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CASINO ADVISORY PANEL: REQUEST FOR ADDITIONAL INFORMATION

Thank you for your email of 4 September, requesting further information from the Council on its casino bid. I shall take your questions in order.

Social impact

Other than the information presented in our bid, we have not undertaken any specific research on the social impact of a casino in the city. We have been developing a licensing policy, as set out below, and I enclose a copy of the latest version.

Need for regeneration

Brighton and Hove is well known for its vibrancy or "buzz", evident in its attractive setting, economic activity and in the cultures of the people who live, work and visit. The city benefits from millions of visitors every year, seeking our almost unique combination of urban, coastal, rural, cultural and leisure opportunities (the city has 1.4 million square feet of retail space making it the largest regional shopping centre in the country).

For all the city's success over the last ten years, however, the local economy is not uniformly excellent. The city and its people face key challenges around skills, economic activity rates and long-term economic

sustainability. We are recipients of Neighbourhood Renewal funding, and some of the poorest wards in the South East region are within the city.

The Regional Economic Strategy has set a regional objective for 85% economic activity for residents in the South East by 2016. At present the economic activity for Brighton & Hove is 78.0% compared to the regional rate of 82.1%.¹ Unemployment remains above national and regional rates and average earnings for employees in the city are below the national mean. The city is over-reliant on lower and intermediate service sector employment, despite the high skills level of some of its population.

According to the Brighton & Hove Employment Land Review GVA per head remains below the national average and in value terms "Brighton & Hove still lags some way behind what might be expected of a city of its size and assets".²

The tourism trade is hugely important to the city. The city welcomes 8 million visitors per annum, of which 6.5 million are day visitors (but account for 59% of all visitor revenue).³ The total revenue for 2004 was £392.22m. This sector supports over 6000 FTE jobs. In the mid-1970s the development of the Brighton Centre was hugely important in sustaining the city as a tourist destination. The redevelopment of the Brighton Centre is now the city's primary regeneration goal to sustain continued growth in tourism for Brighton and Hove.

We see the casino development as being qualitatively different from the existing casino operations in the City. The public and media focus on the Panel's discussions has made our potential casino much better known than the four existing operations. If the casino were built in the city, it would doubtless be the subject of much press and public interest. Operating under the new Act, and possibly larger than the existing operations, it will be a draw for older and more prosperous day visitors or overnight stayers. It would encourage day visitors to stay overnight, and, depending on its location, this could create a better social mix in the entertainment district of the city, with knock-on benefits for the whole tourist trade. We would also expect the casino, like our other major construction schemes, to participate in an agreement to ensure that half the craft and construction jobs are filled by local people.

Willingness to licence

The city's licensing policy was approved by our licensing committee on 27th September, and is scheduled for full council later this month. The draft policy does not contain any wording that would prejudice the

¹ Source: Annual Population Survey 2004/05: Office for National Statistics

² Roger Tym and Partners (August 2006) p.30 para 3.85

³ STEAM 2004

establishment of a casino, and sets out principles that will be applied in determining any stage 2 competition. These are:

- Economic benefits for the city
- Social benefits of a casino led development
- Opportunities to deliver council priorities including a prosperous and sustainable economy and a safer city that values our unique environment
- Regeneration benefits: additional employment, tourism growth, diverse types of jobs, training, investment, skills
- Addressing potential negative impacts including any increase in problem gambling and support for organisations providing information, advice, counselling and assistance for individuals and their families and friends who have concerns about problem gambling.

Likelihood of implementation

Our understanding is that the operator closed the casino to which you refer in order to be able to establish unstimulated demand under the 1968 Act. The operator then opened one of the new casinos (on East Street). The closure was therefore due less to profitability concerns than to the oddities of the 1968 Act. The Rendezvous at Marina opened subsequently, indicating a growing demand within the city.

The city centre area, particularly around the Brighton Centre, is likely to be the location of major redevelopment in the near future. For this reason, a city centre location for the casino is likely to be easier to secure than one outside the centre.

Regional and local context

The local community strategy, adopted local plan and emerging local development framework all allow for the location of a further casino within the city. In practice, we have to keep an open mind as to possible locations – the ultimate answer will depend on the nature and location of any operator's bid.

More generally, we do not believe that issues around problem gaming will be a primary consideration in selecting a location. There is limited evidence, though much assumption, of links between increased problem gaming and locations in deprived communities. Regeneration/commercial interests will principally determine the location, while the subject of problem gaming will be dealt with by the licensing strategy - these two are quite separate.

Turning to the regional context, the following policies in the draft SE Plan are relevant:

- Policy CC9 (Addressing Intra-Regional Disparities) aims to reduce the overall extent of, and as a result the significant spatial disparities in, socio-economic deprivation across the region. The Sussex Coast is one of 5 sub-regions identified to be a focus for funding and initiatives. This approach is further developed in Policy RE5 Addressing intra-regional economic disparities.
- Policy TSR1 of the Draft SE Plan looks for opportunities to diversify the economic base of the region's coastal resorts. The Sussex Coast is an identified sub-region where SEEDA is requested to work proactively with other organisations to facilitate the development and implementation of regeneration strategies. Policy TSR4 in the SE Plan applies to regional casinos but the principals are that the South (sic) Coast sub-region is a suitable location for a regional casino. Policy TSR7 identified "the coastal belt" as a regional priority area for tourism. Generally this should result in the upgrading of facilities, promoting diversity, and reducing seasonality. This included making use of the attraction of Brighton to encourage longer stays through linked trips to surrounding areas.
- Policy TC11 states that accessible, attractive and vibrant town centres are fundamental to sustainable development and will continue to be the focal point for the development of a mixture of uses including leisure.

Relevant Sussex Coast Sub-Regional Policies are:

- SCT1: Local authorities and other agencies should as a priority, pro-actively pursue and promote the sustainable economic growth and regeneration of the Sussex Coast.
- SCT2: To help realise a step change in the sub-region's economic performance, national, regional and other relevant agencies should give increased priority to investment decisions and other direct support for the sub-region. Key measures should include increasing priority to Brighton and Hove amongst others.
- SCT6: Co-ordination, leadership and promotion of the sub-region. A joint multi-agency long-term plan should be developed to strengthen the economy of Brighton and Hove and the adjoining area.

In our opinion, the location of a casino in the city would be compatible with the draft planning strategy for the SE region. We do not know of any preferences expressed by SEEDA as to the location of any casinos in their region, but would draw your attention to policy SCT2, which states that

national agencies should give increased priority to investment decisions in the Sussex Coast sub-region.

Unique characteristics

We believe that Brighton & Hove already has a unique offer for casino operators and visitors:

- ***A quality destination.*** The City has a 5-Star Hotel (The Grand) and an expanding number of boutique properties – more so than other traditional seaside destinations. There is already a high quality offer, which attracts lucrative markets.
- ***Close to London and its main airports.*** This supports the potential for the city to become established as a high quality gaming destination, accessible to high value markets in London and from overseas.
- ***Links to conference centre.*** The City has one of the largest conference venues and most extensive conference programmes of any seaside destination, including scientific, medical, government, corporate and other conference clients. The Casino offer would support the conference offer, especially given the increasing number of foreign delegates used to more de-regulated markets and high quality gaming experiences.
- ***High Roller Heritage.*** The famous gambling of the Prince Regent and his visitors at the Royal Pavilion give a long back story to our casino offer.
- ***Extensive new development.*** The city has approximately 1000 hotel bedrooms at various stages of development (unmatched by any other seaside destination), adding to the approx. 5000 existing bedrooms. New major projects such as King Alfred (designed by Gehry), Marks and Barfield's i360, the new Brighton Marina, and the International Arena reinforce the city's commitment to constantly renewing itself.
- ***An innovative destination.*** Brighton is a city with a fresh and innovative tourist offer. Tuc Tucs (covered motorbike transport) were recently launched. It is the home of the boutique seaside hotel (e.g. Brighton Pavilions, White House, Pelirocco, Seattle, MyHotel etc). It is the preferred location for Marks & Barfield's first attraction after the London Eye. It was the first of the modern seaside conference venues, opening in 1976. It stages the largest Arts Festival in England, and is home to world-famous events such as the London to Brighton run. The London To Brighton Bike Ride involves 35,000 riders a year, while concerts and events by artists such as Fat Boy Slim draw up to a quarter of a million.

I trust this answers the Panel's questions. If there is any further help I can give, please do not hesitate to contact me.

ANTHONY ZACHARZEWSKI