

**Scarborough Borough Council**  
**“Betting on Scarborough”**

**Casino Advisory Panel –  
Further Information for 29<sup>th</sup> September 2006  
Scarborough (Large and small, fb large only)**



*A great place to live, work & play*

## **“Betting On Scarborough”**

### **1. Introduction**

- 1.1 The momentum of change in Scarborough is building at a considerable pace. Significant public and private sector investment is now underway and continues to grow, community participation in determining the future of Scarborough is at unprecedented levels and the vision for Scarborough “to achieve the renaissance of the North Yorkshire Coast by 2020” is well on the way to becoming a reality.
- 1.2 The Council is working with partner agencies and organisations, local residents, and corporate partners to improve the economy and quality of life in the Borough. The central focus has been to build on the Borough’s strengths in terms of the advantages that the area offers, in particular its quality of life and environment, and on initiating a process of innovation in which the key to success is being receptive to new ideas. This strategy is already demonstrating its success with increasing levels of business and investor confidence in the Borough and in excess of £250 million of private sector investment underway.
- 1.3 Nonetheless, the Borough, and particularly Scarborough town still has significant structural economic problems i.e. higher than average levels of long term unemployment and large numbers of people on incapacity benefit, lower than average educational attainment levels, a seasonal economy, low wages, historically low levels of inward investment and concentrations of deprivation. These problems are being tackled through measures to diversify the local economy, growing investor confidence, neighbourhood regeneration activity and by a positive approach to change and growth.
- 1.4 The securing of a casino licence for Scarborough would give significant additional impetus to the strategy for change and the subsequent development would meet all of the inward investment and economic growth aims that the Council are working to achieve.

### **2. Social Impact**

#### ***Is there anything special about Scarborough that would make it particularly suitable as a site for testing social impact?***

- 2.1 Scarborough’s location on the East Coast and its relative isolation means that the social and economic impact of the casino development will be confined largely to the town itself and therefore will be more easily identifiable than in other locations.
- 2.2 Daily inward commuting to work from other nearby towns is minimal and therefore any new job opportunities are likely to be taken up by local people.

In addition the multiplier effect of casino expenditure in the town will be enjoyed by other local businesses.

- 2.3 At present Scarborough has one smaller scale (2300 m<sup>2</sup>) casino in operation and numerous seafront arcades featuring amusements-with-prizes. These facilities are targeted at visitors and there is no strong evidence of significant, or above average levels of problem gambling in the town. The impact of a new casino with larger prizes from slot machines will be measured in the context of a relatively high level of existing amusements with prizes and therefore the impact of the greater prize levels will be specifically apparent.

***How do you think the social impact could be measured? What do you expect it to be?***

- 2.4 Monitoring of the impact of the casino on the local population will take place and will include:

- Monitoring employment levels in the casino and local take up of jobs there
- Monitoring levels of personal debt related problems in the local community
- Surveying visitor trends and activities, including bed occupancy in local hotels

- 2.5 Over the last 4 years the Borough Council has been involved in a process of engagement with disadvantaged neighbourhoods. This work is due to be developed over the coming years through a neighbourhood management approach. It is these areas that are most at risk of any adverse social impact. The process of neighbourhood management will allow these effects to be monitored and addressed.

- 2.6 However, the development of the casino is not expected to have significant negative impacts as steps will be taken to ensure that a culture of responsible and trouble free gambling as part of a range of leisure activities is nurtured. It is anticipated this will be done through a comprehensive communication and education programme, by ensuring that the facility is responsibly managed and promoted and by providing additional support services e.g. debt and gambling awareness campaigns and assistance funded by the casino operator.

- 2.7 Scarborough has an infrastructure and culture based on the leisure and tourism industries. Consequently the ability to gamble already exists within Scarborough to a greater extent than that of many other towns, be it through its many amusement arcades, betting shops, existing casino facilities or bingo halls. However, as stated previously there is no evidence to suggest that Scarborough suffers from higher than average levels of problem gambling. This would suggest that the introduction of another Casino to Scarborough would be accepted by the resident community and when coupled with an appropriate awareness campaign would have little impact on raising levels of problem gambling within the town. Essentially the “novelty factor” would be

minimised, as acceptance and understanding of gaming already exists, and already forms part of the culture of the town.

***Although the rate of unemployment is higher in Scarborough than national, regional and sub-regional averages, you also report employers having problems with recruitment. Can you explain why this should be? Do you think, whatever the problem might be, that it could affect the local take-up of jobs that would be provided by the proposed casinos?***

- 2.8 With levels of unemployment within Scarborough comparatively high, the Council and its partner agencies have been working hard to address this problem and through its Renaissance Charter and Economic Development and Inward Investment policies is working hard to develop and diversify the economy of the town.
- 2.9 The previous concentration by local agencies on indigenous growth of local businesses alone is now recognised as an unsustainable response to the difficulties encountered by the area. A number of significant investments and projects have recently been made in order to develop the Advanced Engineering, Creative, Digital, Tourism and Leisure sectors within the town. The 200 plus jobs that would come to the town as a direct consequence of a new casino development would provide significant additional opportunities for the people of Scarborough. The additional multiplier effect created by a casino development would also have a positive impact on job creation and economic gain through the support services, supplies and infrastructure which would come from such an investment.
- 2.10 Recruitment problems experienced by employers in Scarborough typically stem from a lack of skills, educational attainment and experience among the local population. This is exacerbated by the peripheral, rural and somewhat isolated location of the town.
- 2.11 The council is developing and delivering a wide range of initiatives with Job Centre Plus, the Learning and Skills Council and local training and employment providers to provide supported employment opportunities and training initiatives within the town. Such initiatives would also be integral to any casino development agreement with the Council so as to ensure that job opportunities that are created would benefit unemployed people from within the town, and in particular within those areas of greatest need i.e. disadvantaged neighbourhoods.

***In this connection, are you aware of research by Christina Beatty and Stephen Fothergill of the Centre for regional Economic and Social Research, Sheffield Hallam University dated June 2003?***

- 2.12 Broadly speaking "The Seaside Economy" report shows significant increases in population across all seaside resorts since 1970 alongside similar increases in employment levels during this time. The report also highlights levels of hidden unemployment in seaside towns and the high numbers of people receiving long term sickness benefits. Within this picture Scarborough has experienced slightly lower levels of employment growth over this period (17% compared with 22%) but significantly lower levels of inward migration (8% compared with 34%) than the average seaside town. The town does

have a growth strategy to increase the local population to provide a critical mass to support the economic expansion of the town.

### **3. Need for Regeneration**

#### ***What is the research base for the statement that your proposal would lead to at least 20,000 additional visitor nights?***

- 3.1 The Scarborough Borough visitor survey of 2004 showed that visitors staying in Scarborough (including self catering accommodation) stay for an average of 5 nights although those staying specifically in hotel accommodation stay for 4.2 nights. It is estimated that Scarborough town attracts 365,850 visitors each year who stay for total of 1,829,300 visitor nights.
- 3.2 The Sands development in Scarborough's North Bay is expected to create some 1048 additional holiday let bed spaces resulting in some 223,391 visitor nights. The provision of a new casino in the town is considered to account for approximately 10% of these additional visitor nights which is equivalent to 1.1% of the total to Scarborough each year or 20 – 22,000 additional visitor nights.

#### ***What is the current status of the proposed development at the Sands? What is the programme? What are its prospects of complete realisation?***

- 3.3 In October 2004 planning permission was granted to developers Bench Mark leisure for "The Sands" development, a £120m, 50 acre mixed use tourism and leisure development in Scarborough's North Bay. Included within the outline permission was the proposal for a new casino.
- 3.4 Detailed planning permission for the 1<sup>st</sup> phase of the works was granted in February 2006. In June 2006 work commenced on the 1<sup>st</sup> phase of this project which includes the creation of over 100 apartments, shops, restaurants and bars.
- 3.5 Architectural designs and an application for full planning permission for the next phase of the development, which will consist of a Hotel and Waterpark have been submitted and are currently being processed with a view to being considered by planning committee in November 2006.
- 3.6 The developer has stated that the inclusion of a casino within the development proposals and future phases of the scheme would ensure the whole development, with its mix of leisure facilities and accommodation, could be secured. "A casino development at the site would serve as the anchor tenant to provide the economic sustainability required for a number of the associated development proposals, including the proposed Waterpark and a much-enhanced overall scheme which could include a multi purpose leisure centre and a higher quality of hotel accommodation and associated facilities".
- 3.7 An outline schedule has been drafted by the developer which defines the type and scale of casino operation that would be included within the site should they be successful in being awarded a licence.
- 3.8 It is envisaged that the casino would be integral to the proposed hotel development and offer:

4800m<sup>2</sup> Casino gaming floor space  
2000m<sup>2</sup> Health and beauty facility  
4000m<sup>2</sup> Family leisure and entertainment venue possibly including cinema  
and stage  
1300m<sup>2</sup> A3 retail accommodation

- 3.9 The total area for the development including the casino, hotel, and associated restaurant and leisure facilities would total more than 18,300 m<sup>2</sup>.
- 3.10 Implementation of the Sands development in its entirety is planned for completion within the next 5 years. Funding for the first phase of the development has been secured from the Royal Bank of Scotland and the Council, the developer and partnership organisations are increasingly confident that the scheme will come to full fruition within this time scale.
- 3.11 Due to the significant beneficial impact a casino could have within the scheme in terms of supporting income generation Benchmark Leisure have stated that they would look to implement this element of the scheme at the earliest opportunity and have indicated that a casino development would be fully operational within 2 years.

***You tell us that you expect The Sands development to provide up to 1,000 jobs. How many of these do you expect to be in the casino? And what is the evidence for your answer?***

- 3.12 It is envisaged that a minimum of 200 full time employment opportunities will be created from the creation of a large casino in Scarborough. This figure has been derived from a number of sources.
- 3.13 Scarborough's existing casino operation has a floor area of approximately 2300m<sup>2</sup> and employs 96 full time employees in a number of roles ranging from the casino floor to catering, administration and management staff, this casino is approximately half the size of that proposed for the new development.
- 3.14 Additionally, discussions with prospective casino operators have indicated that the anticipated number of jobs created from a casino development of the size proposed within Scarborough would create in the excess of 200 directly attributable full time employment opportunities.
- 3.15 These figures are further corroborated when analysis of existing casino operations outside of Scarborough is undertaken, for example Star City Birmingham has a floor area approximately 1000 m<sup>2</sup> less than that proposed in Scarborough and supports 187 full time jobs. When extrapolated in relation to Scarborough's potential casino development, which boasts a floor area in the region of 4800 m<sup>2</sup>, this would equate to approximately 285 job opportunities.

#### **4. Willingness to Licence**

***Please can you be specific about the public involvement referred to on p.5 of your proposal?***

- 4.1 In November 2004 a draft strategy for the future of Scarborough's Night Time Economy was drafted in partnership with a number of local bodies including representatives from North Yorkshire Police and Magistrates, Community Safety local Pubs and Clubs, youth groups, the planning authority, highways, licensing environmental health, the Town Team, local residents associations and the Primary Care and NHS Trusts.
- 4.2 From this document came recognition of the need for change in Scarborough's night time economy in order to move away from the drinking culture that existed within the town and the associated socio economic problems that were inherent with such a culture.
- 4.3 Additionally the strategy recognised that families and people over the age of 30 felt excluded from the town centre during the evening and that due to the towns poor reputation businesses were unwilling to invest in higher quality restaurant bar and leisure facilities within the town.
- 4.4 In order to address the issues of exclusion and crime and disorder (that a drinking "mono culture" can create) the strategy recommended a number of priority actions.
- 4.5 Included in these priority actions was a recognition of the need to diversify the Night Time Economy and encourage "alternative, non drink dominated, entertainment and leisure facilities", to include Continental style, cafes, restaurants, music and entertainment facilities etc. significantly, casinos were recognised as meeting the desired criteria.

***Has your proposal yet received the endorsement of a resolution of Full Council?***

- 4.6 At its meeting on the 14<sup>th</sup> of March 2006 the proposal received the endorsement of the Council's Cabinet, the executive body of the Council in accordance with the Borough Council's Constitution.

**5. Probability of implementation**

***As Scarborough already has 2 Casinos in the town centre, what are the real prospects of further casino development?***

***What is Scarborough's recent experience in attracting significant private sector investment?***

- 5.1 In recent weeks the smaller of Scarborough's Casino operations has closed. Known as the Grosvenor Casino and operated by the Rank Group, the casino was an integral part of the Grand Hotel. The hotel has recently been taken over by the Britannia Group and is currently undergoing major renovation works to create significant additional accommodation. Rank have decided to cease casino operations from this site as a result of a re-organisation of their property portfolio but have approached the Council expressing their continued interest in operating a casino within the town.

- 5.2 The remaining casino in Scarborough (The Opera House Casino), which is larger and run by a local private company, continues to operate within the town and attracts custom from throughout the region.
- 5.3 The prospects for a new casino development within the town are high. Scarborough is enjoying a major period of regeneration and growth with significant public and private sector investment either underway or planned in the next 5 years. In leisure and tourism alone over £200m is anticipated including:

The Sands	£120m
The Grand Hotel	£20m
The Crown Hotel	£6m
Travel Lodge	£4m
Cumberland Hotel	£1.5m

Caravan and leisure parks £13m

New bars, cafes and leisure facilities £10m

Scarborough Borough Council Renaissance projects £16m

- 5.4 Additional investment is being made in the towns infrastructure, housing and business provision. Again through a combination of public and private sector investment the town is now achieving the creation of approximately 450 new homes per annum and has recently been awarded £15m to deliver Scarborough's new Integrated Transport Scheme.
- 5.5 A £9m scheme to open 130 acres of new serviceable land for industrial and office development at Scarborough Business Park is due to start on site at the end of Nov 2006. This project alone will create approximately 2000 additional jobs for the town and will provide around 70,000 m<sup>2</sup> of new business space.
- 5.6 In summary the current range of investment will achieve increases in both the tourist and resident population of the town, increased prosperity for all and a reshaping of the towns economic model along with greater cultural diversity.
- 5.7 The growing visitor and resident population of Scarborough will require a broader range of cultural and leisure facilities. An additional Casino fits well within this strategy and the economic and regeneration transformation that Scarborough is undergoing. A new casino in Scarborough will provide a safe, high quality environment in which to cater for the growing leisure requirements of the town and any development will be undertaken with this wider strategy in mind.
- 5.8 Scarborough's improving prospects have not gone unnoticed by casino operators wishing to establish operations within town. The council has been approached by all the major casino operators including the Rank Group, Stanley Casinos, Century Casinos and Aspers in recent months, all of whom have expressed considerable interest in investing in Scarborough should the opportunity arise.
- 5.9 When questioned, all operators believe that the growing fortunes of Scarborough will provide an excellent and sustainable opportunity for a

successful and beneficial operation within the town alongside the existing tourism, leisure and casino facilities which are currently on offer.

***Is there any movement in connection with the casino granted permission at the South Bay?***

- 5.10 In anticipation of Scarborough Borough Council being successful in securing a casino licence, the owner of the site at the South Bay is in the process of renewing his current planning permission for another 5 years to provide any potential developer / operator with a location for a prospective development on the established Seafront of Scarborough.

**6. Regional and local context**

***How does your proposal fit into the regional policy context? Is there support for your proposal in Regional Spatial Strategy?***

- 6.1 **The Regional Economic Strategy** for Yorkshire and the Humber was approved by Government in April of this year. The RES identifies objectives to boost key sectors in the region including tourism and focuses on the delivery of the Strategic Framework for the Tourism Economy. The development of a new casino in Scarborough will support this by fostering innovation, by creating a step change in the tourism product, by improving the overall quality of the tourism product in Scarborough and by supporting local tourism businesses and jobs. In this way the development of a new Casino will also support the aims of the (currently draft) Moors and Coast Area Tourism Plan by increasing the value of each visit to the area, contributing to a culturally rich and entertaining tourism product throughout the year and maximising business performance within the sector.
- 6.2 The casino will also support the Renaissance aspirations of the RES by linking with Scarborough's culturally driven Renaissance Programme.
- 6.3 **The Yorkshire and Humber Regional Spatial Strategy** - Scarborough is identified as the key service centre within the Coastal Zone and is identified both as the "Coastal Capital of Yorkshire" and "Yorkshires Playground". The document states that implementing the Strategy's core approach at the scale of the Coast sub area means that most new development should be focussed on the Scarborough urban area. This reflects the position of Scarborough as the East Coast's largest resort town and a key location for development within its environmentally sensitive hinterland.



- 6.4 **The Tourism Marketing Strategy for Yorkshire and the Humber**, published by the Yorkshire Tourist Board in June, identifies Scarborough as a key destination and brand aiming to target ABC1 short break takers in the region. The development of a Casino will support this aspiration as well as that of attracting to the region a greater proportion of business tourism and international visitors.

***What support has your proposal gained from regional bodies, please give details?***

- 6.5 Scarborough Borough Council have received letters of support from the Regional Development Agency, Regional Assembly and County Council in relation to Scarborough current bid for a Casino licence. (Letters of support can be provided.)
- 6.6 A consultation event regarding Scarborough's bid for a casino licence, with guest speakers from the regional bodies, is being held on the 5<sup>th</sup> of October and will be attended by representatives from all the stakeholder organisations from throughout the region.

**7 Community Benefits**

***Can you tell us more about how your proposal would directly provide community benefits?***

***Would you envisage any other community benefits than tourism and training?***

- 7.1 The introduction of a new casino development within Scarborough would bring a number of direct community benefits.

- 7.2 All of the potential sites identified by the Council for a casino development are within areas in need of physical regeneration. A casino development in any one of these potential sites would therefore bring much needed environmental improvement. The regeneration effect would consequently raise the quality and therefore value of the surrounding area, generate civic pride and act as a catalyst for further inward investment.
- 7.3 The casino, associated leisure facilities and additional inward investment generated i.e. bars, restaurants, cinema and theatre etc. would provide a number of jobs for the local community. As described previously the Council would ensure that the successful developer offered supported training and employment opportunities within the local community in order to assist those who would benefit most i.e. the long term unemployed and those on incapacity benefit and in search of gainful employment.
- 7.4 The council is currently undertaking a number of community based renaissance and regeneration projects throughout the borough. The successful casino developer would be required to actively contribute to Scarborough's current renaissance movement and actively participate in the activities and projects of the town.
- 7.5 One such example includes the creation of a community youth centre or "one stop shop" to provide information, advice, training, educational and recreational facilities for young people within the town.
- 7.6 If successful in securing a casino licence the Council would ensure that the successful developer/ casino operator made a direct contribution to projects of this nature within the town.

## **8 Unique characteristics**

### ***What could you do that would make Scarborough be more uniquely positioned vis-à-vis other towns wanting a casino?***

- 8.1 Scarborough's place on the East Coast of England is unrivalled. The town is this years gold medal winner for best Seaside Town in the Britain in Bloom Awards. It boasts an outstanding architectural legacy from the Victorian era, environmental quality, access to a national park and heritage coastline, unique leisure and cultural facilities, an established tourism infrastructure which supports quality hotel accommodation.
- 8.2 Scarborough's aspirations represent a renaissance of culture and style in a town that provides a unique opportunity for growth and prosperity. Scarborough's location between a wide rural hinterland and the North Sea gives it an opportunity to demonstrate the benefits that a casino can bring to a town as part of a range of attractions and facilities aimed at rejuvenating and sustaining the local leisure and business tourism industry. In this respect Scarborough is not putting all of its hope in a new casino, but rather sees the opportunity to make a significant contribution to the towns current programme of regeneration and to complete the vision of a new British Resort with world class hospitality, accommodation, culture and environment.

- 8.3 Also unique to Scarborough is its catchment population in terms of leisure and tourism activity. Typically leisure investment is assessed in term of population within the half hour catchment area. Scarborough offerings are so unique and desirable the catchment area can be readily extended to two hours and encompass the large conurbations such as York, Leeds / Bradford, Teesside, Hull and Newcastle. People readily travel many miles simply to enjoy a day at the beach, an evening at the theatre or even just to enjoy a drive through the beautiful countryside surrounding the town in anticipation of the traditional hand made ice-cream which greets them when they arrive.
- 8.4 Finally, the towns low levels of daily inward commute to work mean that economic benefits will be for local people living in some of the regions most disadvantaged communities, and that the wider economic effects will be felt locally, not dispersed into urban city economies which surround the town.

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