

# A new sense of place



Supplementary information to support East Lindsey District Council's proposal for a small casino and leisure complex on the Lincolnshire Coast

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## Overview

This document formally presents the work undertaken by the Lincolnshire Coastal Casino Partners since the submission to the Casino Advisory Panel in March 2006. It highlights the increasing support and interest in the project both locally and from international investors; the ongoing work of the Partners with GamCare, education providers and other Councils; and emphasises the economic need for the project and its regeneration benefits.

Since March 2006, the Partners have met with a number of potential investors to confirm interest in the concept, launched the unique dedicated website, confirmed planning and land assembly issues and drafted the East Lindsey Licensing Policy which will be taken to Council in November 2006.

The support for the project at all levels continues to grow. At a local level there is increasing recognition that this is the once in a lifetime opportunity for Skegness and that "this is our time". At the recent National Coastal Symposium in Skegness, delegates confirmed the need to develop casinos in seaside resorts and were most impressed with the submission of the Partners and potential of the Coastal Action Zone (CAZ).

Whilst the Partners recognise the strength of the case for a casino and are pleased with the Casino Advisory Panel's shortlisting assessment, we do however recognise that there is more to be done to convince the Panel of the need for a licence and of how a casino can rejuvenate the existing tourist industry. Businesses, residents and Partners are proud of what we have achieved in promoting the case and we look forward to a positive response from the Casino Advisory Panel to our 'CAZino' submission.

## Type of Area

Nationally, there are two types of coast; those with strong economies and those (such as the East Lindsey Coastal Action Zone) with fundamental challenges. These include:

- Two economies – on and off season
- Two workforces – summer and all year
- Two populations – tourists and residents
- Two landscapes – holiday and natural
- Two communities – coastal and hinterland

In such communities faced with multiple challenges and few opportunities it is significantly more difficult to plot a course out of deprivation.

Our original submission highlighted a number of key statistics, which provided an insight into the unique socio-economic position of the CAZ, highlighting its position as one of the most acutely deprived areas of the country. The following information is intended to complement the original submission and will provide the CAP with a deeper contextual understanding of the CAZ and its acute need for regeneration-led opportunities:

(1) The CAZ suffers from significant levels of migration, symptomatic of the lack of opportunities that currently exist in the CAZ - for every two 18-24 year olds that leave the area, three people over 60 move in (the age profile of residents in the area is much older than the national average, with 26% of residents aged 65 and over, compared to 16% nationally).

(2) Youth migration from the CAZ increases the local 'brain drain', compounding the need for a wider range of regeneration-led sustainable employment opportunities to both retain locally acquired skills and improve opportunities for skills development.

(3) Home ownership rates in the CAZ are currently around 60%, this compares to district and regional rates of over 70% - house rentals are over 10% higher and are another indicator of the 'temporary' nature of the current economy.

(4) Analysis of the occupational profile of the CAZ highlights the critical need for the creation of job opportunities with career and skills development potential. Currently around 1 in 4 economically active residents are employed in 'elementary occupations' compared to a national average of 1 in 10.

(5) Five wards are in the bottom 10% as measured by the IMD 2004 – however these wards are ringed by areas of high affluence only five miles inland.

## Social Impact

East Lindsey District Council (ELDC) is committed to developing and delivering a casino 'for the district, by the district'.

In line with this ethos, we have adopted a fully inclusive stance towards community consultation and as part of this commitment have established a 'casino development consultation partnership' between ELDC and the voluntary, community, business and wider public sectors. The partnership meets quarterly to discuss project progress and to feedback issues raised by the wider community. To further gauge public opinion we also have an interactive website detailing key project information and acting as an open forum for discussion.

We continue to acknowledge the critical need to monitor, control and manage any potential social problems created by a casino development and to this end ELDC is currently in discussion with relevant partners (GamCare, Lincolnshire PCT, Community Mental Health Teams, etc.) in order to develop and deliver best-practice programmes that would manage any 'social-ills' a small casino development might create.

Should we be successful in obtaining a 'small casino' licence, we plan to work with other successful licensing authorities to develop a national monitoring/management scheme and it is the Council's intention that the selected operator would enforce strict controls over its patrons, especially those with a pre-disposition to any form of addiction.

As outlined we are currently developing response strategies in partnership with GamCare, who are producing a full report for ELDC detailing 'social ills' prevention/management strategies. We are also developing links with RIGT & TACADE and plan to commission an external agency to deliver support and preventative work. GamCare has noted the potential for the CAZ to develop exemplars including the CAB and local Council services for early identification and management processes.

Through the 'consultation partnership' we have developed links with the East Lindsey Community Mental Health teams and defined early identification and referral methodologies.

We are also working with local providers to ensure funding is in place to deal with increased demand for services should they be required.

Positively, the range of support services that we are currently developing will have sustainable additional benefits in the support of residents with other habitual problems such as addictions to internet gambling.

ELDC is currently working with partners to undertake a full skills audit of the area to highlight potential skills/training provision gaps to ensure that local residents can acquire the requisite skills required for employment in a casino development.

The Council will also, as part of its licensing obligations, closely monitor the economic benefits of any development, quantifying the number of jobs created, the improvements to the local skills base and the wider regenerative benefits accrued by the area. To this end we are undertaking preliminary planning with consultants and the University of Lincoln to structure our measurement strategies.

As an authority, we are working with the district's leisure providers to develop a sustainable 52 week season in order to alleviate current deprivation, key to which is the casino development and associated regeneration. Work is also ongoing to make the casino a key element of our conference growth marketing strategy.

Although we acknowledge that the casino is not a regenerative 'magic pill', our econometric modelling confirms that it will act as a catalyst for change, concurrently reducing transience, un-employment, socio-economic deprivation and improving local opportunities for up-skilling, employment and generally improving aspirations and the wider economy. To date, all developers/operators have recognised and supported the principle of local supply/labour contracting and the importance of reinvestment into the local community.

## Need for Regeneration

There is significant formal local and regional acknowledgment of the critical need for the focussed regeneration of the CAZ and as previously mentioned, support for the casino as a 'champion for change'. The Partners are currently developing plans which would ensure that the casino development provided sustainable:

- (1) Extension of the product mix through the provision of new gambling/leisure facilities and an overall improvement in the general quality of the local leisure experience.
- (2) Development of an additional, iconic architectural focal point for the district which raises the overall profile of the area.
- (3) Upgrading of the product mix through the provision of higher quality bed-stock.
- (4) Step-improvements in the local street scene.

ELDC is also developing criteria which ensure that the selected developer/operator works in partnership with current local leisure providers to enhance current facilities/services with an embryonic learn from the casino campaign.



The casino and associated leisure complex will be a major addition to the night time and wet weather facilities on offer to visitors. The casino will be a significant attractor for a number of visitors and the leisure facilities, whether cinema or ten-pin bowling, will appeal to a wider audience.

The new facilities will encourage new tourists to visit the coast, and existing visitors to stay longer. In percentage terms, the addition to the annual six million visitors whilst significant will be relatively small, at some 100,000 visits however the impact will be substantial.

The attractions of the casino complex for new visitors and the clustering of high quality facilities will offer the economic externalities that the coast needs for its regeneration, producing a rise in the volume and quality of trade. Rather than activity being diverted from existing accommodation and leisure operators, we anticipate a rise in the volume and improvement in the quality of business for everyone as a result of the new complex. In economic terms, this is about 'market expansion' not about changes in market shares. This impact will obviously be greater if the Coastal Action Zone casino is among the first of the new builds to open.

We envisage 90 new four-star hotel rooms, which will give 180 bed-spaces. There is a proven shortage of this type of accommodation on the coast, implying (a) continuing high occupancy rates, indicatively 70%; and (b) attraction to the coast of new visitors with no interest in the casino as well as those who do indeed plan to visit the casino.

On 70% year round occupancy, the new capacity will amount to 46,000 visitor-nights ( $180 \times 70\% \times 365$ ). We expect 27,000 staying visitors to visit the casino. Assuming that they stay the same number of nights (4.21) as the current average, those visitors will require 114,000 visitor-nights of accommodation.

While not all of these visits will be incremental, we are confident that incremental visitors induced by the casino, and other incremental visitors induced by the better supply of four star accommodation, will more than absorb the 46,000 additional visitor-nights of new capacity. This will lead to a rise in occupancy rates in accommodation outside the casino and also a rise in spend per visitor.

The dynamics of change are complex. Existing accommodation and leisure facilities will lose some customers to the new development, but they will gain even more from net increases in visitor numbers and spend. The critical point is that diversification of facilities, amelioration of the shortage of high quality accommodation, and the beneficial effects of clustering will raise visitor numbers and spend by more than the increase in capacity. As a result, the new facilities will not only be commercially viable, but existing operators will also see an increase in their activity and revenues.

## Willingness to licence

Further to our original submission:

(1) ELDC has drafted a new gambling policy (as per the requirements of the Gambling Act 2005 that comes into force next year) and is currently consulting with local businesses and interested parties. The policy will be taken to Council in November 06;

(2) ELDC has produced a planning policy paper (already submitted to the CAP for consideration) which aims to provide the Council with the means to determine the most appropriate and beneficial form of small casino development on the Lincolnshire coast by highlighting all of the key planning issues that should be addressed and all of the essential national, regional and local planning policies that should be complied with. The paper also tests the six locations suggested in 'A new sense of place' for casino development against the key planning issues and policies and has confirmed their suitability for detailed application specific consideration;

(3) Our application continues to be fully supported by the East Lindsey L.S.P.

## Probability of Implementation

There has been a ground-swell of strong, external investor interest.

We have hosted a number of inward investment enquiries from large national and international casino operator/developers including:

- (1) Aspers
- (2) Rank
- (3) Luminar
- (4) Century
- (5) Stanley Leisure

We have approached all investment enquiries using the same methodology offering potential developers 'clarity of opportunity' through the production of a number of contextual documents detailing critical local information, site visits and specific planning guidelines.

Preliminary meetings have been overwhelmingly positive, underlining our licensing potential, the mix of sites available, the support for the locality as a sustainable casino/leisure destination and the favourable risk profile of the area for potential developers.

Most importantly we have developed a strong developmental mix comprising of local developers, national operators looking for local development partners and national/international developers/operators.

Concurrently, we are continuing to develop links with local developers, using the evaluation process as an opportunity to stimulate demand for the local offer through marketing opportunities.

## Regional Context

In addition to the regional/sub-regional support highlighted in our original submission, EMDA (the East Midlands Development Agency) has supported our bid development through the facilitation and joint hosting of both inward investment enquiries and market orientation sessions, during which we have had the opportunity to discuss our application and developmental plans with operators and industry experts.

We are also working in partnership with LCC's (Lincolnshire County Council) economic development department to develop our inward investment approach, marketing materials and market information.

## Community Benefits

The considerable specific and general socio-economic benefits derived from casino-led regeneration have already been stated – in addition we have outlined five key areas in which we believe casino-led regeneration will help to achieve socio-economic change in the CAZ:

- (1) Raising aspirations - among children, parents, young people, communities, businesses, employees and the under-employed;

(2) Increasing access - both physical access and access to better public and private services;

(3) Demographics - the need to gain recognition for the unique coastal demographic structure and the challenges this presents to service providers;

(4) Recruitment - raising the profile of the area and the quality of employment to attract much needed skills and professions to the coastal area;

(5) Improve the commercial viability of local training providers.

## Unique Characteristics

While re-iterating the genuinely unique structural/geographical/socio-economic traits which make East Lindsey's coast the ideal test bed for a small casino, we would also like to confirm that we believe that it is also our approach that defines the ELDC small casino licence application as unique. From project inception, the Partners have adopted a focus towards innovation as a driver of project development. We see the licensing process as a further opportunity to innovate and market the coast, and have developed/proposed the following actions/strategies to complement this ethos:

**Communication** - ELDC, in association with development partners, have developed and delivered a unique, evolving, web based information hub ([www.lincolnshirecoastalcasino.co.uk](http://www.lincolnshirecoastalcasino.co.uk)). The 'hub' was initially used to improve community access to our initial licence application, but has been developed to deliver a real-time, 360 degree communication/consultation tool. Further development is planned.

**Opening Date** - The Partners recognise that the first small/large casino opening will attract considerable positive attention and has a high PR factor. This will be more significant and important for a tourist resort than inland locations as tourists will be the main source of custom. If allocated a licence the Partners would be anxious to secure maximum publicity from being the first new build (or early opening) casino.

**CAZ** - ELDC is leading the way, through the establishment of the Coastal Action Zone ([www.coastalactionzone.co.uk](http://www.coastalactionzone.co.uk)), in the measurement, monitoring and development of solutions to counteract the multiple socio-economic challenges faced by UK coastal communities. The recent Coastal Futures Symposium, hosted in Skegness, was the first of its kind and a workshop session was devoted to discussing the critical role of casino resorts in the regeneration of coastal areas. The symposium endorsed a resolution calling for a preference in favour of traditional seaside resorts in the casino licensing process.

**Best practice** - We aim to set-up and host a cross-authority working group to ensure efficiency and consistency in the licensing process, promoting best-practice, defined standards and partnership working, while minimising slippage and process inefficiency.

**Bench-marking** - The Partners are actively researching and benchmarking against 'nearest European neighbours' in order to gain an insight into similar developments that are already operationally established.

**Development Sustainability** - ELDC plans to ensure that any development is in context, both architecturally and ecologically, with the local environs, is energy conserving and environmentally sustainable.

**Unique growth/deprivation equation** - East Lindsey is in the unique position of combining marketing/branding led growth potential (through EMDA re-branding of East Lindsey's coast as the 'East Midlands Coastline' & Lincolnshire Tourism's 'Wild Coast' concept) with significant deprivation, low GVA etc. - the development of 'emerging' markets in the eco and extreme sports niches will increase the size of the potential market for a casino development.

ELDC has also embraced the licence application process as a driver of internal change having used it as an opportunity to kick-start improvements in cross-departmental working, public/private sector working, process improvement and communication, both internally and externally.



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