

**CASINO ADVISORY PANEL**

**PROF. STEPHEN CROW CHAIRMAN  
JAMES FROOMBERG, CHRIS COLLISON,  
NEIL MUNDY, DEEP SAGAR**

**CARDIFF 01/09/2006**

**PROFESSOR STEPHEN CROW:** How glad I am to be in Cardiff. I do know Cardiff tolerably well because I have an honorary chair at the School of City of Regional Planning, the university here, so I've been coming to Cardiff on quite a regular basis for the last eleven years, and got to know the city quite well, and I must say, I do actually enjoy coming here, so there we are. I'm sorry our time-table today doesn't allow an awful lot of time for me to speak to you, and in particular doesn't allow me to have a sort of question-and-answer session, but I do hope to anticipate some of the questions that you've been asking, and I know that some of the press seem to be thinking are very important, perhaps more important than other people do. There we are. What I'm going to do here is first give a short piece of background, then a few things about us, the Casino Advisory Panel and its processes, then about the examination in public, what it is, and then, as I say, I'm going to try and answer a few questions.

Well, the background. Parliament last year in the Gambling Act 2005 decided that, oh yes, another thing, will you please turn the wretched things off. Thank you. Where had I got to? Three new types of casinos should be allowed to operate in Britain, and I don't need to tell people in Wales that Britain is bigger than England. It's Wales, England and Scotland, not Northern Ireland, that there should be one regional casino permitted, and eight large and eight small casinos, and the definitions are in the Gambling Act and on our website. Briefly speaking, regional casinos as big as anything in the world, a large one is as big as anything that is currently in Britain, and a small one speaks for itself.

About us in the Casino Advisory Panel. We're constituted as an independent advisory body, not supposedly dependent, as I saw some idiot writing in one of the newspapers yesterday, we *are* independent, and anyone that says supposedly independent, if they come within a striking distance, they're going to get a thick ear. We're not beholden to any local authority casino developer or operator, not are we subject to any political pressures, or any political interference with our work. I would like to emphasise that I am used to working in an independent atmosphere within government as Chief Planning Inspector, so I do know that it is possible to work independently, and we do. We were appointed by Richard Caborn, Minister of State in DCMS, September last year, after an open competition, conducted in accordance with the Nolan Rules, and we were all interviewed by a board that had two independent members on it that were totally unconnected with the DCMS, and should it just worry you, John Prescott had no part at all in our appointment. And the panel's proceeding on the basis that it's consulting widely, seeking out evidence, and then we're appraising all the evidence in the light of our professional experience which is considerable, before coming to its decisions, and every member of the panel is committed to the seven Nolan Principles of Public Life. We're assisted by a secretariat who work very hard, I must say. You've no idea how hard they've been working. They have. It's based in the DCMS office in Cockspur Street in London, but it actually works independently of the other people in that office. They're under my direction, and I'm very grateful to them for all the hard work that they've put in.

The criteria that we use, primary criterion which is laid by the Secretary of State, the CMS, is to ensure that the locations we choose, and I'm sorry to have to read this because it is important that I get it right, the locations that we choose satisfy the need for the best possible test of social impact, which may require a range of locations of different kinds, such as sea-side resorts, edge-of-town developments, or inner city centres, and subject to that, the Secretary of State has also asked us to include areas in need of regeneration, and which are likely to benefit in these terms from a new casino, and to ensure that the areas selected are willing to license a new casino, and

of course we did hear last week that one of the London authorities did decide that they weren't interested to license after all, and we need also to pay due regard to government policy in other respects. Just to make things clear, the panel well understands the social issues related to gambling, including problem gambling, and one thing we're looking out for in the proposals is how these problems can be minimised, and where they're best minimised. What do we take into account? Well, we take in all evidence into account, including some things which may or may not be important like, what's going on inside the Dome this very day. Openness and transparency, we're committed to the principles of openness and transparency, and all relevant documentation including all the submitted proposals, details of how the panel's coming to decisions taken to date, and the evidence submitted has been posted on the panel's website and it's going to continue to be put on the website, so if you really want to know what's going on, do look for us on our website.

We're due to recommend in our report by the end of this year, and that does mean that I think I have to be on the doorstep of 2-4 Cockspur Street on New Year's Eve. I'm not quite sure about that but it's got to be in by the end of the year anyway. Our programme of work's been, well, we started off not unnaturally scoping, and then we put out a call for formal proposals. We're getting on now towards the end of the examination process. The examination in public's just part of the examination process, of course, and then we've got to write our report. It is actually a very big job.

Let me go on now to the examination in public. We're only able to examine proposals for the regional casino in public. The others are being done on the basis of written representations. An examination in public, its main purpose is to provide an opportunity for discussion and testing in public and before the panel of selected matters, and we've selected the matters and we've told all the participants what they are, and these matters have been selected following our own examination of the proposals, and all the representations made that we've had from the members of the public and organisations and so on, and we're having a session of examination in the locations, or more or less in the locations of every proposal, so we're going up to Glasgow Monday next week, and then coming back via Newcastle, Sheffield, Manchester and Blackpool. Someone asked me the other day, 'Aren't your proceedings tame?' I'm not quite sure what they meant. Suffice it to say that I do not propose today or any other day to put on a show of public entertainment, because it isn't that at all, nor when I'm asking awkward questions do I propose, or any of us propose to use sort of Gestapo methods. Awkward questions can be asked in a pleasant manner, as well as in an unpleasant manner, so please don't go away thinking things are tame. I do like, however, a proper discussion in which people are able to think what they're saying before they say it, and we can conduct the affairs in a sensible and proper professional manner. Is it a public meeting? No, it's an examination in public. People can come along, see and hear what's going on, but we have invited people who we think can best participate in the discussion. I'll anticipate in what time we've got left some of your questions. Have we been to see any casinos? Well, we haven't spent a lot of time swanning round the world at public expense, but I have been to see the second largest casino in Europe, which is the Hohensyburg Casino at Dortmund in the Ruhrgebiet in Germany. I did that because I happened to be taking some students over to consider urban regeneration, and the Professor of Planning at Dortmund University thought it was a good idea while I was there to look at the casino as well. I've also been round Star City with some panel members in Birmingham. I expect some of you know Star City. Were we entertained there? Well, I was given coffee and biscuits at Dortmund, and I must admit to having I think three sandwiches at Star City. Has John Prescott played any part in our process? No, he hasn't, because as I said, we were appointed by Richard Caborn. There is a bit of John Prescott in it because he did issue, or his department issued Planning Policy Statement 6 last year, and if you'll all rush across to the Stationery Office in St. Mary's Street and get a copy, you will see that it does actually have a reference to the location of casinos. I'll leave you to work that one out yourself. It may not be what you think. What do we think about Brent pulling out? Well, it gave us a day off. Why did we look at Greenwich first, because they were going to be second till Brent pulled out. Is it all a done deal for Greenwich, for The Dome? No, it isn't. Someone asked me to spell it out yesterday. I couldn't think of anything better to say than the best way to spell no is N-O. I mean, just to be quite frank, I've got other things to do in this world, and I would not be going round the

country trying to find out what's, you know, what is the best if I thought it was a done deal, and it isn't. What do I think of Cardiff, Cardiff's bid today? Well, I'll tell you, but I'm afraid you'll have to wait till New Year's Eve.

I'm afraid that's all the time because I do want to start dead on time at half-past. We do make a point on these things of being very strict in terms of timing, so I hope you'll all enjoy watching and listening to the EIP when we get going at half-past. Thank you all very much, ladies and gentlemen. *Bore Da.*

Gentlemen, it's just turned half-past-nine so we'll begin. Perhaps I should have said good morning ladies and gentlemen *bore da*. Or I could say (in Welsh) which for the benefit of everybody else, it's like saying this is a non-statutory examination in public of a proposal by the Council of the City and County of Cardiff to be permitted by the Secretary of State for Culture, Media and Sport to issue a casino premises licence for a regional casino within their area. My name is Stephen Crow and I'm appointed by the Secretary of State to chair the Casino Advisory Panel which is holding this examination. And other members of the panel are, on my right, your left, Mr. Chris Collison. Sitting then next is Mr. Neil Mundy, and on my left Mr. Deep Sagar at the very end of the table, and Mr. James Froomberg, and I should also introduce the panel secretary, Miss Valerie Curtis, and the assistant secretary, Miss Kate Rounce. I should mention, I think I mentioned the press earlier, that I do have an interest in Cardiff in that I have an honorary chair at the School of City and Regional Planning here, and I did notice at least one of my colleagues in the public seats, and I was expecting, yes, he's still here, a colleague, Professor Lovering, is one of the participants. I should say that it's possibly true to say that I don't always agree with Professor Lovering, so we'll have to see whether I agree with him today, but the fact that he's an old colleague, I felt I should let you know about.

A few points of procedure for participants. Do please remain seated, and if you want to speak, raise your name plate like that, that's for participants. I'm pleased to see so many members of the public present. I know that some of you are actually looking to see what happens so you can advise councils the next week. Well, I hope you go away with a good impression. I hope I don't have to tell members of the public that this is not a public meeting, it's an examination of the proposal held in public, and if you'll forgive me being sort of schoolmasterly for a moment, both my mother and father were of course teachers, please proceed as though you were in court or in one of the more sombre varieties of church or chapel. Please no smoking, and do please turn off your mobile phones or else I'll tell you a terrible story of what happened to a mobile phone once. It's very embarrassing when they go off. For the press, no filming or television, no sound recording, and please no flash photography. I should mention that we have had quite a lot of interest from Members of Parliament and National Assembly members. Some of them did ask me to come along but I did feel that it might be inappropriate because after all, our recommendation is to the Secretary of State and then it's up to the Secretary of State to make a decision, at which point of course the whole decision does lie then in the public domain, which is then a forum which Members of Parliament are familiar with. But I should mention that we've had support for the proposal from Chris Bryant M.P., the Right Honourable Rhodri Morgan. We've had support also from Janice Gregory, Assembly Member, Lorraine Barrett, Assembly Member, the Right Honourable Alun Michael, and we've also had letters from Julie Morgan, M.P. for Cardiff North, Jenny Willott and Kevin Brennan, so I thought it only fair to those good people that I should let you know what their approach to the proposal is. Where have we got to? Oh yes, we visited the, I was going to say we visited the area last night. We couldn't actually get on to the site of the International Sports Village because there's such a lot of construction work going on, but we did find a place in Penarth where we had an excellent view right over the whole of the peninsula there, so we were I think quite familiar with the site, and we also had a look at the road and transport links leading to it.

I just wonder, are there any questions about procedure that people are uncertain about? The agenda today will follow the list of issues that have been circulated. I do apologise for the short

notice we've given everybody, and really do thank everybody indeed for the way that they've been able to put everything together. There is a procedural point that I want to address. When Cardiff Council gave me a list of people that they thought ought to be invited, there was the name of Orion on it, and I'm afraid when I was going through the list, it didn't really mean much to me but of course since then one realises that they are actually the proposed developers so we've a number of questions which we do want to ask of developers, so I do wonder whether anybody has any problems with them coming along at this late stage and if not then, are Orion here or were they so disappointed that they went away? It's Mr. Olsen, is it? Mr. Olsen, if you'd like to find a seat at the table. Thank you. Madam Secretary, could you please tell us what people are to do in the unlikely event of an emergency, as they say on board ship.

**VALERIE CURTIS:** Yes. On hearing a fire alarm, please leave the building immediately by the nearest available exit. There are some on either side of the room here, and meet at the assembly point which is situated in the main car parking area of Toys R Us

**PROFESSOR STEPHEN CROW:** Thanks. One procedural point that I did forget is when you do speak, you can see the proceedings are being recorded, so when you do speak, I may say, you know, 'Mr. Blank', in which case you don't need to say who you are, but otherwise if you just say, 'My name is Mr. Blank and I represent such-and-such,' if you would, please. I did say that, I've said to all the proposing authorities that they can make a brief opening statement. This is not so much, it's for our benefit, of course, but principally it's for the benefit of the public here so that they know what's going on, so Cardiff, it's Mr. Morgan, is it?

**TOM MORGAN:** It is indeed, Chairman.

**PROFESSOR STEPHEN CROW:** If you'd just like to start with telling us what it is you want to do and briefly why you want to do it.

**TOM MORGAN:** First of all, *Bore Da*. (words in Welsh) Good morning, welcome to Cardiff, welcome to Wales, and that's it in Welsh. Cardiff we believe is uniquely placed to deliver the regional casino at the international sports village development, as part of our regeneration and visitor destination strategy, and I think those are the key elements. Cardiff first of all is a capital city. Most people in the room will know that, but some don't know that. It's also the economic driver on the hub for the city region. The city region comprises in the whole of South Wales something like 1.4 million people, and it's now the centre of evolved regional government, and with the new powers of the Wales Act, those powers are increasing by the day. The vision for Cardiff is to deliver sustainable regeneration by creating quality visitor and sport destinations to support business tourism and short break destination markets, and these then open the essential tourist gateways into the city region and into the whole of Wales. At the centre of our plans is the former Ferry Road site, and the former Ferry Road site is now the international sports site. The peninsula site was an industrial site heavily polluted, run down, derelict, and people seem to forget that only three years ago, it was totally derelict. We believe it's a truly unparalleled site at a discreet location. It's 3 miles from the city centre by road, it's 2 miles as the crow flies. It has fresh waterways, not mud banks any more or even sea water, but fresh waterways on all three sides and it has direct links to both the M4 motorway and to Cardiff International Airport, which itself is developing. Also it's unique for residents and business users on the site that they know before they locate there that they're going to have a major casino on the site. That's been there since 2001, the plans for, as we called it at that time, the Resort Casino. Since 2001, Cardiff has planned and put in place all the known elements to deliver what is now called the Regional Casino. It was called the Destination Casino, Resort Casino, all sorts of, and we started this, as I say, and I repeat, in 2001. The regeneration at the International Sports Village has included that resort of Destination Casino as a core element since that date of 2001. We actually put in for outline planning permission for all the elements in the Sports Village in December 2001, including the Regional Casino. The only change to the master plan for the Sports Village since 2001 is we've now added the Olympic canoe course and white-water rafting centre, which is an area that we

allocated previously as a back-up area, 5 acres back-up area which we thought would add value to the site, but we didn't know what we were going to do on it. That's now going for the Olympic canoe course and for the white-water rafting centre. It took us quite a bit of time to get planning permission for the Sports Village. We didn't have planning permission until February 2003, but there were no objections at all to the casino being built there, and the casino at that time was 66,000 sq. ft. of gaming space within the area. In 2003 also, sorry Chairman. It's roughly 7,000 sq.m.

**PROFESSOR STEPHEN CROW:** Thank you. I didn't want to interrupt you but I did want to put a marker down for everybody else.

**TOM MORGAN:** OK, thanks, Chairman. At the same time, the council appointed Orion Land & Leisure as their preferred waterfront developer. We have three developers on the site. Some of the development you saw last night I take it from the Penarth Headland you said, from the Billy Banks area I would have thought. We have the infrastructure developer, we have the retail developer, and we have the waterfront developer which includes the casino and all the sporting elements. And that was, they were appointed following the rigorous EU procurement rules, so we went through the **...** Notice for Developers, went through the tendering process and finally appointed Orion as one of the three developers. Then in 2004/5, Orion working alongside the council, and at that time with the former Welsh Development Agency, appointed Aspers as the preferred casino operator, again following a rigorous tendering process, involving most of the major world names in casinos. The business plan for the regeneration and creation of a quality visitor destination at the International Sports Village is based on the key premise that all elements at the Sports Village are funded through other elements in the Sports Village. If I can give you an example of that, and the remediation of the Sports Village which has cost us something like £16.5 million, there was no element of government funding for the remediation. It was one of the heaviest brownfield contaminated sites in the UK. We had no government funding. It was actually funded, if you saw the new development on the left hand side of Billy Banks, you saw the new residential development, we sold the site off, we used that money for the remediation, and we worked in partnership with the Environment Agency to deliver that remediation. That took us something like two years from start to finish, six months where we were actually waiting, the work complete, we were actually waiting for the Environment Agency to say, 'Right, you can start building now.' The infrastructure, which is now costing us 20 million and which goes outside the county area into the adjacent council of the Vale Borough Council, that was funded through the retail, so the Morrison's food store that you see going up, the Toys ʘ Us, and you mentioned Toys ʘ Us earlier on with the emergency evacuation, that's being demolished next week. The new Toys ʘ Us is going to the Sports Village. That again funded those infrastructure works, not just of transportation infrastructure but also of energy supply. South side of Cardiff doesn't have enough energy provision, so we've actually had to build a new sub-station with Scottish and Southern, 3 miles away from the Sports Village to feed the Sports Village and the whole south of Cardiff with energy supplies. That's cost in itself something like £2½ million but we actually get that money back from Scottish and Southern as the energy comes on, so the more people we have into the south of Cardiff to take up energy, the less we have to pay them for that new sub-station, but we have to fund it up front. Similarly you saw probably the pool coming out of the ground there, the international pool. That's costing £30 million and that's from the sale of the residential. Again, all this, the residential site, was sold by Orion. It went to the market-place, we have Allied, who are a new company coming in from America, never developed in the UK before, they're developing a key iconic residential development there. Exactly the same for the pool revenue. We have the pool revenue funding for 10 years, comes out of the retail development. So in this way we've built up the layers of confidence which are very important for all successful developments. Initially nobody was interested in the Sports Village site. We've started building, working with Orion, working with the former Work Development Agency, to get that confidence into the site, and every site that we develop in Cardiff, we work with the developers on our confidence levels, 'cos funders don't come in unless they have confidence. The more they see going on, the more confidence they have. We see that as a need to maintain and support that momentum and confidence with a regional casino,

which supports the multi-purpose arena, the snow and leisure ice facilities, and the major public ground works. Cardiff has a track record of delivering major projects on time and within budgets. Some of these people forget. Again, in 1998, we worked from '96 to '98 with the Conservative government delivering the European Council of Ministers. We had lots of negatives when we went to London first saying, 'Why should we go to Cardiff? Why isn't it Birmingham, why isn't it Manchester why isn't it London?' and it was always, 'Why isn't it London?' I have to say that, quite clearly. Everything seems to revolve around London. We're very proud of Cardiff, very proud in Wales of Cardiff I believe, and we delivered that very successfully, that Council of Ministers. There were no problems. Unfortunately it wasn't, you know, the Maastricht of the world but it was very successful for the UK at the time. That was in '98. At that time as well, we'd been working since '96 on delivering the Rugby World Cup in Millennium Stadium, and after a couple of hiccups with the Millennium Commission in the bids that we made, we finally moved forward and delivered the Millennium Stadium, on time, within budgets. Unfortunately it affected Laing's at that time and they sold out to Laing O'Rourke who are part of the partners in the Sports Village now, but we delivered the stadium on time in '99, the Rugby World Cup was again successful both for Wales, UK and also for other areas. We then delivered the Barrage in 2000, one of the biggest public projects in the UK at that time, going over a period of years, but it opened on time in 2000. The one unsuccessful part of the Cardiff Bay Development Corporation and the Barrage was, they delivered all the infrastructure, they cleansed the site, but the one thing they didn't deliver were the jobs level that was promised in the original proposal, the business plan, and actually the Sports Village with 5000 jobs actually delivers that final part of the jigsaw to that public investment at that time. We've also delivered since, after a couple of hiccups again with the Welsh Opera House, we now have the WMC which is an iconic structure within Cardiff, within Cardiff Bay and for Wales, and we now have the Arts Organisation using that extensively both inside Wales but also coming from outside Wales. We then have the assembly government debating chamber. Again, it was delivered on time and within budget, some would say not the original budget, but it was stopped because it couldn't be delivered within the original budget but it was delivered within the new budget that was sought. The social and economic benefits to communities do not just include the capital to build world-class facilities, and I think that's what we've seen in the UK with the millennium. Lots of capitalist scheme were built but they couldn't be sustained with revenue cost. We've included with all the developments, all the public developments, 10 years of revenue cost. The pool has 10 years of revenue funding alongside it. The multi-purpose arena will have the same. The ice, the snow will all have ten years of public funding alongside it coming out of the development. All the funds for the Sports Village have to come out of the site. That's the decision of the council back in 2001. So the revenue subsidies, and I'll give the example, they're for community use. If we take the pool complex, we've already agreed with the operator as part of the legal agreement for 10 years, that they will accept what we call in Cardiff the stretch card, so you can go into any leisure centre in Cardiff, you buy a stretch card for a month, for 3 months, for 6 months, for a year, and you can use them at any facility in Cardiff. Those will be accepted at the pool. We then have a Passport to Sport and Leisure, which are for different sports. Again, that's accepted. We have a guarantee for school use, Monday to Thursday, six hours a day of school use at greatly reduced prices. We also have guaranteed times for elite swimmers, and when we come to the elite athletes and the other facilities, exactly the same guarantees will apply.

Cardiff and the city region has a cosmopolitan and culturally diverse population, with a distinct part of the evolving and changing Welsh culture, and we do see that. It isn't just about Welsh heritage which we are proud of, but it's the actual multicultural that we're going through continually. We had that originally with Italians, Poles, Czechs and so on, Yugoslavians coming here, Hungarians with the revolution, coming in here, that's moved on, and we have lots of ethnic minorities, who all integrate, and in Cardiff Bay we have over 120 nationalities and there are lots of details on that. The council working with us preferred developer and construction companies and casino operator, we use well-established partnerships and processes to work within communities and groups throughout the city region to deliver innovative training and employment programmes, targeting both unemployed and disadvantaged, and I reinforce there, Chairman, those processes and procedures and partnerships are already in place and we'll see that today as we discuss that with

colleagues Rhondda Cynon Taf Council and so on. Since the International Sports Village was planned in 2001, there have been two key UK initiatives which the Sports Village could readily support, and I think within our submission, we talk all the time about the Olympics in 2012, but there is one other key initiative which is very important I believe for the UK, but very important for Wales, and that's the Ryder Cup of 2010, and both those initiatives can be supported by the Sports Village, but we can only deliver and support this is central government approves Cardiff's proposal for a regional casino by early 2007. Cardiff is ready to move forward and deliver now. I am sure we will have an interesting examination today which we believe will support Cardiff's case for a regional casino at the International Sports Village location. Thank you, Chairman.

**PROFESSOR STEPHEN CROW:** Thank you, Mr. Morgan. I want to start by picking up something that Mr. Morgan just mentioned, and that's the demographic characteristics of Cardiff, and to ask views, I have your view, Mr. Morgan, for which many thanks, but I'd like to ask views, are the demographic characteristics of Cardiff such as to offer the best test of social impact. That is after all our first set criterion. Does anybody want to speak to that? Is there anything special about Cardiff that would lead us to go along with what after all is our number one criterion. It looks as though nobody else wants to speak but your people. You've got, if you could introduce yourself please.

**STEVE JARMAN:** I'm the Head of Research and Community Engagement for Cardiff Council.

**PROFESSOR STEPHEN CROW:** Sorry, I didn't catch your name.

**STEVE JARMAN:** Steve Jarman.

**PROFESSOR STEPHEN CROW:** Steve Jarman.

**STEVE JARMAN:** Yes.

**PROFESSOR STEPHEN CROW:** Mr. Jarman, welcome.

**STEVE JARMAN:** Thank you. In terms of the question that you've just asked, are the demographic characteristics of Cardiff such as to offer the best test of social impact. We firmly believe that Cardiff has got an exceptional set of circumstances which are the best in the UK upon which to test the social and economic impacts of a regional casino. Cardiff as Tom has mentioned has got an extremely diverse and cosmopolitan population which encompasses all colours, creeds, ethnicities and religions from across the world. I think the world in one city would encapsulate Cardiff's profile, a perfect example of the multi-cultural UK in the 21<sup>st</sup> century. Almost 10% of the population of Cardiff are from minority ethnic groups. Cardiff has got one of the oldest multi-cultural communities in the UK, dating back to the 1840's, and I believe second only to Bristol in terms of established length. Cardiff is also home to almost 50% of Wales' total minority ethnic population. Residents from Cardiff follow all of the major world religions, and there are residents born from over 100 countries from throughout the world actually residing in Cardiff. 30% of Cardiff's population are full-time higher education students, studying not only in Cardiff but in regions such as Rhondda Cynon Taf and Newport. Cardiff contains very diverse communities. We've got 56,000 residents living in the 10% most deprived communities in Wales, and indeed the UK, but Cardiff also contains very affluent communities with 90,000 residents living in the 10% least deprived communities in Wales. As Tom has mentioned we've got a city region, an established city region set out by national policy in the Wales social plan of over 1.4 million residents. If we take that out to a one-hour drive-time population we're looking at closer to 2½ million residents, and this encompasses an extremely wide range of communities, including cosmopolitan urban centres, rural communities, post-industrial South Wales valleys. Cardiff also received over 12 million visitors and tourist every year, mostly day visitors at the moment but this is something in terms of national tourism policy that we're very keen to address, and we believe we need to monitor very carefully should we get a regional casino in the area.

**PROFESSOR STEPHEN CROW:** There is a tourism policy, of course.

**STEVE JARMAN:** One of the key issues that the panel has actually asked us to provide information on is in terms of skills, education, training, working with economically inactive and long-term unemployed. Cardiff has got a very wide range of education levels, of social classes. We've got high levels of unemployment in pockets around South Cardiff. We've also got high levels of economic activity not necessarily related to deprived areas in terms of the affluent communities, more retired areas of the population, and these too are areas that we are keen to actually look into in terms of job creation in the area, and indeed the social and economic impact of this proposal. A couple of other points that I'd like to just raise here. We've done a lot of work with Professor Peter Collins and Professor Leighton Vaughan Williams in our development of the casino in International Sports Village proposals, both of whom have been prominent advisers to the government in relation to gambling in the 2005 Gambling Act. We also have a very compact urban area with very well established consultation mechanisms in place, within which to conduct a very intense social impact study, should we be awarded a licence for a regional casino. Through the involvement of Cardiff Bay Development Corporation, we've been required within South Cardiff, Cardiff and the region, to put together extensive sets of base-line data against which to actually evaluate the proposals, and as you will have noted within our initial submission, we're also committed to undertaking a localised gambling prevalence study, again within which to set base-line data against which to establish the social and economic impacts. Finally I think, which is very important we've got mechanisms in place where we can very distinctly separate the impacts of the casino and the International Sports Village on local communities, both in terms of economic and social impacts, and I believe that that's a very unique part of Cardiff's bid, that we've made it clear right from the beginning that whilst the casino is part of the sports village development, the catalyst for it, we need to evaluate its impact in its own right as well as the impacts of the greater development.

**PROFESSOR STEPHEN CROW:** Thank you very much for that, and a lot that you've given could well illuminate some of the other material we're going to talk about this afternoon, but what obvious material would you specifically say will help a researcher in perhaps 5, 10 years' time, it won't be us, think of some people who would like to do it but they may not get the contract, but what of that information, you know, would help a researcher in 5-10 years' time say, 'What has been the social impact that we're now testing?'

**STEVE JARMAN:** Well, as I said, I mean I'm head of the council's Research and Community Engagement Unit, so I've got many years' experience of actually dealing with monitoring the impact of developments and major events etc. on the population of Cardiff and its wider city region. We have in place very robust research consultation mechanisms that have stemmed from the European Council of Ministers, the rugby World Cup. We've undertaken social impact studies of the impact of the Cardiff Bay Development Corporation on local communities. I'm including Butetown. I mean, I know there have been a lot of calls about whether or not Development Corporation had a positive impact on the communities. We undertook wide-ranging social impact studies on that, we've worked on major events such as the Heineken Cup Final, the impact of the FA Cup Finals in Cardiff, so I mean, I believe that we're in a very good situation in terms of mechanisms in terms of the base-line data that we have, and experience of actually going out into the field and ...

**PROFESSOR STEPHEN CROW:** Are you suggesting to me that you have actually thought about how social impact could be tested?

**STEVE JARMAN:** Very much so, yes.

**PROFESSOR STEPHEN CROW:** Yes, Mr. Sagar has a question and then Mr. Collison has as well.

**DEEP SAGAR:** Thank you, Chairman. Could I ask you, what are these mechanisms by which you believe the impact of a new casino you'd be exactly able to measure, and also if you wouldn't mind telling us, did you carry out an impact study of the folks, you know, that already exist in Cardiff. Thank you.

**STEVE JARMAN:** In Cardiff, as I just mentioned, we've had to deal in the past with public consultation and stakeholder consultation on a wide range of very complex issues, and I think in terms of research methodology, it's accepting the complexity of the issues that's important.

**PROFESSOR STEPHEN CROW:** Is the first answer to the question yes?

**STEVE JARMAN:** Yes.

**PROFESSOR STEPHEN CROW:** You know, somebody told me that there's no words for yes and no in the Welsh language, and I've always found coming to Wales that one has to force yes or no out of people. Thank you. Do please carry on.

**STEVE JARMAN:** We have in place following the agreement of the council's Corporate Consultation Strategy several mechanisms for identifying an educated and informed viewpoint on public opinion with major developers. We've got an established citizens' panel of approximately 1500 local residents that are drawn to be representative of the full population. We've got an established community planning set-up in Cardiff involving approximately 400 key stakeholders for the city who are involved on a regular basis in terms of consultation. We've got very strong links with the developers and with the preferred operators in interests of identifying the issues that they feel are important. We have staff that have had many, many years' experience of facilitating focus groups and consultation forums, again to elicit educated and informed points of view. One of the benefits I think that we've developed in this process is that we always try and bring all of the parties around the table, going out to members of the public on the consultation issue in terms of evaluating impacts of developments such as a regional casino, you can't expect to undertake a paper study, you can't expect to drop a questionnaire through people's doorsteps because you're just not going to have the information upon which people need to respond to. Likewise we've got in place very strong community links in terms of identifying the opinions hard-to-reach groups, minority ethnic groups, not just your traditional groups. I mean, we've got very strong links and experience of dealing with disabled people, people who wouldn't normally respond to a consultation. We've got very strong links with the youth of Cardiff. A third of the population of Cardiff are aged under 25. We've got a third of the population of Cardiff aged over 50. We've got an established Older Persons' Forum which meets annually with an Older Persons' Congress, which is actually being held in Cardiff next week. We've got a Youth Congress which happens every year where over 500 young people from across the city come and interact with the decision-makers, the stakeholders in the city, and again it's all about dialogue, it's all about encapsulating engagement across all spheres of the population.

**PROFESSOR STEPHEN CROW:** Thank you. Mr. Collison.

**CHRIS COLLISON:** Yes, Steve. Thanks very much indeed. You've just in part answered the question I was going to ask, and explain the complexity of, you know, this can be a community engagement and in particular the hard-to-reach groups which you've just outlined in some detail, but the other part of the question I was going to ask you really related to the distribution of deprivation. You'd mentioned a percentage of population that fall within that and countered that by saying also that there is a wealthy part of the community as well. Could you just in terms of geography talk about the deprivation.

**STEVE JARMAN:** Yes, I mean, for those of you that aren't familiar with Cardiff, Cardiff is I would say a city of two halves. We've got the southern arc of deprivation centred around Cardiff Bay, the traditional communities of Butetown, Grangetown, Splot, where we have, and Butetown, one of the

areas within the world's index of multiple deprivation, is the most deprived area in Wales. Again, we can't compare directly with England, because the methodology for the IND differs slightly but I would say that the communities of South Cardiff are on par with the most deprived in the UK in terms of social land economic deprivation, in terms of high levels of people relying on means-tested benefits for their day-to-day living, all of which I believe we'll come on to later, are elements that a regional casino to facilitate as the catalyst for the Sports Village and the community benefits will be afforded by that, will greatly enhance. But likewise in the north of Cardiff, north of the city centre, we have probably 5 in the top 20 areas that are the most affluent in Wales: Cyncoed, Rhiwbina, Whitchurch, Lisvane, etc. so as I said, we feel that we've got an extremely diverse set of demographic and social circumstances within a very compact and manageable area upon which these impacts can be tested.

**CHRIS COLLISON:** And just to follow that up, Chairman, you know, you've mentioned, you know, the difficulty sometimes of comparing deprivation, you know, between systems that exist, although I think, as you say, there is a fair degree of comparability between England and Wales, and in Scotland in fact, you know, between their systems if you like. Would I be right in saying that you've just identified income as a particular factor of deprivation within that southern part of the area. Obviously the index that you've referred to, you know, tends to look across a whole range of factors, but income is perhaps particularly important, is it?

**STEVE JARMAN:** Yes, I mean, to put it in context, I was actually a member of the working group that was involved in preparing the methodology for the Index of Multiple Deprivation, working very closely with Oxford University who undertook the work in England, and for that reason, we did decide that the methodology in Wales should be slightly different, because we have different methods of collecting data. In terms of income, yes, we've got 56,000 residents living in the southern half of the city and the predominant ...

**MAN:** ... quite a range of things that you have already tested the social impact for, the Rugby World Cup, the FA Cup Finals, the Council of Ministers, and I didn't write down the rest, I'm afraid. I just wondered if you could sort of highlight for us what those tests have told you in terms of both the positive impacts of those things you've tested for and the negative. Sorry, this is a 3-part question. It's the highlight positive and negative. The second part is which have won out the positive impacts or the negatives impacts that you've found, and the third part is, how different would it be when you came to testing the social impact of the regional casino of the things you'd be looking and where you'd be hoping to draw on and in different ways the experience of what you tested for already.

**STEVE JARMAN:** Can I answer backwards?

**PROFESSOR STEPHEN CROW:** With pleasure.

**STEVE JARMAN:** To start with, I don't think that the way we would test for the social and economic impacts of the regional casino would differ from how we test for the impacts of any other major development, because we're looking at how a major development within Cardiff and its city region impacts on the local population and the social characteristics of the area. The way that we actually focus in and question may differ, but the actual methodology that we use would differ no way. What we're very keen to do and have been keen to do in our evaluation of major developments, projects and other schemes in the past is to ascertain quite simply how the proposed benefits both in terms of community benefits, social impacts, financial impacts, how it deals with employment, unemployment, etc., how they're actually realised, how they come about. Do the promises of development actually filter down and benefit local people and local communities, and this is a model that we've developed, as I've mentioned, through a range of experience, and I think it's actually drilling down to having in place very precise monitoring arrangements, not just within Cardiff but within the city region. We've got very strong relationships with our neighbouring local authorities. We've got an established network of officers such as

myself within local government, a research officers' network, who share best practice and share impact data, who share the collection and monitoring of employment trends etc. We work very closely with our skills vehicle which again we'll on to later, in terms of working with other agencies, the Employment Agency. We work very closely with the Benefits Agencies as well, so to look at the positives, it's identifying through the information that we've got but also talking to local people. And yes, we have identified negatives, and we have acted where we have found developments not to be realising their true potential, and we've gone back to the communities and asked why, and what we try to do as a result of that in further development arrangements is to maximise these benefits in ways that we feel are more realistic and achievable, so it's an on-going process of engagement and improvement.

**PROFESSOR STEPHEN CROW:** Mr. Jarman, did you want to follow that up, Mr. Froomberg?

**JAMES FROOMBERG:** Well, I do please, Chairman, 'cos I was looking to move from the hypothetical to the actual, and perhaps I should have allowed you to start in reverse order. I would like to understand the highlights of what were the positive benefits and what were the negative benefits from the things you've already tested and which one has outweighed the other, and then specifically what differences for a casino. You said no difference for a casino. I'd quite like to go back to the specific, I'm looking to see when you've done a test, what social impacts have you found?

**STEVE JARMAN:** Quite simply the knock-on effects, the multiplier effects of major development. We've found out that impact such as the Millennium Stadium, the Rugby World Cup, the FA Cup Final, they don't just impact on the stadium, they don't just impact on the sales of tickets, the sales of programmes and merchandise, that they do have positive impact on local people. We've shown that there have been jobs created for local people. We've shown that unemployment has been reduced as a result of major developments.

**JAMES FROOMBERG:** Perhaps I'm not being clear enough and I'm sorry for that. Let me try and ask you a very specific question for one scheme. The impact of the Millennium Stadium, have the number of jobs that have been created outweighed the impact of the extra cost of policing, litter, vandalism, whatever, that go with it. What is the comparison between the positives and the negatives?

**STEVE JARMAN:** To go back to the Chair's response, yes. The Millennium Stadium for example has been a major development for Cardiff, South Wales and Wales as a whole, if not the south-west of the UK, and the number of jobs created not just in the stadium but in all of the supplier networks in terms of the numbers of visitors that come to Cardiff on a regular basis, but not only that. Those of you who live in Cardiff may be aware that the Millennium Stadium I believe is used on a hundred or so occasions a year.

**MAN:** Can I come in, Chair, maybe? People see Millennium Stadium for major events, they see it for the FA Cup Final, this year for Rugby World Cup, they see it for all sorts of internationals. That's probably 15 days per year. It's used another 200 days a year for community events, and in fact it's part of Millennium Stadium PLC, that's part of the commission of Millennium Stadium, and the grants from the Millennium Commission. We have a Millennium Stadium Trust as well, so Millennium Stadium is used, as I say, 200 days per year. For instance we had two years ago the World *Boules* Championships in Millennium Stadium. People don't play *boules* supposedly but we had 5,000 competitors playing *boules*, we had 20,000 spectators over five days watching the *boules* final. It doesn't entertain me, I have to say, but for lots of people it was good and they enjoyed it. We then had the under-nines rugby finals there from Europe. We had youngsters all coming there with their families from all over Europe. We have all sorts of neighbourhood events going on there, we have multi-faith events going on in Millennium Stadium, so we use Millennium Stadium extensively, but nobody ever sees that, so there are huge benefits.

**PROFESSOR STEPHEN CROW:** ... did have an event there, I think, no doubt about that. I think we had our school Christmas dinner there one year. But there is a point that you did make, Mr. Jarman. You said that you're testing, your idea of testing would be just the same as with anything else and you mentioned as an example the testing of the World Rugby. Now, I suppose it's true to say that there are a few problem rugby players, but one does hear a lot about problem gamblers and I just wonder whether casinos are perhaps in a special category that might involve a different line of testing.

**STEVE JARMAN:** The type of testing would be the same. It's how we actually go about bringing in the partners and the stakeholders to ensure that we're asking the right questions and we're dealing with the right responses.

**PROFESSOR STEPHEN CROW:** I see.

**STEVE JARMAN:** We are working very closely with ...

**PROFESSOR STEPHEN CROW:** OK, I've got the answer there.

**STEVE JARMAN:** Yes?

**PROFESSOR STEPHEN CROW:** And I'd like to move on to a few other people.

**MAN:** May I ask a question?

**PROFESSOR STEPHEN CROW:** Yes, of course, if you want to ask these people ...

**MAN:** Well, first of all, Mr. Jarman, thank you very much for the excellent to those questions. As an ex-director of a UDC, an urban development corporation, I'm very, very interested in what has been the downstream benefits of the development corporation, and because there was such a massive investment over the period, and because part of the process of that investment was to try and capture the outcomes and benefits, what sort of headlines have come out of that in your experience? I mean, there were 17,000 jobs and the leverage of investment, but are there any other, you know, key messages that came out of that in terms of, you know, what this next stage might achieve.

**STEVE JARMAN:** Well, I don't know if any of you actually visited Cardiff Bay 15 years ago....

**MAN:** Yes, I did.

**STEVE JARMAN:** ... and visited it yesterday and have seen what a remarkable transformation has actually taken place. £500 million worth of public money, an additional £700 million worth of private sector investment has transformed a derelict area of dockland, and not just the dockland. I mean, the UDC in Cardiff, as you're probably aware, is one of the largest in the UK, encapsulating the majority of the southern arc of deprivation that I referred to earlier. So the benefits that have actually come from Cardiff Bay have been in terms of extensive social infrastructure, financial benefits to local communities, the unemployment in South Cardiff and Cardiff Bay was 20 times that of Cardiff as a whole, and that's come down almost in line with the unemployment of Cardiff in general now, so the impact of the development corporation on the development of Cardiff Bay has been very far-reaching in terms of the population within the area and further.

**MAN:** I think as well it's a safe and healthy environment, and the safe part of it has improved dramatically over the last three years by more and more people visiting there, and the more people that go there, the safer people think it is.

**MAN:** I have one small thing to ask which I think was triggered by your statement about working very closely with the communities. When we come on to ask questions about other aspects of social impact, one of the issues will be the benefits that come through in terms of jobs and other spin-offs from the regional casino. To what extent do you have an understanding of how the minority faith groups might react to this, because obviously there are different approaches because of cultural and faith issues. Do you have an understanding of that?

**STEVE JARMAN:** Would it be OK to bring Bob in on this?

**PROFESSOR STEPHEN CROW:** Can we leave this for a minute or two, do you mind. I'm going to bring somebody else in, let's just leave that and go on to somebody else, because I do want to get people round the table, and I think the person to put the name up was, is it Superintendent Jones?

**MARTYN JONES:** That's right.

**PROFESSOR STEPHEN CROW:** Yes, I'm hesitant about your rank. I don't know whether I'm sorry to say I've little to do with the police.

**MARTYN JONES:** Yet. Thank you very much, Mr. Chairman. I'm Superintendent Martyn Jones from South Wales Police. I'm a member of the command team here in Cardiff. I have a specific responsibility for policing the city centre, Cardiff Bay, and remarkably a specific responsibility for licensing issues here in Cardiff as well. Can I first of all thank you for giving me the opportunity to come here this morning and speak with you, and obviously members of the public as well. First I think it's very important that I say that South Wales Police is committed to local neighbourhood policing, and there is a strong commitment to partnership working which involves the community themselves. At the heart of that policing objective here in Cardiff is the Cardiff Safety Partnership which is integral both in strategic and tactical to deal with all issues of crime and disorder here in Cardiff. If I could just pick up on a couple of things that have been mentioned by the panel, and that's testing the social impact. From a Cardiff Safety Partnership perspective, I cannot think of a more testing problem than trying to manage a stadium with a capacity of 74,000, or has the capacity for 74,000, and within that stadium itself, there are 173 opportunities to engage in various aspects of licensing. And since 1999, it suffices to say that nearly nine million people have visited that stadium for a variety of events, from iconic sporting events to pop concerts as well. Crime-wise I can safely say without hesitation, per thousand people that visit that stadium, there are 0.2 crimes, to the statisticians amongst you would say that crime is not a problem in the Millennium Stadium during these events, and why? Well, I think why is because Cardiff Safety Partnership have worked with the business community, have worked with the management within the Millennium Stadium to ensure that public safety is paramount on all occasions, because whenever there is an event in the stadium, we also have to understand is that there are a transient population that visit Cardiff just to take in the atmosphere, and there are 1200 outlets in Cardiff alone which as an addition can afford licensing opportunities to these people. The success story, well, the crime stats I think says that. The success story as well is the fact that people want to come to Cardiff, people want to visit the Millennium Stadium. I could quite happily produce letters from people from all over the country who have said what a wonderful time they've had in Cardiff and a wonderful time they've had in the stadium, which for me I'm delighted with, and why, because the stadium is in the heart of the city. It's not in some peripheral location, it's in the heart of the city and it's very accessible to these people who wish to visit it. The negative ...

**PROFESSOR STEPHEN CROW:** I was going to say, of course the casino, if the stadium's the heart of the city, the casino would be really on the periphery, I suppose.

**MARTYN JONES:** We are creating another opportunity, another facility, which will compete.

**PROFESSOR STEPHEN CROW:** Can we get back to test of social impact anyway.

**MARTYN JONES:** Test of social impact. The negative I think is the success story. It has been successful, continues to be successful, and I think the Cardiff Safety Partnership is well-placed to ensure the success of that facility that is there. I take great delight in receiving colleagues from around the country, from many forces including our largest force, the Metropolitan Police, who visit Cardiff to see how we strategically and tactically manage these major events. Our delivery of service on these events has been nationally recognised by both the Police Standards Unit, and again I'm delighted to say that some of my colleagues have met with Home Office officials and one sergeant himself met the Prime Minister, to inform the Prime Minister himself as to how we are successful in dealing with crime and disorder in Cardiff. That cannot be ignored and it's good I think, and it's a good recognition really on the safety partnership as a whole, so perhaps that answers the question in terms of testing social impact from my perspective. If I then go on to your colleague who mentioned the casinos in Cardiff, to some extent they operate with some degree of anonymity. There has to date been 30 crimes reported for the three casinos, crimes which, all crime, I'm not condoning crime by any way, crimes which are insignificant and easily detectable. There is no inference of infiltration of organised crime, although of course it may or may not be happening, and I'm not going to sit here and say that it's not happening, but it suffices to say that the Licensing Committee here in Cardiff, along with our licensing colleagues within the local authority, are very vigilant and alert basically to what these facilities may or may be able to offer. So these casinos themselves are operating with a degree of anonymity, but not without scrutiny from ourselves.

**PROFESSOR STEPHEN CROW:** Thank you, Superintendent. Am I right in thinking that's the Jubilee Medal?

**MARTYN JONES:** That's correct.

**PROFESSOR STEPHEN CROW:** Thank you. One of these days I must collect my Coronation Medal, which gives my age away, doesn't it.

**MAN:** Which particular monarch would that be?

**PROFESSOR STEPHEN CROW:** What?

**MAN:** I said which particular monarch was that.

**PROFESSOR STEPHEN CROW:** Thank you. I do have a George V stamp on my birth certificate, if that's a help. Let's get back to testing social impact, shall we. I think Mr. Kingsford from Visit Wales, I think you had your card up next.

**JOHN KINGSFORD:** Thank you, Chairman. My name is John Kingsford, I'm Head of Commercial and Business Competitiveness for Visit Wales, and I had the privilege of being asked to join this committee at about 4 o'clock yesterday afternoon, so I'm going through the papers as the discussion goes forward. If I look at the paper that I see before me, it says under the heading Social Impact (quote) 'To what extent would the employment opportunities offered benefit locally unemployed and disadvantaged people?' It seems to me and based on the knowledge that I have of the casino development, that the opportunity is huge insofar as, as had been said already, we do have a lot of unemployment in the valley area, there are good infrastructure links between the valleys down to Cardiff, and I believe that the casino would offer a number of opportunity for people to get back into the world of work, because for many of the jobs the entry barriers are really quite low, and I think that that point has to be noted, and I have finally to say that as an Englishman who's spent more of his time and comes from London, I endorse Cardiff to you. Thank you.

**PROFESSOR STEPHEN CROW:** Thank you, Mr. Kingsford. Professor Lovering. Test of social impact. Is Cardiff a good place for it, do you think?

**PROFESSOR JOHN LOVERING:** The position I'm coming from is rather different from those we've heard so far. You essentially talked about individual projects and how well Cardiff has managed in the past and is able to monitor them in the future. The perspective I'm coming from is as somebody who is interested in urban development and particularly in urban labour markets. I want to suggest ...

**PROFESSOR STEPHEN CROW:** I'm sorry, Professor Lovering, can everybody hear? You had your hand in front of your mouth, and I like to hear if nobody else does.

**PROFESSOR JOHN LOVERING:** What I'm concerned is that in the documentation that's been supplied to the public and to the panel, that the employment impact of the casino has been pretty, how shall I put it, not very thoroughly explored, and I'd just like to go back a little bit to something that Steve said earlier on which perhaps sets the context. He said that 17,000 jobs have been created in Cardiff Bay. This is not true. That is at most a gross figure. The net figure is a few hundred. The unemployment position in Butetown relatively, relative to other wards in Wales is no better now than it was before regeneration began. It's important to get a number of things in perspective. Cardiff has visibly transformed very dramatically, as Steve and others have pointed out. It's a very attractive waterfront, it's been the biggest regeneration in Europe as we've heard many times, but we shouldn't forget that every city in Britain and indeed Europe and indeed China and everywhere else is regenerating, and there's absolutely nothing exceptional quantitatively about the kind of regeneration that's been happening in Cardiff, and there's a terrible degree of parochialism in the debate about this locally. So first of all, what's happening in all cities is they're all regenerating, OK? Cardiff's regeneration looks different locally, and if you're local, you'd think how wonderful it was, but you'd think the same if you lived in Gateshead or Bristol or Liverpool or Glasgow or indeed anywhere, and I have lived in many of these places. Secondly, the regeneration that has occurred over the last ten years, let's take 1993 to now. 1993 was basically the year that the current strategy adopted by Cardiff as a supposedly culture-led economic redevelopment was inaugurated, has not improved the relative position of disadvantaged groups in the area. As Steve mentioned, the ward of the greatest degree of multiple deprivation is actually a few hundred yards from his office, and the position I want to suggest is that the case for the casino is simply not made. First of all, it will create very few jobs, not the 5,000 figure that's been flagged up, and in fact you have to plough through to page 26 of the submission from Cardiff County Council to this panel, to find out the basis of the calculation, and the calculation there which you might want to come back to is not 5,000, it's 1,047 if the operator reaches the full aspirations of its business plan. So I think there's been a certain degree of shall we say lack of rigour or even sleight of hand in representing the number of jobs that are going to be created, that's the number of jobs. Nowhere in any of the submission is anything that could be called a labour market analysis, namely looking at the type of jobs and the ability of local people to get those jobs. As you may have seen yesterday, panel, that the casino is going to be located in the area of Grangetown. Grangetown area is an area with very high levels of unemployment. I can dig them out but I won't bother at this moment, might want to come back to it. It's also an area where a very high proportion of the unemployed are young Muslims, and you may be aware that the Koran actually forbids gambling. It's Sura 5 verse 90, if you really want to know. So for social and cultural reasons, it seems to me there are a number of question marks that have to be flagged around the ability of this project to generate jobs where it is needed, in the area where it's located. There's a number of other questions concerning the plausibility of the employment statistics but I won't raise them now, but I wanted to flag up at this point that a number of things have been said already that are somewhat misleading. The broader trajectory of economic development that's happened in Cardiff as in every other British cities has created a number of very glamorous high-profile things. We have a wonderful stadium, we've a wonderful new Millennium Centre, and we're going to have, if the *Echo* is to be believed, a wonderful glamorous new casino, but at the same time, in all cities we have increasing degrees of social polarisation and I don't think that this is going to address that at all, and I just want to draw the attention of the panel to the fact that a number of reports are critical of casinos, in particular an excellent one produced by Hall Aitken, social and economic

regeneration consultants on social and economic impacts of regional casinos in the UK, studiously not mentioned anywhere in any of the Cardiff publications, includes in its executive's summary the observation, 'The social costs of regional casino development are potentially high, and in most locations will outweigh the economic benefits,' and I suspect that's the case in Cardiff as well.

**PROFESSOR STEPHEN CROW:** Thank you. Well, Professor Lovering, you have actually covered quite a lot of the agenda today, so if people want to respond, they may well get the chance later on in the day, since I did want to get on. I mean, in all of this, is Cardiff a good place or not such a good place to test social impact?

**MAN:** For testing social impact, yes.

**PROFESSOR STEPHEN CROW:** Thank you. There's quite a lot of people want to speak. Is it Mr. ?der?

**MR. ?DER:** ?der, that's correct, yes.

**PROFESSOR STEPHEN CROW:** And you're from the Department of Enterprise, Innovation and Networks at the Welsh Assembly.

**MR. ?DER:** That's right.

**PROFESSOR STEPHEN CROW:** Can you just add to my education as to what that is?

**MR. ?DER:** Yes. Certainly. Well, firstly my role, I'm head of Euro Middle East and Africa within International Business Wales which as you quite rightly say is part of the Department of Enterprise, Innovation and Networks within the Welsh Assembly Government. Basically I deal with major investors coming into Wales as part of inward investment activities and also trade development, and internationalisation of companies is my role. Chair, I just wanted to come back to one point which is where we really kicked off the morning and just to kind of perhaps widen in terms of perhaps the demographic impact and the social measuring which was raised by the actual panel. I think Cardiff would be an excellent area and pilot to actually measure the social impact, and the reason I say that is that Cardiff has a very, very defined demographic pattern, and this is something that comes up with major investors on a regular basis. A lot of this is to do with actual geography and the main actual links in terms of Cardiff, with the main transport routes running east-west in terms of rail links, motorways, and the valleys running north-south, so there's a very defined and very natural and very established demographic pattern within Cardiff, and we know the demographics of each local authority and the number of people who are travelling to Cardiff. Based on my demographics, I have a figure of actually 25% of all people working into Cardiff actually come from the surrounding local authorities and travel down as part of that geographic network. And I just wanted to make that point because again, I think it's an area, and this when we actually did the initial meetings with Cardiff, with all the operators, this was something that was of great interest to them because the natural pattern was towards Cardiff in terms of market and movement and labour market and leisure market, was all towards Cardiff, and I think on that basis, if you're looking at it in terms of a pilot, that's why I think it'd be a very good basis in terms of measuring the impact in terms of further down the line, you mentioned, Chair, research in 10 years' time, because of the defined pattern we have in Cardiff. And we bear that out sometimes with surveys with our major investors as well, in terms of how many people they employ from Cardiff and the regional context as well, and I just wanted to add the slight regional context to support the Cardiff contents as well.

**PROFESSOR STEPHEN CROW:** Thank you. Could I just hear now from Mr. Payne from the GMB Union. Can you remember what GMB stands for?

**MIKE PAYNE:** Well, Chair, I can give you a history lesson if you like. The GMB at the moment stands for Britain's General Union.

**PROFESSOR STEPHEN CROW:** I'd love to hear the history, but can we leave that to another day.

**MIKE PAYNE:** It just means in this point of time, Chairman, Britain's General Union.

**PROFESSOR STEPHEN CROW:** Thank you.

**MIKE PAYNE:** I, Chairman, am Mike Payne. I'm Membership Development Officer, and as you can tell by the accent, based here in Cardiff, and Cardiff born and bred, and I just want to pick up on a very narrow point of view, if you permit me to do so at this moment in time, and that is to pick up on the point that Mr. Morgan made about the jobs deficit that was in Cardiff Bay as was originally planned. Add to that the fact that Wales has not been immune from the loss of manufacturing jobs in recent times, two of which are Sony and Panasonic, Sony in Bridgend and Panasonic here in Cardiff. The 5,000 jobs that will be realised as a result of this development will obviously assist and reverse the impact of that.

**PROFESSOR STEPHEN CROW:** Later on today we're going to explore these 5,000 jobs and to see whether it's 5,000 or more or less. If it was substantially less, what would your line be?

**MIKE PAYNE:** Chairman, our line will not change. Jobs are needed within this area, needed for the people of Wales, needed for the people of Cardiff, so whether that's 500 or 5,000, the GMB will support the development that will bring jobs and generate economic activity for the people of Cardiff.

**PROFESSOR STEPHEN CROW:** OK. Thanks for that.

**MIKE PAYNE:** I also wanted to pick up on the point that the opportunities that a development like this will bring via training, training via the operators themselves, through the council and through partners within further and higher education. We've had the arguments that the 5,000 jobs will not be realised. I'm a member of the GMB's National Casino Advisory Panel, and we've had these discussions with colleagues both in America, in Australia, and looking at casinos across the UK, and we believe that the jobs that have been identified are not drastically different from those that will ultimately come. We believe the council and its partners have a willingness and a history of developing those partnerships and will provide appropriate training, that will provide the new workforce that will be needed, and it is a new workforce that will be needed in this area. And those jobs will come not just from Cardiff but from the whole of South Wales.

**PROFESSOR STEPHEN CROW:** How does this affect the testing of social impact?

**MIKE PAYNE:** I think, Chairman we've heard from Council representatives that there are pockets of high unemployment across Cardiff and through the valleys, and even across into the south-west, because we have quite a wide area of travel-to-work to Cardiff. I think one of the ways you can look at social impact is the number of people that are at the moment economically inactive, and look at the number of people that are unemployed. That is a fairly simplistic way of looking at social impact. If the number of people that are unemployed in Cardiff reduces within the next few years as a direct impact of this development, then I think that will be one factor that we will be able to put a tick in the box against. The longer term is the increase in skills that people will achieve through training and working in the casino and the associated industries. We also believe that there will be a number of jobs created across Wales because through discussions with the preferred operators, the types of, even down to, you know, the type of produce that they will use at the resort will be from indigenous businesses and farmers across Wales. That will give them a market which they currently don't have, which will I mean have a positive impact across the whole

of the South Wales area. I can also tell you, Chairman that from the GMB's point of view, we have already signed partnership arrangement with the casino operator that will allow us to negotiate and organise a workforce that will provide sustainable jobs for the long-term which will be, and you'll permit e to say this as a trade union official, that will be well-paid and provide training opportunities for that workforce into the future.

**PROFESSOR STEPHEN CROW:** They might just remember what you said later on.

**MIKE PAYNE:** Which part of what I said, Chairman?

**PROFESSOR STEPHEN CROW:** That your members will be well-paid.

**MAN:** I put the marker down, Chairman, so that people that are in the room here will also remember that point.

**PROFESSOR STEPHEN CROW:** Mr. Froomberg has a question for you.

**JAMES FROOMBERG:** Thank you. Mr. Payne, there's a number of different sorts of jobs that are proposed will flow from the casino. There's at the casino itself and the other elements that the operators are developing, and then all these various words like 'induced' and 'indirect' and 'multiplies' and so on that create jobs through the trickle-down and you talked about produce suppliers, but the one area I want to concentrate on for your opinion is, we're told that the operator will be paying large sums of money to the council in order for the council to develop the rest of the International Sports Village, and the thought that's going through my mind, if you were the one receiving the 76 million that we've been told about, what would you actually be wanting to invest it in to maximise the number of jobs in Cardiff and around?

**MIKE PAYNE:** Well, Chairman I think that's a, I don't usually get the opportunity to spend £76 million, but I think the industry that would be developed in Cardiff Bay around the casino, around the hotels and the restaurants and the leisure side of things that will be there, will be a massive benefit to Cardiff, but I think that the opportunities for the produce that can be provided to the casino will assist farmers across Wales, the spin-off jobs that will come from the maintenance side of things because it will be a large site, there will be lots and lots of things there, but I think further and higher education is one of the areas that we are really concerned about. We really want that to take off. There are opportunities through the partnerships, they're already in place with the council, that will allow your people that are at the moment economically inactive to take on skills that they will be able to transfer to other areas in the economy.

**PROFESSOR STEPHEN CROW:** Are we just looking slightly provocatively to your view on whether one got 76 million quid's worth of jobs and putting the money into a small indoor arena when there's already one in Cardiff, into a snow box on the canoeing course, or whether you'd think of better things to put it into.

**MIKE PAYNE:** Well, Chairman, I think if you take it in isolation, I would suggest that I could spend that in a slightly different way. Whether it would be a better way is a different thing. I think you're trying to counsel and the partners are trying to develop a themed resort, and all of those things are elements of that total project, and so if you take one of those elements away, then it detracts from the whole experience that they're trying to put together, so I think at this moment in time, Chairman, I would say that £76 million invested in manufacturing in Wales would have a significant impact but I don't think we have that opportunity at the moment, but there will be spin-offs for manufacturing in Wales in the provision of goods and services to this development that will have a major and positive impact.

**PROFESSOR STEPHEN CROW:** Well, thank you very much, Mr. Payne, for that. Mr. Wickham, you're quite exceptional being here and I'm so pleased you're here because you represent

yourself. Would that there were more people like you willing to come along and as it were put themselves on the firing line. On the best test of social impact, what would you like to tell us?

**MR. WICKHAM:** I was going to draw attention to the remarks which have been made by the Superintendent concerning the Millennium Stadium, and this does bring in social impact. What is true in my opinion is that in fact the type of visitor to Cardiff who visits the Millennium Stadium is usually family-based, and that will in my opinion be entirely different to the visitor to the casino. In other words, the benefits which accrue from the Millennium Stadium affect the businesses in that area, shopping, pubs, hotels, etc. Now, I cannot see that there is likely to be the same social impact if and when a casino is established, and as you, sir, have quite rightly pointed out, the casino is on the periphery of the city rather than being in the centre of the city. Can I also add to Mr. Payne and remarks about the closure of two major employers, i.e. Sony and Panasonic. We also have had announced this week that in fact the L.G. which employs some 315 people is to close by the end of the year.

**PROFESSOR STEPHEN CROW:** Is that L.G. that's on the edge of Newport?

**MR. WICKHAM:** Yes, that's right. Well, it's between the two.

**PROFESSOR STEPHEN CROW:** Yes. I remember it being built.

**MR. WICKHAM:** Yes, and of course it was envisaged at that time that there would in fact be employment opportunities for 10,000 people, though I don't know what it was.

**PROFESSOR STEPHEN CROW:** I vaguely recollect that that was the promise that set aside the environmental objections at the time, wasn't it, is that right?

**MR. WICKHAM:** Yes, yes.

**PROFESSOR STEPHEN CROW:** But do go on.

**MR. WICKHAM:** Well, those are the points which are relevant at the present moment there is one thing which came out in the press last night and it shows that suicide rates in Cardiff are soaring. Now, these suicide rates interestingly enough pertain to the very age group that we've been discussing, i.e. the under-25's. Now, the increase in the suicide rates significantly are spread between men and women but they are more significant amongst the men in the age group that has been mentioned, and the source of this is The Samaritans in Bridgend.

**PROFESSOR STEPHEN CROW:** Thank you, thanks very much for that, Mr. Wickham, and we'll no doubt hear from you later today on some of the other matters. Mr. Morgan, a lot's been said that I've been quite glad to hear just now, but we will be tackling later on in the agenda, but I do propose to give you a chance to respond, but if you can just keep your response to the best test of social impact. You had one of your critics agree that Cardiff would be at the end of his criticisms.

**TOM MORGAN:** Briefly I want to come back on that.

**PROFESSOR STEPHEN CROW:** Of course.

**TOM MORGAN:** I was grateful for that comment. We have many papers which disagree with everything else that Professor Lovering's saying.

**PROFESSOR STEPHEN CROW:** You've met him before, have you?

**TOM MORGAN:** I've not, but I've read many articles. I would just want to come back on one point with regard to the social impact, and that's with regard to the multi-faith communities within

Cardiff, within this particular area. What we've seen from other experiences elsewhere, yes, the multi-faith and particular faiths will not be involved with any form of gambling, won't go near it, but people then take up jobs within the gambling industry and they leave vacancies in other areas which are then taken up by those multi-faith groups which have a problem with gambling, and we've seen that experience borne out in detail in Melbourne, they've actually out the study, Melbourne City Council, *The Study of Crowded Melbourne*, which bears that out. They have many multi-faiths there who won't go near gambling, but what they have is, because as Mike said, the casinos tend to be normally the best payers. They have the best people migrating to the casino area which then leaves vacancies elsewhere. Lots of the multi-faith groups are free to take up those vacancies. Thank you, Chair.

**PROFESSOR STEPHEN CROW:** Thank you. Well, let's move on then to other aspects of social impact, and particularly there's something we have already touched upon, and that's the extent to which the employment opportunities would benefit the locally unemployed and disadvantaged, and there were two things here, it strikes me, is first of all, have we got a jobs match between the sort of jobs that will come along with the casino and perhaps associated leisure activities to the skills of the people, and indeed their wishes, and also can we hear more about what is being done or should be done, will be done to try and assist that match between people. I think it must be pretty common knowledge all round that, perhaps if I can just turn to London as an example, you've got to, Westminster is I think one of the most affluent boroughs in London, in Britain and the world, and yet it has wards with some of the most disadvantaged people. Now, could that just be replicated here one wonders? What have you got to say about that from the Cardiff perspective?

**PAUL ORDERS:** My name's Paul Orders, I'm Head of Policy and Economic Development at Cardiff Council, and I think that pattern is replicated in Cardiff, that is the case. I think the reality is, we've done some research recently, just carried out actually by Michael Parkinson who was instrumental in developing the *State of the Cities* report for the English core cities, and he's carried out comparative assessments of the situation between Cardiff and the core cities in England, and it's quite apparent that Cardiff in terms of employment growth levels has done extraordinarily well over the last decade or so. In fact we rank among the best performers in terms of increases in employment levels. We've also been comparatively successful, again one of the more successful cities in terms of the core cities, in terms of getting people who are dependent on income support benefits actually into work. Again the figures count Cardiff as one of the best performers, but nonetheless I think the point was made by Steve Jarman earlier, we do have, particularly in the southern arc of the city very serious problems in terms of socio-economic deprivation, and as Steve pointed out, it amounts to something like 56,000 people dependent on some form of income support for them, for all or at least half their sustenance. So there is a problem in terms of pockets of severe deprivation and that raises issues, I think, about how major regeneration projects in the city are taken forward in a way which benefits the economic gain for people living in those communities and that's something perhaps we can talk about shortly.

**PROFESSOR STEPHEN CROW:** Yes. You heard Professor Lovering earlier say that despite all the new activities in the Bay area, that not a lot had improved in Butetown. Now, why was that?

**PAUL ORDERS:** As far as Butetown is concerned, it's quite clear that there are serious social and economic problems. It counts as one of the most deprived ward in Wales, and it reflects a number of factors, long-term historic factors in relation to the exclusion of minority ethnic groups in that community from the workforce. We are, as a Council, involved in the community's first scheme which is the equivalent I guess of the new deal for communities of approach in England, which is an intensive social inclusion programme. It's the National Assembly for Wales's flagship social inclusion programme, and that encompasses the Butetown area and it encompasses other wards within the city. We're operating on very, very limited resources, which is a point that needs to be emphasised. If you look at one-off regeneration funds that we've got available for us in a Welsh context, we don't fare particularly well, and as a result, we are extraordinarily dependent on

private sector investment, and that's why this kind of regeneration project is so important to a city like Cardiff.

**PROFESSOR STEPHEN CROW:** Sorry to interrupt. Is it your view that perhaps more should ...

**PROFESSOR STEPHEN CROW:** The unemployed and the employers looking for people seem to live in different planets. Is there more can be done on that line? Do you think more ought to be centred round more activities?

**PAUL ORDERS:** I think from a council perspective, I think we've been arguing for some time that non-objective one areas in Wales, you know, urban areas in places like Cardiff, places like Newport, where there are pockets of severe deprivation, could benefit significantly from enhanced allocations from national sources, I don't think there's any doubt about that.

**PROFESSOR STEPHEN CROW:** Thank you. Professor Lovering, I made your point for you. Have you got another one?

**PROFESSOR LOVERING:** Yes. Everybody agrees that if some jobs are created, there is likely to be some kind of trickle effect, there's likely to be some kind of displacement effect, but anybody who knows anything about urban labour markets also knows that those effects may have very strange geographies, that the ways in which jobs trickle down may not trickle to the communities which one would regard as the most deprived, and I suggest that the panel listen to the accents of the people who serve them and make their beds in hotels. If you go to the hotels in Cardiff Bay, you'll hear a lot of Polish and Russian. If you go to the restaurants in the Millennium Centre, most of the staff are Polish. Many of the jobs that have been created in Cardiff have been filled by enterprising migrants from European accession countries, and it's extremely likely that that's the kind of process that's going to happen in the casino, unless something is done about it, and I think we all agree that, you know, nobody would want to say no to investment into the creation of jobs, but if we think this is really important, if the council thinks it's important, why hasn't it said something about how it's going to make sure those jobs do indeed access the disadvantaged communities? All it actually says is a very vague and general reference to some non-existent organisations, or organisations that have yet to be established, I think, or the Skills Vehicle and the Capital Investment, Recruitment And Skills Steering Group. This receives a couple of paragraphs' mention, but if it's important, and I know members of the panel have been engaged in these kind of issues in other regeneration projects who know right from the history of urban development corporations going way back to the 1978 Inner Areas Act, that you have to take very active measures to ensure that if jobs are created in an area, they do affect the people you want to affect in the area, and what concerns me in the application as described in the literature so far, none of those mechanisms are set out.

**PROFESSOR STEPHEN CROW:** Thank you. I'll just hear from Mr. Olsen first and perhaps give you a response to the issue as a whole. Mr. Olsen.

**RICHARD OLSEN:** I mean, people may be looking for you. You heard a cry for more funds. That's always possible. In fact what I would like to say as part of the social impact is that, and it goes back to a comment that Professor Lovering made earlier, the development of Cardiff Bay is actually, and the commitment the council and the local authority and Welsh Development Agency have made to that, demonstrated to companies like ourselves, developers, to invest in that area. I can name a number of companies that invested in that area. My colleague from Laing O'Rourke for example, Morley's from Roath Basin, Arups locating their head office in the Bay, Evershed's. We know for a fact that companies like Arups, we use local employment. We use local planning consultants, we use local engineers, we use local cost consultants, we use local architects, we have a policy of that. We know a lot of other companies that are doing that. I was with Arups yesterday, the engineering company. We know for a fact they have a local and training and

employment programme. We know that our planning consultants do that, and I think the spin-offs from that is absolutely huge. It's hidden benefits that actually don't come out. One of the things that as far as the Sports Village is concerned, what we're trying to demonstrate and build is a destination centre which is a hub of the city, which will be a legacy for the youth in the future. It's not just now, it's years and years and years to come. It's a life-style, it's getting people off the streets, it's giving the youth job, giving the youth things to do, giving them a purpose, a life-style. Thank you.

**PROFESSOR STEPHEN CROW:** Thanks. Are you able to give me any statistical data on what proportion of people that are engaged in construction at present in the area are local people?

**RICHARD OLSEN:** Yes, we can do that. I haven't got it with me now but by this afternoon I can give you that.

**PROFESSOR STEPHEN CROW:** If you would please, yes.

**RICHARD OLSEN:** What I would say, we are opening our local office here. As the project moves forward, our own company will be opening a local office and we will employ from local labour something between six and ten people.

**PROFESSOR STEPHEN CROW:** I mean, if two people came forward for the same job and one of them lived in Butetown and the other lived in, oh, somewhere else, would that influence your choice?

**RICHARD OLSEN:** Yes, it would but I'd like to think the person who lived in Butetown would be prepared to be trained, if he wasn't already skilled.

**PROFESSOR STEPHEN CROW:** Thank you. I've just looked at my watch and it is exactly 11 o'clock, and I just wonder whether anybody else wanted to, yes, they do, Mr. Wickham We'll just finish I think talking about jobs and local unemployed and disadvantaged, and then we'll break..

**MR. WICKHAM:** It has been mentioned, the number of people who have, shall we say, foreign accents that work in this area, and ...

**PROFESSOR STEPHEN CROW:** By 'foreign' you don't mean Bristolian.

**MR. WICKHAM:** No. Actually can I clear a point? I was actually born in Tiger Bay, in Cardiff, some 79 years ago, and I suppose that I have a very strong feeling about this, perhaps more than others, because my father couldn't get work in Wales at that time and had to move away to Bristol, as you quite rightly spotted, but now I've come back and I've been back here, thank goodness, for shall we say 18, 19 years. I haven't managed to pick up a Welsh accent yet, so I apologise for that. The figures recently released show that in fact there are 11,000 migrants from the expanded European Union in Wales, and this is a disproportionate number in relation to the whole of the UK. Now, I think that brings up the point of how are these people going to employ, is there going to be a discriminatory factor in employment looking at these areas, so there we have concrete figures officially issued showing the number of new immigrants from the expanded European Union. The other point that I was going to make ...

**PROFESSOR STEPHEN CROW:** So the corollary of that is, I mean, it could be, as the *Daily Mail* is arguing, that you just shut the borders and kick them all out.

**MR. WICKHAM:** Yes.

**PROFESSOR STEPHEN CROW:** Another corollary of course is you train up local people so that they can realistically compete.

**MR. WICKHAM:** Yes, yes. This is where I wanted to come to another point. I'm afraid the Welsh Assembly people are not going to be very pleased with what I'm going to say, and I have very great sympathy with the retraining and finances needed in the Cardiff area. Cardiff area as has been brought out, comes off very badly as far as objective 1 funding is concerned. Now, you also have a situation where the, I'm going to be very blunt about this, the business rate in Cardiff is plundered by the Welsh Assembly and you would think that there would be some spin-off from that. Now, the spin-off is in fact that the amount of money allocated to Cardiff for council tax is the lowest I believe in Wales. Now that in fact answers part of your question about how could people be better trained in Cardiff. This has nothing to do with the casino but it has a lot to do with how people could be retrained.

**PROFESSOR STEPHEN CROW:** Yes. Thank you. Sheila Davies from Rhondda Cynon Taf.

**SHEILA DAVIES:** Yes, thank you, Chair. As you already said, I'm Sheila Davies and I'm Director for Development and Regeneration in Rhondda Cynon Taf, which is the second largest unitary authority in Wales and it's the biggest neighbour of Cardiff City and County Council, and we do have the benefit of objective 1 funding in our areas, and we are also going to have the benefit of continued convergence programme-funding post January 2007, and the reason we have been awarded that status which is absolutely nothing to shout and brag about, is because the state of our economy in the valleys of south-east Wales is so low in relation to the European average that we have been highlighted as needing these extra funds from Europe, and one of the reasons that our economy is so low in the valley areas is because if you take the population of Rhondda Cynon Taf which is just under 240,000, 80,000 people within that population, a third of that population, live in the most deprived wards in Wales. We have 17 of the top hundred most deprived wards in the valley areas, and 80,000 of our residents live in those wards. Within those statistics, again if you look at the social impact of this larger development in Cardiff of which the casino is one element, 47% of our potential working population in Rhondda Cynon Taf is economically inactive, sorry, 40%k that equates to 47,000 people, and we are categorically heavily dependent on our travel-to-work areas, mainly Cardiff, because of the north-south communication links for employment opportunities, and the current research that we commissioned at the beginning of 2006 to look at how our economy has changed over the last three years has shown that we have made some inroads into tackling economic inactivity in that 8,000 people are now off the Job Centre plus Claimants' Register because they are now working. However, we still need to do a hell of a lot to get those claimants working.

**PROFESSOR STEPHEN CROW:** Do you see this casino proposals as, how do you see it as affecting these problems that you've been so eloquent about?

**SHEILA DAVIES:** That's the point I was coming on to. Of the economically inactive, 38% of those are between the ages of 16 and 25, that's one in three of our males in our population are economic inactive because of ill-health. One of the key reasons to get them back into a training programme so that they are work-ready and then to be able to be trained by future employers in the skills they need specifically in the job they're employed to do is an incentive to want to do that, and until we have something where we can actually say, in concrete evidence, using incentive to go back into training, to get some extra skills that you need to be employable. Within the last 10 years, we haven't had much to say to people in the valley areas, 'Here's an actual job that you may be able to get if you're retrained.' However, in the last three years, with the new opportunities that come up in Cardiff, I'm the overspill, there is no coming out of Cardiff into the valley areas, we now have some concrete evidence of jobs that we can attract and encourage these youngsters to retrain and go back into work, and the casino is one of the elements of the wider Sports Village, is an area where again just doing a rough straw poll of residents in our areas, they are very, very interested in sporting and leisure activities. It's a sector that they would like to work in, as opposed to manufacturing and what we call screwdriver operations which are endemic in the valleys areas which have replaced coal-mining, so which is why Rhondda Cynon Taf is so supportive of the

Sports Village and the casino element and the other developments we're doing, and to talk about training specifically, the last 12 months, myself and Paul and Cardiff have done a tremendous amount of work in identifying what the specific skill sector requirements are, and we are working very closely with our colleges of further education, and now on secondary schools in Rhondda Cynon Taf to get what we call a pathway, a supply chain of vocational skills and those forms of training have been put in place, so the kids coming through the current statutory education system, going into further and higher, have some aspirations of job employment at the end as well, because we're specifically targetting these growing sectors of the economy.

**PROFESSOR STEPHEN CROW:** Well, thank you very much. Is it Professor Cole, or am I confusing you with somebody else?

**PETER COLE:** off mike. Very near it I'm afraid. Peter Cole, I'm the Director of Capital Region Tourism, which is a regional tourism partnership serving south-east Wales including obviously the capital, Cardiff. I was going to hold my peace until really we got on to tourism issues, but I think this is very relevant. I think when we're talking about turning people within disadvantaged communities back into the world of work, turning them on to the idea of work, no-one would say it's an easy job, and I think we've perhaps all tried a number of ways of doing it, and we can say, well, some of them work, some of them don't, but what I would say and I would like to hear from colleagues in the Council about the local enterprise centre network in Cardiff. It's been a revelation to me in my work in terms of tourism. I've coincided now with that network on a couple of occasions to look specifically at hard-to-reach groups, and attacking exactly the issues that Mr. Wickham has raised about, you know, why aren't there people willing, ready, able, motivated, with the right attitudes, to take up the opportunities that are available to them here, and there are an awful number of reasons why it's difficult for them to access the world of work, but through the local enterprise centres which Cardiff run, and not from some plush offices from the centre of town, they run them actually in the communities where they're trying to serve, and indeed are due to open one extremely soon on the Sports Village site itself, to show a real commitment to that particular project, and there we've worked on a number of schemes, one to do with school-leavers and getting them interested in the idea of tourism hospitality and so on as a career, looking at a summer school programme with hotels including the St. David's Hotel down in the bay, and St. David's is a very good example where when it set up, it did look very close to home for its labour and was helping with pre-entry training for people who were perhaps not in a position to take up the jobs, so there is a track record, in a sense, of working in those communities. We worked with school-leavers, and also worked with Carole and the local enterprise centres on hard-to-reach groups, providing taster days, and through that process, those who took an interest in hospitality, tourism and leisure were encouraged to go on to do more training and to become part of a pre-entry pool, which operators in the city could dip into and recruit from at a future date, so it's small acorns, from our point of view, but we've been very encouraged with the way it's gone so far.

**PROFESSOR STEPHEN CROW:** Thanks, Mr. Cole. I don't think there's anyone else, so I will ask Cardiff to respond at this point.

**TOM MORGAN:** Yes, just to pick up on some of the issues. First of all, I do understand the point that Professor Lovering is making in relation to economic consequences of major regeneration projects in the city. I would just like to give a flavour, and it touches on Peter's point and what Sheila has been saying about the approach that we're taking in relation to supporting major projects as they're taken forward within the city, and there are some specific issues there about the casino. The Sports Village and the casino project, first and foremost it's part of a long-term regeneration programme for Cardiff, and it covers a wide range of strategies, structures and networks which we're bringing into play to support that development, that's the first point, and what those structures and networks will help to ensure is that there is a maximum employment return for local communities and in communities like the areas that Sheila described in Rhondda Cynon Taf happens as a result of major developments in the city. The first step we've established Capital Skills and Investment Group, to support major infrastructure projects in the city, and it reflects a

particular set of challenges we face in Cardiff. We're operating in a comparatively tight labour market, we've got a lot of social problems in the southern arc of the city, but we're also facing the challenge of taking forward concurrently major transformational projects in the city centre and in Cardiff Bay in terms of the Sports Village, and we have to respond positively to the requirements, the labour requirements of employers but also attempt positively and pro-actively to ensure that there's a local gain as a result of those projects. Capital Skills and Investment Group includes a range of organisations. It's got the council, the Welsh Assembly Government, Careers Wales, Job Centre Plus, the FE sector, Rhondda Cynon Taf, private sector developers and various others, and the group aims to identify labour market requirements and then to address those requirements through multi-agency action. It aims to maximise the regional economic impact also, and that's why Rhondda Cynon Taf are involved. We've established a research capacity in Mr. Jarman's group, the Cardiff Research Centre, to ensure ongoing monitoring of the labour market requirements of major projects. Specialist construction and retail sub-groups are developing a framework for action and it touches on the point that Sheila made, embraces various strands covering the range of progressions to work from basic skills right up to high level NVQ's, and we're seeking to develop an approach that embraces things like school projects, training provision, engagement with employers in the city, development of a marketing brand for getting people into work and we're using the term 'Cardiff works at the gateway for getting people into work in relation to major projects within the city.' As Peter said, a central element of the approach is the council's network of training and enterprise centres. These have been up and running for something like 15 years, and there's been a long track record of providing advice and training to economically inactive people and the long-term unemployed, to assist them back into work. We've got four community-based facilities in the city at the present time. They seek to train people and they seek to match people to jobs. They work very closely with local communities, they work very closely with other organisations in the community. Job Centre Plus staff, for example, are based in training and enterprise centres within the city, so four community-based centres and then two specialist centres, if you like. We've got one brand new construction centre within the city, and we've also just established a facility on the site of the Sports Village. The sort of work that the training and enterprise centres do, and just to give you a flavour of it, in terms of support to the private sector, they've supported over recent years organisations like IKEA, B & Q, St. David's Hotel, the Hilton Hotel, AA Insurance, British Gas, Asda, and so on and so forth, quite a large number of private sector companies who are actually identifying jobs that need to be filled. If you look at the numbers that have passed through those training and enterprise centres over the last few years, 2005-6, the team assisted close on 1500 businesses, there were 55,000 contacts with service users, that covers around 25,000 people who went through the training and enterprise network, and it placed 2,246 people into work. That's an underestimate simply because you tend to lose track of people that subsequently find work as a result of entering the training and enterprise network, and it's a very simple concept. People go along there, it's a very friendly, very supportive environment. They don't go there 'cos they're compelled to. There's bespoke support in terms of helping people to write CV's basic skills relating to whatever jobs that the person has come in to talk about. We're talking about 26 staff in total manning our training and enterprise centres within the city, and there's core council funding of around £880,000 to support that network. So that is a key delivery mechanism for getting people into work within the city. Two concrete examples of how it works in practice. B & Q come into the city, they open a major store in Calderhouse Cross, over 200 staff, there's a recruitment for a new warehouse unit. One of our training and enterprise centres hosts the company's staff for a period of time, provides office administrative support, works in partnership with Job Centre Plus, hold things like job fairs, employer open days, carries out a mass recruitment campaign. We sourced applicants, 2,000 applicants in fact from not just Cardiff and the immediate vicinity of the store, but outside the city as well from places like Barry, Caerphilly, Rhondda Cynon Taf, Pontypridd. Then you go to a process where we assist the applicants through to interview and then through to selection, working very closely with B & Q. That is precisely the sort of model that we would be putting into place in relation to the casino development, and in fact what we would be looking to see there, you've got a mixture of skills, some very basic skills that will be required there. Clearly that would involve a lot of outreach work in relation to ...

**PROFESSOR STEPHEN CROW:** Could I just interrupt you a sec. In what way is this any better than, would differentiate Cardiff over any of the other cities that we're seeing over the next week? You're giving us a fairly standard list of what cities do that want to put people into jobs. Can you very briefly summarise it with what's special about what Cardiff does compared to all the others?

**TOM MORGAN:** If I come back specifically with regard to the International Sports Village and the casino itself, we've identified the need, we've taken the risk on board, we have worked with our partners to deliver the centre at the site location. That's what's specific about Cardiff, it is there now. If you go there, and you went there last night, you should have seen just before, just behind the security gate, wherever they've moved it to today or yesterday, you'll see that the Enterprise Centre is being set up there. That's a model and one of the reasons we chose Aspers as the preferred operator for the casino, and you can actually go and see that model yourselves in Newcastle, where Aspers have actually delivered it, with 70% of the staff that they've taken on, the new facility's been opened, 70% were unemployed people from the local community. Of that 70%, as I understand it, roughly 70% have stayed with Aspers. It's been open for over a year so 50% of their total staff, our local unemployed, will have been there for over a year.

**PROFESSOR STEPHEN CROW:** Thank you.

**TOM MORGAN:** Just to supplement that, I don't buy that what we are putting in place in Cardiff is some sort of standard model. That's not the case. What we're trying to put in place in Cardiff is a streamlined approach, working very closely with regional partners. What it means is, is that when you've got an investor coming into the city, they've effectively got a one-stop shop for supporting their skills and labour requirements, and as far as people living in deprived communities are concerned, it's exactly the same, they've got one place of contact to actually get jobs in these major projects.

**MAN:** Thank you.

**PROFESSOR STEPHEN CROW:** Thank you. Well, it's been all so fascinating and I forgot earlier to look at my watch and have a break. I think we ought to have a break now, if only so that people that have particular needs can exercise them. It's just turned 20 past 11. Could we break now and come back at not later than 25 to 12, please. Thank you, because tomorrow is Saturday, and I'm just reminded that it is the Sabbath day for some people, if not for everybody. During the break, I had a request from Major Peter Moran who's the Divisional Commander of the Salvation Army here, and he said he would have liked to have come but didn't ask because he thought he'd missed the closing date. The Salvation Army, of course, one can expect to stick strictly to the rules, but I don't want him to be disadvantaged by that. They are in an unusual position in that they have made representations both nationally and locally, and an important role in the debate, and I wonder whether, although it's very unusual and is possibly wholly out of order, whether anybody would have any complaints or objections if I were to ask him along now. Cardiff, no? Major Moran, would you please take a seat then. I do hope that everybody won't take this as a precedent, as I think there is a special case made for this particular organisation and their role. We were looking at the social impact and one thing we had heard an awful lot, of course, and I don't want to go over ground that we've already heard. We've not actually been terribly good so far at sticking to the agenda, and I don't like to interrupt people, 'cos I was brought up to believe that's rude, so if people would discipline themselves, please, I'd be grateful. But I'd like to look at some of the other social impacts and, Mr. Mundy, you had a question about, you were wondering about the cases that perhaps the council has worked with the private sector and ask if we can have any examples.

**NEIL MUNDY:** Yes, Chairman, I think we've had a very sort of eloquent description of the policies and procedures that are in place, but I'm always more impressed by, you know, actual facts of what's been achieved, and I'm sure there will be many in Cardiff's case. What I'd quite like to do it

to explore a bit about the capital skills network, just a little bit more than we have previously, just to see exactly where the, if there are any weaknesses, how they've been addressed, because I think what's very important, and I think it's been a thread through discussion so far, that as far as possible, people in disadvantaged areas do get the opportunity, and it's very much often a question of timing of intervention, as well as the intensity of that, and I would just like to find out a little bit more about that pathway that you described, so that we can have the confidence that, you know, that system will deliver in the case of the ISV and the regional casino.

**TOM MORGAN:** Yes, the Capital Skills and Investment Group, it's a new group established earlier on this year, and I think that reflected, its establishment reflected a recognition that the current arrangements were too fragmented and there were a number of organisations involved in the training arena and in the skills arena, the council, Welsh Assembly Government, various regional partners, and what we wanted to create locally was a body which had clear accountability for supporting the skills requirements of major projects as they go forward within the city. Where we are on that is that we've developed the research capability within the Cardiff Research Centre. That will identify and monitor labour requirements on an ongoing basis, and will liaise with private sector developers so that we have a very clear idea of when jobs are going to be available. We are able to plan in terms of training provision, in terms of FE provision, so that courses and funding resources are aligned to the needs of those major projects.

**MAN:** Could I ask you just at that point whether or not the entire economic model features in this process? Are you actually wiring these activities into that?

**TOM MORGAN:** Absolutely, if I could say, it's a corollary of the economic model which Mr. Jarman was talking about earlier. His team will be responsible for the labour market assessments and analysis linked to the Capital Investment and Recruitment Group, so that data will be used in an integrated way, and what we are also doing is working with Rhondda Cynon Taf to ensure that there is a proper exchange of information, and they've got some major projects likewise in Rhondda Cynon Taf and major initiatives taking place so that we can begin to develop an overview, a sub-regional overview of the labour market with data sources that are updated on a regular basis. It sounds quite fundamental but the reality is, if you go to many cities or many regions, labour market analysis and the data, you know, being updated on a regular basis rather than just having, you know, one-off studies, is one of the fundamental points ...

**MAN:** Yes, absolutely.

**TOM MORGAN:** ... and that's what we're trying to do here, we're trying to create an ongoing resource and capacity to monitor the labour market on an ongoing basis, and we've identified someone to do that within the council.

**MAN:** Can I just explore quickly, Chairman, if I may, the relationships you have with these other organisations. I mean, do you have memoranda of understanding or do you have proper agreements in place where they have tasks to deliver on, so the whole process is very tight and, you know ...

**TOM MORGAN:** Well, first of all in terms of the region, there's a capital learning network in place which effectively brings together educational training providers within the city, FE providers, and so on and so forth. Key to that is an agreement with the National Assembly, Department for Education, Life-long Learning and Skills, DELLS. They spell out the regional requirements, the projects that we've got here, the ISV, casino project, factored in to the regional statement of needs, as far as DELLS are concerned, and that then is filtered into funding provision for courses and so on and so forth. In terms of the arrangements that we're developing with sub-regional partners, the RCT issue is key. I mean, what we are doing there, and we're taking it forward at the present time, specifically in relation to the casino, for example, is that we are exploring the possibility of working with an FE college in Rhondda Cynon Taf, and Sheila's been involved with these discussions, to

deal with, for example, some of the hospitality trade requirements of the casino development. So it could be that there's a filtering mechanism from an FE college in Rhondda Cynon Taf to the casino development in Cardiff, so that you get a supply of prospective recruits from communities north of the city, and to supplement that, you've got FE provision within Cardiff likewise who have got a lot of expertise in terms of the hospitality and leisure sort of sector, and that includes also the high-level skills in the University of Wales in Cardiff.

**MAN:** That's helpful because it addresses my timing issue as well, so thank you very much indeed.

**PROFESSOR STEPHEN CROW:** Thank you. I'm interested to hear how some of the adverse social impacts are likely to be dealt with, and this is one reason why I had Major Moran come along, because I mean, the Army has documented this quite a lot, and I would like you to speak specifically to Cardiff. How do you see social impact in Cardiff, Major?

**MAJOR PETER MORAN:** Well, first of all, Mr. Chairman, may I thank you and the rest of the panel for allowing me this very unusual privilege of being able to speak because of my own tardiness in not meeting the deadline. I do appreciate that.

**PROFESSOR STEPHEN CROW:** No, you kept to the rules.

**MAJOR PETER MORAN:** Thank you. If I just say that I'm the Divisional Commander for the Salvation Army responsible for all the Salvation Army's work in south and mid-Wales. I'm not in my 14<sup>th</sup> year of living and working in South Wales, and in my fourth year of actually living in Cardiff, so I have a personal interest as well as an interest on behalf of the Salvation Army. I've listened very carefully to all that's been said this morning. I've been encouraged by many things and discouraged by some other things. I listened to a phrase in relation to the International Sports Village complex that said in reference to young people, 'to create and encourage a life-style.' I think this is exactly what worries me a great deal about a regional casino being at the heart of the centre of such a complex. The very fact that it does actually encourage a life-style even before young people are old enough to actually access that venue, it becomes recognised and normalised is the fact that this is just one of many leisure activities that are available to our young people. In reference to this, I seem to have heard that really this is a social impact experiment in many ways, to assess the impact of a regional casino, but I would just like to say from my perspective, can we just remember always that we are actually talking about people's lives. This is not just an experiment. We're talking about people's lives. There's strong evidence that increased gambling opportunities proportionately impact negatively upon the number of problem gamblers, and there are financial as well as social implications involved in terms of loss of employment, family breakdown, etc. when gambling problems arise. Now specific to Cardiff, I would just say, does the community of Cardiff really want to be a kind of guinea-pig and risk this kind of negative social impact? As someone directly involved in providing front-line services in support of people affected by all kinds of addictive behaviour, including problem gamblers, I would strongly suggest that the siting of a regional casino at the heart of a family venue is a gamble not worth taking. Thank you.

**PROFESSOR STEPHEN CROW:** Mr. Froemberg.

**JAMES FROOMBERG:** Could I ask from your experience at the front line whether you see thus far Cardiff being more or less susceptible to problem gambling than perhaps others of your colleagues in other parts of the country have reported and found.

**MAJOR PETER MORAN:** That's a very difficult one to quantify. You will understand that the kind of problems that present often only present after trust has been built, and are often associated with other kinds of problems like alcoholism and it can be the cart before the horse, it can be the other way round, one can cause one, one can cause the other. One thing we do recognise is, and one thing I think we have got strong evidence for, and it's been cited here this morning, that the very

area we're talking about is in many ways a socially deprived area. There is strong evidence that people from those kind of areas and backgrounds do often become victims of problem gambling. At the Salvation Army, we're not about trying to tell people how they should spend their money or spend their leisure time, that's not what we're about. Our concern is for the most vulnerable in society, and where we see young people and vulnerable people at risk, we feel we've just got to raise our voice in this way. I can't directly answer your question but I think the evidence says that in an area, we're talking about here in Cardiff, where evidence has already been given that this kind of social deprivation exists, I think we can expect a significant rise in problem gambling.

**JAMES FROOMBERG:** Thank you, Major. Pushing a little more on that, we're set quite a dilemma on the panel in that it's important as one of our criteria to look at regeneration and clearly that tends to mean that the proposals we consider are nearly all being cited in areas where there is some form of deprivation, and as you say, those are therefore in areas where there are types of people who are likely to be more vulnerable, so we face this issue everywhere in the country that's submitted proposals to us, and therefore anything you can do to help us as regards Cardiff as to how that balance between addressing deprivation through the regenerative job creation aspects but managing the fact that these are more vulnerable people, is there anything in particular about Cardiff there in that dilemma we face?

**MAJOR PETER MORAN:** It's a difficult one because I haven't got the comparative information to deal with other areas, and I do realise in arguing that this casino shouldn't be sited at the centre of the Sports Village in Cardiff, that I may well be arguing because the government's already decided there will be a regional casino, but I'm in fact arguing that it should be sited somewhere else. If I had a preference, I would argue that it shouldn't be sited anywhere, but we've gone beyond that argument of course, and we have been making those proposals for a long time, and hopefully we did influence the government in publishing the Bill that they've published. I can only say that we have two residential centres in Cardiff which sleeps every night about 100 people. I can't give you direct, specific statistical information about how many of those people within any 12-month period has gambling addiction problems, but I can say that we have strong evidence when we have to pick up the pieces from families that have been broken, employment has been lost, because of the scourge of gambling addiction. Anything that can be done to protect those vulnerable people, and I do hear some encouraging things that are happening. I'm not saying that people of goodwill around this table aren't doing things to try and minimise that impact. I do think my greatest worry is, and I know I've heard a lot of reasons why this site is ideal, I do still feel very uneasy about a regional casino being the centre-piece or at the very heart of a family venue like the Sports Village.

**PROFESSOR STEPHEN CROW:** Mr. Sagar.

**DEEP SAGAR:** Thank you, Mr. Chairman. Could I just ask you, Major, do you have any views or evidence about the risk of problem gambling being greater when people can access gambling on the High Street or on the internet relative to a regional casino? Thank you.

**MAJOR PETER MORAN:** One of the problems we face with this whole proposal is that we're all a little bit working in the dark as far as evidence is concerned, because the only evidence we can take of this kind of casino is the evidence from other parts of the world. There is strong evidence to suggest that the kind of gaming machines, unlimited numbers of gaming machines with very high jackpots that have been proposed for these regional casinos, there is strong evidence from around the world that this is one of the most addictive forms of gambling. There is strong evidence also to support that when you increase the opportunities, then you increase the number of people who will gamble and obviously that means you increase the possibility of the number of problem gamblers. Other than that, it is very hard to assess and I suppose that's what this impact is all about, but I just fear, I listened carefully to the Superintendent this morning saying there's no evidence of organised crime being involved, but we do know in other parts of the world that these very large super casinos, as they've been dubbed in the press, not as we're talking about here, I understand, have attracted organised crime in other parts of the world. We do need to be very

aware of that kind of thing. There's also other things that have been attracted to those kind of venues. There's also evidence that the workers within that industry are more prone to gambling addiction than people in other forms of employment, but these really are the only evidential things I can present to you because we haven't tried it yet here, of course.

**JAMES FROOMBERG:** Major, one more from me, please. Some of the material that we've studied over the last few months suggest that it's not just young people who we should be concerned about as regards problem gambling, but it's often the older people and particularly people on fixed incomes who are very susceptible to problem gambling, and I wondered whether, in your view, the community around the Sports Village area was particularly geared towards that part of the population.

**MAJOR PETER MORAN:** I do worry about that. We do have evidence from our own organisation that many of the people who are adversely affected by gambling problems and addiction problems do actually come from a socio-economic group, a lower socio-economic group. There is evidence from South Wales as well that the National Lottery does extremely well here compared to other parts of the country. I think that in itself points to the fact that there is evidence to support this, that perhaps there is more danger for people in areas such as ours which have once been great industrial areas, great economic areas, but have suffered decline over many, many years, and people do look for ways of improving their lot, and very often the only way open to them if the opportunities are given are to take, well, very optimistic views of what might happen if they gamble. The problem is, none of us know who is going to become a problem gambler until that first step is taken. I could give you case histories of people without using names of people who would say that first bet was pivotal. Winning that first bet was pivotal in the cycle of decline that they the suffered. I know we're never going to take out of society the element that people will suffer from addictive behaviour, but obviously as somebody who sees this at first-hand, perhaps I have a greater heart for those people, and just ask the question, I know there's some arguments about how the financial and economic benefits and job benefits would ....

**PROFESSOR STEPHEN CROW:** ... the action for responsible gaming, and I wonder, Mr. Walker, could you just tell us a bit about yourself and your organisation please.

**BOB WALKER:** Yes, I will. I'm employed by Aspers. The organisation's voluntary.

**PROFESSOR STEPHEN CROW:** Sorry, I didn't quite hear that.

**BOB WALKER:** I'm employed by Aspers. It's a voluntary organisation, a non-profit making group. It represents a range of locally based organisations. It's a working partnership between community-based groups and Aspers Casino, and is funded by Aspers Casino. Part of the panel are the police force, interfaith network, the church, local council, Gamcare, local care providers and Aspers Casino, the Chairman and myself.

**PROFESSOR STEPHEN CROW:** Thank you.

**BOB WALKER:** If I could just go on to say that what our aims is to promote working partnership with local bodies and to ensure all problem gambling is addressed in the appropriate ...

**PROFESSOR STEPHEN CROW:** Forgive me stopping you, Mr. Walker, I don't want you to make a speech.

**BOB WALKER:** No, I'm not going to.

**PROFESSOR STEPHEN CROW:** Oh good.

**BOB WALKER:** Sorry, I'll just do this, OK, every effort is made to reduce the negative effects of all forms of gambling, so we're here to ensure or make every effort ...

**PROFESSOR STEPHEN CROW:** I mean, you heard what the Major said there. I mean, what specific to Cardiff do you think you can do to meet his points?

**BOB WALKER:** What we feel we can do is, we've set up a network that nobody else has set up in the UK. The first CARG was set up in Christchurch in New Zealand in 2001. We set up our second in 2005 in Newcastle-upon Tyne, the third is this one in Cardiff and we intend to open a CARG in every single casino we open, and as I said to you, it is to monitor what is happening in the local environment with respect to gambling, and when I say gambling, we talk about gambling, you all look at casinos and go, 'Yes, absolutely.' Lotteries and scratch cards, bingo, slot machines.

**PROFESSOR STEPHEN CROW:** But the Major did have a point about the enormous jackpots. I mean, when I was looking round Dortmund, there on the machine was flashing up how many hundreds of thousands of euros I could ... and fortunately the director that was taking me round wasn't allowing me to stop by any of them.

**BOB WALKER:** That is also something that needs to be dealt with, all as you are probably more than aware that the Gambling Commission has asked every casino to come up with a policy and procedure promoting social responsible gaming, which will include staff training, looking at people that are on slot machines that have been playing for a long period of time, having methods of alerting people to the fact they've been playing on a machine, possibly minimising the amount of money that people can play at any one time, so that's a crossover with issues that need to be addressed within a casino. Our CARG sits outside that. We will monitor what Aspers Casino is doing, but what we want to do is to build a relationship with the local community and hear what all the groups in that community have to say. We would love the Salvation Army to be on our panel. Major Moran attended the first meeting, unfortunately didn't come to the second meeting, and the Salvation Army says it's not prohibited. 'We recognise that many people gamble and experience serious consequences. However, we are concerned that appropriate protections are not put in place to limit the significant damage gambling can cause.' And he goes on to say, 'Impact's either negative or positive. A super casino in the UK context is yet unknown.' What I'm saying to you is, we want to put into place measures that look at super casinos, a super casino in Cardiff, and measure what the impact is.

**PROFESSOR STEPHEN CROW:** How independent, I know Mr. Froemberg was going to ask you, was that what you were going to ask? I mean, how independent are you? You volunteered that you are an employee of Aspers. I mean, supposing you, in the work you're doing, come across something that perhaps Aspers shouldn't be doing that they are doing. I mean, what position are you in to as it were to tell them change their ways?

**BOB WALKER:** Predominantly we'll deal with the local community, take on board the advice they give to us, and then filter that back to Aspinall's, Aspers, so we're actually dealing with the local community. If it came to light that Aspinall's, Aspers was doing something that was against the law ...

**PROFESSOR STEPHEN CROW:** No, no, just that the change in their practice that could help minimise problem gambling, not change the law, the Superintendent will look to that, no fear. No, just something that could change and you were saying, 'Well, look, Aspers, how about doing this?' And they say, 'No, we don't want to do that,' for some reason or another. You'd hardly be in a position to sort of raise a media scandal about it, would you?

**BOB WALKER:** Damian Aspinall, that's the owner, has been to Christchurch, he's seen what CARG can do in Christchurch and he's fully behind this project and would take on board and

implement in an Aspers casino any recommendations made by CARG that will be beneficial to the people that go into Aspers and that will reduce any negative impact of gaming.

**PROFESSOR STEPHEN CROW:** Yes. I've just thought of an alternative to yes or no and it's 'don't know'.

**BOB WALKER:** No, that is the answer. It's not a 'no', it's a definite. We strive to work with local communities. We strive to get trust and confidence with them. We need to be seen to be doing what we say we're going to do, and if CARG comes up with something that could possibly benefit Aspers Casino, but the concentration of Aspers, it's not necessarily, there's a lot of other gaming outlets that we'll be looking at other than ours.

**PROFESSOR STEPHEN CROW:** All right. Did you want to ask a question, Mr. Froomberg?

**JAMES FROOMBERG:** I did please, Stephen, Chairman, 'cos I am still worried and we're in the position, as the Major said, where we're in guinea-pig territory and setting up something which, you know, the whole of the country can look at and test for social impact, and here in Cardiff, because the council before the legislation was sort of finalised went down the route and got itself fixed up with Aspers, has taken the one thing that the government is most interested in on social impact, and has devolved or delegated the responsibility of that to a body that is chaired by and funded by the operator who must fundamentally be motivated by the profit from maximising the gambling there so I'm really worried and I think Mr. Morgan, you're the right person to help me out with an answer on this.

**TOM MORGAN:** But it won't be just a yes or no.

**PROFESSOR STEPHEN CROW:** Or don't know.

**TOM MORGAN:** It certainly won't be a don't know. I think what we are is, as Major Moran, as Peter said, this is new to the UK anyway, so the models we're looking at are all overseas-based models. Certainly the model that we thought was closest to the UK culture was that of Australia. People will say that Australians gamble a lot more than UK Britons, but it's very similar, the culture style was very similar to our own, that's what we saw.

**JAMES FROOMBERG:** I gather Australia has the highest incidence of problem gambling in the world.

**TOM MORGAN:** It depends what study you read, I believe, as well.

**PROFESSOR STEPHEN CROW:** Well, we have actually read quite a lot.

**TOM MORGAN:** So we won't go into that. What we saw in the State of Victoria, in Melbourne, was a totally integrated casino with art and cultural centre, with leisure centres, where families were welcomed. 50% of the people that go to Crown never go into the casino, for instance, they go in for entertainment, for bars, for restaurants and so on, and all those figures the Salvation Army have in Melbourne and in Victoria. What we saw in Victoria, which was set up by Crown, by the operator, and chaired by the operator, was the equivalent of CARG. When we came back, that's what we set up here, but the members of CARG, there is one member from Aspers, there are members from the council, a member from the faith groups, a member from the police and everybody else there, but what we saw there was that they had procedures, they had processes and they worked, so what we brought back was, why reinvent the wheel? Let's take up the Aspers offer, put that into place. We can amend it, modify it, revise it, to suit Cardiff, but it was better than starting from a blank sheet of paper. They recognised there are social problems, we don't want to run away from that, we know there are social problems, Peter and I have discussed this, but what we saw was that by having those problems contained in the one area, they were manageable and

support systems could be put in place which actually supported the vulnerable, and they just weren't bits of paper moving around reshuffling, as a lot of bureaucracies do. They were actually supporting people. That's what we saw, that's what we've tried to introduce here, so what we did when we came back, we sat down with Aspers, we sat down with Gamcare as well, and that was very important, Gamcare is a member of CARG, and said, 'Right, we'll start with the model that you have in Crown and you have in Christchurch,' which they've now introduced as well in Newcastle, 'and we will modify and amend that to suit Cardiff's needs.

**MAN:** Can I make a supplementary point there, sorry, something that Bob didn't pick up on ...

**PROFESSOR STEPHEN CROW:** Yes, you can.

**MAN:** ... and again, in direct response to what you were saying about whether or not there's a conflict of interest here with the operator with a financial interest in gambling, taking a lead on problem gambling, it's interesting to note that in Aspers' policy for problem gambling that they've produced for the Aspers in the Bay development, it actually puts the responsibility on them as Aspers to preclude people from gambling if they feel they have a gambling problem, rather than actually thinking, 'Well, this person's got a problem, let him come in and gamble.' Their policy is actually to work with people and prevent them from entering and gambling in the casino if they identify problems that can't be dealt with.

**MAN:** May I come in on this point, Chairman, because I think on the face of it, it sounds a very telling point, but obviously it depends on the threshold of concern that the person adopts in judging whether that person should or should not gamble, but that's a statement rather than a question 'cos I don't think it can be answered. What I'm quite interested in is the way in which the Community Trust Fund that you described will be used, because that seems quite a significant sum of money both initially and annually. What exactly will that be used for and how will it address some of the issues we've been talking about for the last few minutes?

**MAN:** The Community Trust Fund, the decision has not been taken at this stage what it'll be used for. Is it going to be used for sports development, is it going to be used for other community issues? We actually see the support mechanisms for responsible gambling and for the issues of responsible gambling as being separate to the Community Fund, and we do see that being funded by the operator very clearly, as we see it as we go forward as part of the licensing. We see that as necessary just as the Section 106 is necessary, so we actually see that as being part of the licensing, and that's what we see in the examples we've seen throughout the world indicate that it's completely separate. All the support mechanisms in Melbourne are paid to the state, first of all, who then put through the voluntary organisations, the support mechanisms, the councillors, the rehabilitation centres and so on into being, so we see that completely separate from the Community Fund. Does that answer your question?

**MAN:** Yes, well, it does, but I also think the issue of resourcing the facilities to minimise problem gambling is important because as I think you said earlier, good words and pieces of paper are not necessarily the answer to this. It's about some sort of intensive application of the right people and the right resources to ensure that these vulnerable people don't go too far.

**MAN:** And I think it's about planning now for the future ...

**MAN:** Yes.

**MAN:** ... and not leaving it to the future, and that's what we're trying to do.

**MAN:** Yes, and that's what you're doing, so are you properly resourcing, is CARG being properly resourced, that's the question I'm asking. It's not just a series of meetings. Is it having, you know, a leakage with skilled people who can counsel and deal with the people who they're addressing.

**TOM MORGAN:** At this time it's a series of meetings to get those procedures and processes and actually get the buy-in from the community groups. I think Bob said for instance that Peter came along to the first meeting, wasn't able to come to the second meeting. Lots of people at the moment feel that if they come to the meetings, they are actually supporting gambling. We have to get over that, and that's what we're trying to do, to move the momentum along so we can plan for it, so we can then put resources in, and there will be resources put in, yes, in advance of them actually being needed on site, but we have to identify what resources are needed.

**MAN:** That's helpful, Mr. Morgan thank you very much.

**PROFESSOR STEPHEN CROW:** Thank you. There's one thing that you said, Cardiff, and I've just forgotten which of you it was, that it's the responsibility of the operators to exclude problem gamblers. Now, we saw at Star City how that's done. Once a problem gambler is a problem gambler, keeping him out of the casino won't necessarily help all that much. I wonder what line has been given to you on how they can avoid people becoming problem gamblers. Mr. Walker, please, if you can answer this, please do.

**BOB WALKER:** I think the importance is getting people to recognise they have a problem, with anything, that they're addicted. With the staff in the casino being trained and able to recognise people with gambling problems ...

**PROFESSOR STEPHEN CROW:** Yes, carry on, what you're saying is interesting but you will answer my question eventually, won't you?

**BOB WALKER:** ... and then with the back-up of CARG and the local groups, getting them to the right agencies to receive the help they require.

**PROFESSOR STEPHEN CROW:** How do you stop people becoming problem gamblers? I mean, you know, Mr. Moore knew how to stop me from becoming a problem gambler, he wouldn't let me stop near any of his machines, Herr Moore at Dortmund, I should add. The other thing is, I think he wanted to get away, but you know, I mean, anyone could be a problem gambler, couldn't they?

**BOB WALKER:** Anybody can become an alcoholic.

**PROFESSOR STEPHEN CROW:** Yes, so what are you going to do to stop them?

**TOM MORGAN:** There is no answer, Chair. Surely throughout the ages, you've had banning of gambling, banning of alcohol, the Prohibition, but there was always a way and a route that people got to the gambling, got to the alcohol. There is no answer to it. If it was, we wouldn't be here today, we'd have gambling throughout the UK with no issues being identified.

**MAN:** Excuse me if I chew. This conversation has reminded me of my addiction and I pop some nicotine in.

**PROFESSOR STEPHEN CROW:** It's confession time. Go on.

**NEIL MUNDY:** Chair, I don't think you can stop people becoming addicted to gambling but what you can do is put the best help possible, make it available to them.

**PROFESSOR STEPHEN CROW:** OK, I'll treat that as your last word on the subject if you like.

**MAN:** Thank you.

**PROFESSOR STEPHEN CROW:** Mr. Olsen, you've been wanting to say something.

**RICHARD OLSEN:** One of my greatest friends was the best man at our wedding, he lost his family and his business through gambling. Funnily enough but I used to frequent casinos occasionally. He had no interest in coming with me to a casino, his money was lost in the betting shops. I'd like to think that we are responsible developers, and having worked with Cardiff for the last 5 or 6 years, I know that they take this responsibility very, very, very seriously. You asked about measures put in place to stop, you specifically asked about measures we would put in place, Mr. Mundy. We went through a very, very diligent tendering process with Aspers. When we went out to the market, we asked I can't remember exactly how many but dozens of questions of all the different operators. We chose Aspers for a number of reasons, one of them because the premium was high. With the others, we were very, very satisfied with the answers they gave to the specific questions. We felt that they were the most responsible operator that we came across. One of the precautions in the measures that we will take with the council is when we actually get to the development agreement with Aspers, the lease agreement, we will put in certain measures that will make sure they adhere to the promises that they have made. They are very, very aware that if they breach those promises, they will be in serious breach of that lease agreement. That's all I can say.

**PROFESSOR STEPHEN CROW:** Thank you for that, Mr. Olsen. Superintendent Jones, I'm sorry to keep you waiting.

**MARTYN JONES:** Yes, it's a very interesting debate, this, but I'm getting the flavour here that Armageddon is going to happen with this new casino in the Sports Village. Now let me take you back to November of last year with the introduction of the new Licensing Act, and I was confronted by many people in the public and the press who said that Armageddon's going to occur in the city centre here in Cardiff, because 1200 pubs and clubs now had the opportunity to open 24/7. There was a substantial number of applicants but they were controlled. Armageddon did not occur, and why, because people only have so much money to spend, that's the bottom line, with licensing especially linked to alcohol in the city centre, and I believe the same principle will occur with this casino here in the Bay. What I would be looking for as Head of Licensing from a policing perspective and on behalf of the Cardiff Community Safety Partnership, is putting some considerable pressure on the Community Action for Responsible Gaming Group to be pro-active. What is actually happening out there within the gambling community, those particular people who have chosen to participate, and what can we do for them, and this is where the Cardiff Safety Partnership can help considerably I believe. We have again successfully tackled licensing issues with alcohol, and I'm more than confident that we can tackle issues in relation to gambling. If you look at the community itself in Cardiff Bay and in Butetown, I spoke very briefly about local policing and a commitment to neighbourhood policing, and we have engaged on a number of occasions with the local people in Cardiff Bay as to what they see as their priorities for policing, and I was expecting drugs, prostitution, burglaries, car crime. Suffice to say that of the three priorities they've given us, two of them relate one to litter, and one to car parking, so it's a reality check for me as a Commander in terms of prioritising policing objectives, policing operations and resource issues, what does the community really want, and that was a very clear message for me in relation to that, so of the three priorities, one was only linked to criminality, which perhaps linked to inquisitive crime, which perhaps linked then to the misuse of drugs, so we need I think to have a clear focus and not suggest an Armageddon, going back to this word, because that word was used by the press here in Cardiff, that Armageddon will occur. It did not and I reassure everybody in the room today that in relation to my responsibility it will not occur if this casino is given the go-ahead in Cardiff.

**PROFESSOR STEPHEN CROW:** Thank you very much, Superintendent. Major Moran, you raised this point, or I asked you to, of course. Are you any way reassured by what you've heard?

**MAJOR PETER MORAN:** I am reassured by some of the things that I've heard. We have a very good working relationship with Cardiff Council and we've worked together in offering a great many services. We perhaps part company a little bit on our opinions about the regional casino but that's part of the overall debate, isn't it. I think I'm encouraged a little bit about what the Superintendent says but that's only to do with law and order and policing activities. The consequences of alcohol consumption are in a sense a little bit self-limiting, not only from a cost point of view but how much somebody can drink before they fall down. The consequences of gambling addiction is not limited in any way. People will get into huge, huge amount of debts which impact upon every aspect of their lives, because of the amount of credit can be offered, even if you limit that within the casinos, the amount of credit that is available to people in society, people can get into trouble very quickly. Just the other point about CARG, 'cos my name was mentioned twice about whether I would be involved in the Community Action for Responsible Gambling Group. If a decision is made that Cardiff gets the regional casino, we will of course co-operate fully with every agency possible to minimise the effect on the lives of people who will be affected adversely by addiction to gambling. Up until that point, you will understand, I need to keep my independent voice on this. I do have strong opinions, they do reflect the opinions of my whole organisation, but I feel these too, I'm not just toeing the party line here. I did have concerns about the independence of CARG, not reflecting upon the people who are members of that group. I believe they are all people of goodwill and good intention, but when the very group that is there to put protection in place, would be linked from a funding point of view to the very people who would be operating the casino, I did see there was a problem there from my point of view, and if an action was deemed necessary by the group, and I know we've received some assurance, but until that actually happens, if that impacted adversely upon the operators of the casino in financial terms, would that be carried out or not, and I don't know the answer to that. I would have just preferred a totally independent group that the operators would then as part of their operating licence find necessary to adhere to their recommendations without it being linked financially to the operators themselves, and that's the reason I didn't become a member. I do still get the minutes, I am happy to contribute wherever I can, but I just felt that at this stage before the arguments are all presented, before a decision is made, my independence was important on that point.

**PROFESSOR STEPHEN CROW:** Mr. Froomberg.

**JAMES FROOMBERG:** You raised a point, Major, which nudged something for me but it's probably a question that was going to get directed towards the council, who have told us in their submissions about the payments you're going to receive from the operator, and a certain amount is a large capital sum, but the rest of it is described I think as a capitalised equivalent of some 54 million, and what I wanted just to explore is to what extent that capitalised sum is based on some share of the profits or the success of the operator, and therefore the concern that you raised, Major, is effectively your ability to fund the capital developments and the revenue subsidies and so on at the Sports Village is linked to the profitability of the operator, and if it's linked to the profitability of the operator, then this conflict the Major described about what's the pull and the push between maximising profits and sort of putting a hold on problem gambling. Are you benefits linked to the profits of the casino?

**MAN:** All the sums which we've delivered to you as part of our submission are not linked in any form to percentages of the casino earnings.

**JAMES FROOMBERG:** Thank you.

**PROFESSOR STEPHEN CROW:** Well, thank you very much for that. Superintendent, did you want to talk more about problem gambling, because I would like you to get on to addressing the questions of crime that always come up in the debate about casinos, and I guess you know the questions as well as I do. Prostitution, money laundering, you know, I'm sure you've come across it.

**MARTYN JONES:** Yes, I mean, suffice to say, my previous role, I was a detective superintendent in headquarters and my background is very much focused on criminal investigation. Of course organised crime does exist in one shape or form or another within the gambling sort of community. I'm not going to be dismissive of that fact. Counterfeiting is negligible in this division, in Cardiff. We've had 20 reported incidents of counterfeiting this year alone. Now, is that under-reporting? I don't know, but it's not a priority for me. In terms of POCA, Proceeds of Crime Act, South Wales Police is very, very pro-active in terms of developing tactics to target those criminals who will seek to develop ways of getting great wealth, and South Wales Police are successful. This year alone we've seized in excess of £400,000 pounds from organised criminals within the South Wales Police region. Cardiff has been at the forefront of that, half of that figure being seized by officers of various squads and teams etc. in Cardiff, so again, that provides reassurance to everybody that we are vigilant and focused on the organised crime element of Cardiff, but it does exist, it is a priority and it is being tackled. If we look at prostitution, the oldest profession, as it's often described, yes, prostitution does exist in Cardiff. Is it a priority for some communities? Yes, because some communities have raised this issue at their consultative groups which they've had with the Local Authority and with the Police, and we will tackle prostitution in whatever way that is available to us, but there's not that, a problem then when you compare it to other problems that we, the Cardiff Safety Partnership and South Wales police have to encounter in Cardiff, so from a crime point of view, crime in Cardiff equates and is comparable to most other cities across the country. We enjoy considerable success with reducing serious woundings and assaults in the city centre, and I think that's good and attributable basically to good partnership working, especially with the business community, because the business community themselves take on great responsibility for it. The threat to Cardiff in terms of crime is the major events basically that occur here. The large influx of people that come from all over the country, there are criminals both local and national who will come here and exploit those opportunities, but I'm talking about very low level inquisitive crime in terms of auto crime, theft from vehicles, theft of vehicles, so from a crime perspective, Cardiff is comparable with others and we really don't have any significant problems.

**PROFESSOR STEPHEN CROW:** Some of the literature certainly from other countries speaks of the problems of casinos being used for money laundering. Have you, you know, researched that possibility, have some perhaps contingency plan?

**MARTYN JONES:** Well, the existing casinos that we have in Cardiff, there is no evidence to suggest at the moment that there is a specific problem with money laundering in those casinos. Dare I say it does go on. If we were to have a regional casino here in Cardiff, I would want to put in place an intelligence network that would alert me to anything out of the ordinary that would be acting, and I'd be looking to Aspens, the contractors, and any other body to help me to deal with this, and I think what is key to the success of achieving that is getting the right intelligence structures in place, and be reassured, this is what I would be looking for in the planning process when we actually sit down and say, 'Right, how are we going to effectively manage what goes on in that casino and what goes on outside of that casino,' because the key for me would be trying to develop local policing strategies to the overall bigger picture of perhaps what that facility will afford.

**PROFESSOR STEPHEN CROW:** Well, thank you very much, Superintendent. I just am looking at my watch now, so I don't forget the time. We usually break about now. Just before we break, are any of the press still here or have you all got so bored that you've gone? Oh good, because somebody asked me earlier on, 'I'll ask the secretary, how do I get to the Stationery Office to buy a copy of PPS 6?' And the secretary not knowing much about Cardiff didn't quite know the answer to that one, so Planning Policy Statement 6, we may come to it briefly this afternoon, it actually defines casino, it's a planning policy, town planning, it's not anything specific to do with gambling, but it defines a whole list of things that are called town centre uses, and then not surprisingly it goes on to say that the best place for town centre uses is in a town centre, and then provides for sort of various other things about it. I just thought I'd let the press know for the benefit of their education because, of course, it was your favourite, the target of the month, and the Deputy Prime Minister who when he ran a department issued that particular circular. So I hope you've got the

message there. Otherwise I can hear a few tummies rumbling, so I think we ought to break. Oh, we've got one more question I think on social impact which you'll remind me, won't you, to deal with it when we come back, and then we'll get on to the questions of regeneration and some of the other points on our list of issues. So it's just on half-past-twelve, so please ...

**MAN:** off mike.

**PROFESSOR STEPHEN CROW:** Yes, I haven't quite finished, I know there are two of you wanting to speak, I haven't quite finished with social issues, but I think for people that have got lunches ordered or something like that, I ought to really break at the time I said I was going to. So do remind me when you come back by putting your name plates up. Well, Mr. Wickham, I must say that that's a very good way of attracting attention. So we'll break now until half-past-one and I do hope you'll be back promptly then. Thank you very much.

**PROFESSOR STEPHEN CROW:** Good afternoon, ladies and gentlemen, (Welsh words). I'm hoping very shortly to get on to questions of regeneration, but before we do, there were to people I know who wanted to say something more about the social aspects and I'd be delighted to hear it, now which of you is going to speak first? Mr. Wickham.

**MR. WICKHAM:** Thank you. We had a statement from the Superintendent which said that in fact there was only a certain amount of money to be spent. Now, I believe the Office of National Statistics issued figures showing that the three most expensive cities in Britain in relation to income were London, Edinburgh and Cardiff, and Cardiff on the basis of income showed that 97% of their income was needed for living expenses and that only left 3% disposable income. Now, if you have only a limited amount of money to spend, and these figures would reinforce it, it's been quite rightly stated that in fact if you open the pubs 24 hours a day, people have only got so much money to spend and that is it, but with the casinos what we ...

**PROFESSOR STEPHEN CROW:** I think the Major also went on to say that even an alcoholic has limits because sooner or later they fall down.

**MR. WICKHAM:** Yes, yes, but that is not true of gambling, because in fact they have additional sources of credit, immediate credit which are generally not available, and on those grounds alone showing that in fact there is not the amount of disposable income, and if that income is already being used to 97%, you are not going to have people going to the casino unless they are getting money from other sources, whatever those sources might be.

**PROFESSOR STEPHEN CROW:** Have you any comparative for that figure with other cities?

**MR. WICKHAM:** Edinburgh was 95% and London was 92%. I think you'll find it was the Office of National Statistics that issued that figure.

**PROFESSOR STEPHEN CROW:** Is this the average for the whole population of the city concerned?

**MR. WICKHAM:** Yes, yes.

**PROFESSOR STEPHEN CROW:** Thank you. And Mr. Payne.

**MIKE PAYNE:** Yes, thank you, Chairman. Chairman, obviously problem gambling, alcoholism, drug addiction is an issue for the whole of society and not just an issue for Cardiff, and I believe that there is no evidence to show that Cardiff is any different or on a worse or less basis to other parts of the UK. I think what we've been asked to do today is to concentrate on the differences for Cardiff's bid and what the differences are here, and I believe that there are two differences, one of

which is the company policies that are in place, one around the issue of responsible gambling, and obviously the issue that I've already mentioned about their willingness to enter into trade union partnership that will allow us to safeguard staff and to, alongside the company, develop training packages who will allow those staff to identify, because they will be the individuals that will identify those that may or may not have problems with gambling, and I've had a number of conversations, discussions, with Mr. Hurd and even with Mr. Aspinall about their attitudes towards that, and in fact there is a big willingness for us to work in partnership to ensure that staff are properly trained and able to identify those individuals, and are then offered protection if them, for want of a better term, highlight or whistle-blow to say, 'These are individuals that need to be offered assistance.' In fact the company policy is not, as somebody said earlier, to prohibit them from gambling and out of the door, thanks very much. In fact it's completely different to that. They offer through CARG counselling and in fact I believe that there are plans as part of the development in the Bay to have a CARG counselling centre as part of the casino development, which is completely different to any other casino that I'm aware of in the UK.

**PROFESSOR STEPHEN CROW:** Can I interrupt a minute, because is this an agreement you've made with Aspinall's nationally in terms of Britain, or just Cardiff?

**MIKE PAYNE:** We entered into a national partnership arrangement that will allow the GMB to ...

**PROFESSOR STEPHEN CROW:** So as we're going round the country and the word Aspinall's turns up, I'll know what you've said is attributable, will I?

**MIKE PAYNE:** Whenever the word Aspinall's or Aspers turn up, Chairman, you'll find the GMB ...

**PROFESSOR STEPHEN CROW:** Thank you.

**MIKE PAYNE:** ... and this is one of the points I was going to move on to.

**PROFESSOR STEPHEN CROW:** Have any of the other operators come to a similar ...

**MIKE PAYNE:** We have similar national agreements with one or two operators, but I have to say that the first of those national companies was Aspinall's and Aspers.

**PROFESSOR STEPHEN CROW:** Yes, OK. I mean, there is the question of competition of course.

**MIKE PAYNE:** Of course, Chairman, and again because we're a national organisation, lots of operators have actually approached the GMB, but I was just going to make the point that ...

**PROFESSOR STEPHEN CROW:** Yes, do go on to your next point if you want.

**MIKE PAYNE:** I think the second point that I was going to make was around the CARG that will be set up, is set up, in Cardiff. The GMB have been offered a seat on that CARG and I will be looking to take that seat up, and I think Major Moran made the point earlier, well, how can you guarantee the independence of the individuals who are sitting on that CARG, and I have to say, Chairman, I've been a regional officer, an officer of the GMB for 15 years, and I have never been shy in coming forward and being critical of any employer that I've had to deal with where they've overstepped the mark, and you know, people like myself working with the company and with the community, and you know, not to put too much point on this, but many members of the communities in Cardiff will be members of the GMB, and so there is a link automatically with a large number of the population within Cardiff via the trade union, and with other trade unions. So we will take up that seat, Chairman, and we will work with the company and with the community groups as has been suggested. I just wanted to make one point of information. I understand that

following the setting up of the CARG in Newcastle, there was as a result of the increased publicity an increase of 55% calls to Gamcare. When they analysed the numbers of people that were ringing, only 6% of those individuals were actually linked to casinos. 70%, Chairman, were linked to internet gambling.

**PROFESSOR STEPHEN CROW:** Well, thanks for that little bit of background. Thank you very much, Mr. Payne. I do want to move on now and I want to get on to regeneration, and the first issue that I've got here that I'd like to just probe a bit here and there is, what's the real connection between the proposed casino and the Sports Village? I mean, we heard a lot this morning about the financial, you know, the land issues and the property issues and so on, but is there any other connection? I mean, you know, I see in the Sports Village people running round in circles and jumping up and down and canoeing and whatever they're doing, and they seem to be different people and different activities versus the sitting feeding money into slot machines, so I mean, is the connection just a financial one?

**MAN:** First of all, no. What we have said from the outset, from 2000, in fact if I take you back a little bit further, if I go back to 1996 when we first started on the concept of a Sports Village, it was to deliver an international destination, one of several that we have within Cardiff we're trying to deliver, so had Millennium Stadium, we have Wales Millennium Centre, we have Sports Village and so on and so forth, we have a number of major projects we're trying to deliver, all to do with creating destinations for both the public of Cardiff, the city region, but also to attract money in from outside the region, and that's what the core of the Sports Village and the casino is, is to create that international destination. Back in 2001, we took advice from professionals in this market, not marketing casinos but marketing creating international destinations, and at that time we were talking to Singapore as well, and they were having issues of tourist numbers and visitor numbers declining rapidly because of the new-found casinos within the southern hemisphere which were excluded from Singapore, so we had long discussions with Singapore, long discussions with experts who said, 'What you need to do on this site because of the uniqueness of the site, is create something different that we don't have in the UK,' so this is before government legislation about super casinos, resort casinos, we actually put the casino on this site as part of a mixed development to create an opportunity for visitors and the community to have an international destination. If I can come back to the question then and to the second part, of course it is. It's to deliver, as I said, within the Sports Village, everything delivered in the Sports Village is delivered out of the assets of the Sports Village. The council itself does not have huge numbers, and we're talking here, the total development of the Sports Village is £1.2 billion of which to date £385 million has been realised, so we're about a third of the way through the development. The second plank of the Sports Village comes from the casino. Yes, it funds the other elements and it subsidises the other elements, so yes and no, maybe, or no and yes.

**PROFESSOR STEPHEN CROW:** Thank you. Well, thanks for that. A more detailed question from Mr. Mundy.

**NEIL MUNDY:** Yes. It was very helpful this morning that you talked about the running costs of these facilities, because, you know, a number of us have been involved in examining proposals particularly for that type of development, where the capital cost is frankly the least of the problems. It's the long-term sustainability, it's the refurbishment, it's all of those things that maintain world-class facilities. Could you go into a little more detail than you did this morning about the 10-year running cost for the swimming pool, for example, and some of the other facilities, and tell us whether you've got a sort of shall we say a life-time maintenance plan or, you know, how do you intend to demonstrate that these facilities will be sustainable?

**MAN:** Certainly. If I take the swimming pool specifically, the first key to any of the elements being delivered at the Sports Village is funding for the original capital costs. The operator to run the facility, and we have to have the operator in there before we actually build the facility, so for instance on the swimming pool, we went out to competitive tender, we chose a preferred partner to

run the swimming pool, because all the facilities are not being run by the council, that was another policy decision of the council, that it would be run by the private sector but the council would own all the facilities, the freehold facilities and so on, so what we have at the swimming pool, we went out to the operator, we sat down with the operator, went through their business plan, and basically they said, 'We can deliver that international pool, we can run the international pool for you with a leisure side as well at no cost to the council, providing we're allowed to charge at that level,' and anybody can come to these facilities. We can have club membership as well but basically, yes, anybody can come but they have to pay that level of fees.' We said, 'That's not acceptable to Cardiff. What we want is the facilities for the use of the communities, the schools, the excellent athletes and so on,' so what we worked through was a business plan then to sign off by independent advisors which said, 'Right, this is the subsidy that is needed including the on-going upgrading of the buildings, so the fabric of the building is constantly upgraded,' and I mentioned at the swimming pool, for instance, we have a master-blaster, as it's called, which is just a slide, apparently the children go down, which was the in thing and we were putting in the infrastructure for that master-blaster as part of the plans. Now master-blasters, apparently children don't want them any more, they're not sexy any more for the children so they want something totally different, so all that's included within those revenue updates, so on a regular basis we sit down as an alliance, as we call it, between the operator, the developer and ourselves, and we actually have those up-dates on a regular basis, and they're included within those sums which go into the escrow account.

**NEIL MUNDY:** That's very helpful. On what basis do you have any influence on the long-term operation? I mean, is this bound up in a long-term agreement, or is it a statement of intent?

**TOM MORGAN:** No, it's a legally binding agreement that we have. We have an agreement that the developer has to run the operational elements and find operators for those for a 25-year period, 'cos we ...

**TOM MORGAN:** ... so all these things changed so we thought, 25 years, that was the critical assessment of the life at that time, everything is back with the council.

**NEIL MUNDY:** Can I ask one final question, Chairman. Would it be your intention to engage with an operator from a, with the parent company of an operator or some sort of operating company because those sort of 25-year agreements can be very vulnerable to subsidiaries.

**TOM MORGAN:** The 25-year agreements are with Orion. Orion is 50% owned by Laing O'Rourke, so I think there's some substance within Orion, I have to say that, but any company can go belly-up anyway, we all realise that. Laing's went belly-up with our own stadium here for instance, but we are fairly confident on the developer. The operational agreements then are for 10 years and those agreements are signed off by the council in conjunction with the operator in conjunction with the developer, so we've tried to tie that with legally binding agreements and they are signed-off that way.

**PROFESSOR STEPHEN CROW:** Thank you very much. Mr. Froemberg, did you have a question?

**JAMES FROEMBERG:** I did have a few, Chairman, but I see Mr. Olsen has put his flag up.

**PROFESSOR STEPHEN CROW:** Yes, if you want to just wait a bit. Thank you. Mr. Olsen, do you want to say something in relation to what Mr. Morgan's just said?

**RICHARD OLSEN:** (off mike) We select the operator in conjunction with the council in collaboration and if the operator defaults, we step in and take over the running of that until we find a new operator at no risk to the council. That's on the swimming pool, and we expect the same terms to be with the arena, snow, etc. etc.

**PROFESSOR STEPHEN CROW:** This is Professor Stevens, welcome. Just remind me what you were professor and where.

**PROFESSOR TERRY STEVENS:** Well, I'm an international tourism consultant now, but I was Professor of Tourism, Leisure and Healthcare in Swansea.

**PROFESSOR STEPHEN CROW:** In Swansea, yes. Well, that's quite a good university there, isn't it.

**PROFESSOR TERRY STEVENS:** Thank you. Thank you for that introduction, Chair. I just wanted to pick up on the first part of your question which Mr. Morgan answered. I actually think it's quite important and quite fundamental to recognise that from the outset, this idea of the development of an international destination within Cardiff as a city with an aspiration and an ambition to be one of Europe's leading international destinations has always been routed and founded upon clear strategy. The Sports Village emerged out of an economic strategy which was looking at the ability for sport to help the regeneration of Cardiff, which dates back probably to the early 90's. We then had a city council that has demonstrated on many occasions the willingness to look for best practice, and I think what you'd been experiencing and hearing I think during the last hour at least has been evidence of where best practice which has been identified in different aspects of the way in which this proposals has come through, is being brought to the fore, for example, Mr. Walker's CARG initiative was seen as best practice, and in the assessment work that we did with the council when they went on a fact-finding mission, we asked them to bring back evidence of best practice as to how it could be applied through not only things like land assemblage and the operation of facilities, but also there's other aspects that could make this work, so I'm just making the point that I think what you're getting is a flavour of best practice from a number of different places. I would like to end by saying that the Welsh Development Agency now of course within Welsh Assembly Government, produced a seminal paper last year called *The Power of Destination*. It was funded by the WDA which was looking at world-class destinations, and setting down some guidelines as to what constitutes and what makes an international destination, and therefore the best practice identified within that Welsh Development Agency Programme linked the work of what was then the Wales Tourist Board, and you'll appreciate that they have now been brought within Welsh Assembly Government, has always been setting down the need for best practice to be brought forward, and I think what you're seeing in terms of many aspects of this development is about international best practice.

**PROFESSOR STEPHEN CROW:** Thank you, Professor Stevens. Professor Lovering.

**PROFESSOR JOHN LOVERING:** Thank you. Actually, the last two contributions have clarified things for me quite a lot, because I think what's at issue is a certain overlap of different agendas, and I think the agenda of promoting Cardiff as a destination, particularly an international destination, and the agenda which I think ought to be and statutorily is the primary responsibility of the local authority to ensure redevelopment of the local economy and local community, the relationship between these two things is not as clear as it could be, and I think this comes out particularly in the question of the employment impacts of this proposal, and I think what we heard has clarified what sounds to me, and I'm certainly not an expert on that area, good practice in terms of constructing and running projects of a tourist destination manner, but I haven't heard anything about good practice in terms of transformation of local labour markets, particularly in deprived areas, and I think it came out here this morning that on the qualitative side of that, there's still a lot of work to be done, and there may be lessons to be learnt from other cities, and I'd like, if I can, just to concentrate a bit on the quantitative side, and there are three dimensions to this, and the Chairman might want to tell me how to structure this. The first is the baseline estimate of how many jobs to be created.

**PROFESSOR STEPHEN CROW:** Would you mind if I came on to that later?

**PROFESSOR JOHN LOVERING:** Sure, yes.

**PROFESSOR STEPHEN CROW:** Because it is something that is concerning me with very many of the proposals that we're having to look at. Now, it may not matter, I mean, if the exaggeration is common throughout everything, then it doesn't matter too much to us, but there are some figures I'd like to get to the bottom of, we'll just leave that for the moment. I'll just consult with a colleague. Mr. Froomberg's got a question while Mr. Mundy thinks about his.

**JAMES FROOMBERG:** Thank you very much, Chairman, and I'm afraid it was not a question, it was five, but they're quite small, and they're all linked in with the theme that Mr. Mundy started. The first one I'd like to give Mr. Morgan a chance on because I directed it originally at Mr. Payne, which was a slight challenge about whether this was the best use of 76 million to provide a small indoor arena, a snow box and a canoeing course, and I think I put it to Mr. Payne, if he had 76 million to maximise the jobs, is that what he'd build, but really I think it was a bit unfair to put it to Mr. Payne. Mr. Morgan, I'd like to put it to you. You've got 76 million and that's what you've decided to spend it on, and if we've got to sort of take regeneration into account quite seriously, is that the best case for Cardiff?

**TOM MORGAN:** From Cardiff's perspective, it's a destination we're trying to create, therefore the 76.5 million is part of that total package, it isn't separated from the package, it's part of it. Cardiff has particular needs as well. When you say about a small arena, maybe a small arena in your terms but in Cardiff's terms we have a specific need. Directly alongside, you see the existing arena being demolished. The ice rink, that was the original arena in Cardiff, that's been demolished. We've actually put a temporary arena on the Sports Village ...

**PROFESSOR STEPHEN CROW:** Can I just air in public my understanding of that, and that's because there's a major addition to the retail centre and other parts of the city centre.

**TOM MORGAN:** In detail then, we have something like a £730 million redevelopment regeneration of the city centre, created another visitor destination, because visitors, especially lady visitors, like retail.

**PROFESSOR STEPHEN CROW:** Yes, and that's displacing some of the existing ...

**TOM MORGAN:** It's actually, yes, we started this end and the new John Lewis superstore, and we could enter into discussion on John Lewis and how they're approaching training and employment here, and the numbers of people they're going to employ, but we won't go into that.

**JAMES FROOMBERG:** So the way we should consider it is, this isn't just a replacement of one arena with another identical one and therefore no additionality, it's actually this is facilitating a £730 million retail development.

**TOM MORGAN:** Part of it is. First of all we had a need, we demolished the former Empire Pool to make way for the Millennium Stadium.

**JAMES FROOMBERG:** I remember.

**TOM MORGAN:** We had lots of issues around demolishing that Empire Pool. The first priority for the council of the Sports Village was to put a replacement 50-metre pool, a modern 50-metre pool, with warmer pools, fitness suites, leisure areas. The 50-metre pool plus the 25-metre warmer pool can actually hold all competitions bar the Olympics and the Commonwealth Games. For the Commonwealth Games we can put a temporary pool alongside into the arena area and one of the areas that Cardiff has been looking at is bidding for a Commonwealth Games, we can actually put a temporary 50-metre pool within the new arena so there are lots of strategies entwined. So first of

all we have redevelopment of the city centre, then we have a need for a new ice rink. The ice rink we've estimated a minimum capacity required for ice hockey within Cardiff is 4½ thousand seats. The arena we are building is 4,000 seats, 500 standing, that's within the existing safety rules. But we are currently discussing with a major international operator of entertainment about making that arena bigger, multi-purpose, for entertainment, specifically for entertainment, and whether the entertainment would then move out to the city centre or not depends on the operator, so the arena in fact could be actually 9,000, but what you have basically, two sides would take 4,000 seating, one end would take 500. That one end has extensity, it's very similar to the Wembley Arena which they've just upgraded, which takes another 2½ thousand people. You then have 2,000 people sitting on the floor area for entertainment, so you have a 9,000 seat arena.

**JAMES FROOMBERG:** I'm with it, thank you, and it has answered the second of my five which was around the arena swapping side of it. Can I do one more of my five on the 76 million, where again you clarified for me that the annual payments were not dependent on Aspers profits.

**TOM MORGAN:** Yes.

**JAMES FROOMBERG:** Are they a covenanted annual sum from Aspers? What's the sort of formula for this?

**TOM MORGAN:** You asked me about the community benefits originally.

**JAMES FROOMBERG:** Yes.

**TOM MORGAN:** Within the community benefits, within the legal agreement, there is a 2½ million up-front payment, yes, which is the Community Benefit Fund, and I answered Mr. Mundy to say we haven't decided what we're going to use that, is it sport, is it community, what it is.

**JAMES FROOMBERG:** Yes, that's 2½ up front and a half-million a year.

**TOM MORGAN:** Then we have a half-a-million a year.

**JAMES FROOMBERG:** I was thinking more of the land payments, the 25 million up front and the capitalised ...

**TOM MORGAN:** We capitalised then the lease. The leases would be sold on for that period, so we capitalised them, so they'd be sold on probably to a pension company or a financial institution, as most of the leases are in any project.

**JAMES FROOMBERG:** This is the lease from Aspers.

**TOM MORGAN:** It's a lease from the council to the developer and the developer will then assign that lease to probably a financial institution.

**JAMES FROOMBERG:** OK, thank you. The next two you started to help me with earlier when you said that the total investment for the whole Bay Development, I think it's the whole Bay Development, it was the 1.2 billion ...

**TOM MORGAN:** For the Sports Village.

**JAMES FROOMBERG:** ... the ISV, OK, and 385 ...

**TOM MORGAN:** ... has been realised.

**JAMES FROOMBERG:** ... yeah, realised. Could you tell me, 'cos I didn't think I'd found it in the papers so far, what is the level of investment that the Aspers scheme, whether it's the casino, the hotel, the totality of what their component is?

**TOM MORGAN:** Of just the hotel and casino.

**JAMES FROOMBERG:** Unless there's anything else that Aspers have included in their project. What I'm heading for is, what is the, if you like, the casino complex bit of it and then the next question would be, what is the further amount that's dependent on it, so I'm trying to get those two components of inward investment, if you like.

**TOM MORGAN:** OK. The casino and hotel component is worth between 190 million, I thought it was in our submission, and 250 million.

**JAMES FROOMBERG:** It might well have been, forgive me.

**TOM MORGAN:** It's between 190 and 250 million.

**JAMES FROOMBERG:** Right.

**TOM MORGAN:** On top of that then you have the 76.5 million, yeah, which would develop the multi-purpose arena, the snow facility, the recreational ice facility ...

**JAMES FROOMBERG:** And the canoeing.

**TOM MORGAN:** ... and the public ground works.

**JAMES FROOMBERG:** OK.

**TOM MORGAN:** Then we have other developments which would go on there which may be supplementary to Aspers but which are not in that funding currently, so we have for instance a multi-purpose car park. Part of Aspers' bid is that they wanted some dedicated parking. If they want that, they have to pay additional value for that, and we haven't gone into that detailed discussion yet.

**JAMES FROOMBERG:** OK, but at the moment what you're saying is, for you the casino licence triggers 190-250 inward investment from Aspers ...

**TOM MORGAN:** Yes.

**JAMES FROOMBERG:** ... and the 76½ million they're paying for the land on top which you're reinvesting inwardly.

**TOM MORGAN:** Roughly 300 million.

**JAMES FROOMBERG:** OK. Now, we're travelling round the country and we're seeing other people's equivalents of these, and obviously some of them have not got as far down the process as you have and therefore their numbers would be less certain than yours, but some of them are telling us that their scheme is likely to have much greater levels of inward investment and possibly their argument will be that they've got a larger catchment population, larger levels of available disposable income and therefore their operator consortium would invest more, and clearly for us that would be exciting 'cos that sounds like more inward investment, more regeneration. Can you give us sort of your response to that?

**TOM MORGAN:** Yes. Basically as Professor Stevens said, what we wanted to assess the bids was an independent assessment. Professor Stevens and his team drew up that assessment for us which included regeneration benefits, community benefits, all sorts of issues. We had a full criteria of about 20 areas. Each one of the panel from the council scored those independently. Then we came to an agreement on the overall score for each of the bidders, and we accepted Aspers, so from a regeneration perspective, in fact I would say from a regeneration perspective or from a money perspective, probably the MeriStar bid was far better, but overall they were very close both of them, but overall the score for Cardiff and Cardiff's particular needs went to Aspers.

**JAMES FROOMBERG:** I do appreciate that when we're talking regeneration, there's so many facets of it. Inward investment is one and that's the hat I tend to wear, and we've obviously had a conversation about the social impact which is another one.

**TOM MORGAN:** I think the key, can I perhaps continue that, the key to us was, did we go for the big bang approach, which was the American approach, just pour it all in and it kills the city centre, so what, that's competition, or do we go for an incremental approach of delivering, assessing, reviewing, updating and looking to add value, and that's what we went for.

**JAMES FROOMBERG:** Thank you very much. That is all five, Chairman.

**PROFESSOR STEPHEN CROW:** Good, thanks very much. Mr. Mundy, you had another question I believe.

**NEIL MUNDY:** Yes, Chair, it was really just in relation to the conference centre, a multi-purpose arena. I'm just quite interested to know how the business planning process, particularly through the developer as well, how the business plans have integrated these uses because for an international destination, then you're talking about having very close working relationships with different facilities. To what degree of sophistication have you gone, Mr. Olsen, in terms of understanding how these things fit together?

**RICHARD OLSEN:** OK. You're talking about the components of the Sports Village.

**NEIL MUNDY:** Yes, the various components. You know, if you were having a conference here, and it was linked to sport and various other things, how would you see these things fitting together, and how does your business plan deal with that?

**PROFESSOR STEPHEN CROW:** And this is Mr. Olsen responding.

**RICHARD OLSEN:** Thank you. First of all, I mean, partly in answer to Mr. Froomberg's question, I think actually we're missing the point a little bit. You mentioned a small arena and a ...

**PROFESSOR STEPHEN CROW:** Mr. Olsen, sorry, do you think you could speak a little closer to the mike.

**RICHARD OLSEN:** Yes, of course.

**PROFESSOR STEPHEN CROW:** Thanks. I can just about hear you but I'm worried that people elsewhere in the hall can't.

**RICHARD OLSEN:** Apologies, Chairman. I said, I think we're missing the point a little bit. Mr. Froomberg mentioned a small arena, a canoe centre, and a bit of snow, and I'm not sure that's actually the case. This has been thought out over a number of years and I think Mr. Froomberg of all people will appreciate the leisure changes faster than ever before, so nothing is actually cast in stone at the moment. However, if we start with the pool, that's a 50-metre pool, it's being built at the moment, that's probably one of the most advanced around at the moment. It has water leisure

with it, it has a 25-metre warm-up pool, and it's of international standard. That will be available end of next year I believe, I think it's due. We're about six weeks ahead of schedule at the moment, so I think some time towards the end of next year that will be up and ready. As far as the arena is concerned, I think what we're trying to do here, and we will do here, is to create an international destination location. Now, that will be consisting of an arena of probably about 9,000 seats. It will have a snow centre which will be of the latest technology. It may not have the longest snow slope in the country but we're looking at it from a combination of action sports, snowboarding. We're going through consultation at the moment with local schools, public consultations, to actually see what people want. I greatly believe as a developer that you don't actually, I have absolutely not a clue what young people want. Young people know what they want, families know what they want, so we go out and ask them what they want and that's what we provide. We must make this into something absolutely special. We're looking at the public realm, we're actually looking at bringing 4 million visitors a year to that centre. Now, part of that will be in the casino. The casino is just a part of that. What we're looking at doing is changing the way people perceive perhaps Cardiff at the moment. It has huge visitor numbers, Cardiff, but mostly it's on daily trips or nightly trips. We're trying to change that into, from daily to two or three nights at a time. People could stay there. They can enjoy the city centre, they can stay in the Sports Village, the grown-ups can participate in the casino if that's what they choose to do, or just the entertainment within the casino. The youngster can then go and play on the snow, or swim. The ladies can use the spa. We haven't finished yet, we're looking at 5-a-side football, we're planning this as we go ahead. This is meticulously planned, this isn't just saying, 'Let's do this' and 'Let's do that,' this is public consultation right the way through.

**PROFESSOR STEPHEN CROW:** Mr. Olsen, I hate to sort of set up a rift between the council and yourself as the developer, but I was going from the council's submission to, Page 19, there are answers to further questions that said that the casino money delivered the multi-purpose arena, the snow box and leisure ice, the Olympic standard canoeing course and whitewater centre, and some waterfront public realm, so I wasn't seeking to denigrate the scheme, I was seeking to get the facts that said, 'What do you get from the casino?' Now, briefly what you're trying to tell us is, by the time you put them all together, you've got something wonderful and you're going into marketing speak and all the rest of it, which will make it a lovely destination. I am just trying to make sure I understand what Cardiff gets for the money 'cos we've got to go round to other places and understand those as well.

**TOM MORGAN:** Let me say the conference centre, the particular conference centre that we're looking for for the Sports Village is the business and leisure market, it's the small range market, so we're talking about conferences of about 300 people, and there could be three conferences of 300 people because of the number of rooms they have in the hotels there and so on, so we're specifically talking about that market. I can't go into more detail and say, if we had discussions or if we are successful, we currently have a conference/convention centre within the city centre directly opposite this building called Cardiff International Arena. It is very, very successful for entertainment. It is not successful at all for conferencing. Once people go to one conference there normally, they don't go back, because it was built in the 80's, it was basically out of date before it was built, and it hasn't been successful for conferencing or conventions, but it is very successful for entertainment, but it is basically a 4,000-seater arena. What Cardiff does not have, we have a 4,000-seater arena, we have a couple of small theatres which take 1900. Then we have nothing in between until we get the Millennium Stadium. Millennium Stadium in concert mode can take up to 70,000 people. This week we had 50,000 people there with the Rolling Stones. A few weeks ago, with *Take That*. We had 68½ thousand people, all paying good money but we've tried to adapt Millennium Stadium to smaller events. It isn't successful, the artists don't like performing there. Yes, it's OK at 50,000, it's OK at 40,000, but you start going down to 10,000 and there's this huge bowl and the artists don't want to come there, and the punters that pay their money don't want to come there as well, so what we're trying to do is create this multi-purpose arena suitable for all sorts of sport, the flooring and so on will be that way, but also for entertainment, which then hopefully will release a major conference/convention centre directly in the city centre and I think

you will find from lots of the press within Cardiff over the last six months, over the last year, that all the hoteliers, all the businesses are crying out saying, 'We ain't got a conference/convention centre of a standing that we need in Cardiff. Please, Council, can you deliver one?' They don't actually say as well, 'By the way, Council, we'll give you £10 million towards the cost of it.'

**MAN:** Precisely.

**TOM MORGAN:** But they expect us to deliver it. So that's what we're trying to do all the time, so it's all pieces of the major jigsaw that all take time, that they're all interwoven, and what we're trying to do is deliver one which allows us then to deliver the next.

**MAN:** Mr. Morgan, that's precisely the point that I've been trying to draw out of this discussion because it's an ambitious vision that you have. It's very ambitious, and of course markets do change, but I think the important thing is to recognise that it's not just the individual elements within the facilities, it's actually the synergy between them, it's what the total critical mass, to use your own words represents and how deliverable it is, and I think from what I gathered from the conversation, I think you've quite honestly said that it's still work in progress.

**TOM MORGAN:** Yes, it is indeed.

**MAN:** OK, thank you very much.

**PROFESSOR STEPHEN CROW:** Mr. Wickham.

**MR. WICKHAM:** (off mike) ... majority that I talk to and I'm talking about the ordinary people in Cardiff, is why, if there is no cross subsidy and there is no payments being made, why it's necessary to say that if you have the casino, you can have your sports facilities two years earlier.

**PROFESSOR STEPHEN CROW:** Yes, that's a very good question, Mr. Wickham which I have actually down on my list of questions to ask.

**MR. WICKHAM:** Sorry! The ice rink was talked about. The ice rink that's being talked about, the temporary ice rink is not in operation at the present moment, OK. That is a definite point, and the cost of keeping the Cardiff ice rink team here, the ice hockey team here, is actually being met by subscription from ordinary members of the public, it is not council-subsidised.

**PROFESSOR STEPHEN CROW:** Thank you. As I said, that was a very good question, Mr. Morgan. Have you got a good answer? Give it us then.

**TOM MORGAN:** I hope so. I'll give you the answer as it is. As I said, the Sports Village has always contained the equivalent of the regional casino, from day one. We expect, if Cardiff is not successful, and we truly hope we will be successful to have the regional casino, that the decision will be made and the review will be carried out within the next five years, so it's not two years, sorry, it's actually five years, it would extend the period to about five years, and that's what we've always said. It will take us to 2015 to fully realise the Sports Village if we don't get a decision on the casino by early 2007.

**MAN:** Does that mean, sorry to interrupt, that if the decision goes against Cardiff, your strategy will be to wait until such time as there may be a review and go for it then rather than go down an alternative route to do something else on that site.

**TOM MORGAN:** The strategy would be to wait on the total heart of the Sports Village, but the next priority for the council is that multi-purpose arena. We have two areas of retail still to develop out. We have some capital funding from the sale of the existing ice rink in the city centre. If the retail realise the value with the existing funding that we have, we would try and develop the multi-

purpose arena in isolation, but again providing we had the correct operator, that could be developed out to the right standard. But the remainder, yes, I would suggest would have to wait until we had a decision on the regional casino.

**MAN:** Thank you.

**TOM MORGAN:** Could I answer the second part.

**PROFESSOR STEPHEN CROW:** Go on, yes please, Mr. Morgan.

**TOM MORGAN:** With regard to the temporary ice rink, it was always planned that the temporary ice rink would not be available at this time, that's clear, it's public knowledge, it's been there in the council statements over a period of months, even up to a year, so it was never going to be delivered until the end of this month/early October, that's always been the agreement. With regard to the second part that the council is not subsidising, the council is subsidising, it's building a temporary arena at £2½ million at no cost to the operator, at no cost to the existing Cardiff Devils we're referring to. With regard to the business plan of the Cardiff Devils, that's for them and their supporters, it is nothing to do with the council. They are a private company, yes, they have shareholders, it's up to them what they do. They are not supported by the council on a business basis, at any business.

**PROFESSOR STEPHEN CROW:** Thank you. Does that answer that question? OK. Oh, sorry, Mr. Sagar.

**DEEP SAGAR:** Thank you, Mr. Chairman. If I could ask of the council two questions. The first one's related to the point that was just being discussed, and I appreciate you've given us lots of information in your submissions. But quite frankly, why is a regional casino the silver bullet for you, because on one hand it would have impact on the three or four casinos you already have. On the other hand, you have chosen to say there is no fall-back, you don't want a large or small casino if you didn't succeed, so if you wouldn't mind elaborating, please.

**TOM MORGAN:** On the assessments being carried out in the market-place by the experts that have advised us, we see the implication on the small casinos isn't great, therefore I'll call them dedicated gamblers. They certainly, for most people within Cardiff, within the region and especially with tourists, they do not go into the ordinary casino within Cardiff number one, so we don't see the effect as you portrayed. Secondly, the golden bullet or the silver bullet, sorry, we see that it is a destination we're creating and it's important to have that casino there as part of that destination. That's our master plan, that's what we've been working on for five years. We need to deliver complete with a regional casino.

**MAN:** But the difference between them is only the number and type of fruit machines. You can't surely be saying that the destination is totally different because you've got more slot machines and they're bigger prizes. Surely it's the money, it's the profitability of those machines that cross-subsidises the development of other things.

**TOM MORGAN:** There are two issues. First of all, yes, it's the funding, I've said that quite openly earlier on when we were asked that, yes, it funds that £76.5 million, yes, but it also, it's the people numbers, and when we look at the assessment and the appraisal that we carried out for the destination, the effect of having the regional casino actually dropped the numbers visiting Sports Village, but actually put the spend up dramatically, so it dropped numbers by a million per year, but it actually put the spend up by £150 million per year with the Sports Village overall, and that's, you know, an honest answer.

**DEEP SAGAR:** If I could ask the other question, Mr. Chairman. In your assessment, did you consider asking residents here and tourists to evaluate the demand that would arise for a regional casino?

**TOM MORGAN:** We did not ask them in the shape I think you're inquiring. What we did was to have the independent advice from Deloitte's, from Professor Stevens, from Welsh Assembly Government, all the expert advice which says that visitors to the region would appreciate an international destination including a casino, not just a casino, and I think, you know, again that's the answer we have.

**PROFESSOR STEPHEN CROW:** Thank you. I think I'm going to take a question out of order because it has come up, and this relates to the number of jobs to be created, and I know Professor Lovering has questioned the number of jobs and it perhaps saves me having to do it. I'm having to do this all round the country, I should add, it's not just you that feels singled out for this particular Gestapo treatment, but could you just put your problems as kindly as you can, Professor Lovering.

**PROFESSOR JOHN LOVERING:** I'll put my problem as kindly as I can, yes, thank you. My problem is, I'm not clear or rather the presentation is not clear on the total number of jobs involved, and following from the point that's just made, the significance of this question is what's the local impact of not getting the casino. The figure that we've been told about and the BBC just like to interview me on the steps about is this headline figure of 5,000 jobs, and if you simply relate this to the total number of jobs which are given as the initial employment, 1,047, you have what the communists like to call a multiplier that's never been seen before in this universe, you'd have to rewrite the Guinness Book of Records. Most multipliers lie between 1½ and 2, at the regional level, not 5 at the urban level, so there's been a certain degree of sleight of hand in the presentation of this, but if I could, I'd just like to ask questions about the way in which it's been made up, and the three elements. First of all, it's the basic figure.

**PROFESSOR STEPHEN CROW:** What figure?

**PROFESSOR JOHN LOVERING:** The initial figure for the number of jobs to be created on a regular basis assuming the casino ...

**PROFESSOR STEPHEN CROW:** Did you say inflated?

**PROFESSOR JOHN LOVERING:** On a regular basis. This is the 1,047.

**PROFESSOR STEPHEN CROW:** I mean, yes, we as you know have, I'm not a great field researcher, but I do believe strongly in the field of research, and the only bit I've done didn't give us anything like that number of jobs, and this is the second biggest casino in Europe, so, and OK, that's only one of a lot, but it does raise the question.

**PROFESSOR JOHN LOVERING:** There's just the list of the three related questions. One is the initial figure, the second is the multiplier applied to that to get the total of 2,814, and the third is the one we've largely addressed, the relationship between that and the total number should everything come to fruition in the Sports Village.

**MAN:** With your permission, can you take the first one?

**PROFESSOR STEPHEN CROW:** Sure. Mr. Jarman, can you help us with this. Can we start off, where does the initial figure come from?

**STEVE JARMAN:** The initial figure for the casino, OK. In your earlier discussions, you've related to the Hohensyburg Casino in Dortmund, and you've used that as a model for questioning the job creation totals for the proposal Cardiff. The Hohensyburg Casino has a total of 40 gaming tables

and 320 slot machines. The proposal for Cardiff has got 50 gaming tables and 1,250 slot machines. If we take industry standards in terms of the ratio of the number of jobs required per table and per slot, it gives a total number of direct gaming jobs for the Dortmund casino of 226, and it gives a total 393 for the Cardiff proposal, an increase of 75% to start with. In terms of taking the total figure of the jobs, in our original bid it was a total of between 1,000 and 1500 jobs depending on the progress of the additional hotel development. That figure is based on direct analysis of operations already in place by Aspers, Aspinall's and associated casinos they're involved with, both in the UK and the rest of Europe and the southern hemisphere. That gives a very, very detailed breakdown in terms of the number of staff, as I've said, directly related to gaming, and then the number of staff in all of the support arrangements within the casino in terms of food and beverages, chefs, porters, waiters, etc., the hotel, the reception, the security staff, the staff working in the support centre in CARG, the cashiers, the management, etc., and they've come up with a very detailed figure as Professor Lovering has actually picked up in terms of the number of jobs that they feel will be created in the casino, and the figure I've got in front of me here is 1,040. In terms of the indirect staff then, some of these I mentioned, management, security premises, car park, the retail outlets, the spa, the entertainers, the meeters and greeters at the conference facilities that will be created within the facility, that gives a number of 160, so we've got an approximate evidenced figure for the casino of 1,200, based on, this is after one year of operation, so we're not quite up to the 1500 'cos that's based on five years of operation and obviously the critical mass of building up visitor numbers.

**PROFESSOR STEPHEN CROW:** Hold on there. Why does the additional visitor numbers create a need for additional staff?

**STEVE JARMAN:** Because Aspers have a commitment that they will increase the number of gaming tables as the number of visitors to the casino actually increases, in line with their projections.

**PROFESSOR STEPHEN CROW:** I didn't want to slow you down, but next time you get back to the bck table, could you just write these figures on a little piece of paper.

**TOM MORGAN:** Chairman, would it be easier that we actually send them to the panel?

**MAN:** For clarification, there is information within the additional ...

**MAN:** ... can clarify that the difference was also put at the door, the fact that the original 1500 figure was based on a combination of full-time and part-time jobs, which you very candidly identified and down-skilled it to full-time equivalents, which your EEMC model produced.

**MAN:** I'm going to get on to the EEMC ...

**MAN:** Yes, absolutely, good.

**PROFESSOR STEPHEN CROW:** It was the calculation in relation to tables and machines.

**MAN:** It's a calculation related to a table which is based on evidence from existing operations across the world together with the support arrangements based on the entertainment, the food and drink, the number of covers served on a weekly/monthly/yearly basis.

**PROFESSOR STEPHEN CROW:** Now you say that this is information across the world. Unless you've been particularly lucky to go round the world, this isn't your own field of research, is it.

**MAN:** No, this is based on ...

**MAN:** How do we get a budget like yours, so we can go round the world and look at these places as well?

**MAN:** This is based on three major casino developments: the Aspers Casino in Newcastle, which has been up and running as Aspers' first venture into entertainment-led casino developments in the UK; it's based on the experience of the Crown Casino in Melbourne; and it's based on the experience of the Birchwood Casino ...

**MAN:** Burswood.

**MAN:** ... Burswood Casino as well.

**MAN:** In Perth.

**MAN:** In Perth. These are operations that have been up and running. Crown has been established for the best part of ...

**PROFESSOR STEPHEN CROW:** Are these all Aspinall's?

**MAN:** Aspers, yes.

**PROFESSOR STEPHEN CROW:** Aspers, thank you.

**MAN:** (off mike) We will have to look at other casinos that were not part of the Aspinall's or Asper's group, and the figures we came up with from a range of sources including University of Massachusetts Center for Gambling Studies confirms the figures that Mr. Jarman is referring to there.

**MAN:** As far as the council were concerned then, we wanted to make sure that there was substance to those figures by an independent verification, and we have in Cardiff a very strong evidence-based economic input/output model, which I'm sure that many of the panel are actually familiar with. To give you a little bit of the context, the input/output model that has been developed and is in place across the English regions actually stems from work that started in Cardiff in the early 1990's and the Cardiff model has now been developed with a very, very strong primary data evidence base that covers all 33 sectors of the local economy, and identifies the very complex inter-relationships in terms of multipliers, trade-offs, etc. between all of those sectors. I mean, I could go on and on in terms of the complexities ...

**PROFESSOR STEPHEN CROW:** Yes, but how does it manage to produce a multiplier of 5?

**MAN:** Because it's evidence-based and that is the evidence that we have from ...

**PROFESSOR STEPHEN CROW:** What evidence?

**MAN:** From 10 years' worth of experience dealing across 33 sectors of the economy in Cardiff, primary data collection in terms of the inter-relationships between all of those sectors.

**PROFESSOR STEPHEN CROW:** Yes, and have you had this independently audited?

**MAN:** Yes.

**PROFESSOR STEPHEN CROW:** Right.

**MAN:** Independently audited by the fact that the government in the UK have accepted this model and they've translated it across all of their regions in terms of the economic impact model that's implied there. What we did is, we used that information, we used figures that Professor Stevens has produced in terms of the potential visitor numbers for each of the various elements of the Sports Village development. I'll let Professor Stevens actually deal with the methodology of how we actually came to those figures in a moment. What actually came out independently of the figures from Aspers is for a direct result of the regional casino, the employment would be 1,294, and that the indirect employment creation in the rest of the Cardiff economy based on supplier networks, based on people that visit the casino but stay elsewhere, based on retail, based on, again, I've got a full breakdown of the sectors that covers here, an additional 1,520 indirect jobs associated with the development, so already total employment created as a result of a casino on a level that we're talking about now is the best part of 2,800.

**MAN:** Chair, then we have further breakdowns of the remainder of the jobs broken down by category within the Sports Village as a whole, which includes the sports facilities, the retail facilities, and also, and that's a key to it as well, they're currently negotiating with a major media to come into Cardiff.

**PROFESSOR STEPHEN CROW:** Yes, I'm getting a bit confused now as to just what we're multiplying.

**MAN:** We don't use a multiplier in Cardiff as Price Waterhouse Coopers may use. They've got their white book multiplier of, this type of development gives this multiplier. We have based this on over 10 years of local primary data collection in order ascertain the relationships between direct and indirect jobs ...

**MAN:** Can I turn this round the other way. What you're telling us is the casino here will directly employ 1,294 with the various bits and bobs, and that must be pretty comparable with any casino of that size anywhere, and it's only dependent on whether it's bigger or smaller. The fun comes for us in comparing one place with another, which is given that you've got that much direct employment in that sort of facility, the casino, what is the capability of the local economy to multiply that up and not to leak, so really as far as I'm concerned the question is, what is particular about Cardiff, I don't care what the number is, that makes it more likely than other places to maximise the multiplier effect and not to leak it? So I'm looking at, we know where we're looking, we're looking at Cardiff, Glasgow, Blackpool, Manchester, London and so on, and they're all saying, 'Our economies are wonderful at retaining and not leaking,' so the real question for me is not what the number is, what the multiplier is, it's what is special about Cardiff that will, and you know, there's all sorts of professors here, I've never seen so many professors in one room, so please all of you have a go and tell me why Cardiff can better retain that employment multiplier, or tell me why you think you can't if you want to take the opposing view.

**PROFESSOR STEPHEN CROW:** First of all let Mr. Jarman answer that and I'll by then see what others contributors there are.

**STEVE JARMAN:** The question that you put to us initially in terms of the select matter to discuss at this examination in public is, how confident are we of this job creation? And my answer to that would have been, 'We are very confident. We have worked with Cardiff Business School and the Welsh Economic Research Unit, WERU, in terms of the model.'

**PROFESSOR STEPHEN CROW:** Well, we didn't actually ask you if you're confident, we asked should we be confident.

**STEVE JARMAN:** You should be confident, yes.

**PROFESSOR STEPHEN CROW:** Thank you. Yes, do go on.

**STEVE JARMAN:** ... WERU and the economic modelling. We've got a very, very good idea of where any leakages are, so we can work with the Capital Skills Network, we can work with local supply networks, we can work with the operator to ensure that we maximise ...

**MAN:** So does your model take into account that you might have an operator of one nationality remitting its profits to one country, or you might have an operator of let's say Welsh nationality that would keep its profits in Wales. Is your model that sensitive?

**STEVE JARMAN:** Completely, yes.

**MAN:** OK, so this is an Aspers-specific model.

**STEVE JARMAN:** No, it's a Cardiff-specific model.

**MAN:** Yes, but a non-UK domiciled operator.

**STEVE JARMAN:** That makes no difference in the modelling process because there's very careful consideration of the information that goes in, so we've dealt with Aspers, we've dealt with the other potential elements through Orion, and we've identified where the money will be going.

**MAN:** That's right, yes. That's your understanding of this process as well.

**PROFESSOR STEPHEN CROW:** Professor Lovering, I've just thought of the right word, I think it was sceptical.

**PROFESSOR JOHN LOVERING:** Oh, thank you. I'm afraid Steve has either been misled or has not understood the nature of the input/output model upon which this is based, which I know very well, and I know the people who wrote it, they're colleagues in the same university.

**PROFESSOR STEPHEN CROW:** You're familiar with the model.

**PROFESSOR JOHN LOVERING:** I am.

**PROFESSOR STEPHEN CROW:** Yes.

**PROFESSOR JOHN LOVERING:** I should just explain with a boring economics lecture for two minutes how these work. What you do is, you go and you ask people, employers in an area, where they buy their inputs and where they sell their outputs, and you then put all that together in a nice kind of quantifiable framework, and what it gives you is a matrix where you can do simple things. You can say, 'Right, if nothing else changed, and we increased spending in the retail sector or educational sector by X, we will get X+Y increase in spending, and we can then work out how many jobs that will give us.' You're going to get an income multiplier and you get an employer multiplier. Now, any economist will tell you, and certainly the economist who developed this, that this only by definition applies to unchanged structures. When you create a new structure, for example you create a new industry or you create in a new location, by definition you've broken with the assumptions of the model, because the model is based on historical generalisation of what's happened in the past, so the first question I think was answered to my, impressed me, the answer, the total number of jobs to be created in the hotel and the casino complex. The second, the multiplier indicated by Table 1 on page 26 of the submission to today's meeting I'm afraid is profoundly misleading, that you cannot assume there's going to be a link between 1,000 or whatever the total figure is in the top left-hand box and the bottom right-hand box, and nobody, no economist would say you can. So the second thing, these extra number of jobs that give us nearly 3,000 jobs, it's really no more than inspired guesswork. So the first thing we've been given a fairly solid total for. The second is thin air. The third, going from the 2,814-odd up to 5,000 depends, as

someone eloquently described earlier on, on a whole series of projects yet to be filled out in any way whatsoever, so the only thing we can deal with with any solidity is the top left-hand corner figure of maybe 1200 jobs.

**MAN:** But Professor, can you help me out though with my question on Cardiff really, which is, and you said yourself earlier, you've been to lots of other cities and you probably know them as well, Cardiff's ability to retain, maximise, multiply and not leak the jobs.

**PROFESSOR JOHN LOVERING:** Well, as you know, Cardiff's not anywhere different than anywhere else. In terms of, this goes back to the discussion we were having before lunch, if you're going to have a serious strategy to retain jobs, to minimise job leakage, so they don't end up with lots of people from Poland or the next wave of accession states, then you have to have in place structures that do not yet exist, and which these documents clearly indicate there has not been much thinking about.

**PROFESSOR STEPHEN CROW:** That's it for the moment, is it? Mr. Morgan can hardly control himself any longer.

**TOM MORGAN:** Chair, whatever Professor Lovering's arguments are, I think he needs to take those up with the Cardiff Business School. We've employed the Cardiff Business School to deliver and assess the figures for us. We've taken those, they've been paid, so he needs to discuss it with the Cardiff Business School first of all.

**PROFESSOR STEPHEN CROW:** I'm sure he will.

**TOM MORGAN:** I'm sure he will as well, and I'm sure they'll be, unfortunately Dr. Calvin Jones who has prepared these figures isn't here today, he's away. He would have been interested if he had been here sitting alongside me.

**PROFESSOR STEPHEN CROW:** What was Dr. Calvin Jones's role in this?

**PROFESSOR JOHN LOVERING:** Calvin, Dr. Jones has been working for the Welsh Economic Research Unit now for several years on the development of the model, and he has ...

**PROFESSOR STEPHEN CROW:** Are these his figures?

**PROFESSOR JOHN LOVERING:** It's his model.

**PROFESSOR STEPHEN CROW:** Ah!

**MAN:** But the difference is, he has not done this work. He gave you a model which you have then used to produce these figures.

**MAN:** But you haven't taken into account the fact that I mentioned, which is that the basis upon which the model is established is essentially one of historical continuity. The whole point of this proposal, as has been stressed several times, is that it's about breaking historical continuity. You therefore cannot use the model in the way you've done.

**PROFESSOR STEPHEN CROW:** Let Mr. Jarman say why he's saying no.

**STEVE JARMAN:** Because the environment economic model for Cardiff, the EEMC, is a brand new model that has been developed for the council specifically this year, not specifically for the Sports Village and the casino proposal, but as the most up-to-date in viro economic input/output model that it is possible to use to estimate these sort of figures, and as such we are as confident as anybody in this room and elsewhere can be, of the figures that come out.

**PROFESSOR STEPHEN CROW:** Had you thought of asking Dr. Calvin Jones along?

**STEVE JARMAN:** We did but unfortunately with it being the holiday period, he was unable to at short notice.

**PROFESSOR STEPHEN CROW:** Unable or didn't want to?

**STEVE JARMAN:** Unable to. I mean, he's provided me with in-depth briefings on the implications of the model, which I can provide you with over and above what we already have provided you with.

**MAN:** Could I just give one reaction to this. I think the model will depend on what the material changes are on the underlying evidence base. When that evidence base was constructed, it's fundamental to this. If its a relatively recent set of evidence, freshened up regularly, and the material changes that can happen within the periods of review or not, well, they're not material, then I think as far as any reliance can place on an econometric model, then it would not trouble me at all, but if however the evidence was 10 years old and there were lots of things that have changed in the meantime, then I think Professor Lovering's point is valid, but insofar as one would hope that the Business School regularly freshened up this evidence, then I think a reasonable degree of reliance can be pleased on it. Now, they are my assumptions on which I'm listening to this.

**MAN:** It's not, as the council rightly pointed out, in their latest submission, it's not econometric model. It's a matrix built up with several indicators, set of relationships, you know, what proportion ...

**MAN:** Could I just try a hypothesis here which I've seen bits of, I want to see if I can string it together to see if there's agreement, that the direct employment is going to be pretty similar wherever you put this casino, there's no difference to it being in Cardiff. It's a £250 million casino hotel, it'll employ roughly the same number of people anywhere in the country. In terms of how that employment then multiplies up and benefits Cardiff, Professor Lovering said Cardiff would be no different to any other city, and therefore as far as I'm concerned, this is a non-issue. Whosever econometric model we're using, I think what people are saying to me, it doesn't matter where you put the thing, you get the same number of direct jobs and you get the same number of multiplied job and casino panel, you can go home, you don't have to do your job really. Is that valid, is that what people are, there's some nodding going on.

**TOM MORGAN;** They know it's the total number of jobs, yes, within the Sports Village so, what you're saying is true. The casino itself should be the same wherever you're going to put it, full stop.

**MAN:** Both direct and indirect and induced and multiplied and leaked to whatever happens to the jobs.

**MAN:** Direct only refers to the things that take place in that building. The rest on this table refers to things that take place in the whole of Cardiff.

**MAN:** Don't worry, I tend to ignore these tables because they're all ...

**MAN:** The multiplied addition is supposed to be in the whole of the rest of Cardiff. Cardiff have rather muddled up their case by using several different geographies. They then talk about another 2½ thousand jobs in the Sports Village. My point I'm making is that there's only one of these figures that has any solidity at all. The others are increasingly speculative.

**MAN:** But the ones that are in the Sports Village, I just want to be quite clear, the only ones of those that are casino dependent are those which you've got 6½ million and that's arena jobs, snow and ice, and canoeing jobs.

**MAN:** Yes.

**MAN:** Thank you.

**MAN:** Can I make a point on that? I mean, in terms of the multipliers, we could argue until we're blue in the face because every city is going to have a model, every city is going to have a set of multipliers, at the end of the day we're looking at 400 jobs out of 5,000. In terms of the indirect employment, it's not just the Cardiff economy. The new model that we've had developed actually deals with the city region as well, so in terms of the total employment, you're looking at 60% benefitting in Cardiff residents and approximately 40% benefitting the city region and beyond. In terms of the total job creation on top of that, Professor Stevens did extensive work evaluating similar destination resorts, similar facilities across the world. These are the figures that went into the model. We're very confident that should, similarly with the casino, we can only be as confident as existing operations and modelling. We're confident that the figures of 1,744 that I have in front of me today, based on the existing operations, will come to fruition should those developments happen as planned, and I don't think we can be any clearer or more confident than that.

**MAN:** And I think you stated the first round multiplied .21 is not excessive.

**PROFESSOR STEPHEN CROW:** Well, let's hear from one or two other, sorry, did you ...

**MAN:** ... completely unknown because it refers to something that hasn't happened yet. No economist in the world can give you a multiplier for that.

**PROFESSOR STEPHEN CROW:** Well, let's just hear from one or two other people. Professor Stevens, can I come back to you just later because Mr. Olsen and ...? have both been itching to say something. Who do you want to start with? Mr. Olsen.

**RICHARD OLSEN:** Actually I think this special to Cardiff. By the way, just to answer a question that you asked me earlier this morning, I said I'd give you the answers this afternoon about how many people we were employing.

**PROFESSOR STEPHEN CROW:** Yes.

**RICHARD OLSEN:** I'm reliably informed that at the moment Wales and West who are our contractors have put about 100-150 people on the Sports Village at the moment, that's combined with the pool and the roads, at any one time, of which two-thirds of those are from the local economy, and Wales and West have actually grown their operators to about 300 at the moment again and they're using the same about two-thirds of local, that's number one.

**PROFESSOR STEPHEN CROW:** Thank you very much.

**RICHARD OLSEN:** Number two, as far as the casino is concerned, as I said to you earlier, we do take this very seriously, on a personal basis as well. When we had the bids in from all the casinos, we, Orion and in conjunction with Cardiff, we employed an independent assessor on all of the numbers, actually based in America, who is used to looking at these figures, and in fact I mean the person we used is responsible for setting up some of the Indian reservation operations etc. etc. I won't bother to go into names and figures etc.

**MAN:** Could I have his name?

**RICHARD OLSEN:** I'll give it to you afterwards if I may.

**MAN:** Thank you.

**RICHARD OLSEN:** And we asked them to do an assessment of these numbers. In fact he looked at them and he felt in some ways they were actually light, OK. He looked at all of the numbers and he thought they were light. It's pretty obvious. If you're going to have a 24-hour operation, you need about, and you're looking at tables and security and chefs and staff and porters and kitchen maids and carpenters and people changing light bulbs and sweeping floors, you're going to need three shifts. It's not difficult to get up to 1200 people.

**MAN:** Don't they believe in multi-taskers in America?

**RICHARD OLSEN:** Well, that's what we came back with. Apart from anything else and what I think makes Cardiff special, and one of the reasons we went for Aspers, they were the only, when we looked at their staffing numbers, yes, actually I will give you the name afterwards, I'd rather do it in private if I may, but he thought that the only ...

**PROFESSOR STEPHEN CROW:** No, sorry, I can't take evidence in private.

**RICHARD OLSEN:** Oh well, I'll give you the name of the person if that's OK.

**PROFESSOR STEPHEN CROW:** Well I mean, either tell us or don't.

**RICHARD OLSEN:** Yes, it's Felix Ziffer. He's a well-known attorney purely specialising in casinos, OK. What he felt was a problem, and it's perhaps countrywide and you will face this as you go around the country, is that there wouldn't be enough well-trained staff, in other words a lot of this, I'm not talking about kitchen staff or porters or anything, I'm talking about casino staff, there would not be enough trained staff around the country to handle this situation, and one of the things that attracted us to Aspers, that they were the only bid that was prepared to put actually a training school in Cardiff to handle that situation.

**MAN:** That's an interesting piece that I missed, I didn't spot it in any of the documentation. A training school is additional capital investment, additional commitment.

**MAN:** Yes, it is. That was part of their agreement with us and I said to you ...

**PROFESSOR STEPHEN CROW:** Is that over and above the 190-250 million?

**MAN:** They're setting it up. That's not a, they're setting it up themselves, at their own expense, and I presume that is extra and they have committed to do that.

**TOM MORGAN:** It's in that supplementary evidence there, it's stated quite clearly there.

**PROFESSOR STEPHEN CROW:** I missed that. Thank you very much.

**RICHARD OLSEN:** And they were the only operator that was prepared to actually commit to that and that would be in their agreement with us, and if they didn't commit to that, they would be in breach of their agreement.

**PROFESSOR STEPHEN CROW:** Thank you. Professor Stevens, your name has been taken I hope not in vain.

**PROFESSOR TERRY STEVENS:** The work we were asked to undertake was to actually bring forward evidence of the numbers of people employed in similar facilities in the UK primarily but also to benchmark that against international operations, so we broke down the components of the Sports Village, went to operators, went to specialist leisure providers and said, 'What is your employment profile for each of the areas, each of the elements like this?' and that's accepting that clearly it isn't always like for like but it was a fairly straightforward model, so we brought forward evidence of the jobs created and used a multiplier of 1.3 and we came up with a total of 2,800-3,200 jobs with the Sports Village based upon the fairly basic model. Those jobs will increase as quality of provision increases, where there's a greater level of staffing as a requirement, here's a hotel, it is 4-star performing at 5-star, greater levels of employment. As a Welsh Tourist Board former vice-chair of the Welsh Tourist Board, we are very keen to ensure local employment, we've set up Tourism Training Forum Wales, which has a very strong track record of working with all the local authorities, all the providers here, to make sure that the training base is in place for the type of skill requirement of the tourism and hospitality industry. So a) the sort of levels of jobs which I'm hearing reflect the evidence base I took to the council, and in terms of the assurance, in terms of jobs being provided by making sure that there's a flow of training in advance of any development, I know that Wales for the last 20 years has made a very good job of meeting those strategic requirements and there may be others who would want to comment on the success of those ventures.

**PROFESSOR STEPHEN CROW:** Thank you. Mr. ?der, I haven't heard you. I knew there was somebody over there that I hadn't heard just yet.

**MR. ?DER:** Yes, I just want to raise a point. As you're aware, in terms of the Welsh Assembly Government, we deal with inward investment into Wales and we're not going to run through any input/output model but really our experience of dealing with major inward investment projects, and Mr. Froomberg raised the issue of this as a kind of major inward investment project actually into the UK. When we deal with an investor, we work very closely with a kind of investor to look at their operation, to look through their jobs and actually analyse that, and our experience certainly is that on the whole in terms of, once we've done the analysis and work with the operator, is that they're not far off the mark, Cardiff have done a lot more work on this in terms of the breakdown, and in fact our actual experience, you always get some that don't meet their job numbers and their job targets, is actually that a lot of companies have come into Wales over certainly the last five years, have actually exceeded and gone past that as investment continues and expansion continues. What I'd like to do is also come back to one point in terms of leakage which Mr. Froomberg made, and just to kind of highlight some of the things we do on the inward investment side to make sure we try to maximise and kind of pull out as much as we can in terms of the local economy, in terms of opportunities, jobs, and in terms of the amount of leakage, and again in terms of working in this particular case with an operator or a major kind of investor coming in, in terms of sitting down there, looking at their employment requirements, working through that, ensuring that we're kind of targetting the right people and the right communities, we try to do that and work through that. Part of our job is just not to get these operations into Wales, but also look at how we can add value then, how we can assure we can actually build the whole economic model. We sit with operators, we sit with companies and look at the sourcing requirements, what supplies are coming in, what supplies are coming in, can that be sourced in Wales? If it's not, can it be sourced in the UK? If it's not, then it's larger. We try to maximise the amount of local sourcing for Welsh companies, obviously to kind of maximise that local both Cardiff and regional input which is what we do on this particular case. The other example is very pro-active targetting of future opportunities and inward investment opportunities. What we don't want to do on this is just let the casino speak for itself, but to work with the developer, the operator, in terms of all its requirements go in future, what are the suppliers, what operators overseas will they be bringing in, whether it be infrastructure, whether it be services, that we can talk to and look to bring to Wales, so again what we're trying to do is maximise the whole economic model in terms of the whole investment. One further point as well, because again I think in terms of, we're also involved in marketing Wales to a whole overseas audience. We have people in all the main markets overseas, and probably what we don't have in

Wales is enough opportunities of international projects, large-scale inward investment projects, such as the Millennium Stadium, such as the casino to market, so this is a fantastic opportunity from us, from a Welsh perspective, from a Cardiff perspective, from a regional perspective, also to market that opportunity worldwide, not purely on the tourism side, not on the tourism side, but on investment, business, financial services side, and certainly my experience of dealing with the major companies coming in over the last five years, as someone mentioned over there, life-style, life-style in terms of companies is now one of the biggest major issues. I talk to a lot of financial services companies, they will come to Cardiff.

**PROFESSOR STEPHEN CROW:** Don't get carried away.

**MR. ?DER:** Sorry. What I wanted to do is not a specific model but I just wanted to highlight some of the things in terms of the Welsh Assembly, its policy in terms of supporting Cardiff, the developer and the operator, to maximise all capability of Wales and to make sure there's as little leakage as possible.

**JAMES FROOMBERG:** Thank you very much for that. Thank you, Chairman. Sorry. Thank you very much for that. It did remind me of something which is, when our criteria were set to the regeneration, the Secretary of State was not specific as to whether that regeneration is on a local or a wider level to look at, and you've been very helpful because you have expanded this from a Cardiff discussion to a Wales discussion, which is very important. Other people that we meet will be playing the even wider discussion which will be UK. Could you try and help me here, which is to what extent would a Cardiff-based regional casino optimise the regeneration benefits to the UK, and in my mind the regeneration benefits on a national basis can only come from the number and spend of international tourists, so it's the only sort of export that I can think of, and I'm just wondering if there's a card anybody would like to play that says, 'If you put it here in Cardiff, your tourism export will be optimised compared to any of the other places we're toddling off to see over the next few days.'

**MAN:** I mean, one point that certainly does come to mind, I think there's a couple of points that come back in terms of maximised in that to the UK aspect. The first one I'd actually say would probably be on an economic basis, in terms of the situation, in terms of the Welsh economy, in terms of GDP, in terms of increasing the GDP, again, the economic inactivity back which Wales suffers from some of the lowest rates unfortunately in the whole of the UK, is actually maximising to the whole UK economy the economic benefit, so I don't want to go into too much detail 'cos we discussed that this morning, but that certainly would be one. In terms of tourist destination and I'll let others speak in a bit more detail on that, but again, that is another major issue in terms of maximising. An angle and an area that I'm involved in on the business promotion side is the Ryder Cup in 2010 in Newport, and in terms of getting all that infrastructure in place, available, we're already on the back of marketing Wales as a golfing destination, getting huge more numbers of tourists, golf tourists, etc. so there is again a huge economic benefit going on on other major things which we're trying to do in Wales as well.

**PROFESSOR STEPHEN CROW:** Thank you. Professor Stevens.

**PROFESSOR TERRY STEVENS:** I was just going to make a point in terms of Mr. Froomberg's question in terms of how international tourism *per se* might be allowed to regenerate, or have a contribution to the rest of the UK economy. The gateway airports for Wales are actually Manchester, Birmingham, Heathrow, Bristol, and so the international tourists coming into Wales is primarily accessing Wales through those other regions of England, and perhaps that separates us slightly from Scotland as well, where Edinburgh and Glasgow do have significantly more international routes into their airports, so I suppose, Mr. Froomberg, you could say that we're supporting the growth of Visit England as well as Visit Wales.

**JAMES FROOMBERG:** That's what I was looking for, thank you.

**PROFESSOR STEPHEN CROW:** Thank you. If you feel we've exhausted this topic, then we'll move on to something as they said in Monty Python, entirely different, and this is the willingness to license. It's one of our criteria, and of course you do I think, well, I'm sure the council appreciate this, but I think everybody must appreciate that it is within the capability of the council under I think it's Section 166 of the Act, to resolve *not* to have a license and indeed we have found within this last ten days that councils can change, not because the people concerned change their minds but because the council has changed, and councils in a democracy of course, what they decide does bear some relationship to what the general population think. Is that right, Mr. Morgan? So what I'm going to ask you or perhaps Mr. Froomberg's going to ask you is, I mean, are you likely to change? Is there public support?

**TOM MORGAN:** I can't say about particular change, Chairman, you wouldn't expect me to, so that's a decision for others and a decision for the electorate whether they change the political spectrum as they may have done in Brent, who knows. What the council have decided to its licensing committee, that they are prepared to license when they have the power to license, and I think we've evidenced that to you. What they have also decided is that on council-owned land, which the Sports Village is, as many other sites within Cardiff are, that their preferred site to license a regional casino on council-owned land is the International Sports Village. Any other application for licence will be considered on its merits of that time, as any application would be.

**PROFESSOR STEPHEN CROW:** Thank you. You were somewhat concerned about this, Mr. Froomberg, when we spoke the other day.

**JAMES FROOMBERG:** I was, Chair, thank you, and I would like some help on this from the team here. The council did a huge amount of work early on, as Mr. Morgan described, to go through a very formal, very proper competitive process to select Aspers, and then the Gambling Act got finalised and it said, lo and behold in Schedule 9 that if you're awarded the licence, you should then run a competition to select an operator, and I just wanted to try and understand, if you were awarded the licence and the Gambling Act insisted that you did all over again, this is all hypothetical, what you've already done once, is that something you can cope with or does that put you in a complete pickle, do you change your mind about things, how do you cope with this situation you find yourself in now?

**TOM MORGAN:** Well, first of all with difficulty, I would have thought, if it does come up, but the advice we've taken, the legal advice we've taken to date is that we follow the correct procedures with regard to council-owned land, and basically 10% of the total surface area of Cardiff is owned by the council, very high ownership including basically the whole of the city centre. All the freehold within the city centre is owned by the council. So the council have taken the decision that their preferred site for a regional casino would be at the International Sports Village on its own land, but the council licensing committee will have to take note of any legal precedence, any legal guidance, but the legal guidance we have to date says, yes, you have taken that decision that your preferred location on council-owned land is there, but should any other applicant bid for a separate licence on non-council land, then that would be considered on its merits, and we have the list of criteria for the consideration.

**JAMES FROOMBERG:** Thank you. That was very helpful in terms of site-based ones, I was spreading my wings a little, that says the hypothetical possibility that you might have to, if you stuck with your land and your site at the ISV, you might have to go through all over again the process of an operator, and I don't now if that's the case, but Schedule 9 at the moment seems to suggest it.

**TOM MORGAN:** Well, again, I think it's very open but the advice we have currently, it would be dependent on the operator who bids. If they were any of the original bidders and had dropped away as we went through the bidding process, there could be just reason and cause to say, 'Well,

they've already bid,' and what they're now trying to do is have a second bite of the cherry, and many operators have already tried that.

**PROFESSOR STEPHEN CROW:** Right, well I think we must leave it there because it's no part of the role of this panel to police Schedule 9, though there are others who I'm sure will be doing just that, when they get round to it. Thank you for that. Under the heading of Probability of Implementation, we've already covered an enormous field, but specifically we're interested in transport. Mr. Collison, you've got some questions for this.

**CHRIS COLLISON:** Yes. Mr. Morgan in his very informative introduction spoke of the nearness of the preferred location for the regional casino to the M4 connection. As part of the broader sustainability agenda, there's increasingly a focus on public transport, and so really we were seeking some information on sort of anticipated modal split, and rather than fire a second question at you later, it may be easier to deal with the two things together, but last night we drove between the city centre and the Bay area, and really we'd like a little bit of information on any transport management plan that may exist, and in particular attention to the movement along the corridor between the city centre and the Bay area, so perhaps you could try and roll those two things together, sort of modal split and then the more local issue of local accessibility and linkage across that.

**MAN:** off mike. 'The modal split is 82% car, 2% coach, 6% shuttle bus, 3% local bus, 1% water, 5% walk, and 1% cycle.'

**MAN:** Can you just do those again?

**MAN:** Yes. 'Car, 82; coach, 2; shuttle bus, 6; local bus, 3; water, 1; walk, 5; and cycle, 1.'

**PROFESSOR STEPHEN CROW:** And where does us getting there in a taxi count?

**TOM MORGAN:** That's probably the missing percentage, I would have thought. I haven't added them up. Do they come to 100 or less?

**MAN:** off mike.

**MAN:** I would have thought so, yes.

**PROFESSOR STEPHEN CROW:** Yes, well, it was a bit of a squash.

**TOM MORGAN:** What we than have though for both the International Sports Village itself and for Cardiff as a city, and then for the city region, is a transportation plan strategy, and in fact we're working on that again with private sector partners because the plan is for an investment of something like £250 million and key to that plan is the Eastern Bay link. Basically we have a ring road going around three-quarters of the city, but to the east. The ring road has not been completed. It isn't within Welsh Assembly Government's funding streams for the next ten years, yet it is desperately necessary. Therefore what we are looking at with private sector partners is a whole range of transport initiatives to fund that plus other transport improvements, and part of that funding stream comes from real estate that the council will put into it, car parking for instance that we own, just for potential congestion charge and at some date in the future when central government decide what the congestion charge is going to be for, for local government, especially in Wales, so we've moulded first of all our transport plan into a transport partnership. But then specifically within the Bay area itself and within the Sports Village area, we then have defined transportation as well, and one of the key transportation issues within the Bay area is public transport. The two modes of public transport to the Bay area will be bus transport, coach transport, and what we have done for the Sports Village is actually dedicate one mile from the Sports Village, and it only crosses one major highway, all the other routes are on our own land,

we've dedicated a 12-acre park and ride site which takes 120 50-seater coaches and takes something like a thousand private sector cars. That's one mile away at Brindley Road, with a dedicated route in. We've then introduced water taxi stations, not just in the Bay area but up to the city centre, so when you come out of Central Station, if you turn left across, as we call it, Wood Street Bridge, you will see directly there a new water taxi station. You will see directly adjacent to Cardiff Castle, which is a main tourist destination, a water taxi station. And we've introduced to date 9 water taxi stations throughout Cardiff. Those water taxi stations currently are operated by the private sector and 99% of their carrying trade is tourists. We have now extended that further and we are commissioning the Inland Waterway, and I can't remember the exact name for the Inland Waterway, Waterway Board, to actually look to see how we can extend that water transportation.

**MAN:** Can I help you out there, might it be British Waterways?

**TOM MORGAN:** It isn't British Waterways, no, for definite.

**MAN:** Oh good, otherwise I'd have to declare a conflict being a director.

**TOM MORGAN:** It's something like the Inland Waterways something something .

**MAN:** IWAAC, Inland Waterways and Advisory Amenity Council?

**TOM MORGAN:** That's probably it.

**MAN:** OK.

**TOM MORGAN:** So we've commissioned them to carry out the study for us, the best way forward to increase those transportation links. One of the methods we looked at is Bristol where they actually just subsidise transport, they subsidise transport for commuters, first thing morning, last thing at night, they don't subsidise it during the day when the tourists are there. We've looked at different methods. The method that we chose initially was that we would actually commission and purchase the water taxis within the bay, so the capital outlay would be carried out by the harbour authority, yes, and then that would be loaned or leased then to operators, we're now looking at different methods. The second key issue which is missing from the Sports Village, within a mile of the Sports Village, at Grangetown Station, we have the main rail link and the rail operators come in there. Within South Wales, we seem to have issues with rail transport currently and the lack of investment. We have lots of old rolling stock, often trains don't turn up, so we're looking at ways of actually extending that, working with the Rail Track operators, and directly adjacent to the station but not in Cardiff we have Cogan Station which is directly across, where you went across the PDR yesterday, you see Cogan Station just inside. It's within 200 yards of the International Sports Village. What's missing is a pedestrian cycle way from the station to Sports Village. We've carried out the initial conception designs and we've actually chosen a bascule bridge, because of the traffic coming up the river on the Heights of the Mass, we need a bascule bridge there. We applied to Welsh Assembly Government for this year's funding for that bascule bridge which is something like £5½ million pounds. It did not go through on funding this year but we are told that the likelihood is that it will be considered favourably for next year, so again, we could actually get the visitors to Sports Village into Cogan Station and get them quickly across into the Sports Village over that bascule bridge. So we have a dedicated transport. With regard the bus links, the buses have already started running directly adjacent to the Sports Village if you went there again yesterday. You'll see the residential which is already built, low level low density residential. It goes into that area. This month, September, this month, we increase it because Morrison's Food Store opens as part of the Section 106, they have to give monies towards public transport. We then have Toys R Us opening. We have a temporary ice-rink opening, so from the end of September on, we have transport links to the Sports Village in the bendy buses on 20 minutes turnaround. We then move on to when we open the pool and the Olympic canoe and white-water rafting centre

to 15 minutes, and eventually coming down to 10 minutes for the complete Sports Village we'll operate in.

**JAMES FROOMBERG:** Thank you very much. Can I just check one thing. The figures that you gave at first I think you said are now, what is the modal split that's sort of anticipated following these potential improvements that you've just outlined in some detail, the water taxis, the Cogan Station link and the enhanced bus services presumably through 106 funding from the retail.

**TOM MORGAN:** The vision for the whole of the Bay including the Sports Village is a 50/50 modal split. That's what we're always aiming for. In reality, we believe it will be more likely to be something like 65-70% private, and 30-35% public, that's what we believe.

**JAMES FROOMBERG:** Thank you very much. And there was just one further point, Chairman, on the likelihood of implementation topic, in that probability of implementation. We've heard quite a bit thus far about names of organisations, Orion Land & Leisure, Laing O'Rourke, and at one point picked up that the latter form of it were 50% owned by the latter. Could we just have a little bit further information about the nature of those organisations and I suppose in particular the capacity of them to deliver their role in the project.

**TOM MORGAN:** I open from Cardiff and then maybe Orion Land & Leisure.

**PROFESSOR STEPHEN CROW:** Yes, of course.

**TOM MORGAN:** I think it's important to differentiate between Orion Land & Leisure, and Orion Land & Leisure Cardiff. The developer at Cardiff is Orion Land & Leisure Cardiff. That is a joint company, with Orion Land & Leisure and Laing O'Rourke both having 50% of the equity. We believe that that partnership gives us the basis to deliver out the waterfront at the Sports Village, and I'm sure Orion Land & Leisure can handle the rest of it.

**PROFESSOR STEPHEN CROW:** Thank you. I think the issue there is, it sounds a Little & Large partnership here. Is this really 50/50?

**JAMES COLIS:** I am Laing O'Rourke representative.

**PROFESSOR STEPHEN CROW:** I didn't catch your name. Mr. Froomberg knows you because he knows everybody in the business, but I'm afraid you're new to me.

**JAMES COLIS:** My name is James Colis and I'm development director of a company called Explore Investments, and we are the development arm of Laing O'Rourke, so I principally do large-scale development projects. We entered into a 50/50 joint venture with Orion who are a very dynamic and very unique sports leisure developer, approximately 2½ years ago, and we've been working on the site as a joint developer in that time. Orion have been working on the scheme I've been told round about 6, 7 years from day one. Explore Investments and Orion are the lead developer in the project, and it's our responsibility to bring together all the different component parts that was explained before in terms of the synchronicity of delivery of it, and in terms of the delivery arm of it, we are very well versed at delivering large-scale projects, you know, Heathrow Terminal 5, we've just picked up the delivery partner for the Olympics in 2012, and internationally we do very large-scale projects as well. In the UK we also have several very large development projects that we're sole developer and construction deliverer of, and so the JV with Orion was an opportunity for us to bring our skills to the table, to the dynamism of someone that was very well versed in sports and leisure, to be able to deliver this, a world-class facility, so that's who we are.

**JAMES FROOMBERG:** Sorry, Chairman.

**PROFESSOR STEPHEN CROW:** Yes, go on.

**JAMES FROOMBERG:** Thank you very much for that, and certainly for me Laing O'Rourke's credentials I know very well. On the Orion side, Mr. Olsen now returned, I should note that Mr. Olsen and I met some, whatever it was, 15 years ago on another sports project that I, I don't know what's happened and what you've been up to in the meantime. I'm just looking to understand the experience/expertise/delivery capability that you've now amassed, that you bring to the party as a 50% partner. Your colleague has said you're specialist sports developers. Is there something that we can go and see that ...

**RICHARD OLSEN:** We are involved in a number of regeneration projects around the country. To start, we're in competition but we're short-listed as part of a consortium with Brogus Land Lease for regeneration development and castle, I think we're in the last two. They've brought us in to actually look at the sports and entertainment quarter. Probably at the moment around the country we're looking at something like about £2 billion worth of development that's in the pipeline at the moment. We've got a large scheme going through planning at the moment just outside Cambridge, 642 acres.

**MAN:** I've seen a little bit of interesting chit-chat on the web about that scheme.

**RICHARD OLSEN:** Possibly.

**PROFESSOR STEPHEN CROW:** Which site? Did I hear you say 624 acres ...

**RICHARD OLSEN:** 642 acres. It's called Watermark.

**PROFESSOR STEPHEN CROW:** Where?

**RICHARD OLSEN:** It's about 12 miles outside Cambridge.

**PROFESSOR STEPHEN CROW:** To the north.

**RICHARD OLSEN:** It's towards, it's close to Mildenhall and the Newmarket area.

**PROFESSOR STEPHEN CROW:** I know, yes.

**RICHARD OLSEN:** We always, as part of our regeneration schemes, use sport, leisure, entertainment as a catalyst. I mean, that's what we believe in. We have a very good staff. My Head of Development is a former Chief Executive Land Securities Developments. Very happy to send you some information on Orion if you so wish.

**JAMES FROOMBERG:** We'd find it quite helpful, and in particular if there are any schemes that have been part of your participation.

**RICHARD OLSEN:** Yes. We have another joint venture in Canada Water in south-east London. You probably read about it in the papers as the British Land scheme but it's a fact it's not, it's ours but that's another story. There's a thousand flats and it's next to Surrey Quay Shopping Centre. That's just beginning to come out of the ground at the moment. But I'm very happy to send you some information on Orion.

**PROFESSOR STEPHEN CROW:** To what extent you know, these things you're working on, I mean, are they successes?

**PROFESSOR STEPHEN CROW:** Do you need to have a chance to correct it now?

**MAN:** Sorry, I must have missed the question about the press. Did I miss something?

**PROFESSOR STEPHEN CROW:** Well, he said there's a bit of chit-chat about one of the schemes. That doesn't fill me with confidence. I mean, it may just be just that. You must have a chance, as it were, put the record right. It's only fair for me to do so.

**RICHARD OLSEN:** This is a 642-acre scheme. It will combine some, if it goes through planning, which we hopefully this week we're expecting a positive result, sorry, this month rather, not this week. It'll be some 5,000 houses built round a lake. With that lake we'll have a rowing course in it which Sir Steve Redgrave's taking, who is also a supporter of the Cardiff initiative and certainly the casino. We have contracts in place with an arena company that Mr. Froomberg will be aware of, with SMG, and a tennis and golf centre with IMG, but obviously a scheme of that size will have its detractors and have its protesters.

**PROFESSOR STEPHEN CROW:** I mean, I don't know anything about this.

**RICHARD OLSEN:** Well, there's no reason you should at the moment. It isn't particularly high profile, but it is what we call a life-style scheme. What we're looking at there is a sustainable scheme, it is literally, it is that. We're trying to build in a life-style, that's our ambition to do that, where the residential will be combined everything from starter units, low cost starter units, affordable units, right up to literally 5-bedroom mansions. You actually can sort of start there and hopefully end your days, you just keep moving up the ladder. We're combining a hundred-acre business village, tennis academy, golf academy, completely sustainable. We're looking at new ways of construction, we're always looking at new ways of sustainable and environmental development. There will be a nature park, a 100-acre marsh land which is a nature park. Again, I'm very happy to send you a booklet with that feedback.

**PROFESSOR STEPHEN CROW:** Yes, the problem with taking evidence is that you'll have to send it round to everybody and then everybody has to, I'm only doing this if it, you know, it's really important. Is it really important, Mr. Froomberg?

**JAMES FROOMBERG:** That bit's not, Mr. Chairman, I can live without it. There was just one, with all these schemes you're involved in, whether you're in partnership or on your own, it's around the scale of Orion and capacity to take them on and ultimately each one must involve a fair old bit of equity. Where I'm heading, I just want to make sure that we go away from here understanding whether the council's main developer, if we were to award the licence here, has the equity capacity to deliver on the things that's being required of it, and if you're 50% of it, and that's presumably 50% of the equity, that you're up to it.

**RICHARD OLSEN:** In a yes and no answer, yes, we do.

**JAMES FROOMBERG:** Thank you.

**JAMES COLIS:** Just a comment on this in that in knowing Orion for the last three years and buying into this scheme, and the opportunity two years ago, and we're successfully delivering Phase One of it which is the pool, I mean, we could talk all day about the pool and how fantastic it is, 'cos we passionately believe it is, and the vision for the realisation of everything else that we want to do, we're in it to deliver it, we're in it to win it, and we will do everything possible to do that. In the last two years, equity has never been a problem, and don't anticipate it being a problem in the delivery of the whole of this scheme.

**JAMES FROOMBERG:** Thank you, that's very comforting for me.

**PROFESSOR STEPHEN CROW:** Thank you. I'd like to move on because the afternoon is moving on. Can we talk about the, it's the national context here, not the regional context of course.

A lot of people in England think that Wales is a region but of course it isn't, it's a nation. I have to tell them that from time to time. But then, yes. Cardiff a proud capital of the role of the regional casino in the future of they city, have we said enough about that? I think you have actually said quite a lot, Mr. Morgan, but I've still got it on the agenda.

**MAN:** Just one component of that, Chairman, that we're aware that work's commencing on the preparation of the local development plan having regard to the Wales social plan and that being co-ordinated within the context of the development of the new community strategy for Cardiff, but there was mention in the documentation that there was consultation occurring on what sounded like an issues paper which the chairman's just named, Cardiff a proud capital, and really we're just interested whether that had revealed any views on the role of a regional casino within the context of the city really, so ... It's just an update we're asking for there.

**MAN:** Yes. In short, it didn't deal with specific development proposals. It's a very high level document looking at the vision of the city, the broad high level vision of the city over the next ten years. It's informed by several sort of initiatives. One of the pieces of work that we carried out some time ago is with the university, John. John participated in it, Rebirth of a Capital, which was an analysis of the transformation of Cardiff over the last 20 years, it was identifying some strengths, weaknesses. We've also recently engaged, as I said earlier, Michael Parkinson to look at Cardiff's competitive position. Parkinson's analysis was that Cardiff in UK terms, close to the top of the premier division of British cities, if you look at it in European terms, and the same would apply for many British cities, the position is not so favourable. So Proud Capital was very much a repositioning exercise for the city, an attempt to outline those pieces of the jigsaw that we need to put into place over the next 5, 10, 15 years, and it includes things like the development of creative industries. I've been working with BT on a new telecommunications infrastructure within the city, the establishment of a new marketing and investment vehicle within the city, a new iconic library, city centre. There's a whole strand of initiatives and the Sports Village is just one part of it.

**MAN:** Chairman, I suppose the point I was coming to is that we've spent the best part of the day hearing how important a regional casino would be and how central to the strategy for the city it would be, and now we're hearing that the document that deals with the high level important things doesn't mention it.

**PROFESSOR STEPHEN CROW:** Yes, I was a little puzzled by that. I mean, you know, well at the very least I'm duty-bound to give you a chance to explain.

**MAN:** It's simply concentrated on the high level developments within the city in very, very broad brush terms. It includes a very specific reference to the International Sports Village, does not go into it in any detail, but on the launch of the Proud Capital Consultation Exercise, the leader of the council made a statement to 350 community representatives and he made it quite clear that the Sports Village was the key to developing Cardiff Bay as a destination of global significance, and that the project as whole, what was crucial in terms of making it a reality by 2010 was the UK government giving the go-ahead for a regional casino.

**MAN:** (off mike) ... Chairman, how, you know, components that have just been mentioned such as a library.

**PROFESSOR STEPHEN CROW:** Of course, yes.

**MAN:** A library can be, you know, a major issue and not the regional ...

**PROFESSOR STEPHEN CROW:** ... and they might have a further chance if Mr. Wickham says anything uncomplimentary. Mr. Wickham?

**MR WICKHAM:** The question of transport intrigued me because of what Professor Stevens was saying about the input would not be through Cardiff Airport. There is one point that concerned me and it is the future employment and relocation of businesses to Wales, because after all, we are talking about a regional casino. I've talked to many people about this particular thing and the thing that always comes up is the tariff across the bridge into Wales, and it's seen by many people at my sort of level, man on the street, as being a major obstacle to development of industry and also the possibility of making a casino a financial success, and I do point out the location of the ones that are on the short list: Blackpool, Brent, Cardiff, Glasgow, Greenwich, Manchester, Newcastle, Sheffield. Now, if you're going to have a regional casino, you must by its very nature have increased opportunity for employment and you must have also increased opportunity for more money to come into the area. If you have this tariff continued on the bridge, in my opinion and the people that I've spoken to at ordinary street level, they say to me, 'If the tariff on the bridge were taken away, were abolished, then it would bring much more employment to Cardiff and would help make the regional casino a greater success because you would have a much bigger catchment area to draw on.

**PROFESSOR STEPHEN CROW:** Thank you for that point. Do you want to respond?

**TOM MORGAN:** Chairman, can I respond to the first point regarding Cardiff Wales Airport. Professor Stevens said quite rightly that the main international hubs currently are outside Wales. You know, we have Heathrow and so on, but Cardiff International Airport with its new owners is expanding rapidly. They're going through an upgrading at the moment of £9 million and have strategic plans to increase traffic levels substantially over the next 12-year period. That plan has been deposited. They are investing. They've already started introducing new routes. For instance, we have the Vancouver and Toronto routes, of which 50% of the passenger travel are actually coming from Canada now into Cardiff and through Cardiff to the UK. We have the BMIBaby routes to Glasgow and Edinburgh, and I was amazed with both of them, that they are now at 60-40, 40% of the people are coming from Scotland into Wales. You know, until a year ago it was a far higher percentage that was going out to Wales but it's moving that way, so a range of developments are going on at Cardiff Wales Airport with the new Spanish owners, to upgrade the airport. The one good thing about Cardiff Wales Airport as a regional transport hub, it is actually in the central government's document as one of the central hubs for air travel. Also they have a runway which doesn't need development for international flights. The runway is long enough already, so I think, I hope that answers your queries there regarding the airport. With regard to ...

**MAN:** Can I just follow up on the airport one, I just wanted to check any of the expansion plans that you've just described are casino-dependent or casino-accelerated.

**TOM MORGAN:** No, but what we have within the airport and the infrastructure to develop and includes hotels at the airport for short-term stays for people flying in, flying out, we are in discussions with the airport about further developments there with regard to the support mechanisms, not the actual air side infrastructure, OK?

**MAN:** Can I just explore that a little bit further. This is in the wider interests of international destination for Cardiff. It's good to hear that the capacity will handle long-haul flights, but what sort of joint strategies they're in, I mean, in other words what is the sort of growth in passenger numbers that you envisage based on the present, and just to give us a better feel, this in fact is one of the questions we were going to ask a little bit later but now we've come to it, it's helpful to address it now, is to how that will develop organically to create this destination.

**TOM MORGAN:** Could I just answer the other question regarding the bridges?

**PROFESSOR STEPHEN CROW:** Please do, yes.

**TOM MORGAN:** With regard to the bridges, I couldn't agree with you more as an individual with regard to charges on the bridge but the bridge was paid for out of one of the first PFI's, therefore the company's entitled to those charges.

**PROFESSOR STEPHEN CROW:** They gave the first bridge away, didn't they.

**TOM MORGAN:** Chairman, we gave it away, it's our government's, so it's we gave it away. We're all part of that, everyone sitting in this room.

**PROFESSOR STEPHEN CROW:** Yes.

**TOM MORGAN:** That's a fact of life. Nothing we can do about it, and the charges are there unless the government wanted to buy out.

**PROFESSOR STEPHEN CROW:** What I do want to know is, I mean, we know all about the bridge and I mean, I do use it from time to time. Is it the tariff hazard that Mr Wickham suggests?

**MAN:** I think it depends where you live, which side of the bridge you live on, that's what many would say. You pay it coming into Wales, you don't pay it going out of Wales.

**PROFESSOR STEPHEN CROW:** I think it ought to be the other way round.

**MAN:** Who knows? You still have to pay a tariff.

**PROFESSOR STEPHEN CROW:** Yes, I see.

**MAN:** Just as we had the observations about employment earlier on and just as we'll have the debate about licensing in the future I'm sure, we have many learned people all of whom will be paid lots of commission to give learned advice and all of them will differ, depending what camps they sit in.

**PROFESSOR STEPHEN CROW:** Yes. Anyway, I don't think we can pursue this one any more, but I'd like to just hear from Mr. Cole on this subject.

**PETER COLE:** Yes, just a bit more on the bridge. We have done some research in terms of tourists and actually it's perceived to be a very small charge in the context of a break or even a family day out, the cost of the bridge. I mean, I think for commuters it is seen to be very onerous and for regular freight users it's seen to be fairly onerous, but even where there's an alternative route, going up to the Midlands for example, a lot of freight still prefers to go over the second Severn crossing, so I mean, I think it is an issue. It'll come up when the bridge's PFI finishes, you know, at the end of the 25-year period, we'll have a big debate about whether it should go free or not, I'm sure. But on the airport, I mean, there clearly is a lot of development plans under way, and it illustrates, through Tom's answer and certainly he's got a lot of detail on the routes and so on, it illustrates something that really perhaps hopefully you've got a flavour of since you've been here today and that's that partnership in Wales comes as standard. I know partnership is a very hackneyed and over-used term, but here we actually sort of walk the talk, because, you know, we've heard it about Cardiff. Cardiff is a relatively small city sitting in an inner city region with nine other local authorities. They have to talk to each other and they do, and we do it in tourism, we do it in inward investment which Sheila is involved with, and we do it beyond local government into central government. So when we talk about routes into the airport, it isn't the airport operators who are left to fend for themselves in that respect. There's a route development fund with the Welsh Assembly Government, and a Team Wales approach in terms of Visit Wales, tourism in terms of people looking after inward investment like Mike there, the city council, other stakeholders sit round on a regular basis and talk these things through, so nothing comes as a surprise and we work together on these kind of issues.

**PROFESSOR STEPHEN CROW:** Just a moment. Professor Stevens, you've become transfigured.

**SALLY EDWARDS HART:** I hope it's an improvement, Chairman. Chairman, I'm Sally Edwards Hart, I manage the tourism services for Cardiff Council, and I'd just like to expand on a couple of points if I may. Firstly, re the bridge being a barrier, I totally agree, we'd love that toll to disappear, but nevertheless we've had 7% growth in tourism terms in the last year. We've had sustained growth over a number of years, particularly since the Rugby World Cup, so 7% last year was particularly good and that was in terms of visitor numbers, visitor stays, and income from visitors. Turning to the airport, we have a number of new routes. The airport has actually taken on a manager specifically designated to develop routes, but recent routes added: Toronto, Vancouver, Galway, Newcastle, Manchester and Brussels. The airport has no intention of stopping there. They've had 12% increase to date so far. They are about to open a new part of the terminal, that's a £7 million investment. They're developing as the airport business grows. The master plan that Mr. Morgan referred to actually takes them up to 2030, when they predict passenger numbers of 8 million at that stage.

**PROFESSOR STEPHEN CROW:** I mean I suspect that if we went anywhere, they would tell us their airport was expanding. To what extent if any are these figures, as it were, ahead of the sort of predictions of expansion in the airport business?

**SALLY EDWARDS HART:** I think one of the problems that we've established with a number of regional airports is that they actually have no more room to expand, because of the location of Cardiff Wales Airport, and an international airport, on the coast. It has got room to expand, it has very detailed plans in its master plan. It's available on the website or I have a copy of the master plan here if you'd like to take it with you, and that gives you a great deal of detail as to the robustness of those predictions. Also, I'd just like to add that we also have a great market in from Ireland, that is one competitive advantage I guess we do have. If we lose a little bit on the bridge, we gain a great deal with Ireland, and it is a very good, buoyant market for us, and I see that going further.

**MAN:** Chairman, could I just ask whether she knows whether the Irish have a particular affection for large casinos? I haven't got any knowledge myself.

**PROFESSOR STEPHEN CROW:** Now, is it the case that Ireland, that casinos, I mean, what's the Irish legislation about casinos, do you know?

**SALLY EDWARDS HART:** I'm sorry, Chairman, I can't answer that, but rumour has it that the Irish do like a bit of a gamble.

**PROFESSOR STEPHEN CROW:** Yes, well, we can easily find out. All our secretary's got to do is to ask someone in DCMS what the Irish legislation says, so don't worry about that. Mr. Froomberg.

**MAN:** There may be a gentleman in the audience who could help us with that one-off question.

**PROFESSOR STEPHEN CROW:** No, I'm not bothered, we'll soon find out. Thank you.

**MAN:** Can I just add a couple of comments, Chair, through you, if I may.

**PROFESSOR STEPHEN CROW:** Yes, sure.

**MAN:** As regard your last question, I have no ideas what the answer is. However, I do remember being in Cheltenham for I think it's called The Gold Cup or something, and I actually thought I was

in Dublin rather than in Cheltenham, so maybe that gives some at least indication. Going back to your previous question ...

**PROFESSOR STEPHEN CROW:** This is a traditional link there, isn't there, and of course ...

**MAN:** Sorry?

**PROFESSOR STEPHEN CROW:** There's a traditional link, which of course is related to, you know, the Irish capability of being able to raise horses.

**MAN:** Well, I take your point. Just going back to your previous question, you asked about the airport and whether the numbers were ahead of its competitors. I'm afraid I don't have access to that information right now. However, having been part of the turnaround team at Luton Airport, where we grew dramatically due to the acquisition of low-cost airlines, the BMI Baby Airline at Cardiff should not be underestimated. If you look at the operation and if you look at the context of future aviation in Europe, you'll find that most of it in European terms will be on a point to point basis, and a low cost model will dominate. I think there's already a lot of evidence that that's happened since 1995 when Easyjet coming into the market and launching its services to Europe, have accelerated that trend, and so I think that Cardiff is extremely well-placed to take advantage of those opportunities that will increasingly grow. The third comment I'd like to make, and I'd invite the panel to make particular note of in terms of all that they have heard today, was the comment made by Mike Hnyda from what was the WDA when he said words to the effect that tourism plays a great part in attracting inward investment. Aer Lingus play a big part in attracting inward investment, and of course without tourism, without hotels, restaurants and infrastructure of that type, then inward investment would be much more difficult to win. I think those three points are it for now.

**PROFESSOR STEPHEN CROW:** Yes, thank you. Well, I do want to move on because the afternoon is getting shorter and shorter. I'd like to move on to some of the benefits. We've heard, I think, a lot about this subject already, so I'm not going to just plough solidly through the list, but I know Mr. Froemberg's interested in the relationship of the International Sports Village and the 2012 Olympics.

**JAMES FROEMBERG:** Thank you, Chair, and obviously you've mentioned today as well the 2010 Ryder Cup. A number of cities that are on our short list for the regional casino have mentioned the 2012 Olympics, and some of them have actually been somewhere near London as well. I'm trying to understand for all cities that are claiming this as a particular benefit or relevance of their casino proposal what specifically is the relationship, and in your case between the ISV and the 2012 Olympics. Have you got a training contract with a national team or a particular international association or national Sporting Federation that's, you know, for use, or is it just, 'Hey, there's something big sporting going on and we want to have a crack at getting stuck in somewhere.'

**PROFESSOR STEPHEN CROW:** Yes, Mr. Morgan, please.

**TOM MORGAN:** First of all, Cardiff has been selected as one of the six core cities in the UK to support London with the Olympics, so that's the first key.

**JAMES FROEMBERG:** What does that mean?

**TOM MORGAN:** That Cardiff is one of the six cities, Sheffield, so when we say about training centres for visiting teams and so on, we are in the first bidding round for those training locations. That's number one. What we've done within Cardiff, though, and what I think regions have done is actually extend that so it isn't just, Cardiff is the core city but Wales as a nation is also saying that we would like to be part of the Olympics. The only facility that we currently have in Wales and in Cardiff to do with the Olympics is up to the quarterfinals of the football for the Olympics. We

understand that the first games of the Olympics will probably be in Cardiff, which will be football, it's one of the earlier rounds, and that may in fact be before the official opening ceremony. What we're saying to the Olympic Committee is one, as the core city, surely we should have more within Wales and with Cardiff, more than one event. We shouldn't just be up to the quarterfinals of football with the Millennium Stadium. Surely there should be other events. If it's a whole 2012 Olympics for the UK now, because it's no longer, as we see it, the London Olympics, it's being spread out a little bit, surely we should have more in Wales, in Cardiff. Specifically though, we are bidding for those training contracts or training bases that you spoke about, and there is a bidding process to go through. At the same time what we've been told, once the Olympic Committee will decide what teams go where, nations themselves will have a major say of where they go.

**JAMES FROOMBERG:** If we just pause for a minute and think of the extent to which the ISV or components of the ISV are Olympic dependent, we're talking about an arena of 4 or 9,000 seats, a snow box and the canoeing facility, is it the canoeing facility then that is of specific relevance, because everything else you've got, for example the pool, it's happening anyway, so we shouldn't be taking this into account as casino dependent.

**TOM MORGAN:** No, it's a bit wider than that. What we have and what the visiting teams, there's a specification for the facilities required, so what they need first of all is a multi-purpose arena suitable for sports, a range of sports, so it's for training for weightlifting, for gymnastics, for fencing, for wrestling, for boxing and so on. We in fact could have two arenas. If you remember, we have the multi-purpose arena, and then we have the recreational ice-skating rink as well, which is for 2,000, so the spectator side is not important, it's the actual facilities and the sports they can put into the facilities, so what we can offer within Cardiff are those two arenas. As you said quite rightly, we can offer the pool as well which is currently being built out. We can then offer the Olympic canoeing course and we're actually saying to the Olympic Committee, surely that could be an ideal gold level medal event that could come to Cardiff. The current proposal is to build in Broxbourne just outside London and that facility is not going to be open until the end of October, 2011, so it's not going to be available for training. This facility in Cardiff will be open, or could be open, by 2008 and could actually provide all those training facilities for UK-based athletes but also for visiting nations. We then have within the Bay area, we already have an international rowing course developed at 1.5 kilometres. It isn't an Olympic course, because Olympic course are 2 kilometres, but it actually meets the needs of international rowers to train. We then have within other developments within Cardiff, we currently have, we're moving forward with a new football stadium for Cardiff City Football Club. Part of that is that they build out by the end of next year a new athletic stadium which again could be used for those facilities for training for visiting nations for the Olympics. We have many other facilities within Cardiff but also within Wales we have many facilities as well, so it's about offering a mix of uses but within sports specifically, yes, it's the canoeing, but it's the two multi-purpose arenas, so there's one multi-purpose arena, one recreational arena, but also the accommodation goes with it. They normally bring something like the major teams, and we'll talk specifically about Australia since we're dealing with the Packer Organisation, it's part of Aspers. They will bring normally 300 athletes and 300 maybe more support acts with them for three months each year from 2010 to 2012. Lots of their supporters come into the area as well. They want accommodation and the facilities directly adjacent to the accommodation, the Sports Village, so it's the hotels as well that can deliver that for them.

**JAMES FROOMBERG:** Thank you.

**PROFESSOR STEPHEN CROW:** Thank you. Mr. Mundy has a question. It's not directly related to the last answer but we nevertheless would like to know the answer please.

**NEIL MUNDY:** It really starts to bind a lot of what's been said together. You mention in your proposal the concept of a marketing and investment company, which seems a very sensible way of taking things forward. You intimate that there are a number of individual organisations making up that board. I'd just quite like to explore who those organisations might be, who they might

represent, just to get a feeling for the potential of that group and how powerful it would be in terms of delivering some strategic policy advice on it.

**MAN:** Yes, and this links very much to the ...? capital exercise that we discussed very briefly earlier on. The establishment of a marketing and investment vehicle is really a key initiative which we're taking to ensure that the profile of Cardiff and the major projects that we're putting into place at the present time, the potential of those projects are really marketed effectively under a coherent Cardiff brand, so that the city is as competitive as it possibly can be in a national and the international market-place. The board of the company, it's being put in place, the company's being put in place at the present time. It would be operational from the 1<sup>st</sup> April 2007. The council is proposing that the board should consist of two councillors, three independent board members nominated from the Cardiff Business Partnership which is effectively the, it's a partnership consisting of local businesses first and foremost, and there will be an additional five directors from financial stakeholders in the company, so what we are trying to create is a connection, strong connection, between the new marketing and investment vehicle, and the wider business community. There will be a stakeholder. The Cardiff Business Partnership will also serve as a wider body of stakeholders so that the board can take soundings with that group and that will also provide a sort of wider business forum to locate the work of the investment and marketing vehicle in. In terms of the structure of the vehicle, what we're currently looking at is a vehicle which has a strong tourism strand, but also one which deals with some specific other sectors, bio-sciences, creative industries, the retail and the property sectors in particular. So it's a marketing and investment vehicle which very much enhances our marketing pool ...? The council and the Assembly Government will be, the Assembly Government indirectly, but the council, the public funding will amount to something like £500,000 in that vehicle, and what we would be looking for is a matched private sector contribution, and those discussions with the private sector to bring about that much funding are currently taking place.

**MAN:** Could I ask you, where will the leadership come from this? Will it be from the private sector or the public sector?

**MAN:** We're envisaging private sector leadership first and foremost. We're looking at the appointment of a chair which will be through public appointment and that will be taking place in the autumn going into the winter, and what we are expecting is a private sector chair. Part of the rationale for putting this into place is, you take a sector like the property sector within the city, they're clearly concerned about rental yields. They have a direct interest in the marketing of Cardiff as a coherent entity. They want to ensure that Team Cardiff is making strategic interventions into property events, in Western Europe and internationally, so you're creating that sort of direct business stake within the marketing vehicle in the external marketing of the city.

**MAN:** And what would ...? for this investment company in let's say 3 years' time, what would they want to have achieved, 5 years' time.

**MAN:** I think what we would have to be looking at is not just a question of developing the Cardiff brand, and it's not just a question of running campaigns for Cardiff PLC. What we're very keenly interested in are increases in investment referrals, going into the organisations within the city, the council and the Welsh Assembly Government, which lead to practical projects which can be put into place and create jobs for local people and elsewhere in the region. There's a strong regional dimension to this. We're having discussions with Rhondda Cynon Taf and what the possibility of how Rhondda Cynon Taf can feed into the marketing vehicle, so we can market not just Cardiff, the wider regional economy.

**PROFESSOR STEPHEN CROW:** There is a point on this, you've gone in with Rhondda Cynon Taf, but I mean, you've got other authorities to the left and right of you.

**MAN:** The way we're approaching what we call in Wales 'making the connections' I think from a Cardiff perspective, what we're, and it's the equivalent of the sort of Gershon Efficiency Review that's taking place in England in this brave new world of public sector collaboration, from a Cardiff perspective, what we see with Rhondda Cynon Taf, first of all we're the largest local authority in Wales. Rhondda Cynon Taf are the second largest local authority in Wales, so there is ...

**PROFESSOR STEPHEN CROW:** What about Newport in particular.

**MAN:** Well, there's a certain scale not least in terms of Cardiff and Rhondda Cynon Taf, but there's an interesting synergy in terms of Cardiff's role as the capital city, and Rhondda with its various socio-economic issues and problems. We've been working for the last year on a range of projects covering things like marketing, like skills. There are other matters being progressed at an organisational level between the two councils. We have been dealing with Newport in other spheres, waste management in particular.

**PROFESSOR STEPHEN CROW:** But I mean, you didn't think for example to have a joint proposal with them on the casino.

**MAN:** We've had discussions with Newport, sorry, specifically on the marketing, we've had discussions with Newport and with Swansea about the possibility of using the marketing vehicle that we're putting into place in Cardiff to develop northern way type campaigns internationally and nationally, i.e. promoting the interests of the three Welsh cities. I think very much why we're collaborating closely with RCT in the first instance, you know, in a very close way, is that it demonstrates in a very tangible way how you can actually achieve outcomes with specific projects. It simplifies matters, we've got good working relationships with the council. Different councils represent different political complexions, but you know, the operational sort of relationships and the political relationships have been very good between both councils, and it's just leading to some good partnership work, and what we've always said is that doesn't preclude a wider collaborative cluster. On the contrary, that's something that we'd like to encourage. The Welsh Assembly's approach to regional policy is developed through what's known as the spatial plan. In south-east Wales, the region is known as the capital network. It acknowledges the importance of a city region and we clearly want to try to develop that concept as much as we can. The reality is though, you've got 12 local authorities there and there are clearly complexities in terms of project management, so it does make sense, I think, to concentrate on adjacent local authorities at least in the first instance.

**MAN:** Could I just, one final question really. In terms of the individuals who will sit on this board, are we talking about big hitters or ...

**MAN:** That's certainly the intention. You know, we've had marketing arrangements within the city previously and one of the shortcomings of those arrangements, and it's not just in Cardiff, I think it's marketing arrangements in, city marketing arrangements across the UK is that you can have levels of business interest which are not senior, which are not mobilising resources effectively, and we've gone through quite a painstaking process of talking to big developers within the city. I think one of the things about Cardiff is that you do have a private sector, you do have, you know, an active private sector, a lot of development activity, and there are people there that we can do business with, and there are also, and these are the things that we want to try to explore, there's a strong international diaspora of Cardiff and former Welsh business people who we are keen to connect with in taking forward the marketing of the city, and that's something we'd like to explore also.

**MAN:** I think that's really helpful because if you start to influence the business model of a large company whose responsibility is to the shareholders generally, you've got to have somebody of sufficiently senior level to be able to influence that skewing of resources or policy or whatever it might be.

**MAN:** Yes.

**MAN:** One of the avenues we've been going down recently, for example we've been doing a lot of work, not just with the obvious, the sort of usual suspects of the local business community. We've been going to fund managers in the city, giving a presentation on Cardiff and developing the idea of the marketing vehicle and talking to them about making a financial contribution, 'cos at the end of the day, it's their assets within the city who could stand to benefit in terms of the marketing of the city. There's a visit to Edinburgh planned in the not-too-distant future. Again, it's about cultivating financial centres over and above those in Cardiff.

**MAN:** Examples of the ...?, there's Morley Asset Management for instance, Land Securities, Liberty International.

**MAN:** Schroder's.

**MAN:** Orion, Schrodgers, Scottish Widows, all those are part of the stakeholder group that we're talking to.

**MAN:** Very helpful. Thank you very much, John.

**PROFESSOR STEPHEN CROW:** One of the things that we've been asked to do, no, not asked to do, one of the things we've been told to do is to see what an emerging regional spatial strategy tells us. Now, the risk of upsetting the Secretary of State for Culture, Media and Sport by reminding her that Wales isn't part of England, can we be told what if anything the National Spatial Strategy for Wales tells us about a casino in Cardiff?

**MAN:** Right. I think the first thing to say is, there's a long-established planning history in terms of approvals on the ISV site for comprehensive development, and actually pre-dates some of the more recent Assembly Government guidance, so I think that's something to be aware of. If you go back in terms of the spatial strategy that was produced by the Assembly Government in 2004, you'll see there are key planks within that that identify Cardiff and the coast there as a socio-economic hub with international objectives and aspirations. It recognises within that spatial strategy that Cardiff is an economic engine driver I think is the term they use, and it also recognises a specific proposition there that Cardiff needs to enhance and develop its capital functions, and that's some of the phrases that are clearly there within the spatial document, so we would say although the planning history pre-dates that, it's absolutely bang in line with that. Clearly the spatial strategy talks about securing sustainable development, and again we would say that that is completely in line with that and also with its previous sets of Planning Policy Wales which goes back to 2002, and so we would argue that although the planning history pre-dates that, it's actually completely in line with the objectives and the aims of both the spatial strategy and national guidance. I think just one point just to pick up on, I think reference was made this morning to planning policy PP6. That does not apply in Wales.

**PROFESSOR STEPHEN CROW:** Well, of course, but I didn't expect the English press to know that.

**MAN:** I assume they're looking round to try and find it somewhere. Perhaps we're looking then to note in terms of national guidance is that we do have technical advice note 13 which deals with tourism, and that is a draft that came out in July of this year, and there is reference to that within that draft guidance in regard to casinos, and it's interesting, and I quote here, it says, 'Casinos may be preferable as part of wider-ranging tourist, leisure and entertainment developments possibly on previously developed land.' Well, in a nutshell, I think ISV hits all the right notes on that. So in terms of national guidance, even the recent guidance, it's completely in line with that and it accords with that, but I think from a planning perspective, it actually is delivering that, it's not just a paper

exercise that's saying, it's actually delivering that. And then if you go down to the more local guidance in terms of the local plan and more recently the UDP, that is again completely in line with those documents. So in a nutshell, both in national and local guidance, this project is very much in line with that.

**PROFESSOR STEPHEN CROW:** What specifically about the National Spatial Strategy, is there a reference specifically to a casino or to the ISV?

**MAN:** Not in the spatial plan, it's very general.

**PROFESSOR STEPHEN CROW:** All right. One of the RSS's in England and the London Plan of course do have a specific reference. Is there a reason for that, that it doesn't make a specific reference? Is it perhaps a different sort of plan?

**MAN:** I think that's right, it's a different kind of like, it's a spatial plan that's not just talking about physical development, it's talking about what could happen and where it should happen, and it's not just talking about physical development, it's talking about inequalities and equal access, so it's a different kind of plan perhaps to what you may be thinking.

**MAN:** Just to elaborate on that, I think Sheila could perhaps fill in some gaps from an RCT perspective. My understanding is, as Nigel has said, it's very much a general document. What you have got in operation across the various six regions of Wales at the moment is a lot of activity at an officer level, a technical level in terms of the development of regional action programmes, and those really are about developing some specifics and clearly Sports Village, casino, I would guess would be part of that process.

**PROFESSOR STEPHEN CROW:** Thank you. Sheila Davies from Rhondda Cynon Taf.

**SHEILA DAVIES:** Thank you, Chair. I put my name up because I particularly wanted to answer the point to back up what was said when you mentioned about why only Rhondda Cynon Taf in joint marketing exercises in the first instance, and it's very much a step one that we're talking about at the moment with joint marketing. We already as a region of the ten unitary authorities have joint marketing initiatives under the South-East Wales Economic Forum for what I class as traditional inward investment marketing, and that wasn't easy to start off with in the first instance. In fact we had a lot of very strong opposition and I may as well name it now, particularly from Newport in the first instance, they wanted to do their own thing. However, through much effort and joint working with all the other partners, and a persuasion for them to suck it and see and work with us, we have had the benefit of enormous success in that ten unitary authority partnership. What we've been talking about with Cardiff is going a stage further and taking that up to another level and not just looking at traditional inward investment marketing in the UK but looking at a far more integrated marketing of the region as a whole, and because it was a big step to take in relation to the range of marketing that we wanted to offer, we agreed that it would be Cardiff and Rhondda Cynon Taf would join together in the first instance to suck it and see, and then on the evidence base, that if Rhondda Cynon Taf can benefit from intense marketing and Cardiff as a city and all the benefits within it, then the other neighbouring authorities would likewise benefit, and that's why we agreed in the first instance we would try it, just us two. So if that doesn't come across too clearly, then we do apologise, but it's very much, we strongly believe in evidence base as part of your marketing as well, and if we can prove it, then it's more likely that we'll get the others to join. The second point on planning policy. We have the benefit in south-east Wales of having a co-terminus boundary with the sub region of the Wales spatial plan for south-east Wales, unlike the other sub-regions of Wales who have pockets of Wales spatial plan regions within south-west Wales or mid-Wales or north Wales and that I don't know if the word exists, co-terminosity or whatever, is of great benefit, because within that we are again working with the same partners, with the same experience and sharing our knowledge and ...

...and transport policy have now started working very closely with the Welsh Assembly Government, particularly to look at the transport networks to the north-west and south of Cardiff, across the south-east Wales region. We commissioned a study three years ago in partnership with the then Welsh Development Agency, looking at the problems along the M4 because of the generation of commuter traffic, but particularly now we are looking at the links from the M4 from as far east as Port Talbot through through Bridgend, Vale of Glamorgan, Rhondda Cynon Taf and into Cardiff, and straight down to the airport and Cardiff Bay, because we think those communication links are essential to those areas and north into Rhondda Cynon Taf, particularly the A4119 and A470, to give us the accessibility we need for businesses and residents to access the opportunities that will be coming in this part of the world. So again, a lot of Team Wales working is going on to make sure that this happens. The casino I think is a vital catalyst to give us that extra evidence to justify the requests we need to make to get the strategic transport network sorted out.

**PROFESSOR STEPHEN CROW:** Thank you very much. There was a detail we missed a little earlier, because you told us that a number of internationally respected athletes have supported the ISV, which I daresay pleases you a lot. Have any of them expressly commended the casino, do you know?

**TOM MORGAN:** As I understood it, Chair, and I would have thought, I hope that you'd have letters of most of them, they all agreed with the casino. First of all, if I go through the athletes. At the launch of our casino bid, on St. David's Day, March 1<sup>st</sup> this year, all the athletes apart from Colin Jackson who came back from abroad, from the Commonwealth Games and was ill when he came back, actually were there for the launch of the casino bid. They all stated publicly, press-wise as well, that they supported that bid.

**PROFESSOR STEPHEN CROW:** Oh well, that's it then.

**MAN:** I just think, Chairman, I think there was a hint in the papers that it was more general in terms of the sporting facilities and I think, you know, that would be a natural thing for them to support. I don't think there was anything specific on casinos and I think the question was really designed just to establish that it wasn't focusing on the sporting facilities, which people would say, 'They would, wouldn't they?' but it was actually the combined, yeah, thank you.

**PROFESSOR STEPHEN CROW:** Thank you for that. I think there's one last question. We've heard quite a lot from all round the table today about why they think Cardiff is unique, and I did want to ask one last question. Does anybody feel we've missed anything that makes Cardiff unique amongst its fellow competitors? Cardiff.

**TOM MORGAN:** Chair, I think in my introduction, I hope I said it. Cardiff is a capital city, it's one of only two capital cities bidding for a regional casino.

**PROFESSOR STEPHEN CROW:** Edinburgh didn't, did they.

**TOM MORGAN:** They didn't indeed, Chair. So we are one of two capital cities. We're also the centre for regional government and you said in your feedback, we are a nation, and I retorted, 'And we're a country as well,' so I think that makes us unique in the bid that we're putting forward.

**PROFESSOR STEPHEN CROW:** Thank you. Well, thank you very much for that. Is there anything more you, yes, Mr. Olsen.

**RICHARD OLSEN:** Yes, I'm an Englishman and I'm a Londoner, but I lived in Cardiff for a lot of my youth, and I'm proud to be associated with this project. In the 5 or 6 years that I have been associated with Cardiff, I have found them an easy council to work with. They are progressive, they are committed, and they actually want to do things, whereas a lot of the councils and development agencies around the country talk the talk but they don't walk the walk. Cardiff do.

**PROFESSOR STEPHEN CROW:** Thank you, Mr. Olsen. It's customary in these things to give the proposing authority, whatever they're proposing, the last word. Do you feel you've had all the words you want to, Mr. Morgan?

**TOM MORGAN:** Cardiff is ready now, Chair.

**PROFESSOR STEPHEN CROW:** Thank you. Right. Well, then ...

**MAN:** Chairman, just before you close, could I just ask one detail? I missed, is it Nigel ...

**MAN:** Nigel Hampson.

**MAN:** Nigel Hampson and you're ...

**NIGEL HAMPSON:** I'm Head of the Development Control Section that deals with the city centre and Cardiff Bay.

**MAN:** Thank you ever so much, thank you.

**PROFESSOR STEPHEN CROW:** Thanks. Well, it just remains only for me to thank you very much, all of you, for an enormous amount of help you've given us today. I think we'll obviously take quite a while to digest what you've all said and put it before, with all the further information we're going to receive next week, but anyway, thanks very much. (In Welsh) And that, if anyone hadn't noticed, means that the examination is now closed, and it just remains for me to wish you all God speed on your journey home. Thank you.