the local population. Based on anecdotal evidence, we believe that local support for a casino development will be strong. Support for the Resort Regeneration Strategy clearly indicates a desire to increase the number of visitors to the resort, to extend the tourist season and to widen the variety and number of attractions. If we were to get provisional acceptance for a small casino, detailed consultation would form a significant part of the Regional Sustainable Development Framework and analysis of social impact.

A consultation carried out with residents to inform the Cleethorpes' Resort Regeneration Strategy in 2003 did reveal a desire to develop 'wet weather' attractions to increase the ability of the town to attract new, higher spend visitors year round. A casino development would meet this requirement.

The North East Lincolnshire Local Strategic Partnership is engaged in discussions with the Council Chair with a future planned meeting to consider a resolution of support following the deadline for this submission. From our ongoing discourse with Local Strategic Partnership members we believe that a casino development will be fully supported by Local Strategic Partnership members. The attraction of a casino sits well with its vision to enhance economic vitality and tackle deprivation.

Tourism is a significant sector of employment for North East Lincolnshire and represents a cornerstone of our regeneration plans for the area. Our commitment to tourism is highlighted through both the production of The Grimsby Masterplan and The Cleethorpes Resort Regeneration Strategy and significant investment in projects that aim to support this sector. Since 2000 private sector investment in Cleethorpes Resort alone has been in excess of £30m.

In our Corporate Plan 2006-9, one of our key priorities for regeneration is the development of a Tourism Strategy. A casino development would form an integral part of this strategy as well as supporting our wider regeneration objectives.

We are not aware of any local objections or concerns in relation to our desire for a small casino.

1.6 **Probability of Implementation**

There is a large resident and tourist market for the casino to draw visitors from. We estimate that the total market demand from adult tourists and residents (within the industry preferred catchment area) per annum will be 210,000 visits, equating to a spend of £10.5 million. Our estimate is based upon assumptions regarding casino attendance, frequency of visitation and average spend. We consider this a conservative estimate of market demand for the casino since it does not include the potential market from the Immingham Port expansion. We believe this level of demand is more than sufficient to sustain a small casino. Our conservative estimate of an average number of

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visits per day is 600 ('bunched' at weekends and during tourist season) far exceeding the preferred average 500 visits per day for such a development²⁹.

The casino would be part of a wider regeneration programme of development for North East Lincolnshire. We believe a casino catchment area and customer base will be made up from:

- Residents within a 45-minute catchment area (estimated 470,000 adults);
- A significant existing tourist market with 2.6 million visits in 2003;
- Projected tourist expansion, with the Meridian Arena alone expected to generate an additional 400,000 visitors per annum; and
- Significant expansion of Immingham Port and potential passing trade.

Local developers have proposed two sites within the resort, one close to the railway station (with planning permission) and a second at Meridian Point. To identify the most appropriate and sustainable location the Council would undertake the following:

- Adopt the principles for sustainable development set out in the Regional Sustainable Development Framework;
- Meets the requirement set out in our Local Development Framework Core Strategy that town centres (Grimsby and Cleethorpes) are the main focus for development likely to attract large numbers of people;
- Meet the requirements for sustainable development set out in the Local Development Framework Core Strategy which states that the Council will work with partners to:
 - Provide high quality sustainable development through good and inclusive design that promotes and contributes to a sense of place
 - Protect, and enhance wherever possible, the natural and historic environment
 - Make the best use of previously developed land and buildings, including opportunities for mixed use development
 - Consider the impact of development on the social fabric of communities
 - Deliver safe, healthy and attractive place to live, work and visit
 - Do not place a damaging burden on existing services and infrastructure
 - Promote improved and sustainable modes of transport
 - Promote the best use of resources and reduce reliance upon energy sources that are not renewable

²⁹ Casinos in England's North West An Assessment of Demand (Pion Economics, 2005)

- Promote sustainable waste management, and promotes efficient use of resources
- Addresses flood risk

Cleethorpes has an excellent transport infrastructure, including connections to the motorway via the A180 and Cleethorpes and a passenger rail service which provides easy and regular links with the national rail network. Our sustainable development policy (highlighted under 5.1.3) places great emphasis upon developments to promote improved and sustainable modes and transport that do not place a damaging burden on existing infrastructure.

Significant investment to promote multi transport mode access 2006 to 2011 includes the follows:

- Investment from Transpennine Express in Grimsby and Cleethorpes train stations and introduction of new three car trains increasing capacity for visitor traffic;
- £2.5 million investment to provide new low floor easy access buses and increase frequency of bus service to Cleethorpes from 2006;
- New walkways and cycleways around Cleethorpes lakeside area; and
- Concessionary Fare scheme to allow free bus travel for over 60's to encourage more use of bus services to visit the Cleethorpes resort.

In addition, further proposed plans include a significant regeneration project to transform Cleethorpes train station into an integrated transport exchange (including retail and leisure units) and Park and ride facilities to the south and west of Cleethorpes.

There are currently no casinos in North East Lincolnshire. The nearest casino is situated 35 miles away in Hull. Other provision for gambling within North East Lincolnshire includes bingo halls (19), Betting shops (34) Adult Gaming Centres (15) Family Entertainment Centres (8).

Recent research suggests that there is potential for a casino development to have an adverse impact upon other forms of gambling and leisure pursuits within North East Lincolnshire. For example, it has been suggested there is a potential for an 'Atlantic City' effect where existing retail and leisure businesses will be adversely affected by the presence of gambling³⁰. In addition, further research has estimated that 70% of casino visitors are new to casino gambling. Of the latter 25% are assumed to switch funds from other forms of gambling and 75% from other areas of leisure activity.³¹

We believe a number of factors mitigate the potential negative impact upon leisure pursuits within North East Lincolnshire. These are as follows:

³⁰ The Social and Economic Impacts of Regional Casinos in the UK (Hall and Aitken, 2006)

³¹ Casinos in England's North West An Assessment of Market Demand (Pion Economics, 2005)

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- A casino would provide a suitable ‘wet weather’ attraction within the local area and, alongside other recent and planned developments including new high quality restaurant openings, a new health spa and the Meridian Arena, will help us to create a potential critical mass effect and appeal to a different, high spending tourist base; and
- We are applying to licence for a small casino, which are envisaged to have limited ancillary services and no hotel facilities. This means the potential impact on local leisure could potentially increase through increased tourist visitation.

The development of a casino would form part of our wider programme of regeneration and development across the Grimsby and Cleethorpes area. Our strategy is ambitious. We believe a casino combined with the emerging bars and restaurants as well as proposed Meridian Lakeside Arena, Discovery Centre extension and Extension to Cleethorpes Coastal Light Railway would provide sufficient critical mass to ensure both significant growth in the number of visitors to Cleethorpes and a greater proportion of North East Lincolnshire residents spending leisure time within the local area

It is estimated that construction costs for a small casino development would be in the region of £5 million.³² North East Lincolnshire Council would not expect to contribute capital funding for a casino development. North East Lincolnshire Council investment would be focused upon infrastructure developments and ensuring that local residents have the right mix of skills to engage with increased opportunity for employment.

We have currently received expressions of interest from four interested parties. One of the expressions of interest has reserved a potential site and agreed, subject to required approvals, the finance construction and development of the site.

Divergent views have emerged from recent research that has attempted to quantify how changes to the gambling industry will impact upon gambling behaviour and spend as well as the sustainability of local communities³³.

Our review of relevant literature has led us to believe that the proximity of a casino development would result in a potential increased propensity for both residents and tourists to gamble. In addition we believe the introduction of a casino and lack of an appropriate support structure could increase the potential risk of problem gambling.

We have highlighted throughout this submission the need to promote responsible gambling and would take significant steps to mitigate any potential negative impacts.

1.7 Regional and Local Context

The Yorkshire and Humber Regional Spatial Strategy³⁴ vision for the Humber sub region is of a ‘Global Gateway’ with a thriving outward looking, sustainable economy. It is seen as building on its unique assets of location, the estuary, ports connectivity and

³² Pion Economics, (2005); Hall and Aitken (2006)

³⁴ A new RSS is currently being prepared by the Yorkshire and Humber Assembly and the LDF will need to recognise any changes brought forward through its development

physical environment; perpetually changing for the benefit of people businesses and the environment, whilst making significant contributions to the sustainability of regional, national and European communities.

The Regional Spatial Strategy (Policy E2) states that sub-regional centres will be the preferred location for any large or small casinos. The Humber Estuary Sub Area (Policy HE1) in the Regional Spatial Strategy identifies key issues with respect to North East Lincolnshire. Our submission for a small casino development is directly supported by many of the core aims for Policy HE1 including the following:

- Roles and Functions of Places
 - Strengthening the role of Grimsby as a sub regional centre
- Economic Development
 - Diversifying and developing the economy
 - Growing and diversifying the local economy in the main urban areas
 - Enhance the tourism offer and attraction of Cleethorpes
- Strategic Patterns of Employment
 - Focus most development on main urban areas Grimsby/Cleethorpes
- Regionally Significant Investment Priorities
 - Secure rapid urban renaissance progress in Grimsby
- Joined Up Working
 - Promote collaborative working on Local Development Frameworks between all agencies

The Regional Spatial Strategy provides the regional and spatial framework within which the Local Development Framework must be prepared. A casino development would satisfy many of the spatial objectives set out in the Local Development Framework Core Strategy including the following:

- To secure sustainable patterns of development that pursue urban and rural renaissance;
- To deliver high quality developments based upon the principles of good, sustainable and inclusive design;
- To develop and grow the local economy;
- To develop, improve and enhance vital and viable town centres; and
- To increase the appeal of the area as a visitor destination.

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Our plans for a casino development within North East Lincolnshire strongly align with the Yorkshire and Humber Regional Economic Strategy. A casino development supports the RES six key objectives, which are to:

- Grow the region's businesses, focusing on key clusters, to create a radical improvement in the competitiveness, productivity and value they add to the region's wealth;
- Achieve higher business birth and survival rates to create a radical improvement in the number of new, competitive businesses that last;
- Attract and retain more private and public investment by creating the right product for investors, and more effective marketing of the region;
- Radically improve the development and application of education, learning and skills, particularly high-quality vocational skills;
- Connect all of the region's communities to economic opportunity through targeted regeneration activity; and
- Enhance and utilise the region's infrastructure of physical and environmental assets.

In addition, our plans for a coordinated approach to tackle the most deprived neighbourhoods surrounding Grimsby and Cleethorpes would make a direct contribution to the Regional Economic Strategy target to halve the number of wards in the most deprived 10%³⁵.

Our planned casino development also has clear links with the Regional Assembly policy set out in the Regional Spatial Strategy. Cleethorpes and Grimsby are part of the urban area within North East Lincolnshire and the Regional Spatial Strategy (Policy E2) states that sub-regional centres will be the preferred location for any large or small casinos. In addition Policy HE1 seeks to explicitly enhance the tourism offer in Cleethorpes.

1.8 Community Benefits

A number of benefits to the community infrastructure would be accrued from the licensing and town planning arrangements. These include the following:

- Our Local Development Framework Core Strategy clearly states that developments will be supported which ensure a satisfactory provision of community facilities for residents and in appropriate circumstances visitors to the borough. The 'commuted sum' paid by the developer, under planning obligations, will contribute towards the cost of providing necessary related community facilities;
- The potential employment and training opportunities that emanate from a casino development could support the community infrastructure through increased prosperity, skills and retention of the population; and

³⁵ Monitored through the Index of Multiple Deprivation

- The process of consultation would further develop our understanding of resident needs and clearly support the Regional Assembly objective of achieving ‘the highest level of civic participation in decision making and community life’.

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1.9 Unique Characteristics

We consider there to be a host of unique characteristics of our submission. These are as follows:

- ✓ **Our total commitment** - As you can see from our proposal we are committed to the on-going physical, economic and social regeneration of North East Lincolnshire. We have a clear understanding of the development that is required within our area and have demonstrated our commitment to deliver by securing large-scale projects that will make a significant difference to the people in our communities.
- ✓ **Levels of deprivation** - North East Lincolnshire is a significantly deprived area with some neighbourhoods ranking among the 1% most deprived in England. The area will benefit significantly from a new casino development. Our policy of ensuring casino employees are recruited from significantly deprived wards will test its potential social impact.
- ✓ **Commercially sustainability** - Our submission clearly highlights the potential market and commercial viability of a casino development in North East Lincolnshire. We have a large potential market and have already had significant operator interest.
- ✓ **Experience of managing demand** - The location of the new casino would be in area where we have significant experience of managing demand, including gaming activities such as bingo.
- ✓ **Seaside resort** – successful track record of managing increased numbers of visitors and developing an attractive, viable resort.
- ✓ **Recognised evening economy** visitor destination due to its vibrant and extensive nightlife.
- ✓ **Historic connection** as a day trip destination for visitors from south and west Yorkshire.
- ✓ **Skills base** – education infrastructure to support the tourist industry and an established tourist employment sector.