

The revival of gaming in Bath

Bath and North East Somerset Council's bid for a Small Casino Licence for Bath

Responses to Questions from the Casino Advisory Panel



BATH & NORTH EAST SOMERSET

1) Type Of Area

What are the “seeds of decline” that you refer to in S.1 of your proposal? Is it the “declining visitor numbers” referred to in Ernst and Young’s “Bath Business Plan? If so, evidence for this assertion, please.

The “seeds of decline” refers to the Bath Business Plan analysis and conclusion that perceptions of Bath mask the fact that its economy is in relative decline. Key indicators set out in the report by Ernst & Young are:

- Growth over the past 15 years below regional and national averages
- Over reliance on public sector employment
- Under-provision of high value private sector employment
- Lack of modern employment space
- Low average wage levels
- High house prices and acute prices to earnings ratio
- Population growth below regional average
- Population – below average in mid-range age groups and higher proportion 65+
- Slipping down the national retail rankings
- A deteriorating public realm

Some key indicators are set out in Appendix 1.

Specifically with regard to the visitor economy, the analysis shows:

- An increasingly competitive market place
- Average length of stay has remained relatively static at below 2 nights
- Fall in overall visitor numbers.
- Falling stock of bed-spaces and high levels of average occupancy constraining growth
- A low volume of business tourism

In Section 1 of our submission we presented evidence showing that

- Visitor numbers to attractions in Bath and North East Somerset had declined by 10-15% between 2000 and 2004
- Between 2000 and 2002 Bath lost 30% of its international visitors, a higher proportion than other competitor destinations

The latest available figures (International Passenger Survey/ UK Tourism Survey 2003) show that despite a small increase overseas visitor numbers remain at 28% below 2000 levels and visitors to attractions are still 12% down. In part these reductions have been offset by an overall increase in domestic tourism between 2001 and 2003. However domestic tourism produces 40% less visitor nights per visitor compared with overseas visitors and less visitor spend (£172 per visitor compared with £323 for overseas visitors) which has reduced the overall impact of tourism on the local economy. The figures show

that the percentage of employment supported by tourism has reduced by 4% between 2001 and 2003.

2) Social Impact

How do you expect a small casino would attract more visitors to the city?

Distinctiveness is pivotal to the future for Bath. Defined too narrowly it will exacerbate the seeds of decline. However, seen as an asset and opportunity it provides a basis for future success. A small casino is proposed in Bath to develop the breadth of the City's distinctive offer.

The strategic approach adopted is to focus on locations within the city centre. This will enable the casino to play its part in strengthening Bath's visitor economy linking with other central tourism attractions, including the recently opened Thermae Bath Spa, to take forward key recommendations in the Ernst and Young Bath Business Plan, including:

- Refreshing, diversifying and improving the visitor offer.
- New hotel provision.
- A new cultural/conference facility.
- Extending and strengthening both the size and quality of the city's accommodation base.
- A strategic approach towards marketing the City to high spending and growing visitor sectors.

The Bath Visitor Survey, conducted by South West Tourism in 2004, shows that 70% of visitors are from the ABC1 socio economic groups (national average 57%) and the average spend per visitor was higher than average at £37.9 (national average £23.6). The survey shows that over a third of visitors to Bath (35%) are overseas visitors.

A casino will fit well with this visitor profile enabling the city to more effectively market itself in the very competitive "short break" market. This is particularly so in relation to other European cities, made more accessible by the growth in budget air travel. A small casino will enable Bath to promote itself as Spa town or "Ville d'Eau", drawing upon the European model and links between spa waters, fine architecture, casino provision etc, to emphasise the leisure and well-being aspects of the City's offer and promote a longer period of stay.

If the City is to increase the number of staying visitors and extend the length of stay it is evident the current accommodation base needs to expand. Over 70% of visitors to Bath stay in serviced accommodation as compared to 43% for all destinations. With current hotel occupancy rates running well above average at nearly 80% there is clearly scope to achieve this. Five of the six short listed sites for a small casino included in the Council's Supplementary Submission are also capable of accommodating hotel development. Some of the sites also offer the potential for accommodating a cultural/conference facility.

The 2004 Visitor Survey also showed that Bath attracted lower numbers of repeat visitors (56%) compared with other historic towns/cities (67%). The expansion and diversification

of the overall visitor offer, linking the current heritage offer to the health, well-being, pleasure and enjoyment offer of the Spa and casino, will assist in addressing this issue.

3) Need for Regeneration

How do you believe your proposals will secure sustainable development in economic, environmental and social terms?

The Regional Spatial Strategy seeks to locate growth in the Strategically Significant Cities and Towns (SSCTs) to ensure a sustainable pattern of development. The West of England sub-region, within which Bath sits, is identified as a key area for growth in the South West with Bath being one of the SSCTs. If Bath is to play its part in contributing to regional and sub-regional requirements the City will need to embrace considerable growth in both housing and employment.

The underlying rationale of the Future for Bath Vision and the associated Bath Business Plan is development of Bath as an exemplar sustainable city. A balanced mix of compatible city-centre uses for live, work and visit in a high quality environment is fundamental to achieving this. The provision of a small casino is proposed as one component in securing the long term sustainability of the City centre by introducing a new offer to visitors and residents.

It is envisaged that the Council will appoint the casino developer on the basis of a competition and any assessment will include appraisal of the developers approach to environmental and social aspects. This will address both the construction and operation of the facility

Environmentally, the casino development proposed seeks to avoid additional car traffic by appealing to those already in the City and promote Bath as a city to be experienced on foot. Promenading as a leisure activity has been outlined in the Future for Bath Vision and the Council wants to encourage the development and enhancement of Bath's public realm to promote pedestrian activity in the City.

Indeed one of the planning gains from the development of a small casino in the City centre will be improvements to the public realm.

By engaging our community and social organisations in discussions about casino policies and the future needs of these organisations, the Council will put in place measures to ensure a casino is socially sustainable. These measures will include securing funding for support organisations, and working with casino operators and local organisations on an ongoing basis to manage any negative impacts.

The 2005 'Future for Bath' and the Ernst and Young Bath Business Plan' did not appear to have specific recommendation regarding a casino. Why does the Council want one?

The Future for Bath Vision is based upon an understanding of Bath's origins, as a basis for determining its future direction. The Vision proposes revitalisation under five key themes to guide development and regeneration. These are developed into a vision for the future under a number of headings. One of these is 'Lifestyle' and under this heading the vision makes a specific proposal for a casino. Appendix 2 is attached and contains a summary of the Future for Bath Vision.

The Bath Business Plan was produced by Ernst & Young to analyse trends, weaknesses and opportunities, test and validate the vision and, make recommendations for implementation. These recommendations are expressed in broad strategic terms. In terms of tourism, the Business Plan highlights the need to:

- Refresh & improve the visitor offer.
- Make new hotel provision.
- Consider provision of cultural/conference facilities.
- Develop business tourism.

The proposal for a small casino aims to help fulfil these recommendations and is the reason the Council is seeking a licence.

What was the result of the H.O. Economic Developments investigation into the case for a casino? (Requested by Council 17/11/2005 * and Council Exec 7/12/2005)

** date corrected*

A cross-service team was established by the Head of Economic Development to investigate the case for a casino. This team was supported by specialist work undertaken by Ernst & Young. The work undertaken by the team concluded that a small casino would:

- Play an important role in delivering the future for Bath Vision and accompanying Bath Business Plan
- Provide community benefits
- Be likely to generate significant positive impacts
- Be viable
- Be capable of implementation

and that;

- Any potentially adverse social impacts could be monitored and managed.

The result of the investigation into the case for a casino is encapsulated in our original bid.

What is the evidence base for a claim of ‘200 new jobs (being) created by the development of a small casino’?

Evidence for the claim that 200 new jobs will be created is based on information exchange discussions with casino operators and application of established multipliers. For example:

Operator ‘A’ estimated that for Bath, a casino with 750m² of gaming space will employ between 225 and 600 people depending on the ratio of tables to machines (within the maximum 2:1 permitted) and its’ opening hours. For example a 1000m² gaming space with machines and tables is likely to employ 0.3 full time employees per square metre, so 300 people.

Operator ‘B’ indicated that ‘200 new jobs’ may be an underestimate.

Operator ‘C’ estimated the figure at 250.

Also depending on the site selected for development, there will be other facilities in a casino development that will create jobs. For example the English Partnerships Guide to Employment Densities suggests that hotels employ between 0.33 and 0.8 full time employees per bedroom depending on the rating of the hotel. This would indicate that the potential for hotels cited in our proposals could employ between 20 and 120 people depending on their size and rating. The number would increase if a hotel also had conference, banqueting and other leisure facilities.

The Council would expect job creation through restaurants and leisure facilities in a casino development, associated ancillary functions such as cleaning or security and a ripple or ‘multiplier’ effect in our local economy. It is anticipated that a multiplier effect similar to that for a small casino quoted (1.24) in Pion Economics’ report on Casinos in England’s North West, would be achieved. The multiplier effect could be as high as 1.5 if jobs *induced* by a casino are included - those which result from flows of goods and supply of services associated with a casino.

It is considered that Bath, as a recognised tourist destination provides economic and visitor conditions that may enable a casino to create magnified and sustained employment growth in our tourism and leisure sectors, in effect increasing the multiplier effect further.

We are therefore confident that the ‘200 new jobs’ figure claimed in the submission is a well founded estimate.

4) Willingness to Licence

Has Full Council approved the proposal for a small casino?

On the 14th September 2006, the Council resolved that it:

- (1) Agrees that, subject to proper consideration through the licensing process, in accordance with Regulations to be issued by the Government, the Council would be prepared in principle to issue a licence for a small casino in Bath.

- (2) Recommends to the Council Executive that it undertakes the further work outlined in Appendix 1 to this report to develop the proposal for a small casino in Bath. *(Appendix 1 of the report is attached here as Appendix 3 for information)*

What if any local concerns have been expressed since submitting the bid which may influence the Councils drive for a casino? How has the council addressed them?

Eleven letters from residents and a petition from a local Baptist Church (45 signatures) have been received by the Council. These raise concerns in respect of problem gambling and associated social and financial debt problems. Particular concerns were raised about problem gambling amongst our student population and children, the creation of poor quality jobs and increased noise, litter and crime.

There has been a considerable degree of press coverage and a number of letters in the local press raising concerns of a similar nature.

The Council has, as noted above, agreed a willingness to licence a small casino. It is considered likely therefore, that rather than deflecting the Council's drive for a small casino, the nature and level of concerns raised will help inform and influence the development of the casino project and arrangements for monitoring, management and securing community benefit.

Submissions to the Casino Advisory Panel have been placed on the Council website and on the Local Strategic Partnership community forum site, beintouch.org.uk.

A series of presentations and discussion with local residents groups and others are underway. A number of questions related to gambling and the casino proposal are included in a forthcoming Voicebox survey, a regular survey of 2,500 residents. A workshop for community and voluntary groups is also organised in order to identify and discuss potential social impacts, monitoring and management measures and how to ensure maximum community benefit.

The outcome of these discussions will help to shape the development of the proposal for a small casino in Bath.

Please tell us your thinking for this proposal to license two casinos and why you have chosen not to submit a proposal or fall back proposal for just one casino.

The proposal as set out in our submission to the Panel is to license one small casino only.

5) Probability of Implementation

What is the status of the “proposed new city centre Spa Hotel” and what are the “cultural facilities at Green Park Station”.

It is proposed to locate the “new city centre spa hotel” in the Gainsborough Building adjacent to the new Thermae Bath Spa. There is a current planning application and an *in-principle* agreement has been reached on supply of Bath’s natural thermal waters to the hotel.

The Ernst & Young Bath Business Plan report identified that Bath suffers from a lack of business tourism and part of the strategy is to provide a suitable conference venue and to expand the ancillary offer of a tourist destination, such as a casino.

The Council recently commissioned a feasibility study for cultural and conference facilities in Bath. Green Park is one of the sites being assessed for potential use for this facility. The study, due for completion in December 2006, will inform land use proposals at Green Park. The Council is committed to creating Green Park as a ‘lifestyle’ destination for visitors and residents in keeping with the Future for Bath Vision.

It is intended that Green Park will act as a ‘gateway’ linking the proposed development at Bath Western Riverside with the city centre. Bath Western Riverside is a major brownfield (approx. 70acres) regeneration project that will help expand the city centre through a mixed use commercial/cultural quarter and create a new residential community with 3,000 new homes. Developer Crest Nicholson is bringing forward the new residential quarter and has submitted a planning application for 2,100 homes plus local facilities and anticipates starting construction in mid-2007.

Bath is well known as a World Heritage Site. It also has a reputation for being “a tough city to get a planning permission.” What evidence can you give that a casino could be quickly implemented?

Bath has developed through a number of cycles of growth, related to rediscovery or revitalisation of its unique thermal waters. The recently opened Thermae Bath Spa reconnects the City with its hot springs and the Future for Bath Vision anticipates a major new cycle of growth and change. This is reinforced by the Regional Spatial Strategy and Bath Business Plan which set frameworks for growth and development.

The Council has recently put in place arrangements to deliver this growth agenda. It’s recently created Development and Major Projects directorate provides a gateway service for developers engaging with the Council to deliver major development in Bath & North East Somerset. In respect of Bath, Development and Major Projects works with potential investors and developers to establish and promote proposals that will help deliver the Future for Bath Vision and Bath Business Plan. Robust project management systems have been put in place and the Council is now looked to by other local authorities for advice on good practice.

The Council's Planning Service has also established a Development Team to facilitate pre-application discussion with developers. This team brings together relevant services from across the Council to provide comments and advice on prospective development proposals in advance of formal submission of planning applications. This process can be formalised through a Planning Delivery Agreement between the parties.

Since 2001/02 the number of planning applications determined by the Authority within the statutory period has risen from 56% to around 70%. The proportion permitted has remained at between 75% and 80%.

The shortlisted sites put forward by the Council are all capable of accommodating city centre uses and there is no "in principle" land use issue in relation to a casino. In addition the shortlisted sites have been subject to initial consideration through the Development Team and site specific issues highlighted are being addressed in order to facilitate the development process. The Council would require any developer/casino operator to enter into a Planning Delivery Agreement to ensure that the casino could be implemented to an acceptable timetable.

The Council has significant ownership interests in a number of the shortlisted sites which would help to enable delivery should one of these sites be selected.

The Council is therefore confident that whilst high standards will be essential for a small casino in Bath, and the planning process must be unfettered, a small casino could be quickly implemented.

6) Regional and Local Context

Whilst the remit of the Panel is to advise only on the broad location of casinos, you have chosen in your proposal to identify three specific locations in or near the City Centre. Are you satisfied that such readily accessible locations would not exacerbate problem gambling? If so, why?

Whilst we are continuing to gather information, we have no evidence to indicate a significant gambling problem at present.

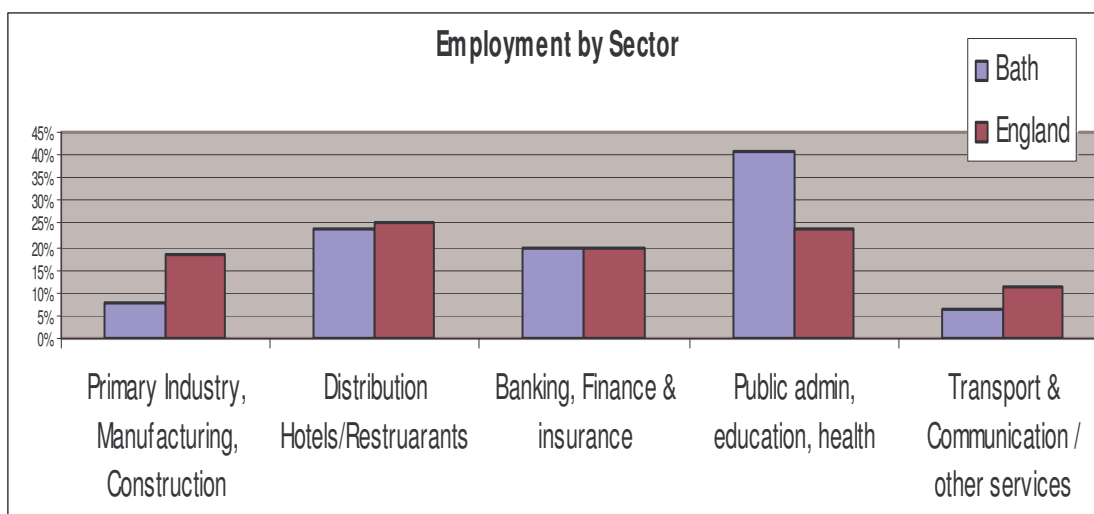
It is considered that a small casino embedded in the heart of the City centre, as part of the overall visitor offer, will minimise the likelihood of any such problems. The quality and nature of the operation that we will insist upon will encourage participation as part of a day or evening out and deter casual gambling use.

We are also working with a local firm to produce a spatial Social Impact Study that will identify any 'at risk' populations using socio-demographic data collected by DCLG and a combination of data collected by various studies into gambling including the 1999 Gambling Prevalence Survey by NCSR, the Henley Centre Economic and Social Impact Study, ONS Family Expenditure Survey, 2004 NOP Survey commissioned by DCMS and a consultant report into a casino in Canterbury.

This disaggregated national and local information will be used alongside specific information collected locally from the public through the Bath & North East Somerset Voicebox survey. This will reveal information about attitudes to gambling and casinos and gambling prevalence. The first stage of this study will be complete in October and we will use this information to help develop monitoring and management arrangements.

APPENDIX 1

Key Socio-Economic Indicators

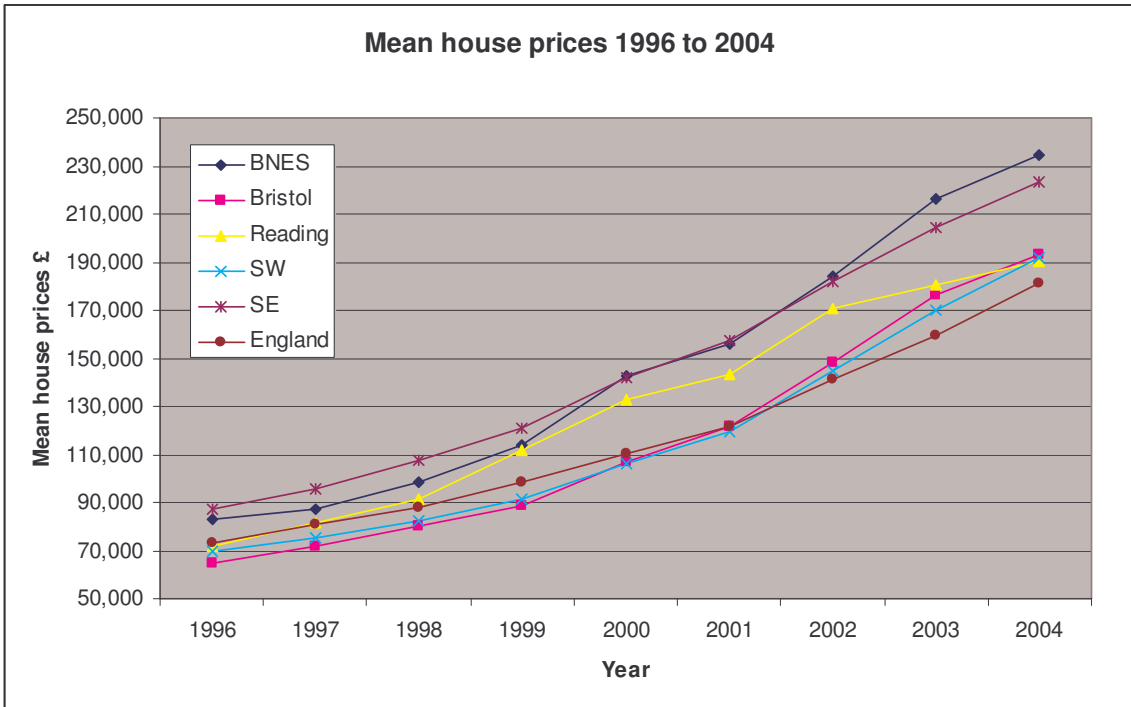


Source - Nomis: Annual Business Enquiry, 2004

Earnings by Workplace

	Gross Weekly Pay £
Southampton	447.2
Swindon	435.7
Bristol	429.4
Exeter	411.9
Bath	405.8

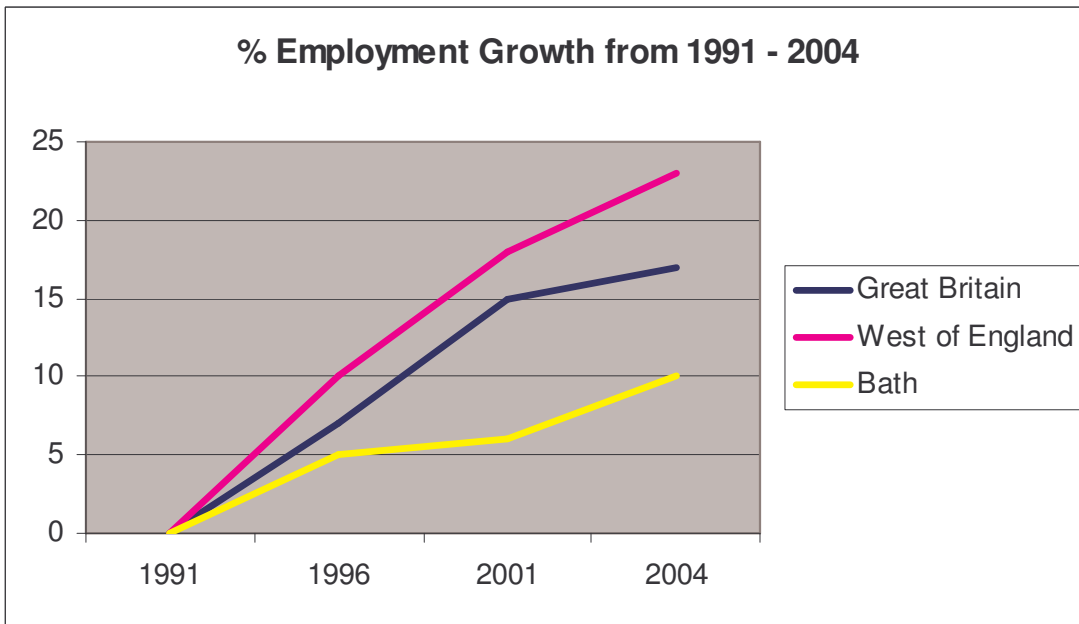
Source – Nomis; Annual Survey of Hours & Earnings 2004



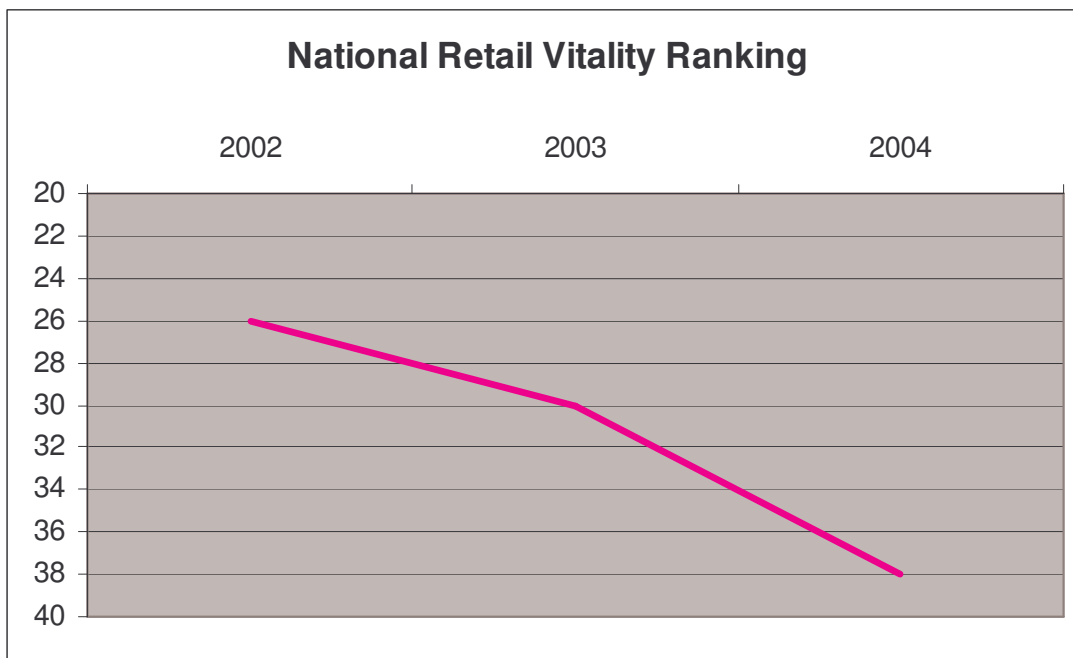
Source – *Wider B&NES Area Business Plan Ernst and Young pp 60*
 (Original – ODPM/HM Land Registry)

House prices to Earnings Ratio	
Bath & North East Somerset	8.6: 1
West of England	6.7: 1
London	7.5: 1
England & Wales	6.4: 1

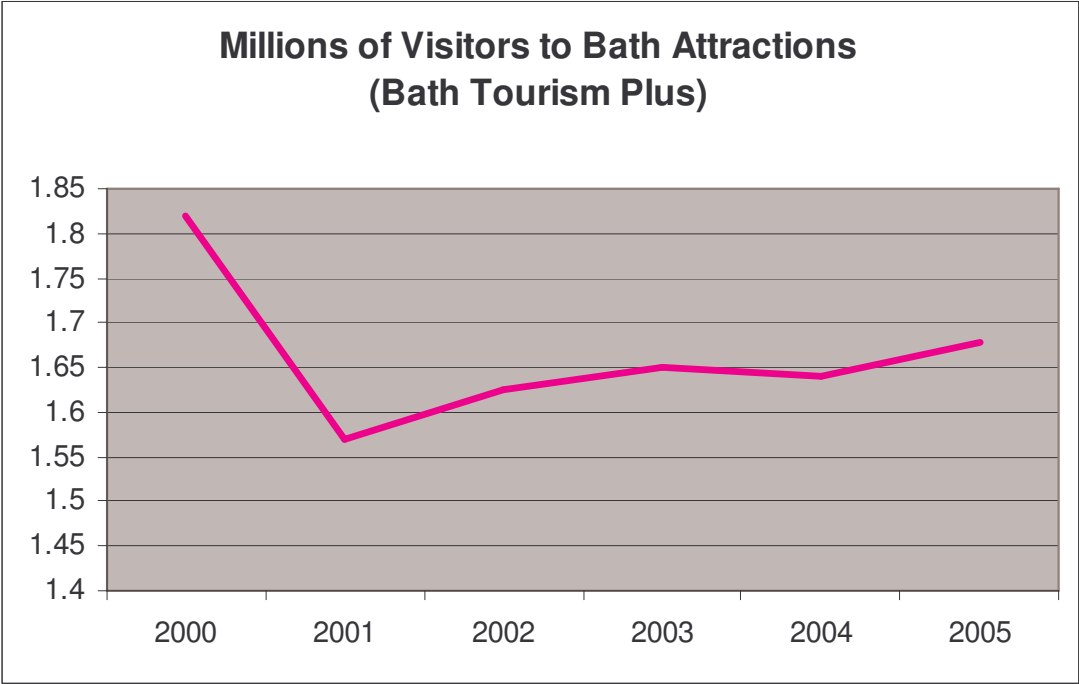
Source - *Business Case For Bristol City Region - West of England Partnership pp.17 (West of England Housing Market Study by DTZ Pineda)*



Annual Business Inquiry 2004



Experian Retail Centre Ranking



Bath Visitor Surveys

APPENDIX 2

Future for Bath Vision

Understanding: Bath in context

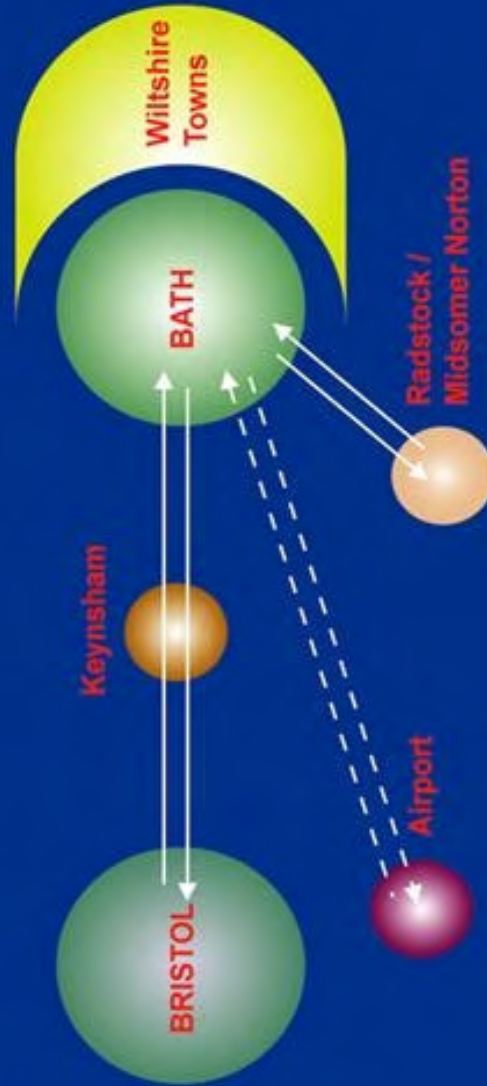


- Bath in an international and national dimension
- World heritage site
- Bath's regional importance
- Regional Spatial Strategy
- Unbalanced economy
- Poor connectivity

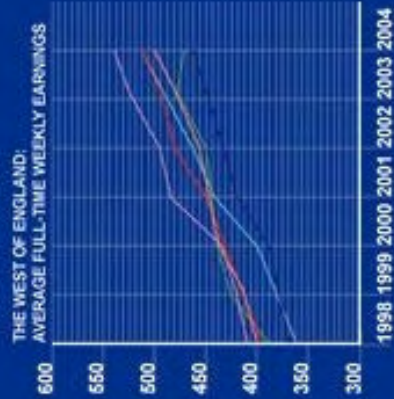
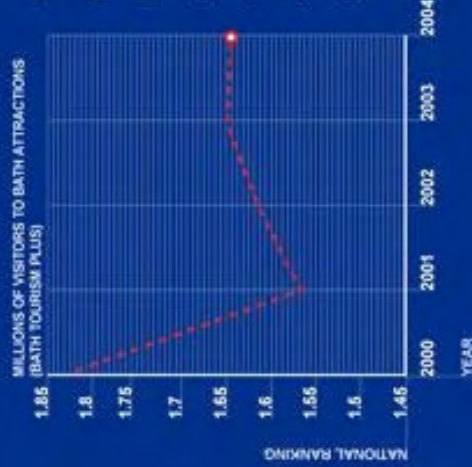
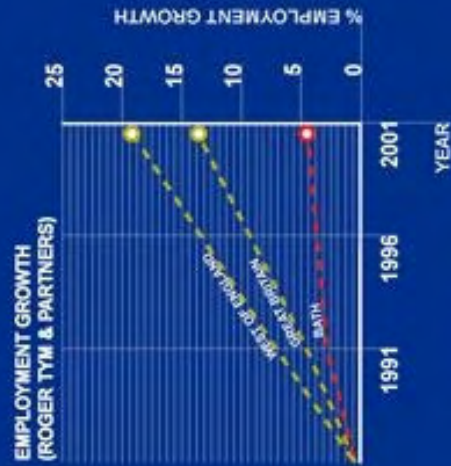
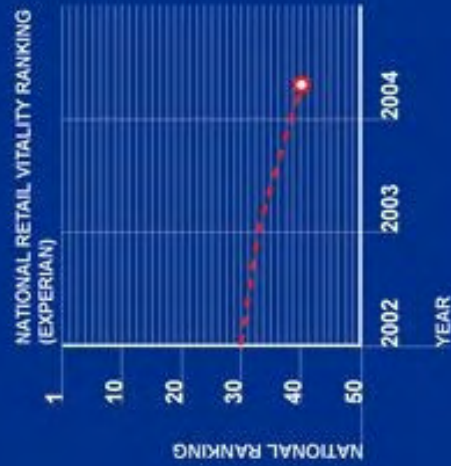


Understanding: Linkages

- Prosperous towns and villages needs a strong and successful city
- Current initiatives:
 - Market and coastal towns initiative
 - Rural renaissance bid
 - Keynsham Development board
 - Norton Radstock regeneration
- Sustained by the 'Ripple effect' from Bath city centre



Understanding: Drivers & challenges



- Affordable housing shortages
- Lack of space for work
- Low wage economy
- Economic base too narrow
- Over reliance on tourism
- Falling visitor numbers
- Eroded environmental quality
- Declining retail status
- Increasing competition
- Transport and congestion
- Bath's role unclear in the region / sub region
- Strengthen consensus and unity within Bath & North East Somerset

Bath out of balance

Doing nothing is not an option

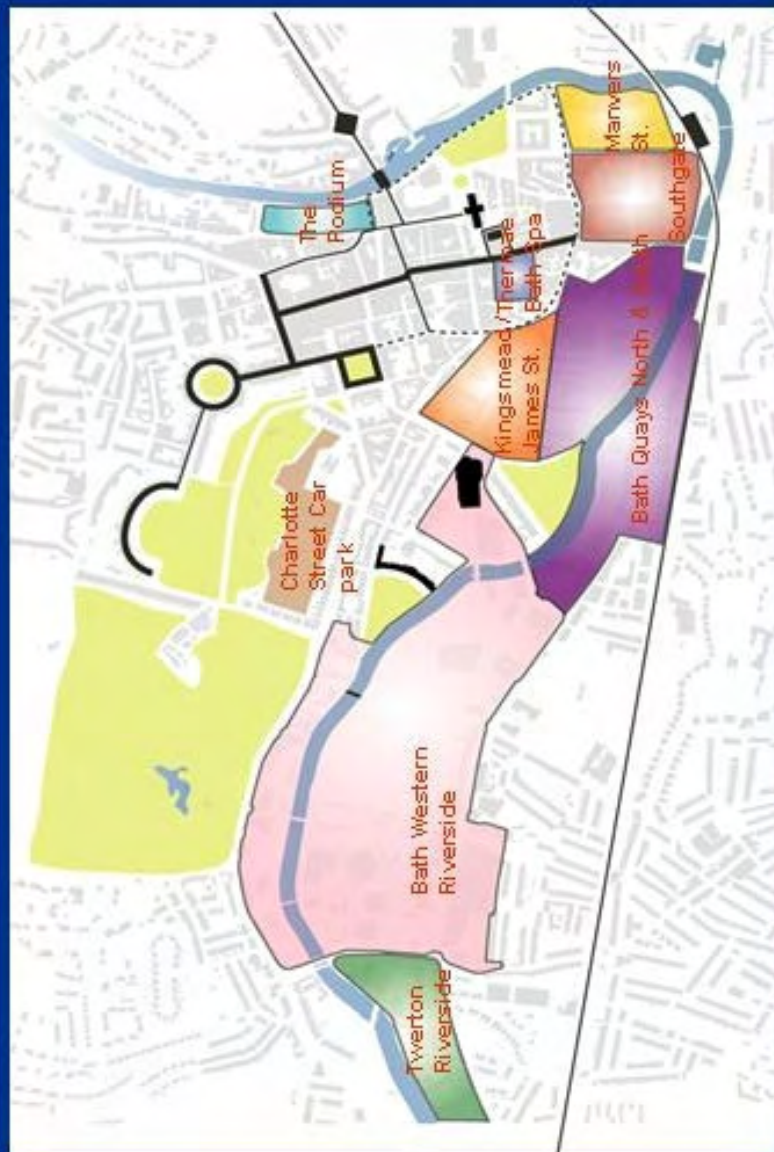
Understanding: A fractured city centre



- South west fracture zone
- Dominant north-south axis
- Weak east-west axis
- Poor modern architecture
- Deteriorating public realm
- Obstacles to accessibility
- Poor relationship between vehicles and people
- No use made of river



Understanding: Room for expansion



Identity: Our distinctive identity

- History
- Water and healing
- Pleasure
- Beauty and style
- Knowledge and invention



Vision: Revitalising

- **History**
 - **Water and healing**
being
 - **Pleasure**
 - **Beauty and style**
 - **Knowledge and invention**
- Living heritage
 - Water, health & well
 - Fun and enjoyment
 - Creativity
 - Smart city

Vision: Living heritage

- Interpretation of World Heritage Site
- Legible City
- Uplift the public realm
- Animate space
- More people living in the City Centre
- National centre for conservation skills?



Vision: Retail core

- Best retail experience in South West
- Transformed Southgate
- Exclusive / niche fashion in north
- Enhanced independent sector



Vision: Smart city

- Intellectual and creative industries
- Research into water, spa and medical technology
- Design and green technologies
- Expanded life long learning and skills
- Flexible modern workspace
- Conferences and summer schools



Vision: Water & spa culture



- East to west band
- Animated by major cultural and heritage attractions
- Focus on hot springs and river
- City of festivals
- The ville d'eau



Vision: Water & spa culture



- Water, health and wellbeing
- Refashioned Parade Gardens
- Thermae Bath Spa
- New scheme for Saw Close
- Kingsmead square?
- Revitalised Green Park Station 'mind, body and spirit'



Vision: Lifestyle



- Fine food and dining in a riverside environment
- Complementary retail experience
- Lifestyle, books, music, technology and leisure
- Hotels
- Casino



Vision: Bath Western Riverside



Vision: Expanded city centre



Unifying elements: Riverside

- Neglected asset
- Enjoying the river for the first time in recent history



Unifying elements: Riverside

- New bridges
- Active and peaceful areas
- Promenades
- Riverside café and stalls



Unifying elements: Riverside

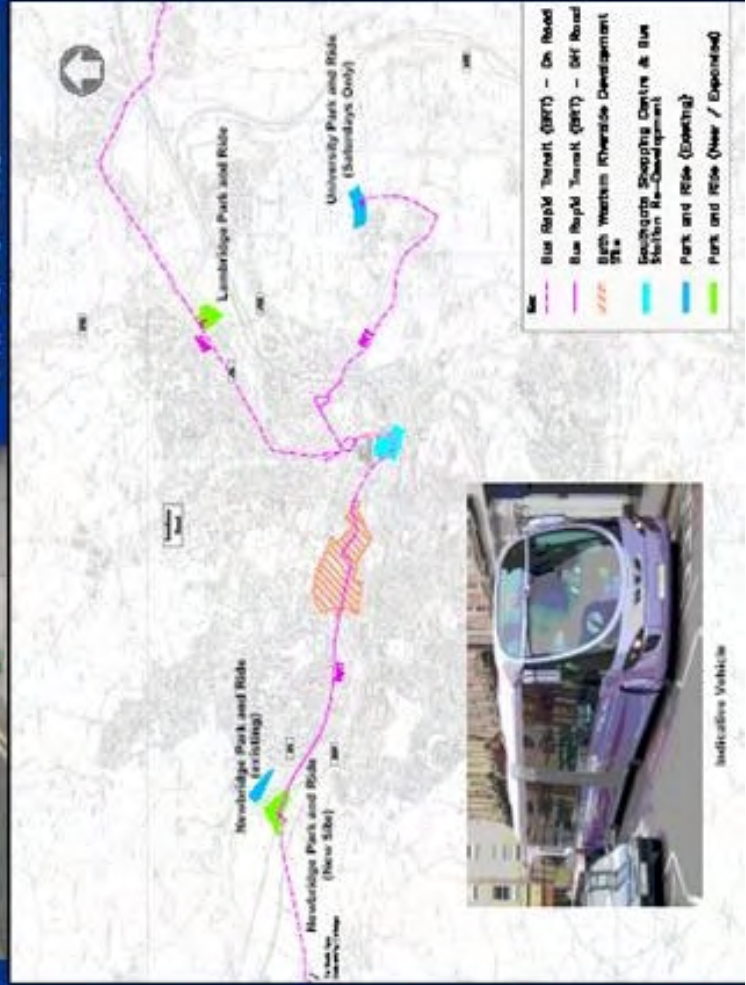
- New bridges
- Active and peaceful areas
- Promenades
- Riverside café and stalls



Unifying elements: Access & movement



- Bold innovative solutions: Bath as an exemplar
- Putting the pedestrian before the car
- High quality public transport/rapid transit system
- New pedestrian and cycle networks
- Car clubs
- Cleaner and healthier city
- Shared space
- Reclaiming public realm



Unifying elements: Public realm – “the glue”



- Unifies the quarters
- The 'legible' city
- Contemporary design
- Quality, safe and accessible
- High quality public art
- Reformed streetscapes



APPENDIX 3

**Appendix to Report to Council
14th September 2006**

Appendix 1 to Report to Council 14 September 2006

Categories of Casino

Category	Definition	Proposed Number
Regional	Minimum customer area of 5,000m ² , up to 1,250 Category A unlimited jackpot gaming machines. Permitted to offer bingo and betting.	1
Large	Minimum customer area of 1,500 m ² , up to 150 category B gaming machines with a maximum jackpot of £4,000. Permitted to offer bingo and betting.	8
Small	Minimum customer area of 750 m ² , up to 80 category B gaming machines with a maximum jackpot of £4,000. Permitted to offer betting.	8

Casino Advisory Panel Scores

Heading & Score	Response & Further Work
Social Impact (8/10)	<ul style="list-style-type: none"> • Develop joint working with community and voluntary organisations through targeted research involving the Primary Health Care Trust, Police and a workshop meeting for community and voluntary organisations. • Refer to intention to secure a contribution to monitoring and managing any impacts • Develop local employment provisions • Establish links with City of Bath College re. local training
Need for Regeneration (3/10)	<p>Scores low because Government instructed Panel to use unemployment & deprivation data.</p> <ul style="list-style-type: none"> • Cover Bath's role in providing employment for a wider catchment area: job losses in Midsomer Norton/Radstock area: spreading the benefits of tourism in Bath & North East Somerset. • Identify short listed sites and highlight potential benefits from development.
Willingness to Licence (6/10)	<ul style="list-style-type: none"> • Proposed report to 14 Sept. Council.
Probability of Implementation (7/10)	<ul style="list-style-type: none"> • Further work on sites - developed shortlist to provide a range of suitable opportunities for operators and developers to respond to. • Initial assessment by Development Team. • Informed by 'without prejudice ' discussions with casino operators – all consider a casino in Bath highly deliverable.
Regional Context (6/10)	<ul style="list-style-type: none"> • Refer to city region growth area business case, emerging, Wof E Tourism Development Plan and Wider Business Plan for Bath & North East Somerset.

Community Benefits (5/10)	<ul style="list-style-type: none"> • Establish the potential for links to Quartet Community Foundation • Develop section 106 provisions. • Scope licensing and operator selection procedures • Outline potential local purchasing links. • Outline benefits arising from regeneration of an area of the City.
Unique Characteristics (8/10)	<ul style="list-style-type: none"> • Build in links to the opening of the Spa and proposed new Gainsborough 5 star Spa Hotel.