

Leisure Parcs

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Ref MWE/kh

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Draft Gambling Bill Consultation
Gambling and National Lottery Licensing Division
Department for Culture, Media and Sport
2-4 Cockspur Street
London
SW1Y 5DH

Dear Sirs

Re: Public Consultation on the Draft Gambling Bill

We are pleased to submit the following to the Department of Culture, Media and Sport as invited:

Leisure Parcs Limited

Leisure Parcs Limited is a private company owned by the family interests of its chairman, Mr Trevor Hemmings, Electra, a private equity house and HBOS.

It was formed for the express purpose of delivering a vision of a rejuvenated Blackpool economically driven by resort casino hotels, primarily competing for both day visits and short-break stays within the UK market.

The company owns a large number of key tourism assets in Blackpool, which include Blackpool Tower and Circus, Louis Tussaud's Waxworks, the Sea Life Centre, the Winter Gardens Conference Centre, hotels, amusements arcades and the three piers. The company also owns piers in Eastbourne, Llandudno and Southsea.

Working closely with Blackpool Borough Council, sub-regional and regional partners, including Lancashire West Partnership, the North West Development Agency (NWDA) and the North West Regional Assembly (NWRA), Leisure Parcs' strategy is to inspire a vision of Blackpool as a vibrant, all year round, diverse and quality driven resort that will appeal to visitor and resident alike.

At the heart of this vision is the development of resort casino hotels that will act as a catalyst for massive regeneration, thousands of jobs and significant investment in skills, which in turn will deliver wider prosperity and improved quality of life for local residents and businesses.

Resort Casino Hotels

Resort casino hotels represent *"a unique tool of urban redevelopment"*. Atlantic City and Biloxi in the USA offer relevant examples of seaside town regeneration led by destination gaming. However, Blackpool will inevitably continue to evolve on the basis of its own unique heritage.

In 2001, Leisure Parcs submitted an outline planning application to build a resort casino complex incorporating a 1,000-bed hotel (47,000 sq m), conference/exhibition space (3,800 sq m), 3,000-seat entertainment venue (6,500 sq m), casino (11,500 sq m), leisure/retail space (20,000 sq m), and 2,200 car parking spaces. This development of international quality is proposed for the site formally known as Central Station.

This site is considered by Leisure Parcs to be the most appropriate location for the development of what could be the UK's first resort casino complex. Indeed, it is envisaged that this project will act as a 'flag ship' development amongst a wide range of regeneration initiatives focused on the town centre and a two-mile stretch of the Promenade between North and South Piers.

Blackpool Borough Council has drawn up a comprehensive master plan for the development of the town that includes four or five potential sites for resort style casinos. This will set the planning framework in which Leisure Parcs' proposals can be brought forward.

Regeneration and Economic Benefits

Pion Economics (June 2003) have estimated that the development of resort casinos within the context of Blackpool Borough Council's master plan ('Vision for Blackpool', April 2003) would generate £414m additional revenue annually and 14,500 jobs throughout Lancashire.

We estimate that the total investment in Blackpool and the surrounding region could reach £2 billion over the next decade by securing gaming as the core economic engine.

The North West Development Agency (NWDA) has included the revival of Blackpool as a quality tourism destination as a key 'signature project' within its regional economic strategy.

Planning Issues

We welcome the Government's expectation that Regional Planning Bodies will set out planning policies for leisure developments of regional significance, including resort casinos, which identify the most suitable locations within the region that would optimise their contribution to tourism and regeneration.

We note that local authorities are now required to consult with Regional Development Agencies if a proposed development affects strategic projects in that region. We also note that Elected Regional Assemblies will be able to direct local authorities to refuse

strategic planning applications that are not considered to be in the region's best interest.

We believe that the proposed use of planning regulation is an appropriate process by which a region can determine for itself where best to locate resort casino development. This will ensure an effective and cohesive approach to securing economic benefits in the areas of greatest need.

Size of Casinos

The Government has proposed two categories of casino beyond those that will already exist when new legislation comes into force.

In relation to the definition of a large casino, we are unclear as to whether a distinction is intended between a resort casino development and other large casinos. In other words, is the Government proposing two sub-categories of 'large' casinos?

We believe that the regeneration of Blackpool would be best served by there being several competing resort casinos in the town. The eventual number of resort casinos and therefore the size of any subsequent economic impact will be dependent on the number and location of other UK destinations permitted to develop resort casinos, the commercial interest in those destinations and the proliferation of other 'large' casinos offering high numbers of international slot machines.

Resort casinos that are capable of being a catalyst for regional regeneration and tourism will require significant capital investment. If this scale of investment – and the potential for economic and social regeneration – is to be delivered into those areas of greatest need, an understanding of the relationship between capital and risk is required.

The level of capital employed will be in direct proportion to the risk so that lowering the risk whilst maintaining the same level of reward will result in capital being directed towards mid-size casinos in the primary catchment area of the location that requires economic and social regeneration, resulting in a direct reduction in the capital available for large-scale development.

In other words, business would most likely choose to spread its capital risk by operating, say for the purposes of illustration, ten 100+ slot facilities costing £15m each and distributed in highly populated urban areas rather than one 1000 slot facility in a declining seaside resort costing £150m.

Blackpool will not achieve its ambition of sustaining resort casino-led regeneration if there are too many large casinos elsewhere in the region. Without resort-style gaming, we cannot see how Blackpool will achieve meaningful economic and social renewal.

Recommendations

Great care needs to be given to the number and location of licences to operate large numbers of international slots if the Government wishes to induce resort casino

developments that offer additional leisure and entertainment facilities creating 1000s rather than 100s of jobs, improve skills and create tourism attractions of international quality.

We urge the Government to make clear that all large casino development will require the approval of the Regional Planning Bodies, not just the largest casino developments.

We further argue that licences to operate unlimited numbers of international slot machines should be dependent upon clear demonstration that the development is supported by the relevant local authorities and is consistent with and contributing to local and regional development master plans and regeneration projects.

Specifically, we believe that the Government should require all such development to be properly identified within the Regional Economic Strategy required of a Regional Development Agency, which in turn will inform the relevant Regional Spatial Strategy.

This will ensure that full and proper consideration is given to the use of resort casinos as an effective tool for regeneration and tourism in those areas of greatest need that have little or no economic alternative.

Yours faithfully

A handwritten signature in black ink, appearing to read 'MW Etches', with a long horizontal flourish extending to the right.

Marc W Etches
Managing Director