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E-mail

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Mr Nick Crowther
The Casino Advisory Panel Secretariat
c/o DCMS
2 - 4 Cockspur Street
London SW1Y 5DH

Dear Mr Crowther,

I am pleased to submit additional information in support of Bournemouth's application for a Casino Licence. This is set out in the form of responses to your supplementary questions :

2. Social Impact

Improved access to employment for people in the most deprived parts of the Borough will be achieved by :-

- **Utilising the established "Hospitality Gateway" partnership between the Council and Jobcentre Plus.** This prepares local people for employment in the hospitality industry by a combination of training and introduction to employers, including work placements. Bournemouth hosts the sub-regional base of the Regional Tourism Skills Network and has a Memorandum of Understanding with the Sector Skills Council to ensure best practice in training and recruitment.
- **We will require Casino operators to have an active policy of recruiting local people via Jobcentre Plus.** Our benchmark at this stage is the scheme set up by the new Aspers Casino in Newcastle. The company worked with the Job Centre to identify and train 60 young people, most of whom had never worked or had been unemployed for more than twelve months. Following eight weeks of training at Aspers Academy, during

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which time all attendees were paid for their participation, they recruited 43 of these people. This retention rate is exceptional in an industry where 10% - 12% retention rates from training schools are the norm. Of the 43 staff from the original group who were employed when the casino opened at the end of October 2005, 35 are still employed nine months later.

- **The area of the Borough with highest unemployment is Boscombe which is 1¼ miles from the town centre and has excellent public transport access to potential casino locations.**

In considering further ways to avoid any negative social impact, the Council will seek operators who are committed to socially responsible gaming and work with and support Gamcare and the Responsibility in Gaming Trust. We will also require local initiatives such as the "Community Action for Responsible Gaming" project set up in Newcastle.

3. Need for Regeneration

3.1 Although Bournemouth is located in a relatively prosperous part of the UK and it has a successful town centre, **the Borough is ranked 95 out of 354 local authorities in the ODPM indices of deprivation** (1 being the most deprived, with Southampton ranked 96). Regeneration need is made more acute because of the close proximity of some of the most deprived and least deprived areas in the UK.

- **House price/earnings ratio is 6.15 to 1 (UK average 4.2 to 1)**
- **GVA per head is 13,437 compared to 19,686 in Southampton**
- **Mean earnings are £338 compared to £419 in Southampton**
- **The tourism industry, our largest employment sector, is fragile; active regeneration is essential to avoid the decline suffered by nearly all of our U.K. competitors.**
For example ~ Around 25% of our tourism accommodation has been lost in the last 20 years (source: evidence presented for Supplementary Planning Guidance regarding change of use for hotels) but resorts without successful regeneration have lost up to 75%.

We recognise that some of our competitors for a large casino have comparable regeneration needs. The case for prioritising Bournemouth is:

- **Bournemouth's lack of greenfield or brownfield sites for employment makes opportunities for regeneration on this scale rare compared to (for example) Torbay or Southampton. Bournemouth is almost fully developed and is constrained/surrounded by SSSI, green belt, coast and flood plain.**

- Our market “fit” and capacity for a large casino is better than other coastal towns, taking account of conference visitors, second homes and a relatively prosperous hinterland. This means a casino is much more likely to be delivered, to succeed and to achieve the projected social impacts.

3.2 To evaluate potential job creation we have used a benchmark scheme based on detailed proposals put forward by the Trevor Osborne Property Group which includes a casino operated by Aspers as an anchor in a larger leisure development. It is clear that other sites, developers and operators are likely to come forward in Bournemouth if we are successful. We are in active dialogue with four other operators. However, the Trevor Osborne Scheme formed the basis of detailed economic impact works by Arup.

The 914 FTE jobs identified in the Arup study are broken down into :

	<u>Direct</u>	<u>With Multiplier</u>
Casino	350	546
Construction	57.4	89.6
Fit-Out	32.8	51.2
Additional Pavilion Theatre	25	39
Restaurants and Retail	90	140.4
Family Attraction	14.4	19
Car Parking/Facility Management	90	140.4

Multipliers used by Arup are 1.21 for the local area, 1.32 for the South West region and 1.56 for the UK.

The projections by Aspers are based on their recent experience in Newcastle, where they have 218 FTE in a “traditional” casino. The breakdown they project for Bournemouth is :

Gaming (tables and machines)	130 - 140
Food and beverage (within the casino demise)	90 - 120
Other (management, finance, marketing, HR, admin., security etc.)	80 - 90

4. Willingness to Licence

Progress includes :

- The Council retains strong cross-party support for a large casino. Consultation on our draft Gambling Policy is underway and concludes on 23 October, 2006.

- The SWRDA have given support to just 2 casino bids in the region, with Bournemouth being one of the preferred locations.
- The Bournemouth Partnership Steering Group held a seminar which considered arguments for and against a new casino. This included representatives from the Police, businesses and the care sector. It concluded that with appropriate safeguards the proposal would be beneficial overall and should help improve the balance of our night-time economy.
- A Planning and Transport Study has been completed for the Exeter Road/Town Centre area where a casino is likely to be located. Following consultation this resulted in a strategy for the area being adopted by the Council with specific planning and transport guidance. This will reduce the planning risks of any development and help evaluate alternative schemes which come forward.
- A full planning application has been submitted for a casino and associated development adjacent to the Pavilion Theatre (the Trevor Osborne Scheme referred to above).
- Aspers were awarded a Certificate of Consent by the Gambling Commission in early September 2006 for a new casino in Bournemouth under the 1968 Act. They are committed to casino development in Bournemouth. If Bournemouth were to be awarded a "large" casino licence, they would compete with other operators for the licence.

5. Probability of Implementation

5.1 Hurdles and Challenges

If Bournemouth is selected, the Council is confident that a scheme could commence in 2007 and be open in 2009. Within the town centre, there are 3 - 4 potential sites for conversion and 2 for new build. Plans are being prepared by several developers/operators. However :

- The design, location and principle of any scheme may be controversial so a full consultation and communication process is planned. The Council has allocated Project Management resources for this.
- A transparent process to select a preferred scheme is planned for January - March 2007. This will include full scrutiny of viability, regeneration and community benefits for each scheme.

5.2 Recent inward leisure investment

The Town Centre Tourism Area designation has been successful in maintaining a concentration and critical mass of tourism and retail uses in the centre. This acts as a hub around which less intensive tourism related uses (e.g. language schools) can flourish. For the past two years it has been supported by Supplementary Planning Guidance which constrains change of use from viable hotels to residential use.

Examples of Town Centre investment over the last three years and investments which are at an advanced planning stage are given in the table below. There are also many additional smaller hotel and retail investments.

Recent Investment	£ million	
BIC - Expansion of conference facilities	22	
Ramada Hotel	6.5	
Travel Lodge	7	
Hermitage Hotel	2	
Wessex Hotel (refurbishment & lobby area)	0.5	
Commercial Road retail development	40	
Landmark Restaurant/Club	2	
Ceramics Café (attraction)	0.15	
Lower Gardens (new kiosks and attractions)	0.3	
Beales Department Store (ground floor refurbishment)	0.5	
Planned Investment 2007 - 2009		
Training Hotel	50	Private Sector/ RDA Partnership
Golden Tulip Hotel	9	
Bournemouth Pier refurbishment	2	Private Sector
Boscombe Spa Village/Surf Reef	52	Private Sector/ Council partnership
Winter Gardens Arts Centre	30	Private Sector/ Council partnership
Total	£201.95 million	

- 5.3 The language school market will have a positive correlation with casino use, particularly since around 20% of students are mature (over 21) and from the Middle East and Pacific Rim regions. They are relatively high spending visitors who enjoy using casinos and stay for weeks or months.

We do not expect the gay community to have a particular correlation with casino use - it merely illustrates the diversity of Bournemouth's population.

6. Regional and local context

6.1. The Town Centre is felt to be the appropriate casino location because :

- it helps create a critical mass of tourism and cultural facilities within walking distance of most tourism accommodation
- it is easily accessible by public transport as well as by car and cycleway for both potential customers and employees.

However, our town centre is not particularly accessible to people at risk of “problem gambling”. Bournemouth’s main residential areas and most deprived areas are over a mile from the centre, so ‘impulse’ or casual visits to a casino are less likely than in most “inner city” areas.

One issue that the location does raise is its proximity to nightclubs and drinking led activities. **The Police and Council will work actively with any casino operator to ensure that people who may be vulnerable because of alcohol consumption are prevented from using casino facilities.** We have seen an example of this in the management of the new Aspers casino in Newcastle. In particular, a casino would be required to have a rigorous door control policy which makes it far less accessible to problem gamblers than, for instance, arcades or internet gambling. **We would require operators to install full CCTV monitoring and a “responsible alcohol policy”,** so that problem gamblers or drinkers would be actively managed.

Bournemouth is the first local authority in England to recruit a Night-Time Economy Manager, jointly funded by the Council and the industry. The Manager will work closely with the Police and licensing officers. This will build on the “Bournemouth Quality Nights” initiative described in our first submission - for instance, working with the trade to reduce drinks’ discount promotions.

6.2 Our Tourism Development Strategy, adopted by the Council in 2002, includes the following priorities:

Develop events and the night-time economy, including licensing and gaming

In the areas of entertainment, clubs and restaurants, Bournemouth already has a distinctive and superior offer. The casino will bring this service in line with the standard of the other facilities.

Manage the environmental aspects of tourism ...

The casino will help promote a sustainable approach through using the large, existing tourism accommodation base and infrastructure to service

the demand. This reduces the number of unnecessary visitor movements outside the area.

Reduce seasonality by diversifying markets and products

The casino will cater for our growing markets and will strengthen the resort's offer in the highly competitive global tourism market. This is not only of local benefit but also reduces the balance of payments deficit by attracting more overseas trade and retaining more domestic expenditure within Britain.

Pursue the development of innovative facilities

The casino will introduce a unique facility to this sub-region. Economic and financial benefits will also help regenerate other attractions such as the historic Pavilion complex.

Encourage investment in Bournemouth's stock of accommodation ...

The casino will stimulate further investment in tourism accommodation, as operators adjust their financial projections to take account of the additional appeal of the facility. This pattern of increased private sector investment has already been demonstrated following the Council's funding of the Bournemouth International Centre redevelopment.

6.3 In relation to regional context, the SWRDA and SW Tourism recognise Bournemouth as the South West's leading resort destination.

Bournemouth's casino bid is one of the two in the region that SWRDA have chosen to support. Their decisions to invest in conference facilities and a training hotel here illustrate Bournemouth's unique regional significance.

6.4 We understand that with the Panel's wish to achieve a geographical spread of new casinos, there may be an assumption that there is a choice between Southampton and Bournemouth for the central South Coast. However, it appears at this stage that these two proposals are the strongest on the South Coast, albeit Southampton's will need down-grading for a reduction in size. Three casino operators who have done a local market assessment assure us that there is market capacity for a new casino in both Bournemouth and Southampton, particularly since Southampton's would serve primarily a local market and Bournemouth's will serve a major tourist resort. However, if it does come down to a choice between the two we would argue ~

- The information given illustrates that Bournemouth has greater regeneration needs and fewer regeneration opportunities.
- We believe that there is more certainty that a successful scheme will be achieved in Bournemouth.

7. Community Benefits

7.1 Bournemouth is concerned to ensure that benefits we project are actually deliverable. Therefore :

- **The benefits we list below relate to our benchmark scheme which has been fully market tested.**
- **We will measure tourism and employment impacts through the Dorset Tourism Data Project.** This research programme is based at Bournemouth University and was established by all the local authorities in Dorset 20 years ago.

7.2 Community benefits will be one of the key criteria for selecting a preferred scheme and we expect to see the following benefits :

- **The casino will act as an anchor or catalyst for diverse leisure investment** which includes family attractions and cultural facilities. It will significantly improve Bournemouth's offer to the over 30 age group.
- **Around 650 additional jobs should be created**, excluding multiplier effects. The jobs will be year-round and benefit from an established career structure in casinos, restaurants and attractions.
- **At least 75% of these jobs should be recruited locally**, maximising use of the Jobcentre Plus/Council "Hospitality Gateway" for recruitment and training.
- **Investment in the public realm in the order of £13 million for a large casino.** This could include a new public square, open space, cultural facilities such as restoration of the Pavilion Theatre and contributions to transport infrastructure.
- **Additional investment in car park or transport facilities of up to £12 million.** This reflects the current detailed planning application.
- **On-going investment by the operator in education and counselling for problem gambling.** There should be a clear target and commitment to reduce levels of problem gambling to below a benchmark level, established by a local prevalence survey prior to the casino opening.
- **Should there be any increase in problem gambling linked to the casino**, the operator will be required to fund counselling services through the Citizens' Advice Bureau or a similar body.

8. Unique characteristics

- 8.1 After considering rival bids from seaside locations, we believe the unique characteristics of Bournemouth's bid to be :
- i) Bournemouth has the best market fit and the best market capacity
Our combination of relatively high-spending leisure visitors, conference visitors and educational tourism is unique. We now have significantly more hotel bedspaces (18,000) and conference visitors (239,000 per annum) than any other seaside destination. The combination of these with a local market of 450,000 people within 15 miles and 2,333,000 within one hour's drive is also important. A new casino here is more likely to be successful than in any other seaside location.
 - ii) Bournemouth needs regeneration and has a track record of delivering it
Despite our image of success, Bournemouth's index of multiple deprivation shows that our population is underpaid, short of opportunities and uniquely disadvantaged in accessing the housing market. Recent regeneration projects such as our Conference Centre expansion were delivered on time, on budget and are already delivering a 30% increase in conference trade.
 - iii) Market interest is proven and ready to go
Several sites, developers and operators are ready to proceed here. There is no need for site assembly or land reclamation. Careful preparation has reduced planning risk and assured we have viable, market tested proposals.
 - iv) Community benefits are fully quantified and we will judge schemes against this benchmark. Plans are in place for rigorous monitoring of these impacts so that we can ensure and share best practice.

A final word on 'large' and 'small' casinos. Bournemouth has been single-minded in pursuing a 'large' casino, which we think is the appropriate scale for our resort. However, we have also done viability testing for a 'small' casino and are confident that this could be delivered and would achieve the same range of community benefits, albeit at a reduced scale.

Yours sincerely,



Stephen Godsall
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