

**CASINO ADVISORY PANEL
Formal Proposal Cover Sheet**

Please fill in all categories below:

Name of Local Authority:

Southend-on-Sea Borough Council

Main Contact:

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Name and title of Submitting Officer:

Name: Robert Tinlin

Title: Chief Executive and Town Clerk

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**

Large (state number) NO

Small (state number) NO

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

Large (state number) NO

Small (state number). NO



Introduction

With an immediate population of over 325,000, a catchment area that includes the global city of London, and over 6 million day visitors per year, Southend-on-Sea is the ideal location for the UK's first regional casino.

Southend wants a regional casino. Southend Borough Council is backed by its regional partners in its enthusiasm to deliver a regional casino alongside the hotel, conference and other leisure facilities that it will provide. Local residents, businesses and community groups have also backed the bid.

A regional casino in Southend will be a catalyst for immediate and long term regeneration. The development will revitalise the central seafront area and town centre, reinforce Southend's position as a major visitor destination for London and the Thames Gateway, and provide over 3,500 jobs in Southend and over 5,600 in its economic sub-region.

There is clear market demand and operator enthusiasm. Southend is home to two of the UK's biggest casino operators, running three casinos that already attract over 9,000 visitors per week. We have already received detailed proposals from a number of operators who have cited proven market demand, future market potential and the area's location and transport infrastructure as Southend's critical advantages.

We can manage and evidence the social impact. Southend is a successful and problem-free casino and night-time destination, with established partnership arrangements to manage and mitigate the social impact of high numbers of leisure visitors. At the same time its population is similar to the national socio-economic profile, making it an ideal location in which to test for social impact.

We have a clear vision of how to transform Southend into a major destination resort for both work and play. A regional casino is central to that vision.





Type of Area

- Southend is an established seaside destination resort with a functional economic area of over 325,000 people. It is a key economic driver within the Thames Gateway, a national regeneration priority, and is 35 miles east of London, the UK's only global city.
- Southend's population is similar to the national socio-economic profile, making it an ideal location in which to test for social impact.
- Southend has a lower percentage of skilled residents than the national average whilst a volatile unemployment rate reflects a reliance on seasonal employment.
- Southend is highly dependent on tourism with over 6 million day visitors per year. However visitor spend is lower than comparable seaside resorts with significantly lower levels of overnight stays.

Southend is 35 miles east of the global city of London. With a population of 159,000, and over 325,000 in the wider functional economic area, the town is the largest urban area in Essex and one of seven core cities in the East of England. Southend is a key economic driver within the Thames Gateway.

The socio-economic profile of Southend is similar to that of England and Wales (see table 1) making it an ideal location to test the social impact of a regional casino. The key differences are:

- A lower minority ethnic population.

- Lower rates of educational attainment, particularly at levels 4 and 5, although the percentage with no qualifications is similar to that of England and Wales – evidencing the requirement to generate employment across all skills levels.
- The average weekly pay for employees working in Southend is well below the national and regional average – a reflection of the area's economic base.

In January 2006 the unemployment rate stood at 3.1% compared to 1.9% in the East of England and 2.5% in England. However, unlike regional and national rates, Southend's unemployment rate has been volatile over the last five years, indicative of seasonal employment in the area.

Table 1:
Socio-economic
profile

	Southend	England and Wales
Population		
Male	47.89%	48.66%
Female	52.11%	51.34%
Aged 0-15	20.04%	20.15%
Aged 16-74	69.76%	72.26%
Aged 75 and over	10.20%	7.58%
Ethnicity		
White	95.8%	91.3%
Asian or Asian British	1.7%	4.6%
Black and Black British	0.7%	2.3%
Chinese of other ethnic group	0.7%	0.9%
Health		
Limiting Long Term Illness	19.1%	18.2%
General health 'not good'	9.3%	9.2%
Employment		
Employed	61.0%	60.6%
Unemployed	3.7%	3.4%
Long-term unemployed	1.2%	1.0%
Economically active	66.7%	66.5%
Employees full-time	40.0%	40.6%
Employees part-time	12.0%	11.8%
Training and Skills		
No Qualifications	29.8%	29.1%
Highest Qualification Achieved Level 2	21.8%	19.4%
Highest Qualification Achieved Level 4/5	13.6%	19.8%

Source: ONS



Level of deprivation

Southend has significant areas of deprivation and disadvantage concentrated in the wards covering the town centre and central seafront areas. A quarter of the area is considered to be amongst the most disadvantaged in the country in at least one domain of the 2004 Index of Multiple Deprivation, whilst nearly half of the area is considered to be within the 20% most disadvantaged in the region. The area scores particularly poorly when considering the employment, income and educational attainment domains.

The economy

The Southend economy has stagnated over the last 30 years, in terms of both growth in jobs and net inward migration of the working population. Southend was in the bottom 10 of the UK's 43 seaside towns in both these measures, with 11% growth in jobs and 5% growth in working age population due to migration (The Seaside Economy: Sheffield Hallam University, 2003).

In 2004 there were approximately 64,000 jobs in Southend, the largest employment sector being public administration, education and health (31%), distribution, hotels and restaurant sector (26%) and a strong financial and business services sector (24%) (Annual Business Inquiry).

Leisure and tourism

Southend is an established seaside destination resort attracting over 6 million day visitors per year with the tourism sector contributing £200 million to the local economy. The seafront offer includes pubs, amusement arcades, nightclubs and three well established casinos, whilst the cultural offer includes the cinema, theatres, an art gallery and museum. The recent discovery of arguably the most important Anglo-Saxon archaeological site since Sutton Hoo will anchor a major cultural development in the seafront area.

16% of jobs in Southend are derived from tourism. However, whilst day visitors support 13% of jobs and account for nearly £170 million of spend, staying visitors support only 3% of jobs (Hotel Market Development Appraisal, Humberts Leisure: EEDA).

It is critical to provide a wider range of hotel accommodation and attractions in the town in order to generate higher levels of spend per visitor and increase the number of staying visitors.

The low level of staying visitors has resulted in the provision of limited overnight accommodation. There is little incentive for tourists to stay and it is the business economy that is driving a small hotel demand. There are no quality four star hotels at present, whilst estimated rates of hotel occupancy in Southend are 60% – significantly lower than competing areas (Southend Commercial Seafront Regeneration Principles 2005). The hotel facilities and conference centre which would accompany a regional casino would directly help address this limiting factor to Southend's economic growth.

Transport links

Southend benefits from a good transport infrastructure extending its catchment area and making it an attractive casino resort location for operators. The town's strategic transport network, focussed on the A127 and A13, links directly with the central seafront area where parking is available for over 1,400 vehicles. London Southend Airport is re-introducing passenger flights to major UK and European cities, increasing passenger numbers to 2 million per annum by 2013. Flybe will be incorporating 14 new flight paths in its business plan from 2007.

The area is also well served by excellent public transport connections including nine mainline rail stations offering fast connections to London and a new Travel Centre, strategically located to provide efficient bus access both to the town centre and central seafront areas.

The regional casino development will be well positioned to benefit from these links, whilst the investment in enhanced transport infrastructure generated by the development will support targeted improvements to increase capacity and extend into new routes such as a high speed hovercraft link to the North Kent coast.



Local plans, policies and strategies

Many of the Council's key policies, plans and strategies support the development of a regional casino alongside associated hotel, leisure, retail and conferencing facilities. The development of a regional casino is also supported in plans for the Thames Gateway and the East of England:

- Southend is identified as the cultural and leisure hub of South Essex. A development of the regional casino's scale has been identified as an opportunity to attract inward investment and contribute to meeting the key job creation target of 13,000 new jobs by 2021.
- The location of a regional casino and associated development in Southend fits with the strategic need to regenerate local tourism. A regional casino would help to achieve increased visitor spend and increased overnight stays, throughout all seasons of the year.
- Greater investment is needed in Southend's tourist facilities. A regional casino has the potential to attract a minimum private sector investment of £100-150 million (but more realistically a greater sum). This investment would act as a catalyst for the regeneration of tourist facilities in Southend.

Principal needs of regeneration

Southend's regeneration need is clear:

- Southend's attractiveness as a resort destination has declined and a step change is required in its economy.
- Tourism is a key economic sector. However, there is a lack of attractive facilities and a limited leisure and cultural offer. In particular the lack of hotel facilities, in conjunction with this limited visitor offer, results in a high number of day visitors and a small number of staying tourists.
- The hotel and catering sector is underperforming with low growth in full time employment. There is a clear and identified need for improvement in this sector.

- Southend has a need for a larger employment base. A large number of residents commute to other districts for employment. Casinos, alongside the associated hotels, conference facilities and other attractions are labour intensive and Southend has the local workforce to fill the jobs.
- Southend needs to improve the skill levels within its labour force. The regional casino and wider development will provide a range of employment opportunities whilst the sector has a good record of workforce training and development.

A good testing ground for social impact

Southend's population profile and role as an established seaside resort destination alongside over 30 years' experience of working with the casino industry and managing a vibrant night-time economy make the area an ideal 'testing ground' in which to assess the social changes generated by increasing the size of the area's gambling offer.



Social Impact

- Southend has over thirty years' experience of working with major casino operators and of managing a vibrant night-time economy. This includes established partnership working to mitigate the impact of high visitor volumes.
- A regional casino in Southend will help generate significant social benefits including increased, secure employment, and an enhanced and better controlled night-time economy.
- The Council has proposed comprehensive consultation and engagement mechanisms to keep an open dialogue with businesses and stakeholders and to ensure that the social impact policies adopted have the backing of the local community.
- During 2006 Southend Council, in partnership with Gamcare, is setting up a regional advice and support centre, which will establish a more informed baseline against which the impact of a regional casino can be evaluated.

The real and perceived social impact of a regional casino has been a major area of debate, particularly amongst local residents, community organisations, faith-based organisations and the voluntary sector. This debate has predominantly focussed on the 'social cost' of a regional casino in terms of problem gambling, crime, anti-social behaviour and 'neighbour nuisance'. However, substantial social benefits would also arise in terms of increased job opportunities, economic activity and investment.

Southend Council and its partners are committed to ensuring the social benefits of a regional casino development are maximised whilst appropriate measures are put in place to mitigate the social cost. The Council will ensure such measures are in place from the start and that they are monitored and updated regularly, advised by a new and independent stakeholder panel. To ensure this social impact equation is fully addressed an independent evaluation of the potential impacts of a regional casino has also been undertaken.

The Current Situation

The Gambling Prevalence Study, published by Gamcare in 2000, suggests that between 0.6% and 0.8% of the adult population nationally are 'problem gamblers'. With the increase in internet gambling and Southend's particular characteristics of having an above average number of amusement arcades, we have assumed that the Borough's population would tend towards the higher end of this range. This equates to about 1,000 problem gamblers in the Borough and 2,000 in the sub-region.

There is no evidence to suggest that the three existing casinos are having a significant impact on alcohol availability and consumption, smoking, neighbour nuisance or pressures on the local transportation system. Indeed, stakeholders consider that the casinos are positive contributors to Southend's visitor offer. However, alcohol availability and binge drinking is an identified problem in Southend, particularly in the town centre (and central seafront area) where there are over 600 licensed premises and over 13,000 visitors on Friday and Saturday evenings. These problems are exacerbated by the physical location of many of the clubs and their relationship with neighbouring uses. This has, however, enabled the Council, Essex Police and other agencies to develop well-tested methods of dealing with these issues including a 'stress policy', accredited door staff system and policies on drink promotions. In addition, Southend's CCTV system includes wide coverage of the commercial seafront area.



The Social Impact of a Regional Casino in Southend

In order to assess the impact of a regional casino, Renaissance Southend Limited, the town's Urban Regeneration Company, commissioned research from Roger Tym & Partners, who produced a report on the Economic and Social Impacts of a Regional Casino (RTP 2006). The report concludes that a regional casino would have a low to medium impact on three key areas (wealth, health and crime) and the **social benefits would outweigh the social costs**. The scale of these impacts will depend on the mitigation measures that are put in place and local consultations concur that a well-considered, balanced and widely consulted risk mitigation framework is the key to success.

Table 2:
Social Impacts

Social Impact Variables	Positive Impacts (perceived)	Negative Impacts (perceived)
Health and mental health impacts		Problem gambling Alcohol abuse Smoking
Community impacts	Fund social services Fund communal facilities Jobs for low skilled	Crime Additional policing costs Anti-social behaviour
Economic and fiscal impacts	Wealth Additional local jobs Investment Local capture of capital	Competition
Cultural impacts	Image and identity Addition to night-time economy	Dependence on casinos Morality
Leisure and tourism impacts	Attract additional investment in hotels Additional tourism Different clientele group	
Impact on infrastructure	Community facilities Hotel and conference facility	Road transport (congestion) Transport-related environmental costs
Resource issues		Capital flight (non-local operator)
Social and human capital impacts	Jobs for low skilled Education and training for employees	

Source: RTP 2006

Mitigation Measures

Table 2 sets out the range of social benefits and impacts that a regional casino would be perceived as having in Southend. This has provided the foundation for a mitigation framework compiled following discussion with a range of public, private and voluntary sector stakeholders (RTP 2006). This framework has already informed local thinking on how social impacts will be addressed and will form the basis against which operator submissions will be assessed.

In considering the social impact of a regional casino in Southend we have focussed on a number of factors:

Location

In advocating the central seafront area as the location for a regional casino development the Council and its partners have identified a location that will ensure the casino will be established as a 'destination' facility whilst other elements of the development (such as hotel, conference and retail facilities) will relate more directly with the existing town centre. In this way the casino will be placed in a position which will protect potential 'vulnerable' users i.e. it will limit the number of people who visit the casino simply because they are passing by and are compelled to gamble on a whim. This location has also been chosen to ensure disturbances to 'neighbour users' such as residential properties and schools are kept to a minimum.



It is anticipated that the non-casino elements of the development, such as nightclubs and bars, are likely in their own right to significantly increase the social impact of the scheme. An advantage of the development in this location is that it would involve a repositioning of the current night-time offer within a better, more-policeable setting thereby reducing alcohol-related anti-social behaviour in the central seafront area.

The regional casino development would also be required to provide CCTV coverage (including the capital and revenue costs) linked to the town's existing CCTV network. This may also require additional policing at times. Funding of this nature has already been secured through Section 106 obligations associated with a recent enlargement of one of the town's existing casinos.

Management

One of the major activities affecting the social impact of any casino development is the management approach of the operator. The Council and Essex Police are already actively engaged with existing night-time economy operators to provide local initiatives, which include:

- An SOS Bus providing people with a safe place to go for treatment or counselling in the town centre between 9pm and 3am.
- An accredited door staff system providing well trained security staff.
- Screening by current casino operators to limit and deal with on-site alcohol abuse.
- A street pastor scheme to support and protect vulnerable people in the town centre and seafront areas in the evenings.

A regional casino operator will be required to include a number of measures in their license application including:

- Staff training with a specific focus on identifying and managing problem gambling and alcohol and drug abuse.
- A screening process for the employment of qualified and trained door and security staff throughout the complex.
- Licensing of all security staff by the Security Industry Association, established under the Private Security Industry Act 2001.
- An accessibility policy for young adults including restrictions on access to slot machines, FOBTs and alcohol.

- Clear on-site information on health and problem gambling counselling information, including debt and relationship counselling services.

Community Engagement and Support for the Voluntary Sector

The Council is working with GamCare to develop a regional office – among the first of its kind in the country. This will include face to face counselling alongside telephone support. The use of these services will provide a baseline from which the prevalence of gambling related problems can be monitored and measured. The operator would also be required to fund a local Prevalence Survey, which would mirror the national Prevalence Survey to be undertaken by the Gambling Commission.

Existing community and voluntary sector organisations such as the Citizens Advice Bureau, faith-based organisations and the Southend Association of Voluntary Services have been consulted with specific reference to the social impact issue. A series of recommendations have been proposed to enable the adoption of additional consultation and engagement mechanisms, not only to keep an open dialogue but also to ensure that the social impact policies adopted have the backing of the local community and stakeholders. These mechanisms of consultation include:

- Stakeholder panel – a dedicated group established specifically to review the regional casino and associated social impact policies.
- Citizens Panel – an existing panel of local residents who would be consulted directly to ensure that the voice of local people contributes to the development of social impact policies.
- Business Panel – a dedicated resource to ensure that the voice of local business is heard and fed in to social impact policy development.

The Council will also require the operator to establish a trust fund to support community and voluntary sector activity, with a particular focus on addressing social issues linked to the casino and other uses, which would be related to the financial operations of the casino (either through revenues or profit base).



Need for Regeneration

- A regional casino in Southend will be the catalyst to deliver a new conference offer and wider investment in hotel, leisure and entertainment, positioning Southend as the destination of choice for London, the Thames Gateway and the South East.
- The development will transform the central seafront area, replacing the current arcade facilities with a more regulated and managed environment, increasing visitor numbers and visitor spend and providing supply chain opportunities for local business.
- The casino and associated investment will provide a year-round offering with higher quality employment across skill levels, and will provide training and a career structure within the wider hospitality sector.
- A regional casino will provide over 3,500 jobs in Southend and over 5,600 in the wider regional economy.

Southend has significant concentrations of deprivation, a volatile unemployment situation, and a tendency toward low-skill, low-paid seasonal jobs. The town's leisure and tourism offer is underperforming, with visitor numbers, overnight stays and visitor spending considerably lower than that of comparable seaside resorts. The regional casino will be the catalyst to transform this visitor offering, particularly within the central seafront area, generating new investment in hotel accommodation, conference facilities, associated leisure and entertainment facilities and a widening of the town centre retail offer.

As part of the Thames Gateway, Southend is tasked with creating and delivering 13,000 new jobs by 2021. This is a demanding target and will not be reached through incremental growth alone. Southend needs inward investment, major new developments and an expansion of the existing tourism and leisure offering if it is to meet its job creation targets and deliver on the regeneration needs of the town. A regional casino will directly contribute to meeting this growth target and to increasing employment within the tourism and hospitality sectors.

The TGSEP Waterfront Strategy Stage 1 Report highlights the lack of tourism, cultural and leisure facilities on offer in Southend. The study concludes that this is restricting economic growth and the attractiveness of Southend as a place to live and visit and that the Thames Gateway can harness trends in the leisure and tourism markets.

Regional Casino Development – Economic Impact

The Roger Tym report examined these impacts on the basis of two differing scenarios on the size and scope of a regional casino development that fit within the commercial viability threshold of a regional casino of between 5,000 and 10,000 visitors a day:

Profile 1	Profile 2
1,500 jobs	5,000 jobs
4,000-5,000 visits per day	10,000 visits per day
45 minute drive time catchment	90 minute drive time catchment
1,250 gaming machines	18,000 sq m of gaming area, conference centre (25,000 sq m), 5* hotel of 100 bedrooms, 4* of 400 bedrooms, budget hotel of 400 bedrooms, 25,000 sq m indoor retail promenade, 5,000 sq m showroom, 2,200 sq m night club, 3,000 sq m health club and spa.
Estimated Development Costs: £150 million	£500 million

Based on the profiles outlined above, RTP 2006 estimated an increase in GVA for Southend of between £9.8m and £30.5m, and an increase in the GVA of the regional economy of between £10.1m and £48.9m.

The economy of Southend and the wider region would further benefit from a regional casino as it would lead to between £7m-£24m remaining in the local economy through the spending of casino employees.



Indirect effects of a regional casino in Southend

The study of the anticipated economic impact of a regional casino also calculated the indirect economic benefits of a development of this kind, indicating that the knock-on effects of a regional casino to local and regional supply chains would be between £45m-£150m. A regional casino would also see the creation of between 372 and 1,241 FTE indirect jobs (RTP 2006).

To ensure that these indirect benefits are exploited fully, the Council would require the selected operator to source materials and products locally where appropriate, and would work with the chosen operator, developers and local Chamber of Trade to highlight supply chain opportunities and the use of local service providers wherever possible.

Another key requirement of any casino operator would be to provide a high quality training programme to support both the local and wider community to access these employment opportunities. This will be supported by South East Essex College and the University of Essex, both of which currently offer a range of courses relating to the hospitality sector and have already committed to increasing this provision.

Additionality of a regional casino

One of the key measures of the economic impact of the regional casino development in Southend is to analyse the 'leakage', displacement impact and the multiplier effect of a regional casino.

RTP 2006 calculated that the total net jobs created in Southend under Profile 1 would be 1,131, including 1,047 direct jobs, 52 indirect jobs and 32 derived from additional visitor expenditure. The number of regional jobs created under this scenario is 1,166, including 947 direct jobs, 186 indirect jobs and 33 derived from additional visitor expenditure.

The larger casino scenario (Profile 2) would see a total of 3,529 net local jobs created including 3,375 direct jobs, 25 indirect jobs and 92 derived from additional visitor expenditure. The number of regional jobs created would be 5,656 including 4,774 direct jobs, 856 indirect jobs and 26 derived from visitor expenditure.

Wider Regeneration Benefits

Whilst the economic impacts of a regional casino are clear, the regenerative impact and benefits would go far beyond this financial assessment. The current commercial seafront area is typified by low value, unwelcoming facilities that detract from Southend as a repeat visitor destination and which, if left unchanged, will result in visitor numbers decreasing. Southend has the potential to once again become 'the playground of London and the South East' whilst also raising its game and presenting itself as the tourist destination of choice for visitors to the 2012 London Olympics and for residents across the Thames Gateway and beyond.

The wider benefits to Southend of the development of the tourism economy are significant. The area would benefit from enhanced infrastructure provision especially in relation to transport and accessibility. Whilst any development would be required to contribute towards such requirements it is widely acknowledged that the level of investment provided through a regional casino and associated development would be significantly above that generated through other forms of development. If privately funded it would reduce the demand regionally on government infrastructure funding for the acknowledged step change needed to provide the jobs-led housing growth figures for this sub-regional area.



Willingness to Licence

- The Council is fully committed to establishing Southend as a regional casino, conferencing and visitor destination, and has formally approved the bid for regional casino status.
- Southend's bid has the exclusive support of key regional partners including the East of England Development Agency, East of England International, Thames Gateway South Essex Partnership, Essex County Council and Renaissance Southend Ltd.
- Consultation has been undertaken with local business, community organisations and local residents. This has demonstrated widespread support for the bid and recognition of the benefits the proposed development would bring.

Resolutions of Support

Southend Council confirm that the following resolutions of support to bid for a regional casino have been made:

- a) **Hotel, Conference and Working Party, 12th October 2004 (Cabinet Minutes)**
- b) **Report to Cabinet and all Members of the Council – 10th January 2006**

We also confirm that under s.166 of the Gambling Act no negative resolutions have been passed.

Partner Support

A number of key partners have been instrumental in supporting Southend's bid for a regional casino. These include the East of England Development Agency, East of England International, Thames Gateway South Essex Partnership, Renaissance Southend Limited, Essex County Council, South East Essex College, Essex Business Consortium, Southend Business & Tourism Partnership and Living East.

Local Strategic Partnership

The Local Strategic Partnership has been consulted on the issue of the development of a regional casino, and supports the bid in principle and the proposed approach to managing social impact issues (see the 'Social Impact' chapter). Members have confirmed that they wish to be involved in the proposed stakeholder and business panels. Key issues which need to be addressed include the location, environmental impacts, infrastructure issues and risk mitigation.

Local strategies and plans

The development of a regional casino is positively encouraged, and at a wider spatial level the contribution that tourism makes, and its future potential to the economy is recognised and supported.

- *Southend-on-Sea Local Development Framework & Draft Core Strategy Development Plan Document (To 2021)* – the overall spatial strategy of the area (not yet adopted), identifies the town centre and seafront as the focus for regeneration and growth, noting their roles as cultural, leisure and tourist attractions. There is specific reference to employment generating development to support the town's regional potential to develop as a hotel, conference and casino resort with high quality hotels and associated facilities, providing broad based leisure and tourism facilities (Policy KP1 & CP1 www.southend.gov.uk).



- *Southend Commercial Seafront Regeneration Principles (Renaissance Southend: EDAW 2005)* – notes that “securing a licence for the development of a regional casino with associated hotel and conference facilities would be beneficial to Southend in terms of establishing a stronger visitor attraction, employment generation and raising the profile of the town.... Casinos are by their nature inward looking and are not generally well integrated in to the surrounding area, however, where developments form part of larger schemes including a hotel and other facilities the benefits can be more widely spread” (www.renaissancesouthend.co.uk).
- *Economic Growth Aspirations 2001-2021: 2005* – and the subsequent Economic Development Policy Statement identifies the leisure and tourism sector as a growth sector. It recognises the need to diversify, supporting the need for the expansion of the ‘quality’ hotel market and the benefits that a leisure, conference, hotel and regional casino development may bring.
- *Southend-on-Sea Town Centre Implementation Plan – Buro Happold 2003* – concludes that Southend could build upon its existing casino offer and become the casino capital for the South-East / London markets. The study suggests that Southend could serve as an ideal conferencing destination given its seaside location, its proximity to London, and good rail links. The report recognises that there is a shortage of hotel accommodation in Southend and suggests further hotel capacity be developed alongside a new conference facility.
- *Essex & Southend-On-Sea Replacement Structure Plan 1996-2011* – designates Southend as a ‘Priority Area for Coastal Tourism and a Priority Area for Economic Regeneration’. The plan outlines the need to diversify the town’s attractions to appeal to a broader tourism market and cites the particular potential of short holidays, business and conference tourism. Strategic priorities include the improvements in the amount and quality of hotel accommodation as well as new leisure and tourism developments (Policy LRT 9 & 11 www.southend.gov.uk).
- *Southend-on-Sea Local Plan (adopted 1994)* – identifies the promotion of the leisure industry as a key aim, including the provision of new tourist facilities and visitor attractions and the importance of year round, modern facilities. The plan strongly encourages proposals that involve provision of additional hotel accommodation, with a particular emphasis on the development of large hotels to cater for the conference and ‘mini-break’ market.



Market Research and supporting information

A series of consultation exercises have been undertaken with local community and voluntary sector organisations, the business community and the local residents (RTP 2006, Business Survey (BMG) January 2006; Southend Consultation Panel 2006 (Colin Buchanan)). These included qualitative interviews, telephone surveys and focus group discussion. A number of key themes have been identified as outlined below:

Positive Impacts	Negative Impacts
<ul style="list-style-type: none"> • local job creation, encouraging local employment; • growth of the area; • conferencing facilities and hotel accommodation will support the local business and tourism sector; • inward investment; • potential to lever funding to improve local infrastructure; • raising the profile of Southend; • likely to provide higher paid jobs than other tourism/leisure sector employment; • improvements to levels of customer service skills across the local workforce; • may encourage resident population to spend more recreation time and more disposable income in Southend; • may encourage return visits and improve likelihood of return visits; • would benefit London Southend Airport; • contribute towards tourism critical mass for improving infrastructure/services; • parking may not be an issue as trading times would be out of peak travel hours; • a new casino would provide a quality venue; • give a much needed boost to the town's hotel accommodation; • take advantage of the development as a reason to 'tidy up' and make other improvements to the town; • put measures in place to deter crime and manage gambling addiction among the more vulnerable. 	<ul style="list-style-type: none"> • potential changes to tourism behaviour with spend wholly within the casino envelope; • subsidised casino entertainment will provide competition for incumbent venues; • self-contained nature of existing and planned casinos means the town may not benefit from additional revenue generated; • existing restaurants and businesses are on slim profit margins, and a 10% reduction may cause these businesses to close; • the casino bringing crime into the town; • gambling and addiction and the impact on more vulnerable people in the town; • image of Southend being branded a casino town at the expense of something more desirable (e.g. arts and culture); • impact on existing infrastructure such as roads, parking and other public services.



Probability of Implementation

- There is proven market demand for casino, leisure and entertainment facilities in Southend. This includes 6,000 sq m of casino floorspace, currently delivering nearly 9,000 casino visitor trips every week, and a night-time economy attracting a further 13,000 visitors every Friday and Saturday.
- Southend has a catchment area of nearly 11 million adults within a 90 minute drive time. An independent assessment of market demand, based on average gambling rates, indicates a market potential of nearly 24 million casino visits per annum.
- Southend has received detailed proposals from a number of operators who have cited the area's strategic location and transport infrastructure as amongst its critical advantages.

Current Gambling Provision

There are currently three casinos in Southend, Westcliff Casino & Spielers Casino (owned by Stanley Leisure), and the Rendezvous Casino (London Clubs International), with total floorspace of 6,000 sq m, with similar in reserve. Visitor trips to the casinos equate to 9,000 per week with a geographic catchment area covering London, the South East and East of England. The town is also home to a range of leisure and entertainment activity including Adventure Island fun park, amusement arcades set along the Golden Mile, betting shops, bingo hall and a range of other activities.

Table 3 outlines anticipated impacts of a regional casino on existing leisure based activity.

	Positive Impacts	Negative Impacts
Existing casinos	<ul style="list-style-type: none"> • Complement and upgrade the leisure offer and extend the product range • Strengthen image and appeal as a gambling destination and increase demand 	<ul style="list-style-type: none"> • Displacement of clients from other casinos, existing casinos not benefiting from the same licensing
Existing hotels	<ul style="list-style-type: none"> • An upgrade in the quality and quantity of hotel offer • Capacity of bed space expanded 	<ul style="list-style-type: none"> • Displacement of overnight tourists from existing accommodation
Leisure facilities	<ul style="list-style-type: none"> • Will provide a step change in leisure offer, attracting more visitors and overnight stays • Relocation of existing arcades and clubs within seafront envelope enabling greater regulation, and more control 	<ul style="list-style-type: none"> • Risk of displacement and competition
Business	<ul style="list-style-type: none"> • Hotel and conferencing facilities will provide new business facilities and encourage additional trips 	
Transport network	<ul style="list-style-type: none"> • May provide the opportunity to secure the investment needed to improve the highways infrastructure 	<ul style="list-style-type: none"> • Transport network already requires investment, and this development is likely to place greater strain on infrastructure

Source: RTP 2006

Market Potential

The assumptions utilised to assess the commercial viability of a regional casino are in the range of 5,000-10,000 visits per day (Pion Economics, 2005 & RTP 2006). RTP 2006 uses the catchment area and drive times, gambling participation rates, resident gambling & tourist gambling envelopes (British Gambling Prevalence Study 2000, Census 2001, UKTS 2002-2003) to assess market potential and is summarised in the adjacent table:

Catchment Area	90 minute drive time – 10,869,950 inhabitants aged 16 or over
Combined gambling visits per year	45 minute drive time catchment – 2,631,957 90 minute drive time catchment – 23,729,439



Estimated overall investment potential

In the absence of a specific scheme at present, RTP 2006 identified three factors important in determining a scheme, which the Council will follow:

The scheme content, in terms of both direct and indirect jobs and multiplier effects; **the ability to capture secondary benefits**, indirect, multiplier and catalytic benefits; and **capturing distributional benefits**.

An assessment that is based on national economic interest according to the Treasury Green Book criteria will need to be based on the sum of these three factors.

Anticipated gambling spend changes

RTP 2006 identifies the effect of displacement, stating that "it is assumed that 30% of casino gamblers are existing gamblers and that 70% are new to casino gambling. Of the latter, 25% are assumed to switch funds from other forms of gambling and 75% from other areas of leisure activity".

Criteria for Appropriate Localities for the new casino

The Planning Authority will take account of the emerging Local Development Framework, and the recommendations of 'The Use Class Order, Casinos and Gambling Bill'; (ODPM 2006), the key criteria being accessibility and amenity:

- *Accessibility* – the nature and scale of accessibility impacts depends on size, location, capacity of the local roads, car parking and public transport and any peak disgorging of customers;
- *Amenity* – public amenity impacts include noise, alcohol induced anti-social behaviour, litter and visual amenity.

In summary, Southend Council is in agreement with consultee views suggesting that amenity impacts would be insignificant compared to other existing D2 uses, such as nightclubs, pubs and amusement arcades. A casino development may encourage greater night time usage of the town centre by a more diverse population and while additional pressure may be placed on infrastructure, mitigation measures would include designing out crime, minimising queuing and building strong relationships with regulatory bodies. In addition Section 106 requirements will be placed on the developer to enhance existing infrastructure including adequate car parking provision.

It will be necessary to improve bus services along the seafront, linking with the two rail networks and London Southend Airport and consideration of a hovercraft service linking to north Kent.

Site Identification & Critical Mass effect

The planning authority has made an initial assessment of potential locations and has identified a site which in planning policy terms is located in the town centre and forms part of the commercial seafront area, as identified on the Local Plan. This is a pivotal site forming part of the wider strategy for regeneration of the seafront and the town centre and has the potential to enhance the linkages between these two areas. A mixed use scheme of this nature would act as catalyst for the physical and economic transformation of the town.

Current Levels of Operator Interest

We are happy to be home to two of the UK's major operators and co-operation from both has been given in undertaking this bid. Significant levels of investor interest by at least five national and international casino operators has been expressed and initial discussion undertaken. A number of proposals have been released to the local media, however, the Council are committed to undertaking an open and transparent operator selection process.



Regional Context

- Southend is a key area within the Thames Gateway, the Government's national regeneration priority, with the development of the Southend's visitor and cultural facilities cited as being at the heart of its long-term economic development.
- The emerging East of England Plan identifies Southend as an area that would benefit from casino investment to help address its regeneration needs and assist its tourist economy.
- Establishing Southend as a resort casino destination has been identified as a key 'transformational investment' in delivering the East of England's regional economic strategy in the Thames Gateway.

Local, regional and sub-regional plans all recognise Southend's central role in developing the tourism and leisure offering of the Thames Gateway and the East of England region. These plans identify Southend as a hub for cultural regeneration and fully support its plans to become a regional casino destination.

Regional Plans and Strategies

The Thames Gateway is a regional and national regeneration priority. Regional Planning Guidance for the South East (RPG9) confirmed the extension of the Thames Gateway Growth Area into South Essex, and included Southend in regeneration and development plans for the Gateway.

RPG9 states that priority should be given to economic development in the Thames Gateway (Policy RE6), and recognises the role of the tourism sector in delivering this development. Policy RE11 specifically stresses that development plans should ensure that tourism contributes to the regeneration of the Thames Gateway.

Draft Regional Spatial Strategy for the East of England (RSS14)

The emerging East of England Plan will replace the existing RPG for the East of England. While the Plan has not yet been finalised, its content provides the most up-to-date thinking on planning and development in the East of England. The draft Regional Spatial Strategy (RSS) focuses on employment growth and increasing prosperity in the region, and on the regeneration of disadvantaged areas.

The RSS makes several references to Southend, designating it as:

- A cultural and intellectual hub (Policy TG/SE1)
- A regeneration hub (TG/SE2)
- A key centre in which development and change will be focused (Policy SS2)
- A major regional centre (Policy E9)
- A regional interchange centre with priority for improved public transport provision (Policy T2)

The RSS recognises the importance of tourism to the regional economy, noting that tourism is one of the region's key economic sectors and one which will serve as a catalyst to stimulate investment, revitalise deprived areas and encourage growth in other employment areas. The importance of reducing seasonality through the development of off-peak tourism is also noted.

Policy E13 concerning tourism in the region supports diversification of the region's tourist industry and encourages new development where it would add to the tourism product already on offer and attract additional visitors.

Policy C2 covers the provision and location of strategic leisure, sport, recreation, arts or tourism facilities. This suggests that certain coastal resorts and cities in the East of England might be appropriate locations for regional casinos, with Southend named as an example of such a location.



East of England Regional Economic Strategy

The East of England Regional Economic Strategy (RES) sets out the long term economic vision for the sustainable development of the region. It advocates the development of a regional identity based on inward investment and tourism creating a strong, distinct profile for the region in order to attract more tourists and visitors.

The establishment of Southend as a resort casino destination has been identified as a trigger for delivering the transformational investment required to provide a major upgrade of the area's visitor offer in EEDA's 'Gearing up for Growth'.

Thames Gateway South Essex: Delivering the Future

The Thames Gateway South Essex Partnership was formed in 2001 after South Essex was included in the Thames Gateway corridor (RPG9). In 2003 the Partnership published *Delivering the Future*, its plan for regeneration in South Essex.

The Plan seeks to establish South Essex as a focal point for major economic regeneration and to draw in investment. The Partnership plans to focus its regeneration activity on three distinct investment hubs, one of which is Southend and Rochford. The Partnership's vision for Southend will be achieved, in part, by transforming the town into a thriving cultural hub for South Essex, by developing its cultural strategy, beach facilities, resort and tourism facilities and leisure attractions, and the overall environmental quality of Southend and its environs.

Tourism is identified as a priority for South Essex. *Delivering the Future* emphasises that the "strategy will be to promote tourism, particularly around Southend". A number of areas for action and investment are highlighted:

- Enable culture, leisure, tourism and sport to support regeneration and social inclusion
- Establish new landmarks to stimulate investment and a sense of identity
- Increase the attractiveness of the area as a destination for tourism and leisure
- Increase interaction between business and the arts

East of England Regional Assembly

We have made the East of England Regional Assembly aware of our proposals and we note that the Assembly will be asked for its views on the suitability of locations in the region for a regional casino. The draft East of England Plan sets a positive context for the provision of casino developments in the East of England and EERA has confirmed that it is firmly of the view that the region does offer significant potential for casino development.

EERA has also confirmed its view that the region is ideally placed to act as a 'test-bed' for the first regional casino. The location of the regional casino and one or more large/ small casinos in the region would be entirely consistent with the focus of the Plan on securing appropriate economic regeneration and enhanced economic growth. We understand that the Assembly will be providing advice to the Casino Advisory Panel in April 2006.



Community Benefits

- The development of a regional casino and associated facilities in the central seafront area will regenerate an under-performing and poorly laid out part of the town.
- The project will be required to provide substantial investment in the local and strategic transport network including public transport, walking and cycling routes.
- The developer/casino operator would be required to provide a high quality training programme, to commence at least 12 months prior to the scheme opening, to support local people to access new employment opportunities.
- A community development trust fund will be established to support community and voluntary sector activity, with a particular focus on addressing social issues linked to the casino and other uses, which would be linked to the financial operations of the casino.

Southend recognises the regeneration and community benefits that would be generated by a casino development, provided the casino is the catalyst for new hotel, conference, entertainment and leisure facilities. The Council has focussed on a regional casino as it believes this is the only opportunity to generate this scale of additional benefits.

The Council is committed to an open competitive process to select an operator for the casino and will assess bids against a balanced scorecard focussed on maximising the social and economic benefits to the local community. The development will also be assessed through the statutory planning process including a detailed Section 106 Planning Agreement. Together these will ensure that the best casino/development combination is selected to meet the regeneration needs of the community.

The Council will assess proposals against a number of criteria:

Scope of Development

A regional casino will only be acceptable if it forms part of a wider development including hotel and conference facilities alongside associated entertainment and leisure uses. These must be of a sufficient scale to support the widening of Southend's visitor offer and provide a key driver in delivering our vision of the commercial seafront area as an 'all year destination' providing more sustainable, higher quality employment opportunities within and across the hospitality sectors. Other uses such as a significant retail element would also be encouraged provided that this would be complementary to, and build upon, the existing town centre.

Location and Built Form

The location of the development and the positioning of the regional casino and other uses will be critical to its success. As an ODPM document states '*In a purely spatial sense, planning and licensing regulations could be contradictory. Planners are keen on town centre locations for casinos. But operators and licensing authorities, aiming to protect the vulnerable, would logically prefer peripheral and out of town locations*' (use classes order, casinos and *The Gambling Bill, January 2006*). The regional casino element of the development will need to be positioned to ensure it remains a 'destination' choice, whilst other elements of the development will need to relate closely with the existing town centre.

The central seafront location contains a number of brownfield sites, outdated and low quality uses and a number of 'night time uses' including a proliferation of clubs and amusement arcades. It has been identified as a key regeneration area due to its strategic location linking the seafront and High Street and its redevelopment would be required to revitalise the area improving community safety, reducing anti-social behaviour and providing a modern seafront visitor offering.

The design of the development will be required to improve the visual amenity of the area, incorporating significant environmental enhancements to the central seafront and the provision of high quality, accessible public art.



Transport and Accessibility

The impact on the local transport system has been highlighted as one of the key concerns in relation to the casino development, although it is also accepted as an impact that would be generated by any development. However, a regional casino will, due to its scale and nature, provide a greater opportunity to secure investment for transport improvements.

In particular, the development would be required to:

- Finance improvements to the immediate road network (including provision of enhanced walking and cycling facilities) and to the strategic road network serving the central seafront area;
- Produce a Green Travel Plan showing how trip movements by car would be minimised. Whilst it is recognised that a large number of visitors would arrive by car, specific actions would be required to ensure support of non-car access by employees and to finance improvements to public transport.

Employment

The regional casino and associated development will create significant employment both during the construction phase of the project and then through its operations, providing up to 5,000 new job opportunities. The developer will be required to source local labour during the construction phase alongside an agreement with a local training partner to provide a wide range of training and development opportunities for local residents.

The developer/operator will also need to establish a partnership with local providers to introduce a comprehensive access level training programme, to be operational at least 12 months prior to the casino opening, to ensure local people have the skills to access new employment opportunities. The operator will be required to maintain this support to ensure staff are able to benefit from career progression opportunities and that there is a continued supply of relevantly-skilled local labour.

The Council would require the selected operator to undertake local sourcing where possible and would work with the chosen operator, developers and local Chamber of Trade to highlight supply chain opportunities.

Community and Social Responsibility

As stated in the social impact section, the Council is mindful of the need to maximise social benefits whilst mitigating social costs. A key element in this will be the establishment of a community development trust fund to support community and voluntary sector activity, with a particular focus on addressing social issues linked to the casino and other uses, which would be linked to the financial operations of the casino (either through revenues or profit base). This fund would be managed by an independent Board of Trustees.

Safety and Security

The new development would be required to fully comply with ‘Safety by Design’ guidance and would also be required to provide full CCTV coverage, participate in the local Town Link Radio scheme and invest in providing a safe, secure and welcoming external environment. Other aspects relating to the potential of gambling being a source of crime, being associated with crime or being used to support crime will be dealt with through the new Gambling Commission, with whom the Council will work to ensure a partnership approach to the issue.



Unique characteristics

In summary, Southend is the best choice to be a pilot regional casino, and also represents a clear sustainable offer for casino operators.

There are three main reasons:

Location – Southend offers the genuinely unique combination of being:

- an established seaside destination resort
- a recognised city-region
- with London, a major global city, on its doorstep

Experience – Southend's success as a major visitor destination has resulted in:

- thirty years' experience of being a major casino location
- effective management of a vibrant night time economy
- established partnership working to mitigate the impact of high visitor volumes

Regeneration – the regional casino will be the catalyst for:

- revitalising the heart of the commercial seafront area and town centre
- diversifying the visitor offer to include a major conference centre, new hotels and modern leisure facilities
- fulfilling Southend's potential as a major economic centre within the Thames Gateway



East of England Development Agency



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