

Doubts over NEC casino bid claims

Claims that a super-casino at the National Exhibition Centre will create 7,000 jobs and a GBP 350 million profit stream for regeneration in Birmingham have been thrown into doubt by critics.

The city council's ruling cabinet has commissioned a GBP 75,000 report by KPMG to help them decide whether to back Solihull's scheme at the NEC or Birmingham's own bid linked to a new Blues stadium and regeneration in Saltley.

Rumours are growing that the consultants have narrowly favoured the NEC, based on the economic claims that each scheme has made.

But an inside source today warned that the report asks more questions than provides answers and that the council should delay its final decision until such matters are cleared up.

Advice to the cabinet is that the NEC's scheme is likely to create only 500 construction jobs and another 1,200 jobs on the new entertainments complex – more than 5,000 jobs short of the 7,000 claimed by NEC bosses.

The study also casts doubt on whether the NEC's claim of GBP 350 million profits is deliverable or even realistic.

The source said: „The GBP 350 million is based on an estimate that each visitor tempted to the super-casino will spend nearly GBP 100 a time.

„The report explains this is high even by the standards of ‚high-roller‘ tables in London which reckon on a top spend of GBP 70 a visitor. It is colossal beside the Blues casino bid which is based on only GBP 35.“

He explained that the city's controlling Con-Lib Dem coalition was in danger of being swayed by the need to prop up the NEC which, saddled by debt repayments, loses around GBP 8 million a year.

Business chiefs hoped to placate growing public opinion in support of the rival Blues bid by promising that profits from the NEC will pay for a new 55,000 multi-purpose stadium at Saltley.

But such an uneasy marriage has already been rejected by Blues.

Managing director Karren Brady said: „Many ask why I'm worrying, because if the Blues don't get the super-casino the NEC will happily pay for a new stadium anyway.

„What they don't know is that the NEC's bid is set to fail – many senior sources have shown me why. It just doesn't meet government criteria.

„The only real chance of getting the super-casino is for Birmingham to register its own interest, not back Solihull's flawed bid.“

Meanwhile, insiders are outraged at veiled threats that the NEC's casino backers, MGM Mirage, will „walk away“ unless a decision is made soon.

The source said: „Many regard this as a final piece of blackmail to top an orchestrated campaign by city business organisations to push the local authority into the NEC deal.“

Importantly, according to schedules issued by the Casino Advisory Board, the city doesn't yet need to decide between the two bids, only to express an interest by the end of March. The search for a specific site comes later in the year.

The source said that a more thoughtful approach would give the council a proper chance to evaluate the questions the KPMG

report raises – checking that the NEC is not exaggerating claims, and inviting more optimistic assessments from Las Vegas Sands, the backers of the Blues' bid.

He added: „The cabinet's meeting over the issue is likely to be heated. „At least two leading members want the Blues scheme backed; two others are morally opposed to gambling, and so are happier to plump for the NEC – either because it's away from the city or because it's doomed anyway.

„What remains to be seen is whether the other leading lights are swayed by the business case – or whether they have the guts to properly represent the people who voted them into power.“

Defending the NEC's scheme, the venue's chief executive Andrew Morris said: „There is a contract in place that guarantees jobs, investment and a massive income stream for the people of Birmingham, Solihull and the West Midlands.“