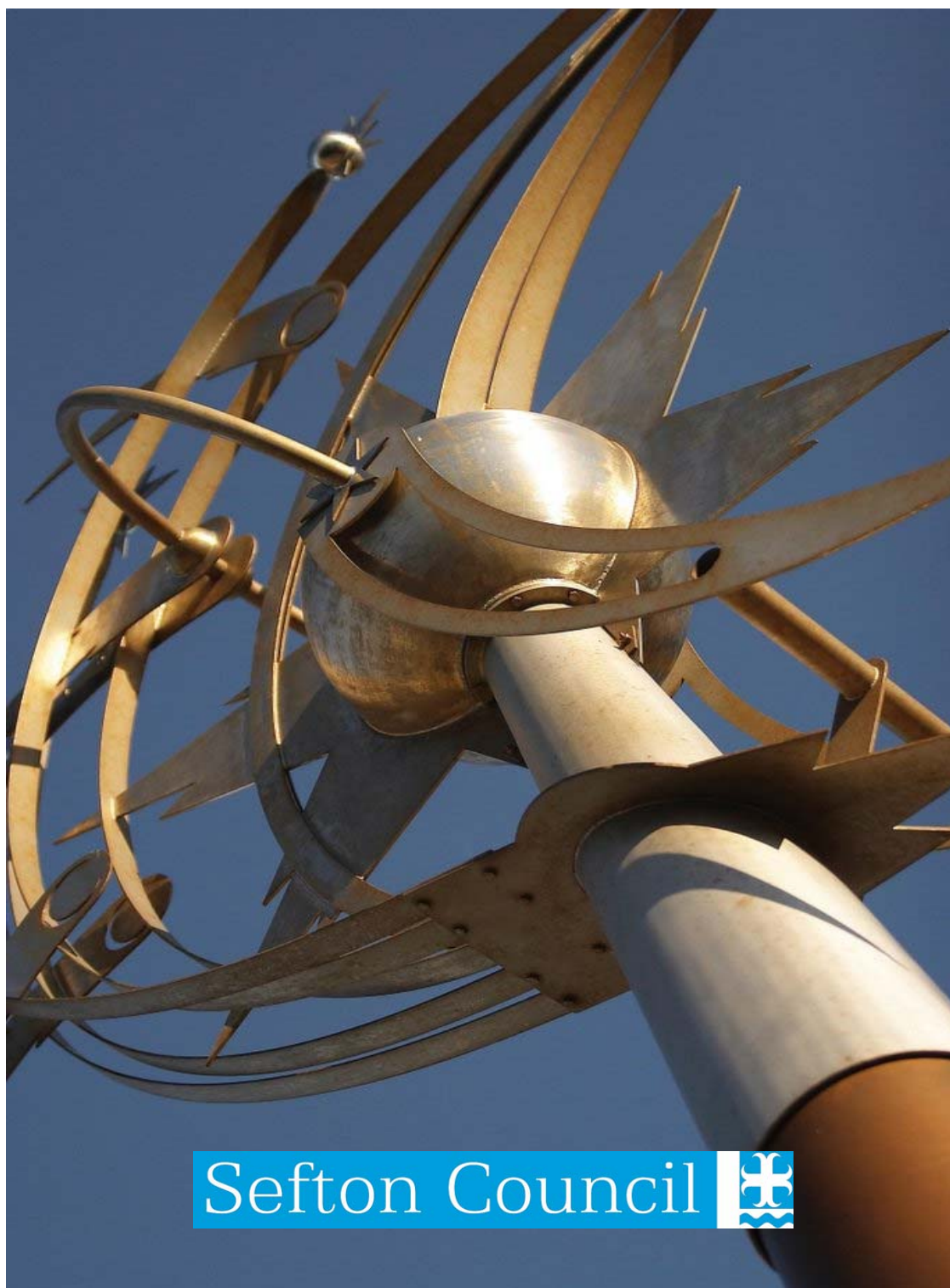


Southport – Submission to the Casino Advisory Panel

Small Category Casino Bid

March 2006



Name of local authority:-

Sefton Metropolitan Borough Council

Contact name, address, telephone numbers, email and fax

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Statement of the basis of the application

This application is for the approval for Sefton MBC to be awarded a license for one Small category casino under the provisions of the Gambling Act 2005 to be located in the seafront area of the coastal resort of Southport.

The Locale

Sefton Metropolitan Borough Council has a population of circa 300,000 and is spread along a coastline which goes from Bootle in the South to Southport in the North of the Borough. Whilst Bootle includes the port of Liverpool and has significant manufacturing and port related activity, Southport is a traditional seaside resort town which sits at the northernmost tip of Merseyside.

Local Deprivation

This submission is for a licence to provide a Small category casino in Southport in the seafront area which is covered by two of the most deprived Wards in the Borough, Dukes and Cambridge.

In socio-economic terms, the findings of the 2004 English Indices of Deprivation found that

Sefton is ranked 42 of 354 in Local Concentration of deprivation; falling within the 15% most deprived districts in England.

Sefton is ranked 78 of 354 in Extent of deprivation; falling within the 25% most deprived districts in England.

Analysed further it is recognised that in Southport seafront areas:

“The district level data indicate that Sefton has areas with very high levels of deprivation that are masked when looking at deprivation levels for the whole geographical area”

and

“in some small areas of Southport, over 40% are Income Deprived”

Profiling by the Neighbourhood Regeneration Fund has found that for the two seafront Wards “In Cambridge one in four people who are unemployed is under the age of 25yrs and in Dukes ward one in four have been unemployed for more than a year.”

Tourism

In 2004 Sefton attracted circa 13 million visitors, with the majority of visitors going to Southport, making it the second most popular coastal resort in the Northwest after Blackpool. Whilst Southport continues to benefit from high visitor numbers the resort, like most coastal resorts in the UK, is suffering from changing trends within the UK tourist market. The Seafront has attracted substantial investment in recent years, and is continuing to do so, yet significant parts of the infrastructure and facilities of the resort remain outdated and in need of re-investment. In order to ensure that the impact of recent and current investment in the resort are optimised, further strategic investment is needed: to underpin the resort business; consolidate the market position of the Seafront; and ensure an integrated approach to promoting, sustaining and enhancing Southport Seafront as a competitive tourist destination

Tourism Trends

The tourism data for Southport shows some key headline figures:-

Tourist Visits - Flat, with no growth over last 2 years

Tourist spend- 3% year on year growth

Tourism jobs- 1% growth to 3,930 jobs supported

This suggests that Southport’s tourism offer whilst not in decline is at risk of standing still.

Southport – A Classic Resort Vision

This strategy has been developed as a result of the *A New Vision for North West Coastal Resorts* work commissioned by the NWDA. Locum Destination Consulting was subsequently commissioned by Sefton Council to develop a vision for the development of Southport into a Classic Resort. The philosophy behind the strategy is to re-build investor confidence in Southport, initially through the Action Plan detailed below and through focusing in the long term on sustained growth in the tourism sector through improvements to the resort's offer. The Classic Resort vision is that Southport should become:

“Attractive for its sense of quiet sophistication and its preservation, in a modern way, of the spirit of the traditional seaside resort”

And that it should present an exemplary respect for architectural and environmental heritage a pristine built and natural environment including quality accommodation, food and beverage and a vibrant and varied cultural programme. This work was published in early 2004 and has been adopted by Sefton Council and the North West Development Agency as the strategic direction in which Southport will be developed. Ongoing investments and the new hotels and casino offer will all have a vital effect in underpinning the step-change for Southport towards its Classic Resort ambitions.

Tourism driven regeneration, The Southport Action Plan

In 2002 a 5 year Southport Seafront Action Plan was agreed with the Government Office for the North West (GONW). It is designed to take the lead in investment in key public realm areas and to encourage private sector investment. The Action Plan has several key projects:-

The Aquadome – An £8.5 million investment led by Sefton MBC to increase the all-year-round leisure and tourism offer. This will generate in excess of 250,000 new visitors each year. Construction has commenced and the facility will be open for Easter 2007

Marine Way Bridge – A £6.8 million replacement for the derelict Victorian bridge which linked the town centre to the seafront. This has now been completed.

Townscape Heritage Initiative – This £4 million project combines public realm improvements connecting the Town Centre to the Promenade with a grants scheme to encourage the private sector to invest in improving their properties in this run-down area of Southport. The £1.5 million public realm works element of this project has commenced and is due for completion by Easter 2006

Floral Hall hotel, casino, exhibition and conference centre. This £25 million private sector investment, referred to in detail elsewhere in this submission, is on line for completion by early 2008. Sefton MBC are working closely with their selected partner, Neptune Developments and Stanley Casino's Ltd, Live Nation Ltd. and others to complete this key development

Lord Street Area Improvements. This £3.3 million improvement programme for the “jewel in Southport's crown” will commence in 2007 with a completion date in early 2008

Chapel Street pedestrianisation – A £3.5 million transformation of Chapel Street – the main arrivals point for visitors and the location of most of the well known national retail outlets

Southport and RDA support

The development of the “Classic Resort “ strategy for Southport has been drawn up in partnership with the North West Development Agency. It originally stems from the NWDA's strategy for North West Coastal Resorts which led to them identifying Southport as the “jewel in the crown” of the North West resorts. In response to the NWDA's strategy further work was commissioned which led to the adoption by Sefton MBC and the NWDA of Southport's Classic Resort strategy. This strategy makes specific reference to the need for a high quality Casino offer:-

Quality Casino & Convention Centre

Extract from the agreed Strategy between NWDA and Sefton MBC

“A high quality casino development could provide for the major cornerstone development that would ignite Southport's aspirations to be a Classic Resort. It could also attract major investment into town.

Southport's product could be entirely in tune with a destination casino, spa and convention resort. It would be smaller and of a different type to that proposed for Blackpool. Southport would be aiming to develop into the model of Deauville rather than Las Vegas and it would be competing against Harrogate. Ideally, the

casino would be in a prominent central position on the Promenade and of the highest possible design quality.

Potentially the development of a casino could be incorporated into the redevelopment to the Floral Hall and surrounding site. The exterior of Floral Hall itself is not in keeping with its surroundings and is in need of significant overhaul. There is also demand for more exhibition space to compliment the existing conference facilities at the Floral Hall. The Southport Seafront Masterplan proposes that a new hotel and dedicated exhibition facilities be developed on the Floral Hall Gardens site immediately adjacent to the pier. A casino development could be considered as part of this development.

Overall, complete redevelopment on the Floral Hall site could give Southport the sizeable destination facility that it needs, one that could be built to an exceptionally high quality.”

This application is therefore entirely in line with the above quoted strategic direction as evidenced by the above mentioned Floral Hall hotel, casino, exhibition and conference centre.

Current Investment levels and expected outcomes

The current private and public sector investments into hotels and infrastructure projects will achieve spends of

2006	£22 million
2007	£38 million

The anticipated outcomes for these projects have been calculated at:-

- Additional Visitor Numbers – 487,500 per annum
- Additional Bed Nights – 112,600 per annum
- Annual Increase in Visitor Spend (gross) - £17.8m
- Net Jobs Created – 800
- NVA - £20.5m

Social Impact

The area in which the new casino, hotel and exhibition and conference facilities are to be built is largely a Neighbourhood Renewal Fund (NRF) area – which in itself demonstrates the level of deprivation.

In addition to the NRF's involvement Southport has a strong network of community and voluntary organisations. The key partners who are engaged with the regeneration of Southport are:-

- The Southport Partnership
- Southport & Formby Community and Voluntary Sector Forum
- Primary Care Trust
- Council for Voluntary Service
- Citizens Advice Bureau
- Southport College
- Southport faith network

The central area of Southport combines both its economic key drivers (tourism, leisure and retail) with its highest levels of deprivation. The area has been the recipient of regeneration monies for the last 8 years, initially SRB monies and then a cocktail of funding from the Council, the NWDA and GONW.

The NRF's Policy and Investment framework is targeted at improving public services, aligned to achievement of National Floor Targets for:

- Health: improving mortality rates and reducing health inequalities.
- Education: improving attainment at Key Stage 2 and GCSE
- Housing/Environment: linked to Housing Market Renewal and Recycling targets.
- Employment: reducing the gap between areas of high unemployment.
- Crime: reduction of domestic burglary

In addition resources are available from Excellence in Cities which is funded by DFES to raise standards in secondary education in areas of socio economic disadvantage by:

- Raise attainment at Key Stages 3&4
- Improving attendance
- Reducing fixed term and permanent exclusions
- Increasing the number of students participating in further and higher education.

Southport also benefits from the support of the Children's Fund who's programme aims to address gaps in preventative services for children and young people

aged 4-13 yrs who are at risk of social exclusion. Objectives include:

- Improving educational attainment.
- Promoting attendance at school.
- Reducing child health inequalities.
- Ensuring that fewer young people commit crime and that fewer are victims of crime.

Impact of the casino on social cohesion.

Discussions have taken place with the Council for Voluntary Service, the Citizens Advice Bureau and other community stakeholders. It is intended that we will work closely with the partners listed above to monitor the impact on social cohesion of the awarding of a Small category casino license and any negative outcomes will be identified early in the process. We will work closely with the Citizen's Advice Bureau to monitor the levels of finance problems which may be attributable to access to the new casino. Equally, informal feedback will be obtained by the faith network and Sefton MBC. The impact of gambling problems on families will be monitored via our relationship with Sefton's Women's and Children's Aid which supports victims of domestic violence.

Initial feedback from all concerned groups suggest that no significant increases in problems are expected. This is likely to be due to the number of outlets for gaming machines already available in Southport and the fact that the town has had at least one casino for many years.

Willingness to licence

Sefton MBC at its Council meeting on 19th January 2006 resolved "to indicate its wish to support an application for an additional casino license in the Small category subject to an appropriate developer proposal."

Subsequently discussions have been entered into with Stanley Casinos Ltd. who have formally indicated their willingness to apply for the Small casino license should the opportunity arise.

Local Consultations

The proposal to pursue a Small category license has been resolved at full Council and has received extensive media coverage. The Southport Partnership which represents private and community sectors along with education, health and Councillors has been introduced

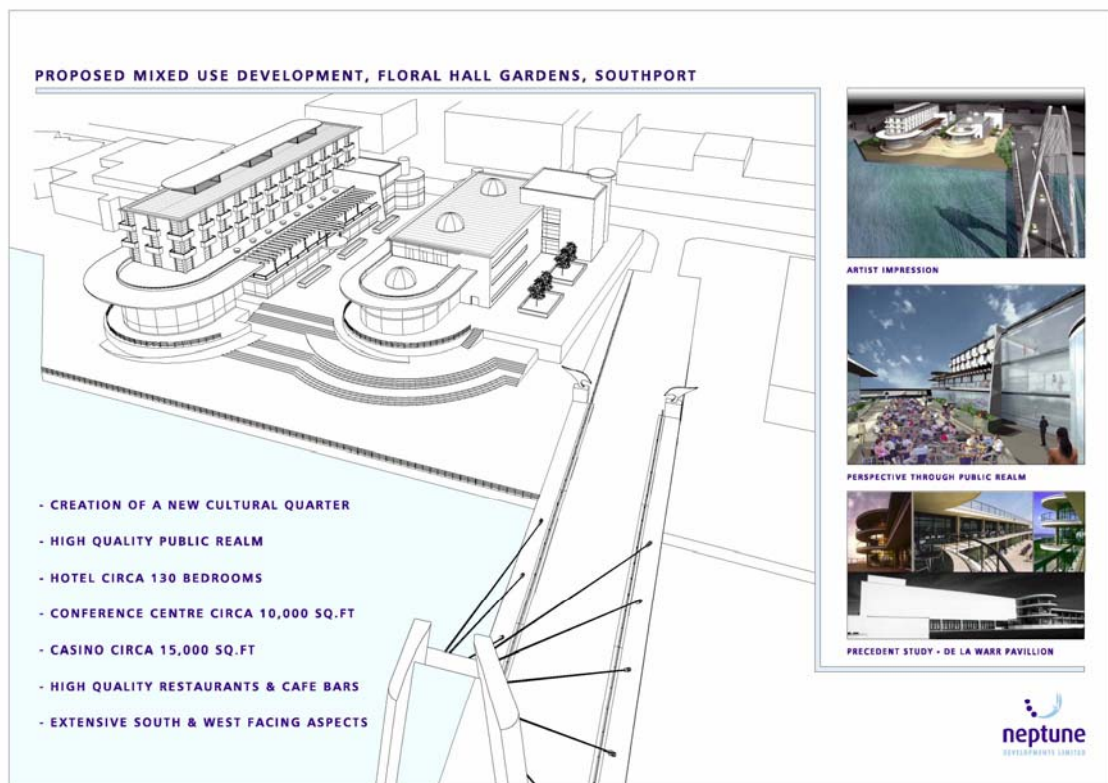
to the proposal to apply for a Small category casino license and has in principle resolved to commit resources to supporting the scheme

Probability of implementation

One of our key projects is the enhancement of our conference offer. We have the largest (until the Kings Dock Arena and Conference Centre in Liverpool opens) conference venue in Merseyside – the Floral Hall. It is vital that our offer remains competitive through the provision of improved facilities. A Small Category Casino will enable that improvement. Unfortunately the insufficient hotel offer and the lack of exhibition space has placed a “glass ceiling” on the size and quality of the conferences we can host.

This is about to change with a £25 million investment in the new hotel, exhibition and cultural quarter that is being constructed on our seafront adjacent to and integrated with conference venue - the Floral hall.

To make this offer of the best quality it is intended that a Small category casino be included in the project – operated by Stanley Casinos Ltd. – the town’s current casino operator which will re-locate to the new complex under an exclusivity agreement with the developers.



As a seaside resort gaming has always been part of the leisure offer. The effect of providing a Small category casino license will be to enhance and increase the scale of the existing offer whilst moving the gaming offer more upmarket in line with the resort's "Classic Resort" strategy

The current proposal for the Floral Hall site is well advanced with investments in and around the project forecast to be:-

Neptune (private sector developer)	£23 million
One Nation (conference management)	£ 3 million
Sefton MBC	£ 3 million
North West Development Agency	£ 1 million
Southport Partnership (ERDF)	£ 1 million

Fit out costs are budgeted to add an additional £15 million to the total investment package. The detailed planning permission is being applied for in April 2006 with an expected completion date of First Quarter 2008

Because it is our intention to re-locate the existing Casino to the new development we have engaged in initial discussion with Stanley Casinos Ltd. Their Director of Development S.J Myers has written to Sefton MBC confirming "that Stanley Casinos are interested in any bidding process with regards to a small category casino license within the town" They continue "..we already operate a casino in the town but are in the process of arranging relocation to a new development opportunity. Our current premises are not suitable for long term redevelopment and are difficult to make comply with new legislative requirements such as DDA etc."

Based on the level of interest and commitment from Stanley Casino it is clear that sufficient demand exists from Southport's residents and visitors to sustain a Small category casino.

Catchment area and customer base.

Southport has a catchment area which includes Merseyside, Lancashire, Greater Manchester and beyond.

Expressed in Drive time volumes the catchment for the new casino is:-

Catchment Area Volumes			
Drive time	Households	Adults	Population
90 Mins	3.5 Million	6.7 Million	8.1 Million
60 Mins	2.0 Million	3.8 Million	4.6 Million

Over the next 3 years new Park and Ride facilities will be completed and come into operation. Major road works at the M58 and M57 interchange will enable easier access to the resort

Regional and Local Context

The Regional Economic Strategy for the North West

Sets out a vision for the region which identifies the skills creativity of the people as being central to the future development of the region. The new draft Regional Economic Strategy 2006 builds on the achievements of the previous regional strategy and, by linking with Regional Planning Guidance, provides the economic, spatial and environmental framework for the region.

It makes specific reference (section 106 Culture and Image) to “capitalising on the strengths and key assets of Southport as a Classic Resort” because “Southport has significant latent potential and is a key image asset for the Liverpool City Region.”

The North West Regional Assembly

As Regional Planning Body for the North West, supports the development of regional casinos in the following locations – Blackpool, Manchester and Liverpool, with the preferred location for a single regional casino pilot being Blackpool.

Outside of the locations the Regional Assembly would expect casino development to be located within the key towns and cities identified in the Regional Spatial Strategy (RPG13), and to be within town centre locations in accordance with PPS6 and in accessible locations in accordance with PPG13.

We can confirm that Southport falls within these criteria.

The Merseyside Objective 1 Programme (2000-2008)

The Single Programming Document describes the context and strategy for Merseyside's second Objective 1 Programme, against which a Vision for the programme has been adopted:

“A World Class city-region that attracts people to live, work, invest and visit.”

The Programme recognises that tourism, along with creative industries and financial services are seen as the fastest growing sectors in the Merseyside economy, yet the tourism sector has yet to realise its potential. Therefore specific measures have been identified to: support attracting investment into tourism infrastructure; providing business and functional management support to enhance competitiveness to meet the specific needs of tourism businesses; ensuring that there are the training and support networks to link employment opportunities to local people; and to significantly enhance the image of the area to leisure and tourism visitors

The Tourism Vision for England's North West

Envisages a tourism industry which, in ten years time will be second to none, having created the best tourism offer in Britain, which will allow the region to make a significant impact by:

- Persuading more British people to spend more of their leisure time in England's North West
- Persuading more people from overseas to visit the region
- Making the region an increasingly important business tourism destination in Europe

A New Vision for North West Coastal Resorts

Aims to assist the North West Development Agency (NWDA) in taking a more proactive role in shaping policy and acts as a framework for the application of funding from NWDA, European and other sources such as the National Lottery. The strategy acknowledges that coastal resorts in Britain are competing in a market in decline for the past 30 years which has led to problems of social and economic deprivation and that there is a need for a strategy to reverse this decline. Within the

strategy, Southport is described as “a superbly attractive town” and has potential to be “an English Deauville, a Chester by the Sea”. The provision of a Small category casino will complement Southport’s other tourism offers and materially add to the resort’s ability to fulfil its potential.

The Mersey Partnership – an Action Plan for the City Region 2002-2005

Is intended to build on the strengths of all six local authority areas in Merseyside (Liverpool, Wirral, Sefton, Knowsley, St.Helens and Halton). Included in the aims of the Action Plan for the City Region are:

- Creating opportunities for those who have not, so far, become properly engaged in the economy
- The repackaging of coastal assets, the river and the estuaries, it is anticipated that the proposed Mersey Waterfront Regional Park will potentially be a significant ‘draw’ for tourists to the region. In terms of its impact on Southport, there is potential to ‘tap into’ new visitors which, in turn, could benefit other new leisure provision in the town.
- Southport is a significant component of the Merseyside Destination Management Plan

Mersey Sub-Regional Action Plan

This draft Action Plan identifies the Southport Classic Resort strategy as a key transformational activity and a priority area for investment with specific reference to the Floral hall hotel, exhibition and conference centre within which the new Small category casino is to be located

Sefton Corporate Plan

The overarching vision for the borough is as follows:

“Sefton Council seeks to develop a thriving, prosperous borough where a high quality of life is enjoyed by all members of the community. We want Sefton to be a safe and healthy place where people are proud to live and work, and are attracted to invest. Above all, we aim to make changes which will safeguard the wellbeing of future generations.”

In particular, the plan aims to build a diverse economy and maximise inward investment where possible, supporting “in particular, Southport’s tourism industry”

an aim which remains consistent with the development of new, high profile facilities such as the new casino.

Community Strategy for Sefton

Building on the vision for Sefton expressed within the Corporate Plan, the **Community Strategy for Sefton** acts as an overarching strategy for all sectors, setting out long term goals and aims.

In particular, the strategy aims “to ensure that Sefton has a successful economy”, strengthening growth sectors and growth poles to ensure that:
Southport tourism sector turnover grows faster than the UK economy 2002-07

The aim of **Sefton 2010 – an Economic and Community Regeneration Strategy** is to revitalise Sefton, to make it a thriving borough and an attractive place for people to live, work, visit and invest.

The strategy attaches significant importance to the development of the core tourism product and Southport in particular. In terms of delivering growth in the value and volume of tourism within the borough, the strategy is implicit in the need to capitalise on emerging growth sectors, specifically the short breaks, golf and special interest sectors (e.g. ornithology, conference/events) and the encouragement of new product development such the casino, which would contribute to the diversification of Southport’s current tourism offer.

Southport – A Classic Resort Vision

Was developed as a result of the **A New Vision for North West Coastal Resorts** work commissioned by the NWDA. Locum Destination Consulting was subsequently commissioned by Sefton Council to develop a vision for the development of Southport into a Classic Resort. This work was published in early 2004 and has been adopted by Sefton Council as the strategic direction in which Southport will be developed. A formal agreement has been signed between Sefton Council and NWDA, which sets out the manner in which this Vision will be developed.

The Southport Seafront Strategy and Action Plan

Was launched in May 2001 as a response to decades of perceived under-investment. The objectives of the strategy and action plan are to :

- Evaluate and quantify the role of the seafront in relation to the tourism and leisure industry in Merseyside
- Develop a strategy for the seafront linked to Objective 1 aims and objectives
- Set out a business plan including a costed delivery programme, and
- Ensure stakeholder and local community ownership and support

Analysis of key strategies confirms the 'fit' of the casino at regional, county and local levels. At a regional level, there is a concerted call for a diversification of the North West's economic base. Tourism in particular is identified as an important driver of future prosperity and employment generation. At a county and local level, these themes are further reinforced, borne of a need to continuously refresh the tourism 'offer' to reflect changing market conditions and maximise the appeal of Southport as a year round destination.

Conclusion

Southport fulfils all the requirements to enable us to successfully deliver a Small Category casino pilot. We have the tourism offer, the regeneration expertise and the right location. The new Floral Hall hotel, exhibition centre, conference facility and casino are the right project to prove the pilot. The casino lies in the heart of our regeneration area and is fully aligned with regional, sub-regional and local strategies for the regeneration of Southport.

The new casino will offer job opportunities in the heart of a centre of deprivation and is not expected to have negative impacts on the social fabric of the town.

Allowing Sefton MBC a Small Category casino license will emphasise to private sector investors that Southport is a town in which to invest.

Proposals should be sent to:

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