

Hastings Borough Council - responses to questions from CAP, 29th Sept 2006

Hastings (small fb large)

1. Type of Area

2 Social Impact

What was in your mind in preferring a small casino to a large one?

Several factors influenced this preference.

On the basis of advice from the industry, it is felt that a small casino is appropriate given the size of the local (travel-to-work area) population, and likely wider catchment.

Hastings aspires to an exclusive upmarket style of casino, for three main reasons:

- to support efforts to upgrade the image of the town and its leisure / tourism offer
- to maximise ancillary benefits such as hotel stays
- to minimise the risk of adverse social impacts

With a higher ratio of gaming tables to slot machines, a small casino meets this upmarket aspiration better than a large casino.

Furthermore, if a large casino proved too big for the catchment, it runs a higher risk of not meeting investors' revenue targets, which may tempt operators to reprofile the casino more down-market. We consider that a flourishing small casino would be more beneficial than a struggling large one.

In order to maximise benefits to the town through a competitive process, we wish to encourage a variety of operators to consider a variety of locations in the Town Centre and along the seafront. However the number of potential locations that could accommodate a large casino, back offices and kitchens etc, and where the casino might act as an anchor for other investment, is limited.

Finally, we want our casino to be *part of* the local leisure / tourism offer, but not to dominate it.

That said, operators have said they could run a large casino here (two have voiced this as a preference), and this would bring benefits to the area. This remains our second choice.

To optimise the test of social impact, which do you think would be better — town centre or sea front? Why?

Hastings seafront and the Town Centre overlap, and for most potential casino locations there is no difference. We consider substantial variation applies to only two of the nominated locations: West Marina / ex-St Leonards Lido (seafront but not Town Centre), and Priory Quarter (centre not seafront).

We judge that the test of social impact (positive and negative) is best achieved through a casino that (a) has the greatest chance of economic success; and (b) the highest level of accessibility to the widest range of potential customers (in terms of where they reside, age, gender, ethnicity and income etc).

For the former, we would judge a central location (on the seafront or in the Town Centre) as preferable to a non-central seafront location, since it is close to other attractions, public transport and taxi services, secure parking, hotels, shops, pubs and restaurants. This is also likely to bring greater ancillary spend. However the alternative model is also viable: a purpose-built casino as part of a larger seafront leisure-focused development, with good parking, could bring more investment to a neglected area of town, contributing to wider physical, social and economic regeneration. There may be more space for a larger operation than a constrained central site, bringing more jobs by virtue of scale.

Regarding accessibility, central Hastings (seafront or Town Centre) is also slightly preferable, being a higher-profile area with higher footfall, close to public transport and other activities. However, West Marina by no means inaccessible, being only 10 minutes walk from Central St Leonards, just off the A259 coast road, well served by buses, and close to West St Leonards station.

In conclusion, we judge on balance that a central (Town Centre or seafront) location offers a marginally better test of social impact than a non-central seafront location.

3. Need for Regeneration

What leads you to suggesting (in s.1.3 and s3.1 of your proposal) “300 new jobs” in a small casino and (in s.3.1) 500 employees in a large casino?

This suggestion was based on clear advice received from two major casino chains that these numbers were likely (one said up to 350 jobs, the other 200-300). They may have been telling us what they thought we wanted to hear, and we now accept that these numbers are at the very upper limit of feasibility.

We have since asked other operators who have been in contact with us for projections of employee numbers at a “small” casino that they would envisage running in Hastings, including gaming, security, management, catering and ancillary activities. Estimates range from 143 to 300 fte employees. Most gave a range, depending on the scale of operations, with a low-end average of 203, and a high-end average of 258.

(Low-end estimates of gross floor area ranged from 15,000sq ft - 32,000 sq ft, with an overall average of 25,000sq ft.)

In requesting this information we were clear that we needed objective projections, and the information would not be used in any way as part of any local competition that may occur in the future. It is still possible that operators over-egged it, so perhaps their more conservative projections should be used in estimating benefits.

The operators were also consistent in projecting up to 80% of staff being recruited locally, where we had assumed only 50%. So to some extent these new projections of fewer jobs, but more local recruitment, balance each other out when it comes to estimating overall benefit.

The calculation explained in the footnote to s.2.2 (p7) of Hastings's submission attempted to quantify the social costs of problem gambling against the benefits of employment. This was already a conservative estimate. For example, it assumed all employees are only paid the minimum wage, and it excluded the wider regeneration benefits and multiplier effects, local recruitment drives, and construction jobs. It gave considerable emphasis to the possible level of casino-related problem gambling, but did not take into account new proactive measures by operators to identify and deter problem gamblers, nor extra support to local agencies helping with gambling and debt, whether due to the casino or not.

Therefore we judge the overall benefits to be still very positive, even with a lower estimate of direct employment.

4.Willingness to Licence

Has the resolution of Cabinet in March 2006 been endorsed by the full council?

Yes.

Why were you not able to show greater acceptance than just Cabinet approval within the authority?

The decision to apply for permission to license a casino in Hastings was one that Cabinet was empowered to make. It did so on 27th March, just prior to the submission deadline.

Any Member may call any Cabinet item for discussion at full Council. Council may then decide to refer the matter back to Cabinet, or to the relevant Overview and Scrutiny Committee. No Member chose to call this item when Cabinet minutes were received on 19th April 2006 (ref Minute 57), thus the Cabinet decision was endorsed by full Council. The system means that only controversial decisions are challenged: the casino decision clearly enjoyed the support of full Council.

There has been no call from the public or community that this matter should be discussed in the forum of the full Council.

Casino/s will form part of the broader Hastings Gambling Policy. Full Council will debate and vote on a Gambling Policy on December 20th, following a recommendation from Cabinet on 4th December.

The Gambling Policy is not yet fully drafted. The Statement of Principles (May 2006) includes a commitment to running a competition, under Section 9 of the Gambling Act 2005 and in accordance with any government regulations or guidance, if the authority is permitted to grant a Casino Premises Licence. The actual licensing of any Casino will also take into account further guidance.

It is germane to the CAP's considerations that as part of the consultation on local gambling licencing policy (which ended on September 1st), the Council received a petition of 111 signatures against a casino. In the context of the

2000 Canterbury residents opposing the casino proposal there, we feel this does not signify major local opposition.

In summary, the petitioners raise the following objections:

- A** ethical objections, promoting negative values to young people
- B** unreliable regeneration benefits, and better options for regeneration investment
- C** increase in problem gambling and resulting social problems
- D** casino would put off many potential visitors

The petition, and HBC's responses, will be incorporated in the committee reporting process for the gambling policy. HBC's responses will include the following points:

- A** Individuals are entitled to their ethical views, but the Government has set the national framework. Young people will be protected through licensing conditions.
- B** There is a range of clear and significant regeneration benefits. A casino will not use regeneration funds: it represents additional, not alternative, investment. Furthermore it is likely to attract investment that would not otherwise come.
- C** Casinos are not the major cause of problem gambling, and measures will be put in place to identify and avoid problem gambling, and operators will contribute to community advice and support.
- D** Few people will be turned away by a small, high quality casino. Many will be attracted, and the casino will contribute to a much-needed change of image.

5. Probability of Implementation

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6. Regional and Local Context

In your stated criteria for potential sites (s.5.2), have you considered:

- **the preference of PPS6 for a town centre location, and**

We have considered both the letter and the spirit of PPS6, and the government's objective to promote the vitality and viability of town centres, by planning for the growth and development of existing centres, promoting and enhancing them, and by focusing development in such centres and encouraging a wide range of services in a good environment, accessible to all.

PPS6 will be taken into account in preparing development documents, and may also be material to decisions on individual planning applications.

The sequential approach requires the locations are considered in the following order: existing centres; edge of centre; and finally out-of-centre sites with a preference to sites which are or will be well served by a choice of means of transport and which are close to the centre.

West Marina is the only feasible site put forward that is not in the town centre (for example, the pier is town centre). West Marina is an out of centre site, which meets the preference for such sites (see 2b above). The council would

have to be satisfied that the benefits of locating a casino here were so overwhelming, or that development in a Centre was unviable, as to meet the sequential test.

This would be considered both at the “competition” stage, and at the time of the planning application. For this reason the Borough Planning Officer will be involved throughout.

- **the problem of “ambient facilities” that is facilities in locations that do not demand a clear intention to gamble and therefore could exacerbate problem gambling?**

This issue has been considered. There is a tension between PPS6 and this issue of “ambient facilities” – the best location demanding a clear intention to gamble would be an out-of-town location on a discrete site. We are very clear that this is not an acceptable solution for Hastings. Therefore the issue of ambient facilities must be resolved through careful consideration of neighbouring activities, and design of entrances, access, signage and so on.

This issue is writ large in the case of the pier. Piers are almost by definition places of family leisure and entertainment, although many accommodate over-18 slot machine areas. The idea of locating a new casino on a pier would probably only be acceptable if there was a clear separation, for example the casino occupying the seaward end of the pier, or its own 2nd storey; or if the whole pier were rebranded uniquely as an adult destination with restaurants, boutiques, galleries and similar. Any operator putting forward the pier as their location will need to address these issues in great depth.

7 Community Benefits

Has any further thought been given (since your original submission) to the question of community benefits?

We are very clear that we Hastings will be looking for significant community benefits from a casino.

By community benefits, we mean benefits additional to the *laissez faire* benefits that arise anyway from the physical regeneration of a site or building, and from direct jobs, enhanced tourism spend, and local multiplier effects.

Our expectations are realistic – we do not consider that a small casino can be the goose that lays the golden egg for Hastings. Nevertheless we will be looking for genuine engagement on the part of the casino. We will challenge potential operators to come up with best practice in terms of community partnerships and benefit, and this will be a key factor in evaluating proposals.

Potential additional community benefits fall into several categories:

Physical regeneration / environment

- High quality placemaking through striking architecture and landscaping
- Energy efficient and sustainable construction
- Contribution to physical improvements to the seafront, town centre, and/or immediate environs of the chosen location. This may include decorative and safety lighting; public art and new planting; highway,

pedestrian and cycling improvements; railings, signage and other measures.

- “Considerate Contactor” framework.

Employment & skills

- Sign-up to Hastings’s innovative Construction Charter. This will commit the operator / developer to ensuring that building and fit-out contracts provide on-site training for local people, and make every possible effort to recruit and procure locally through construction contracts.
- Work with local recruitment bodies (eg Jobcentre Plus, Working Links, Tomorrow’s People), schools and colleges to ensure 80% of staff are recruited from within the travel-to-work area
- Establish local in-house or external training to ensure local people have the skills to take up jobs and careers in the casino industry
- Links with Hastings College, input into customer care and other related teaching

Community

- Material support and publicity to local community-based gambling and debt advice agencies, including Citizens Advice Bureau, Community Banking Partnership, and Gamcare (or equivalent) support.
- Encourage and support staff involvement in the community
- Sponsorship / advertising in community newsletters etc
- Active involvement and partnership with police and Safer Hastings Partnership

Arts, culture and sport

- Patronage and showcasing of local performers, musicians and entertainers
- Participation and sponsorship of arts festivals and activities such as Coastal Currents
- Sponsorship of local sporting activities.

Business

- Participation in the business community, including support for new businesses (eg via Profitnet learning network, Biz Fizz advisory panel).
- Contribution to tourism development (strategy development, co-promotions, participation in 1066 Country marketing group)
- Participation in Seafood & Wine festival

It will be a matter for negotiation whether these are achieved through Section 106 Agreements, partnership arrangements, institutional rents, turnover-

related grants, endowments, benefit events, individual grants and/or other mechanisms.

8 Unique characteristics

How do you consider that the development of a small or large casino “help reinforce the distinctiveness of the locality”? Do you expect people to have a different image of Hastings if one was located there?

Hastings is by many key measures the most deprived of all the resorts bidding for a casino. We recognise that the town’s poor image has not kept pace with the genuine improvements on the ground. Hastings still suffers from a perception of being a place of high crime and drug-use, little night-life aside from pubs and clubs, and no culture at all. On the tourist front it has been a destination for day-trippers and holiday park campers, whose pleasures lie somewhat down-market: amusements and funfairs, ice-cream and chips, and pubs.

This image and market is outdated, and must change if Hastings is to complete its renaissance as a 21st century resort. This is slowly happening through innovations such as the Seafood and Wine Festival, new and upgraded hotels and restaurants, and café culture fuelled by young creative and media businesses. The change is reflected in positive press coverage (for example, see review of St Clement’s restaurant, The Times, 20/7/06); and several recent reports identifying Hastings and St Leonards as a property hotspot.

Hastings is emerging as a destination of choice for a new generation of visitors. Recent research for Tourism Southeast by consultants Locum used the “Ark Leisure Model” of market segments, and showed that Hastings is extremely popular with 'Style Hounds' and 'Cosmopolitans'. Proportionally, Hastings attracted more 'Style Hounds' even than Brighton.

'Cosmopolitans' and 'Style Hounds' are innovators and risk-takers, and they are in the highest earning and spending groups. They enjoy fun and excitement, and also quality and service. An exclusive and up-market casino – continental-style, rather than US-style – would reinforce the attraction of Hastings for such groups. It would be a key peg on which to hang the rebranding of Hastings as a vibrant, dynamic and aspirational town.

This has clear implications for the evening leisure economy, and as a destination for weekend breaks. It will also have positive ripple effects on inward investment by businesses, and residential in-comers.

What could you do that would make Hastings be more uniquely positioned vis-à-vis other seaside resorts wanting a casino?

Hastings is already unique amongst seaside resorts. In the mid 19th century St Leonards was second only to Brighton as a prestige seaside resort, and even then Hastings already had some 800 years of history under its belt.

Hastings has lots on offer: the traditional fishing community, the mediaeval Old Town, the Victorian resort of Burtons' St Leonards, art deco seaside architecture, traditional and modern festivals, and stunning scenery within the town. Hastings is the hub of 1066 Country, and starting point for visits to Rye, Battle, Bexhill, Pevensey, and the beautiful Downland and Weald countryside surrounding it.

Hastings is so much more than a bland, faded and crumbling Victorian resort. Its potential is huge, and a high-class casino can only add to our unique mix. We would be looking to maximise the impact through dynamic architecture and design, and the very highest standards of service and operation of the casino.