

**CASINO ADVISORY PANEL
Formal Proposal Cover Sheet**

Please fill in all categories below:

Name of Local Authority:

Brighton & Hove City Council

Main Contact:

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Name and title of Submitting Officer:

Name: **Alan McCarthy**

Title: **Chief Executive**

Statement of basis of application:

What exactly are you proposing? Please make clear which type of casino you **primarily** wish to be considered for.

Regional Yes/No **No**

Large (state number) **One**

Small (state number) **One**

If this proposal is unsuccessful what if any is your fall back/ second proposal?

Large (state number) **One**

Small (state number). **One**

I. Type of Area

Population base of the area

I.1 Brighton & Hove has a resident population of approx. 251,500 (Mid year population estimates 2004) and 66% of these are of working age (just over 165,000). The area has a low proportion of pre-working age residents and a very high proportion of young working age residents. 20.6% of Brighton & Hove residents are aged 60+.

I.2 One third (33.4%) of Brighton & Hove's residents are aged 25-44 years. This group is arguably the most economically dynamic age group and provides a well educated resident workforce - nearly 29% of adult residents hold a degree or equivalent qualification. The students and the in-migration of highly educated people make the city's workforce amongst the most highly educated in the country.

Educational Attainment

I.3 The city's two universities have around 32,000 students and provide around 7,000 graduates each year.

I.4 However, there are still many residents in the city who have significant basic skills needs and more than 40,000 adult residents who do not hold any qualification. Educational attainment remains below the national average at Key Stage 4 and 55% of 15 year olds attained five GCSEs A*-C grades in 2005 compared to 57.1% in England. This is mainly due to the wide differences in attainment amongst young people in different parts of the city.

I.5 Over the past three years, the BN2 postcode areas have experienced a growth in the number of young people in Brighton & Hove who are Not in Education, Employment or Training (NEETs). A higher than average number of these young people are identified as having learning difficulties and/or disabilities.

I.6 While levels of participation in adult learning (post-19) have been increasing overall for some groups of adults, particularly those in East Brighton, participation and achievement are below Sussex and national benchmarks. There is a higher proportion of adults registering for Level 1 qualifications here than in the rest of Sussex, however Further Education success rates for adult at levels 1 and 2 are below those for Sussex as a whole.

I.7 The service sector nature of the local economy means that there is a high demand for people from all levels of occupation, managers to administrators that have good customer service and interpersonal skills. Good literacy and numeracy skills are also increasingly required to work in the city's modern labour market.

Local evidence suggests that there is a shortage of people in the skilled construction trades.

Ethnicity, Sexuality and Religious Affiliation

1.8 5.8% of the resident population is from a non-white minority ethnic background. This is significantly lower than the national average, but higher than the average for the South East region.

1.9 Estimates vary as to the number of lesbian, gay, bisexual and transgender residents in Brighton & Hove, but according to the Brighton & Hove Crime and Disorder Audit 2001, there were an estimated 35,000 LGBT people living in the city.

1.10 Of those who declared a religious affiliation in the 2001 Census, the largest number were Christian (59.1%). The other faith groups stated were Islam (1.5%), Jewish (1.3%) Buddhist (0.7%), Hindu (0.5%), Sikh (0.1%). Finally, 27% of respondents declared themselves to be of no religion. (Source: Census 2001)

Current levels of tourism

1.11 The City receives 8.02 million visitors per annum (2004 STEAM) of which 6.5 million are day visitors. While staying visitors account for just 19% of all visitors they account for 59% of all visitor revenue. The total revenue for 2004 was £392.22 million. This sector supports over 6000 FTE jobs.

1.12 The City has a long history of tourism having benefited from the entrepreneurial activities of Dr Richard Russell who attracted a flood of visitors from 1750 on the back of his book on the benefits of seawater. The destination became increasingly fashionable having received the patronage of the Prince of Wales from 1783 and the subsequent construction of the Royal Pavilion in 1787. The railway came in 1841 and by 1848 the city was estimated to have as many as 250,000 visitors annually.

1.13 More recently, the City has avoided the decline of many traditional seaside destinations through a number of initiatives. The development of the Brighton Centre in 1976 helped sustain a year round tourism offer, providing a strong off-peak programme of conferences and events alongside the traditional summer peak of leisure business. The re-development of the Brighton Centre, which would be one of the potential sites for a new casino, remains the city's primary re-generation goal to sustain continued growth in tourism for Brighton and Hove.

1.14 A substantial events and arts programme, including England's largest annual arts festival, The Brighton Festival, also helps sustain tourism growth through shoulder periods.

1.15 Wider planned developments including Brighton International Arena, Brighton Stadium, The Jubilee Site, New England Quarter, King Alfred, The Marina, all support economic diversification but also reinforce the future strength of the city's visitor offer. Brighton & Hove currently has approximately 6000 hotel bedrooms and an additional 800 are planned or under development.

2. Social Impact

2.1 The main expected social impact in relation to the establishment of new casinos relates to the economic benefits that could accrue to a previously disadvantaged area as a result of locating a casino development there. The potential benefits which are predicted include enhanced opportunities for on the job training, employment with career progression, increases in City average annual income and additionally the provision of new facilities that would benefit the local community and enhance the opportunities for enjoyment by local residents.

Brighton & Hove – Present Casino ownership structure

Operator	Numbers of casinos	Addresses
Grosvenor Casinos Ltd (Rank Group plc)	2	9 Grand Junction Road Brighton and 28 Fourth Avenue Mansions, Hove
London Clubs (Casinos) Ltd	1	Rendezvous Casino, Brighton Marina
Stanley Leisure Plc	1	6-8 Preston Street, Brighton

2.2 Both Brighton and Hove were casino gaming areas as previous separate County Boroughs (they were 2 of the 53 Permitted areas pursuant to Gaming Clubs (Permitted Areas) Regulations 1971).

2.3 Grosvenor's Sargeant Yorke's casino first opened in 1971, but these premises which were by Brighton Station closed during the early 2000s when the Rendezvous (London Clubs) and Grand Junction Road (Rank) both opened. Hove has a small, select operation that opened over 25 years ago. The newer casinos have tended to opt for a smart, casual dress code in order to appeal to a wider market and also offer leisure facilities. Older, smaller ones may be more traditional with a la carte restaurants.

2.4 The casino industry in Brighton & Hove is substantial, highly regulated and with a spotless reputation. Operators aim to take effective, preventative and remedial measures to counter problem gambling, providing self help guides and referral information where help and advice can be sought. No complaints or problems have been reported to the local authority concerning the operation of casinos.

Mitigating potential negative impacts from the existing casinos

2.5 The Council's Crime and Reduction Partnership is overseen by the Community Safety Forum. Aims of the 2005/08 Community Safety, Crime Reduction and Drugs

Strategy include reducing crime and disorder, reducing fear of crime, reducing harm from drugs and alcohol and improving community safety. The action plan aims to integrate sustainability and community safety into service priorities, planning and work programmes of agencies.

2.6 Some active partnerships are listed below:

Initiative	Partners	Objective
Violent Crime Task Force	Council, Police, NHS Trust, SIA, Licensed trade, Bus and Taxi operators	Reduce public place violent crime
DAAT	Council, Police, Business, Crime Reduction Partnership, PCT, Probation, Local Agencies, Charities and Projects	Reduce harm to communities with misuse of drugs
Business Crime Reduction Partnership	Business, Police, Council, GOSE, Youth Offending Team, DAAT, Trading Standards	Reduce crime and antisocial behaviour against businesses
RAP: Children & Young Peoples Safety Strategy	Area Child Protection Committee, Council, Police, NHS Trust, PCT, Children's Trust, DAAT, Schools, YOT, Youth Service, Local Agencies and projects.	Safeguard children and young people from harm and neglect
Policing Plan and Supporting People Strategy	Women's Refuge, Police, Council, CPS, Probation, PCT, Health Trusts, Women's Centre, Domestic Violence Forum, EB4U.	Reduce domestic violence and abuse
Licensing Strategy Group	Council, Police, Fire Service, Licensed trade, resident associations, local music network, NHS trust, Business forum	Develop licensing policy
Taxi Forum	Taxi trade, Council, Police	Develop taxi licensing policy and link to local transport plan

2.7 It is likely that a consultative forum for gambling, comprising the licensing authority, responsible authorities and interested parties would be created to develop gambling licensing policy.

3. Need for regeneration

3.1 The claimant count unemployment rate in Brighton and Hove (3.2%) has remained higher than the South East figure (1.7%) despite year on year improvements since the mid 1990s.

3.2 Within the South East, Brighton & Hove City Council ranks the 2nd 'most deprived' in terms of the Index of Multiple Deprivation 2004 overall score. There is a strong link between income deprivation and overall deprivation. The area has 3.6% of the region's residents, but 5.7% of the region's income deprived residents.

3.3 Housing affordability has become a major issue for the city, affecting recruitment and retention for local employers and widening the divide between the city's rich and poor residents.

3.4 There are a number of proposed major developments that will contribute to the commercial and cultural importance of the City. These include Frank Gehry's redevelopment of the King Alfred Centre, the redevelopment of the Brighton Centre and the development of Brighton International Arena at Black Rock, close to the Marina. These will require significant investment in the transport infrastructure of the City to enhance access and benefits to the whole community.

Economic Activity Targets

3.5 The Regional Economic Strategy (RES) has set a regional objective for 85% economic activity of residents in the South East by 2016. At present the economic activity rate for Brighton & Hove is 80.6%, compared to the regional rate of 82.1%.

3.6 Brighton and Hove currently has a higher rate (5.5%) of economically inactive wanting to work compared to the regional rate of 4.7%. Brighton & Hove's Local Strategic Plan has set targets for the overall number of working age people in employment to reach 135,000 by 2005. Latest figures gave the overall number as 127,000 in 2003.

Supporting details of additional economic value that the proposal would create

3.7 A study commissioned by the North West Regional Development Agency in November 2005 estimated generic local economic impacts of developing a new large casino were in the order of £12m Gross Value Added (wages, non-repatriated profits, indirect and induced expenditure flows) per annum, the figure for small casinos was £7m. New employment figures were estimated at 377 for large casinos and 181 for small.

Typical employment densities generated by D2 use class Amusement and Entertainment Centres from English Partnerships guide.

Large casinos – minimum total customer area 1,500 m ²	38 workspaces or 19 FTE's
Small casinos – minimum total customer area 750 m ²	19 workspaces or 9.5 FTE's

Casino operations job titles and salaries

Gaming Staff	Salary range
Trainee Staff – training + 6 months	Circa £15,000
Croupier	£17,000 - £25,000
Trainee Croupier	£16,500 - £17,000
Dealer – Inspector	£26,000 - £27,000
Inspector	Circa £30,000
Pit Boss	£32,000 - £40,000
Shift Manager	Circa £50,000
Casino Director	Circa £100,000

Source: Inside Edge Magazine

3.8 Median annual earnings for full time employees within Brighton & Hove are currently £20,502. The gaming operational positions described above are competitively paid and offer flexible working as well as career progression and entry-level trainee positions. Of course, there may be a need to recruit from outside a newly developed casino area for skilled positions thus lowering the impact of local employment opportunities.

3.9 In addition, the casino development would provide employment for hospitality staff and administrative staff. Short term employment and key sector training opportunities in Construction would exist for the period of Development. Key sector skills and on the job training opportunities could be created in both Hospitality and the Gaming industries.

3.10 To calculate additionality and multiplier effects a potential investment sum for the development would be required. Hypothetically we expect that multiplier effects would enhance the local economy because of the additional services and facilities available, described above in potential regeneration benefits to the City.

3.11 In the best case scenario, the location of a new casino, possibly in a deprived periphery of the City, would attract sufficient additional investment to support major transport infrastructure development and enable development of other key sites such as the Brighton Centre Conference facility.

Are there parts of Brighton & Hove that would particularly benefit from the proposal?

3.12 The Index of Multiple Deprivation 2004 allows comparison between several Domains of Deprivation across all super output areas in England.

3.13 Areas affected by high unemployment, incapacity and disability or subject to New Deal are those ranked highest in the Employment domain. In Brighton and Hove the super output areas ranked amongst the 20% most deprived in England are in East Brighton and Queen's Park for the Employment Domain. East Brighton and Queen's Park also have the highest numbers of super output areas in the Crime and Disorder Domain.

3.14 Areas affected by low levels of educational attainment at key stages in school, under 21s not entering Higher Education in addition to working age adults with low or no qualifications are included in the Education, Skills and Training Deprivation Domain. Brighton and Hove super output areas ranked in the 20% most deprived in England were in Moulsecoomb and Bevendean and East Brighton.

3.15 Areas affected by household overcrowding, registered homeless and poor access to owner-occupation, as well as disadvantage due to geographical distance from facilities such as schools, post offices and supermarkets are measured in the Housing and Barriers to Services Domain. In Brighton and Hove super output areas ranked in the 20% most deprived in England were in the following wards; East Brighton, Goldsmid, Moulsecoomb and Bevendean, and Queen's Park.

3.16 With reference to the guidance notes from the Joint Committee on the Draft Gambling Bill, when considering the regeneration needs of an area and the benefits to be achieved from casino development, some locational characteristics could negate the benefits of raising the investment profile of an area and attracting further visitors. The prevalence of crime and disorder in an area, the likelihood of further demands on a strained infrastructure and tourism services in city centre locations, or the displacement of local employment may negate potential benefits. The increased competition in a turbulent market may also destabilise existing businesses - for example, the Grosvenor Casino in Queens Road, Brighton closed after the Rendezvous Casino had opened at Brighton Marina.

3.17 The Brighton & Hove wards with super output areas which are in the 20% most deprived for Employment, Education, Skills and Training, Housing and Barriers to Services demonstrate a need for employment generation, training and career opportunities, as well as the economic benefits of a newly created investment profile and the planning gains to be achieved for the community.

3.18 Limitations to suitability do exist as there may be difficulty in finding suitable land within the deprived wards of the City for a new casino development.

3.19 Wards identified as having regeneration needs include:

Moulsecoomb and Bevendean
Queens Park
Goldsmid
East Brighton

Regeneration outputs and outcomes sought from the development of a new casino

3.20 The Regional Development Agency Area Investment Framework (AIF) for Adur District Council and Brighton & Hove Unitary Authority produced in 2003 amalgamated national, regional and local strategy objectives to provide a focused list of sustainable regeneration priorities and has identified key priorities for investment.

3.21 We will look at how the following priorities can be assisted in part by any casino development:

Supporting the creation, retention and development of local business and key sectors

3.22 Here the aim is to see an increase in the number of jobs in the AIF area and improve performance of local business. In particular to *support initiatives that provide targeted assistance and contribute to cluster development specifically in tourism and hospitality, working with academic institutions where appropriate*, for example City College and the Centres of Vocational Excellence to deliver vocational training in hospitality and customer services.

To develop, promote and support equal access to new and existing cultural, leisure and sporting facilities and support the visitor economy

3.23 Increase the number of visitors to the AIF area with higher rates of spends per night/short stay (particularly business and international visitors), by capitalising on developments such as legislative changes in licensing and gaming.

Increase the opportunities to access and participate in high quality learning and training opportunities

3.24 Develop and implement specific employment/training projects e.g. construction skills, projects to assist workless people into work. Opportunities may be in construction, operation of the casino or hospitality and will require improved partnership working between potential employers, Sussex LSC and training providers (also with JobCentre Plus and Working Links).

Construction Skills and Training Accord are to be written for all major developments.

Increase in the number of employers who implement Investors in People (IiP).

Establish and improve new sector / skills specific training frameworks for businesses in key sectors including tourism and hospitality and ICT. The chosen operator could be required to develop and implement sector/skills specific training frameworks.

Reduce Crime and Fear of Crime

3.25 A major development can improve the physical environment, quality of life and reduce the fear of crime. This may be achieved through *better urban design and lighting including CCTV, the effective use of police resources and support of schemes to reduce violent crime in public places e.g. licensing policies.*

Improving the transport infrastructure

3.26 Specifically, to encourage the development by local and regional government of a transport model for Brighton & Hove and Adur to test out strategic options for the future, including exploration of a rapid transport system to relieve Brighton & Hove and Adur's congestion problems.

3.27 Poor transport infrastructure inhibits business growth. Therefore, there is strong business support for the need to improve the local transport network and ease congestion on routes into, within and across the AIF area. *The new development projects need to be effectively linked to an improved transport infrastructure, particularly linking the new cultural, conference and leisure facilities.*

3.28 There is a need to ensure that the public transport network enables people in outlying areas to take up employment opportunities across the AIF area.

Additional investment benefits may be

3.29 Bringing forward key infrastructure projects and delivering them bearing in mind the planning constraints identified such as inadequate transport infrastructure.

Additional community benefits may be

3.30 An increase in the provision of community based learning opportunities and an increase in people taking up learning opportunities

3.31 Increase access to and improve the quality and coherence of community based learning opportunities to widen participation in adult and community learning particularly in deprived neighbourhoods.

3.32 Provision of first-rung learning opportunities (non-accredited). Actions to assist disadvantaged groups into employment through more work trials, more supported employment, and improvement of neighbourhood job brokerage and services.

3.33 A reduction in the number of people who are long term unemployed/workless through training projects to support them into employment, particularly in areas such as construction training, customer services skills and hospitality.

Further strategic priorities in support of the development

3.34 Prepared in consultation with key stakeholders in the City and in support of the Regional Economic Strategy (RES) vision for a prosperous region delivering a high quality of life and environment for everyone. The priorities here seek to complement those developed by the Area Investment Framework (AIF).

3.35 The Brighton Economic Strategy identified some related strategic priorities:

- Supporting business competitiveness and growth through initiatives that aid business retention and inward investment,
- Renewing the urban and physical environment by making the best use of brownfield and greenfield sites for commercial and housing use.
- Improving the City's transport system and encouraging where possible a modal shift to more sustainable forms of transport, promote green travel schemes to employers and schools and link key sites to support the business and leisure economy.
- Marketing the city to business and leisure visitors, raising the city's profile and attracting off peak visitors.

4. Willingness to license

4.1 Officers reported to the Council's Licensing Committee (Licensing Act 2003) on 2nd March 2006 and secured agreement to commence preparing a statement of gambling policy. It is planned that a draft policy will be subject to consultation between June and September 2006 in order to take effect on 1 December 2006.

4.2 The policy will recognise the wide variety and substantial quality of gambling facilities. It will foster ownership, co-operation and partnership with the gambling businesses, responsible authorities including Sussex Police and others affected. Location of premises will be considered; current casino operators favour the entertainment centres of the city rather than residential areas. Each application will be considered on its individual merit, as it relates to licensing objectives.

4.3 There is no indication that the Licensing authority would decide to pass a resolution not to issue new casino licenses. There is good provision for late night

transport, due, in part, to the later opening of a wide range of existing licensed premises within the City.

4.4 The Council would support increased consumer choice within a strong, flexible regulatory environment, but its licensing policy statement will be subject to consultation and may be influenced by the local Police, gambling business interests and the interests of others likely to be affected.

5. Probability of implementation

5.1 The City has a published Tourism Strategy from 2004 which sets out the broad priorities for future development and a vision which sees the City as 'Europe's best meetings destination', 'Britain's first world-class seaside destination' and 'England's favourite creative city'. Within it, specific reference is made to Casinos under section 1.3 which calls for 'Carefully controlled, top quality casino development' to support broader product development ambitions.

5.2 The City has recently received a number of planning applications from major seafront hotels which propose casino developments which would, under the terms of the legislation, be classified as 'small' and 'large' respectively.

6. Regional context

6.1 From the issues and options facing the Core Strategy document to be adopted by the Local Development Framework in November 2006.

South East Plan

6.2 The draft Plan aims for a healthier region, a more sustainable pattern of development and a dynamic and robust regional economy. It identifies Brighton & Hove as the centre of a Sussex Coast sub-region stretching from Chichester to Rye. This sub-region is designated a 'regeneration area' - with specific mention of Brighton and Hove - where particular focus is needed on economic and social regeneration.

6.3 The draft Plan gives the city an important role as a catalyst for the renaissance of the whole Sussex coast. Additional housing development is expected to take the form of sustainable extensions to existing urban areas, including Brighton and Hove, preferably on 'brownfield' sites. Brighton and Hove is currently likely to be required to provide at least 11,000 new homes over the plan period to 2026. The draft Plan also requires, and sets out criteria for, the allocation of sites for employment use. Brighton is identified as part of the regional network of strategic 'town centres' and Brighton and Hove is defined as a regional transport hub.

6.4 The coastal strip is regarded as a priority area for tourism and the attraction of the city is promoted to encourage longer stays through linked trips to surrounding areas. Regency Brighton is identified as a regionally significant historic environment.

7. Community Benefits

7.1 The increased employment opportunities, which a casino could generate, are of two main kinds: those which would occur during the development and construction of the project and those which would result from attracting new visitors to spend money in the area.

7.2 The kind of additional non-gambling amenities and facilities which a casino may make available for enjoyment by locals are: live entertainment, cinemas, museums, restaurants, subsidising by the casino of improvements to transport infrastructure, the restoration of historic buildings or the provision of facilities which would otherwise have to be publicly funded, such as recreational centres for the young, the elderly or the disabled.

7.3 More generally new casinos may deliver regeneration by utilising and rehabilitating previously derelict sites in rundown areas, which subsequently become safe, attractive and popular.

8. Unique Characteristics

8.1 Brighton and Hove has accommodated casino developments for more than thirty years and has well-established processes in place to guard against and manage the possible negative impacts of such developments.

8.2 Its seaside location, with a lively night-time economy, ensures that adequate transport and other infrastructure already exists and would be capable of absorbing the additional pressures that new casino developments might generate. The attractiveness of its urban environment and proximity of areas of national beauty in the South Downs enhances its attractiveness as a location for new casinos for the commercial gambling industry – as evidenced by recent planning applications from large seafront hotels within the City.

8.3 As a significant tourist destination, the location of one or more of the new type of casinos would enhance the visitor offer from the City and maximise the potential for regenerative benefits not only for the deprived areas of Brighton & Hove, but also for the wider sub region where the economic success of the City is increasingly seen as an important driver for the economic development and prosperity of the sub-regional area.

References

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Brighton and Hove Economic Strategy 2005-2008

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LSC Report for Planning Area D September 2005

Regional Economic Strategy (Draft) 2002-2012 SEEDA

South East Plan as quoted in the Issues and Options Paper in preparation for Core Strategy document to be adopted by the Local Development Framework in November 2006.