

**CASINO ADVISORY PANEL
Formal Proposal Cover Sheet**

Please fill in all categories below:

Name of Local Authority:

South Tyneside Council

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Title: Executive Director, Regeneration & Renewal

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 No

Large (state number) One

Small (state number) None

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

Large (state number) None

Small (state number). One

Formal Proposal to Casino Advisory Panel

March 2006



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South Tyneside Council


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Type of Area

South Tyneside and its Population

1. The Metropolitan Borough of South Tyneside sits within the Tyne & Wear conurbation, with an attractive North Sea coastline. Bounded on the north by the River Tyne, the Borough adjoins Sunderland to the south and Gateshead to the west. Newcastle is around half an hour away by Metro, the Tyne and Wear light rail system.
2. The main towns and villages of the Borough are South Shields (at the mouth of the Tyne), Jarrow, Hebburn, Boldon, Whitburn and Cleadon. The history of the Borough goes back to Roman times and beyond, and includes the greatest scholar and teacher of the Middle Ages – the Venerable Bede, whose home at Jarrow is part of a current bid for World Heritage status.
3. In the 19th Century the Borough became a world-renowned centre for shipbuilding, coal mining and heavy engineering, and South Shields is famous for its links to the Merchant Navy. In the 20th Century the area was badly affected by industrial decline, but more recently the unemployment rate has declined and in 2005 the Borough became North East Regional Capital of Enterprise. On 28 February 2006 the Borough's proposal for a Local Enterprise Growth Initiative (LEGI) was approved by Government.
4. The population of the Borough is 151,500, with a resident labour force of 67,600 and an unemployment rate of 4.6%. Well-known companies operating in the Borough include J. Barbour & Sons (which was founded in South Shields and is still based in the Borough), Siemens, Hashimoto and A&P Tyne. Over 18% of employment is in the Health/Social Care sector, 17% in Retail/Wholesale, 14% in Manufacturing and just under 12% in Education (including South Tyneside College, which still attracts many international marine students).
5. The percentage of school pupils achieving 5+ A*-C passes at Key Stage 4 increased by 14.7% between 1998 and 2005, up to 51.6%, although this is still below the national average. Results at Key Stage 3 are improving in Maths, English and Science.

Tourism and Leisure

6. Tourism in South Tyneside is estimated to be worth £85 million to the local economy, and supports 1,725 jobs. A revised Tourism Strategy is due to be considered by the Council. At present the area is primarily a day visitor destination, and 85% of visitors come from the North East, but sections of the strategy deal with the need to increase the number of overnight stays, increase average spend per head, lengthen the season outside the traditional summer season, and encourage new attractions and facilities (all of which would be assisted by the development of a casino).



7. The principal overseas market is Scandinavia, due to the proximity of the North Sea Ferry terminal at North Shields. The area has good access by road to the A19 trunk road (shortly to be improved by the construction of a second Tyne Tunnel) and the A1(M), and by Metro to Newcastle City Centre, Airport and mainline rail station. A passenger ferry links South and North Shields, and National Cycleway 1 passes through the Borough and links to the famous C2C (Coast to Coast) cycleway.

8. The principal attractions for visitors are the stunning coastal scenery and beaches, along with heritage attractions such as Arbeia Roman Fort in South Shields, Bede's World in Jarrow, and Souter Lighthouse, a National Trust property on the coast. South Tyneside has gained considerable experience in delivering events of national and regional importance, such as the finish of the annual Great North Run, the annual free Cookson Festival (named after Catherine Cookson, who was born in the Borough, and based many of her books here) and the International Magic and Guitar Festivals. The two latter events are based at the Customs House, one of the most successful entertainment venues in the region, with a wide ranging programme varying from opera, pantomime and cinema to new drama and popular music.



9. A further strand of the Tourism Strategy is to develop people and skills in the tourism sector, and the Council works with One NorthEast, the Tyneside Tourism Network and other partners to address skills issues and raise the profile of tourism as a career.
10. The Council works with North Tyneside and Sunderland Councils, TyneWear Partnership and One NorthEast to implement the Tyne and Wear Coastal Strategy, agreed in March 2004, which aims to make the Tyne and Wear Coast a distinctive, successful and sustainable visitor destination.
11. As part of the preparatory work for the strategy, consultants Hall Aitken carried out visitor surveys in all three districts, which significantly added to our understanding of the local tourism market. For example, in comparison with the other two districts, visitors to the South Tyneside coast were more likely also to be visiting heritage attractions or events. For many visitors, South Tyneside is part of a wider Tyneside/North East of England visit, so that extra visitors to South Tyneside are likely to benefit other parts of the region as well.
12. The Borough's tourism web-site www.visitsouthtyneside.co.uk only lists four hotels, three of them relatively new, and the Council is actively engaged in encouraging further hotel development in the Borough, such as by marketing a Council-owned site on the South Shields foreshore.
13. The South Tyneside Cultural Strategy "Catch the Spirit", approved in December 2002, sets the Borough's tourism policy in a wider context, aiming to "use and promote everything culture has to offer the Borough", and includes the ambition to develop new "high profile

assets, facilities and activities to meet the needs of residents and visitors”.

Regeneration

14. South Tyneside’s Regeneration Strategy “Transforming Together” was approved by the Council and the Local Strategic Partnership in October 2004. It sets out the need for radical and transformational change, to make South Tyneside once again an extraordinary



place. This includes challenging preconceptions, amongst residents and potential investors, broadening horizons, and cultivating a growing sense of ambition and enterprise. Opportunities for physical regeneration are particularly identified along the Tyne Riverside, A19 Corridor, and Coast, in line with Regional and Sub-Regional Economic Strategies.

15. The Regeneration Strategy is structured around eight themes:

- Learning to Change;
- Wealth Creation;
- Expressing the Vision through Urban Design;
- Reinventing the Riverside;
- Reviving Town Centres;
- Maximising South Tyneside’s Cultural Assets;
- A Green and Sustainable South Tyneside; and
- New Life for all our Communities.

16. The Wealth Creation theme includes the need to improve access to a wider range of jobs, shake off the legacy of economic decline and re-invent the Borough as a location for modern business investment.

17. Reinventing the Riverside identifies the South Shield waterfront as a major opportunity for comprehensive, mixed-use redevelopment. With support from TyneWear Partnership and One NorthEast land assembly is well underway, and a master planning exercise is to take place shortly.

18. Reviving Town Centres focuses on opportunities in South Shields, the Borough’s principal centre for shopping, entertainment and administration (where British Homes Stores, Next and



Debenhams have all opened new stores within the last twelve months), Jarrow and Hebburn. A range of sites are identified for further development in the next 5-10 years.

19. Opportunities in Jarrow are enhanced by the planned construction of a second Tyne Tunnel, which will consolidate the position of the A19 Corridor as one of the region's major growth poles, and further improve the accessibility of the Borough from and to the north side of the river.

20. Maximising South Tyneside's Cultural Assets includes as a principal strand creating new jobs in the tourism, leisure and creative industries, along with making the most of our beaches, parks and coastal scenery.



21. A major part of the latter is the revitalisation of the South Shields Foreshore, including an ambitious £5m Heritage Lottery funded refurbishment of South Marine Park, the promotion of plans for an all weather visitor attraction, marketing a coastal site for a new high quality hotel, new cafes and ancillary improvements. Sir Terry Farrell is a member of a consortium of consultants currently involved in a feasibility study looking at ways of strengthening links between the Foreshore and Arbeia Roman Fort.



22. The regeneration of the Borough will be further assisted by the recent approval by Government of a £16.2 million Local Enterprise Growth Initiative (LEGI) programme for South Tyneside, one of the biggest LEGI programmes in the country. Announcing the programme, Local Government Minister Phil Woolas described the initiative as “ a real joined up approach ... across national, regional and local levels to reduce the gap between deprived areas and the rest”. Linking the development of a casino to the LEGI would provide a further opportunity to create jobs in the area, measure economic impact alongside the effects of other initiatives, and promote a joined up approach.

Social Impact

23. The potential social impact of locating a new casino in the Borough has been given detailed attention during the lead up to submitting this proposal. Linked to its economic problems South Tyneside does have significant numbers of families dependent on benefits, but we do not consider that a casino would have an adverse impact on this. It should also be noted that compared with other inner city areas crime levels are relatively low.
24. The local strategic partnership already has a well-developed anti-poverty strategy, aiming to reduce financial exclusion and hardship. Targets include reducing the prevalence of debt problems, reducing fuel poverty, increasing access to financial services at reasonable cost, and increasing average household incomes. Specific initiatives already underway include increasing membership of the Credit Union, the establishment of a High Cost Loan Replacement Scheme, and strengthened advice, education and training on financial management and debt issues.
25. Partners involved in this work include the local enterprise company (TEDCO), the Citizen's Advice Bureau, Credit Union, community network (STRIDE) and the Council. Links are also being made with housing associations and existing Fuel Poverty initiatives in the Borough. In the first year of the loan replacement project an estimated £125,000 has been saved in interest payments. The New Economics Foundation has acknowledged the model operating in the Borough as an example of best practice and Liverpool John Moores University is currently undertaking an evaluation.
26. In addition, should the casino proposal be accepted, it has been agreed that this work should be developed further by opening discussions with potential partners in a campaign to minimise the risk to vulnerable members of the community. This would include voluntary and community sector organisations (such as the Citizen's Advice Bureau and Welfare Rights organisations) and the Police, with whom an excellent relationship already exists through the Crime and Disorder Reduction Partnership. Gamblers Anonymous are not at present active in the Borough, but they advertise three meetings a week in Newcastle, and will be able to offer us valuable advice.
27. The Council and its partners (particularly JobCentre Plus and the Learning and Skills Council) also already have well-developed arrangements for tackling worklessness in the Borough. This includes a tradition of establishing purpose-designed training schemes in association with new employers, and measures to assist local unemployed people to enter the construction industry. By this means the Council would seek to work with both the developer/builders and

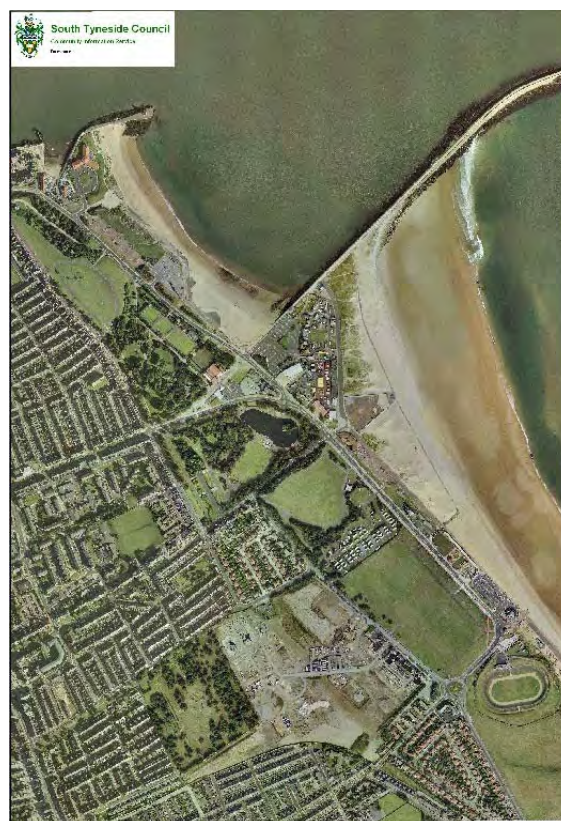
operators of the new casino, to maximise the job opportunities available to local unemployed people.

28. The location of the casino will be given very careful consideration. It is not intended to allow it to be built in the heart of the town centre, near bars and clubs, where it might run the risk of merely becoming another attraction on “the circuit” for local drinkers (reducing its potential economic benefits as well as giving rise to potential problems of disorder). On the other hand, locating it in a readily accessible “fringe of centre” riverside or foreshore site, part of a wider mixed use regeneration scheme, will maximise its appeal to new visitors, make it easier to build in an appropriate ambience and any necessary security arrangements, and contribute most to wider regeneration objectives.

Need for Regeneration

29. Over 52% of South Tyneside's Super Output Areas (SOAs) are within the 20% most deprived SOAs in England, according to the Index of Deprivation 2004. Over 19% are within the most deprived 10%. Many of the most deprived SOAs lie along the riverside, including Rekendyke (part of South Shields Riverside) and Jarrow Town Centre.
30. South Tyneside has the worst levels of income deprivation in Tyne & Wear and the second highest ranking in the North East. At the other extreme, the majority of the Borough falls within the best 50% in England on the Living Environment domain.
31. The employment base of the Borough is heavily dependent on public sector jobs, while we experienced the smallest improvement in working age employment in Tyne and Wear between 1999 and 2004; an increase of only 1.4%. In spite of this improvement the unemployment rate is currently at 4.6%, significantly above the national average.
32. There is a very small stock of VAT registered businesses: our stock figure for 2005 was 15.6 per 1,000 adults compared to a regional average of 22.2. The area's dated industrial structure is reflected in low levels of productivity: GVA per employee in South Tyneside is £26,800, compared with £34,680 for the north east and £37,300 in the UK. Our target in the LEGI is to increase this figure (for South Tyneside) to £29,400 within 10 years.
33. The Borough's employment rate, at 65.4%, is also relatively low. The economic activity rate amongst people of working age is 73.0%, compared with 74.8% in the North East generally and 78.4% in England. For males and females the comparable percentages are 76.6%, 78.6%, 83.6% (males: ST, NE, Eng) and 69.2%, 70.7%, 72.8% (females: ST, NE, Eng) (NOMIS).
34. In summary, we need more jobs for local people, and more variety of jobs, including new private sector opportunities.
35. A previous section of this document describes the Borough's Regeneration Strategy, and the particular opportunity areas identified within it. At this stage the Council is only seeking to locate one large or one small casino within the Borough, and does not wish to define a single "best location" until there has been more opportunity to discuss particular requirements with developers, operators and local partners.
36. However, three broad areas have been identified where the inclusion of a casino could particularly benefit regeneration plans: the South Shields Foreshore; South Shields Riverside; and The A19 Corridor. Detailed regeneration proposals have been, or are presently being drawn up for each area.

37. The **Foreshore** Working Party has, over the last 18 months, been consulting local residents widely, including through the local press and the Council's website, seeking their views on a series of proposals to improve the Foreshore. Throughout the consultation process it has become clear that residents of South Tyneside are proud of the South Shields seafront. It is one of the jewels in the Borough's crown and they have been very encouraging about the need to maintain a high standard in the area while also looking to improve the offer to both local residents and visitors to the Borough. The Foreshore attracts over 1 million visitors per year, a figure that could increase significantly if there was an all-weather attraction. A casino, possibly attached to a high-quality hotel, would provide that all-weather capability and would be a significant addition to our tourism offer.



38. Land at **South Shields Riverside** has been identified as the riverside regeneration area. The area runs from Harton Staithes to McNulty's Yard and is bounded to the east by Commercial Road. It is proposed that the area will be redeveloped for a mixture of housing, commercial and leisure uses, with the provision of links to and along the riverside and to the town centre. It is expected that the redevelopment of the whole area will take up to 12 years to achieve. As the area is in many different ownerships, the Council is working with the Regional Development Agency, One North-East, and other major landowners, to assemble development sites and prepare a masterplan for the whole area.



39. The **A19 Corridor** is a major regional and sub-regional growthpole whose importance will be enhanced by the construction of a second Tyne Tunnel at Jarrow. A number of potential development sites are located along the corridor.

Willingness to Licence

40. The proposal to submit this bid for a casino was agreed by Cabinet members on 29 March 2006.
41. South Tyneside's Local Strategic Partnership has recently approved a single document combining the Local Area Agreement, revised Community Strategy and Local Neighbourhood Renewal Strategy. Entitled "Spirit of South Tyneside", it reinforces previous joint commitments to helping people into jobs and encouraging enterprise, promoting a sense of place, cultural opportunities and wellbeing, and regenerating our neighbourhoods. The tourism and leisure industries are seen as important ways of providing jobs.
42. The Regeneration Strategy and Cultural Strategy are also partnership documents. These do not mention the casino proposal specifically by name, but provide the agreed policy framework for the mixed use and leisure related developments on the Riverside, Jarrow and the Foreshore.
43. These are also embedded in the Local Development Framework Core Strategy and South Shields Area Action Plan, both of which are currently in preparation. (The Core Strategy and South Shields Area Action Plan are both due to commence public consultation in April 2006.)
44. In exercising its regulatory functions the Authority aims to permit the use of premises for gambling in so far as an application does not conflict with the obligations stated under the Gambling Act 2005. Each application will be considered on its merits without regard to demand and applicants will be encouraged to demonstrate how any objections relating to the licensing objectives may be overcome. In accordance with paragraph 5.25 of the national guidance issued by the Gambling Commission, the Authority will not consider moral objections as reasonable grounds for rejecting any premises licence application.

Probability of Implementation

45. All the mixed developments identified in this submission as suitable for the inclusion of a casino are likely to be completed within the next 10-15 years, less than 10 years in the case of the Foreshore and Riverside.
46. So long as the decision to include a casino is made within the timescale indicated in the Casino Advisory Panel's guidance, there should therefore be plenty of time to firm up on a specific site (in consultation with the private sector), and make appropriate provision within the relevant detailed proposals.
47. Implementation will depend on private sector interest, but it is considered that this should be forthcoming, given, for example, the strong level of private sector interest in retailing opportunities in South Shields town centre and leisure development opportunities on the foreshore.
48. Recent work for the lottery bid at South Marine Park showed that it is visited by between 130 –150,000 people a year, with over a million visitors using the whole foreshore area. The lottery scheme aims to increase the visitors to the park up to 200,000 pa within 5 years. Of the visitors to South Marine Park, 29% were from the immediate vicinity, 23% from the town and 42% were visitors from outside South Tyneside. While clearly the visitors using a casino will have different characteristics to visitors to a heritage park, this does show that there will be every opportunity for the casino to attract customers from a substantially wider catchment area than from South Tyneside alone. The resident population of Tyne and Wear, all of which is no more than an hour's drive from South Tyneside is just over 1 million people.
49. Additional evidence came from the surveys carried out for the Tyne and Wear Coastal Strategy, which showed that 24.5% of visitors to South Shields were holiday makers normally resident outside North East England, staying on the Tyne and Wear coast. This is higher than the comparable percentages for Sunderland and North Tyneside.
50. Of all visitors, 21% were aged 34 and under and 27% 35-44. Many visitors visit a variety of different attractions as part of their visit to Tyne and Wear, often combining visits to "urban" attractions with "coastal and countryside" destinations, strongly suggesting that many existing visitors would be attracted to visit a new casino, if it were available, in addition to the visitors for whom the casino itself was their primary destination.
51. There are no alternative casinos in South Tyneside although bingo, amusement arcades and pubs/clubs are available. The nearest

alternative casinos are in Newcastle and Sunderland. It is not considered that the presence of one new large or small casino in South Tyneside would materially affect the viability of these alternative locations; on the contrary there is some evidence of a small but significant segment of the market that positively makes a virtue of visiting a variety of alternative casinos within a single trip.

52. The relatively limited variety of alternative indoor leisure attractions within South Tyneside also makes it relatively unlikely that there will be a substantial diversion of leisure expenditure from other local attractions to the casino.

Regional and Local Context

53. This proposal is not for a casino of regional importance, so it is not felt that it will have a major impact at regional level, other than a positive one on employment levels in one of the most disadvantaged parts of the region.
54. The Regional Spatial Strategy (RSS) states that large and small casinos should be located in sustainable locations in urban centres and coastal towns, descriptions which fit very well the locations described in this proposal. RSS also defines the Tyne Gateway of South Shields and North Shields Riversides as one of its proposed Regional Brownfield Mixed-Use Developments.
55. The Borough's Local Development Framework Core Strategy and South Shields Area Action Plans are expected to be published for consultation in April 2006. The strategy is likely to name the key riverside corridor regeneration areas in South Shields and Jarrow as locations for mixed use development sites, and include a proposal to promote the developed coast (ie the South Shields Foreshore) as a major leisure and tourism destination with strong links to South Shields town centre.

Community Benefits

56. The regeneration of South Tyneside, and tackling the worklessness issue by all possible means, are major community priorities in the Borough, and it is on this basis that this bid is being submitted. A casino is expected to contribute to the economic viability of mixed use and/or leisure developments, which might not otherwise go ahead, and create jobs both directly (in the casino) and indirectly (both through the construction phase and through ancillary employment in local hotels, restaurants, cafes etc). A casino will add to the tourism “offer” which South Tyneside can make to potential visitors, and thereby help extend the season and add to visitor spend in the Borough.

57. Nevertheless it is to be expected that community members and the Council itself will have concerns about some detailed aspects of the proposals, which will be addressed in the licensing and town planning processes. This would include such aspects as avoiding potential problems for neighbours, community safety, and traffic/parking considerations. All these issues should be capable of resolution by negotiation, once the requirements of particular developers and operators are understood.

Unique Characteristics

58. South Tyneside's success as Regional Capital of Enterprise, and more recently with its successful LEGI bid, have been based on an extremely strong local partnership, including the statutory, private and voluntary/community sectors, which is strongly focussed on agreed priorities, as set out in the Local Area Agreement/ Community Strategy/ Local Neighbourhood Renewal Strategy. This is a single document, agreed by the Local Strategic Partnership and the Council.
59. The strength of this local partnership, and the well-developed tradition of joint working which goes with it, make the area uniquely positioned both to seize opportunities that require a multi-agency approach, and to resolve any issues that may arise along the way.
60. For South Tyneside a new casino would not be a "be all and end all" solution to all our problems – or a desperate last throw of the dice – but a valuable component of a multi-faceted, and widely supported, coherent regeneration programme.
61. To use the words of the Minister announcing the LEGI programme, the inclusion of a casino in the Borough's regeneration programme offers the opportunity for "a real joined up approach ... across national, regional and local levels, to reduce the gap between the deprived areas and the rest."

