

**CASINO ADVISORY PANEL**

**EXAMINATION IN PUBLIC TO BE HELD ON 30 AUGUST 2006 INTO THE  
PROPOSAL FOR A REGIONAL CASINO IN GREENWICH**

**PAPER BY THE MAYOR OF LONDON**

## **A regional casino at Greenwich - Statement by Mayor of London Ken Livingstone**

The proposal for a regional casino at the Dome forms part of a comprehensive plan for development of what will be Europe's largest arena-based leisure complex, at the former Millennium Dome.

The redevelopment of the entertainment complex at the Dome is of key importance to London. It would make a major contribution towards delivery of policies for London's development and economic success, for tourism and for providing opportunities for deprived communities in east London. I welcome the fact that the Panel is examining this proposal carefully and dispassionately.

I have made clear my support for having a limited number of the new kinds of casino allowed by the Gambling Act 2005 for an initial period, so their impacts can be properly assessed. I believe London has much to offer as the site of such an assessment. If this proposal is successful, the GLA Group would work with central government and others to make this pilot an effective test of policy.

The plans for the Dome will provide an entertainment complex of international status, including an arena with a capacity of over 20,000 spectators, a music club, exhibition space, an eleven screen cinema, bars and restaurants. However this will not be enough to maximise the potential of the Dome site. The proposed regional casino will support an ambitious second phase of the project, including two five star hotels, further exhibition space and a theatre space capable of accommodating 1,800 as well as other entertainment facilities.

These proposals will provide a major boost to the economy of East London, a part of the capital that suffers from stubborn problems of low employment, high unemployment and deprivation. The full scheme could create or support around 4,000 jobs for people living in London; more than half of these are likely to be in the Thames Gateway.

They will help anchor the regeneration of the Thames Gateway, helping to kick-start development of a deprived area and to make sure it does not get left behind as neighbouring parts of the London on the other side of the Thames (such as the Royal Docks and the Lower Lea Valley) are renewed, and Canary Wharf continues to grow at a great pace.

They will provide facilities that will provide a significant addition to the attractions London can offer visitors to the capital.

Finally, they will support development of better river transport services on the Thames, helping the capital make more effective use of an under-utilised assets.

For all these reasons, the proposals are of major importance for the future of London. I am glad to support them.

**Ken Livingstone**  
Mayor of London

This paper outlines the position of the Mayor of London with regard to the proposal for a regional casino at Greenwich. It deals with the planning policy background and also sets out the Mayor's response to the key lines of enquiry identified by the Casino Advisory Panel.

### ***Planning Policy***

In the London Plan (the Mayor's spatial development strategy for London, published in February 2004) The Greenwich Peninsula is a designated opportunity area within the East London sub-region (Policy 5C.2 and paragraphs 5.78 and 5.79), where the Dome is identified as a potential leisure attraction of international significance. East London, of course, is a priority area for development, regeneration and infrastructure improvement, while the Thames Gateway is a national development priority (Policy 5C.1). As noted in the London Plan, it is an area suffering significant levels of deprivation, high unemployment (with limited part-time opportunities) and problems of social exclusion. A regional casino at the Dome would help deliver London Plan policies by playing a vital role in sustaining the proposals for an arena and leisure-based complex there, which would in turn play a vital part in anchoring the development of the western part of the London Thames Gateway (which is, of course, a national, regional and local priority).

In May 2006, the Mayor published a Sub-Regional Development Framework for East London to provide guidance on implementation of the London Plan in order to help deliver a sustainable and prosperous future for the area. Paragraph 77 (page 23) deals with East London's cultural heritage and potential strategic tourism role. It notes that the redevelopment of the Dome area as the "O2" provides a strategic leisure destination on [the] Greenwich Peninsular of London-wide importance, suitable as a location for a regional casino (para. 5.14).

Also in May, the Mayor issued Draft Further Alterations to the London Plan for consultation with the London Assembly and the GLA Functional Bodies (Transport for London, London Development Agency, Metropolitan Police Authority and the London Fire and Emergency Planning Authority), as required by section under sections 341 and 335(1) of the Greater London Authority Act 1999 (in short, these require a preliminary round of consultation with the Assembly and the functional bodies before more general public consultation). This includes a policy dealing specifically with casinos (which obviously preceded the recent announcement from the London Borough of Brent regarding Wembley) :

## Chapter 3D – Enjoying London

### *Casinos*

#### *New Policy 3D.4i Casinos*

*The Mayor will and boroughs and other stakeholders should ensure that development of 'Small' and 'Large' casinos conform to the wider policies of this plan including those for the location of leisure facilities. In view of their strategic regeneration and leisure roles, Wembley and Greenwich Peninsula Opportunity Areas are appropriate locations for development of 'Regional' casinos (See Chapter 5).*

3.236i The Gambling Act 2005 has introduced three new types of casino, defined by minimum size<sup>i</sup> as 'Regional', 'Large' and 'Small'. These are larger than existing casinos in London, and will no longer have to be confined to defined approved areas. The Government has announced that for an initial period, only one 'Regional', eight 'Large' and eight 'Small' casino will be permitted across Great Britain to enable their impacts to be assessed.

3.236ii Casinos (particularly those in the 'Regional' category) are likely to have significant scope to provide regeneration benefits<sup>ii</sup>. These may include employment and training, support for regionally-important developments or strategic priorities and transport improvements. Planning obligations and other planning and licensing powers should be used to ensure that these benefits are secured and sustained over time.

3.236iii The Government has stated<sup>iii</sup> that in revising their spatial strategies, regional planning bodies should consider possible broad locations for regional casinos, having regard to national policies on location of leisure development. The Greenwich Peninsula and Wembley are two Opportunity Areas identified in this plan as being particularly suitable for leisure-based regeneration. These are locations where regional casinos could be located appropriately, and where they could contribute towards delivery of the policies in this plan.

3.236iv The Government may decide to permit a greater number of casinos, or lift restrictions on their number altogether, over the life of the London Plan. Proposals for new casinos of any type should be assessed in accordance with the principles set out in Policy 3D.1 and the other policies relating to leisure development in this plan, although in assessing proposals boroughs should consider the appropriate use of their planning and licensing powers to ensure protection of the vulnerable and to minimise negative impacts on local and wider amenity. The likelihood that casinos (particularly regional and large ones) may form part of a larger leisure-based complex should also be borne in mind, and planning and licensing powers should be used to ensure the areas within proposed developments used for gambling are clearly delineated. Casinos should be located in places with high accessibility, particularly by public transport, and the scope for sharing car parking provision with premises that might have different operating hours should be maximised.

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<sup>i</sup> "Regional", with a minimum total customer area of 5000 sq m (including at least 1500 sq m of non-gambling space) and up to 1250 gaming machines.

"Large", with a minimum customer area of 1500 sq m (and at least 500 sq m of non-gambling space) and up to 150 machines.

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"Small", with a minimum customer area of 750 sq m (and at least 250 sq m of non-gambling space) and up to 80 machines.

<sup>ii</sup> GLA Economics, London's Economy Today, Issue 25, GLA, September 2004

<sup>iii</sup> Department of Culture, Media and Sport, Casinos: Statement of National Policy. DCMS, 2004

In its questions to the London Borough of Greenwich, the Panel asked about the choice of a location for a casino ("a main town centre use" for the purposes of Planning Policy Statement 6) and the justification for choosing a location contrary to Government policy.

The Mayor's planning staff have reviewed the response of Greenwich Council, and would endorse the approach they have taken. An issue of particular importance touched on by Greenwich is that of scale, a key concept in PPS6. Given its size and impact, the Dome proposal including a regional casino is likely to be out of scale in most of London's town centres, and a suitable site in such a centre is therefore unlikely to be found.

Paragraph 2.41 of PPS6 states: "The scale of development should relate to the role and function of the centre within the wider hierarchy and the catchment served. The aim should be to locate the appropriate type and scale of development in the right type of centre, to ensure that it fits into that centre and that it complements its role and function". The regeneration of the Dome site offers the opportunity for a regional casino to be developed in an area appropriate in scale and in relation to the role and function of a strategic leisure destination.

The Mayor considered and approved the application for retention of the Dome for mixed leisure uses in 2003. It was noted at the time that:

*"No alternative locations or sites for the proposed development were considered. It is recognised that the retention of the Dome confers a unique planning position to the site. The applicant's case with regards to alternative site test analysis is supported, ie that there are no alternative sites available in London of a similar location, size, shape and where investment in buildings and infrastructure, in anticipation of development, has already occurred and which are in close proximity to a transport interchange".*

### ***Other Strategic Issues***

The Mayor's Transport Strategy was published in July 2001. Policy 4M.1 states that the safe use of the Thames for passenger and freight services should be developed and that passenger services will be encouraged, particularly services that relate to its cultural and architectural excellence and tourism. Proposal 4M.1 states that options for extending use of the Thames for passenger transport will be explored. The proposals for a regional casino at the Dome would include a significant improvement in the availability of commuter style connections by river, from both central London and from the east, and would help make more of what is currently an under-utilised transport artery.

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The Mayor's Economic Development Strategy was published in January 2005. It outlines four key investment priorities, in London's:

- Places and infrastructure
- People
- Enterprise, and
- Marketing and promotion.

The proposals for the Dome, and the policies and initiatives outlined by the London Borough of Greenwich will help deliver a number of the objectives set out in the Strategy's Action Plan:

- Supporting delivery of the London Plan, to promote sustainable growth and economic development, particularly by supporting an eastwards shift in the centre of gravity of London's development
- Addressing the impacts of concentrations of disadvantage
- Addressing barriers to enterprise start-up, growth and competitiveness
- Improving the skills of the workforce
- Maintaining and developing London as a top international destination and principal UK gateway for visitors, tourism and investment.

In April 2006, the Mayor issued a "London Tourism Vision - 2006 - 2016". The overall vision set out in the document is that:

*"By 2016 London will be recognised as the leading global city for tourism and as a constantly evolving destination. London will deliver a high quality visitor experience, continually surprising and exciting our visitors with a vibrant contemporary diverse offer in a historically and culturally rich environment. Tourism in London will contribute to the economic success of the city and the quality of life for Londoners"*

The Greenwich proposal will provide a new element to the London visitor offer, very much in keeping with this vision. As Visit London has pointed out, it will help attract overnight visitors, helping to drive regeneration and promotional opportunities.

On a more detailed level, one of the objectives set out in this document is to encourage policies that spread the benefits of tourism beyond central London. By doing this, tourism as a sector can be more inclusive and spread the benefits of economic development whilst also alleviating pressures on tourism 'hot-spots'. Another objective is to increase the profile and usage of services along the Thames, intended to identify the barriers and subsequent actions to greater visitor usage of the river, and raising its profile as an iconic London attraction.

### **The Panel's Selected Matters for Discussion**

This section deals with each of the key lines of enquiry set out by the Panel in turn:

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## Type of Area

Greenwich, and the wider Thames Gateway area of which it forms part, have a number of attributes that makes it a good test of social impact:

- The area is a national, regional and local priority for regeneration, reflecting a major concentration of economic and social deprivation and need for regeneration. As a report by the London Development Agency ("Understanding London's Sub-Regions" (2003)) has pointed out, across a range of indicators it is in a worse position than any other of the London sub-regions including:
  - Relatively slow employment and population growth, indicating locational disadvantages for companies and weak residential preferences for living in the area
  - High unemployment (particularly long-term and youth unemployment). Relatively poor job prospects are indicated by limited opportunities for part-time employment, a low share of employment in small firms and a weak skills base.
  - Major problems of social exclusion. On each of the Indices of Multiple Deprivation, East London ranks highly
  - Low average house prices, suggesting a low personal wealth base by comparison with other sub-regions. At the same time, the house prices to average earnings ratio is higher, raising issues about housing supply and affordable housing.
- The area is well-studied and monitored at local, regional and national levels, ensuring existence of good baseline data and the ability to monitor and assess change over time.
- The existence of well-developed regional bodies, and the fact that the Greater London Authority group brings together regional planning, economic development (through the London Development Agency), transport planning and delivery (through Transport for London) and policing (through the Metropolitan Police Authority). This will facilitate coordinated monitoring and policy responses across all of these fields, including through the GLA Economics unit funded by the GLA itself, the London Development Agency and Transport for London to provide robust economic data and analysis.
- There are well-developed policies for the development and regeneration of East London and the Thames Gateway, which means there are defined objectives for the area, providing benchmarks for effective monitoring of the extent to which the casino proposal helps achieve the desired social impacts.

## Social Impacts

The submission from the London Borough of Greenwich sets out their proposals and track record in securing the benefits of major development projects for local people. By providing a range of job opportunities, and linked with initiatives to ensure skills training and job placement, the Mayor considers that the proposals by the developer and the local authority will make a major contribution to ensuring employment opportunities will benefit unemployed and disadvantaged people locally.

The economic impact assessment of the proposal provided by consultants commissioned by Greenwich Council has been reviewed by staff from GLA Economics,

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who have concluded that the approach taken is a reasonable one. In considering this, it is worth bearing in mind the wider trends driving growth in the leisure sectors in London. As the GLA Economics report "Spending Time: London's Leisure Economy" (November 2003) points out, leisure (including gambling) is one of the fastest growing sectors in London. In 2001, the sector employed around 290,000 people, including 20,000 in gambling (covering casinos, bookmakers and bingo). Between 1995 and 2001, the leisure sectors added 65,000 net new jobs, including 4,600 in gambling (an increase of 31 per cent). This growth in leisure has a number of drivers:

- Demographic change: London has a growing population and a high proportion of people in the 24-34 age group – which is growing here at the same time it is declining elsewhere in the country. It is expected this growth will continue, with a projected 800,000 additional people by 2016
- Growing employment: London has experienced substantial and sustained growth in employment, with 500,000 additional jobs between 1995 and 2001. Again, this growth is expected to continue.
- Incomes: London has the highest average earnings in Britain, with an average gross weekly wage 38 per cent higher than the national average. Over the 10 years between 1989 and 1999, average disposable income per person has persistently been more than 20 per cent higher in London than nationally.
- Changes in consumer spending: Rising real incomes have given consumers more scope for choice in how they spend their money. Nationally, household spending on leisure services more than trebled between 1974 and 2000, with its share of total household spending doubling over the same period. In London, households spend about 25 per cent more on leisure than the UK average.
- Tourism: London has retained its position as a major tourist destination. The number of overseas visitors to London grew by 66 per cent between 1983 and 2002, and their real spending grew by around 47 per cent.

In short, there are more Londoners and more job opportunities enabling them to earn more. They have more to spend on leisure activities. Homegrown demand is supplemented by the spending of visitors. London's leisure market is growing strongly, and looking at the trends driving this, it is likely it will continue to do so. The most recent GLA employment projections suggests employment in hotels, restaurants and bars will increase between 2003 and 2026 by 238,000 and employment in the "other services" (which includes leisure services in entertainment and sports) is expected to grow over the same period by 298,000.

#### Need for Regeneration, probability of implementation and securing of regeneration benefits

The reasons for the Mayor's support for the proposals have been explained above - they will result in an international standard leisure facility for London, provide regeneration benefits for a part of London identified as a priority nationally and in Mayoral strategies and support employment and other benefits for communities suffering from problems of economic and social exclusion. The proposals for reuse of the Dome do also secure its future beneficial use, but it would not be correct to see this as the Mayor's overriding consideration.

As far as the place the proposed casino plays in the overall redevelopment of the Dome, this has been touched on above. A casino would help support additional

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facilities at the site that would help maximise the benefits the scheme would bring to London and the employment benefits arising from it.

### Regional context

The fit between the proposal and London tourism policy is dealt with above, and in the submission by Greenwich Borough Council. Similarly, the position of the proposal as regards the Olympic and Paralympic Games in 2012 - both as a venue and in relation to the legacy of the Games - is dealt with in Greenwich's submission of 14th August.

### Community benefits

The question of the community benefits that will be secured through the competition required by the Gambling Act 2005 is primarily for Greenwich as the licensing authority to deal with. The proposed policy on casinos set out in the draft further alterations to the London Plan highlights some areas the Mayor would expect to see addressed, including:

- protection of the vulnerable
- minimisation of negative impacts on local and wider amenity
- employment and training
- transport improvements