

Casino Advisory Panel

Call for Proposals 31 January 2006

Introduction

Background

1. The Casino Advisory Panel ('the Panel') has the duty to advise the Secretary of State for Culture, Media and Sport on the locations for new casinos in Scotland, Wales and England. To assist the Panel in this duty, local authorities are invited to let the Panel know which of them wish to have one or more new casinos in their area, and the reasons why they think that their area is suitable, in order for the Panel to select the locations to recommend to the Secretary of State. This document sets out the background to this call for proposals, the process by which the Panel intends to evaluate them, and the areas of information that it particularly wishes to know about.
2. All proposals will be considered equally in an open and transparent way. At the same time it must be understood that the Panel's duty is to consider best locations and not merely evaluate the quality of proposals.
3. Further background details regarding the Panel, its activities, frequently asked questions, and latest news, can be found on the website:
<http://www.culture.gov.uk/cap/index.htm>
4. The Secretary of State has asked the Panel to assist her in the exercise of her order making powers under section 175(4) of the Gambling Act 2005 to determine the geographical distribution of casino premises licences. For this purpose, she is required to specify in an order which licensing authorities should be permitted to issue casino premises licences of a specified kind, and how many of each type of casino premises licence each specified local authority (in Scotland, Licensing Board) should be permitted to issue. Section 175 (1) to (3) sets out the overall limits for casino premises licences as no more than one regional casino, eight large casinos and eight small casinos.
5. The Government expects that the regional casino will have a minimum total customer area of 5,000 m², and be permitted up to 1,250 Category A jackpot machines, which will be able to offer unlimited stakes and prizes. Large casinos will have a minimum total customer area of 1,500 m², and be permitted up to 150 Category B gaming machines, with a maximum jackpot of £4,000. Small casinos will have a minimum total customer area of 750m², and be permitted up to 80 Category B gaming machines, with a maximum jackpot of £4,000. The one regional and eight large casinos will be permitted to offer bingo, and all three categories will be permitted to offer betting.
6. The Government also expects that a regional casino will be a major development, offering clear potential for regeneration. It will provide not just a range of gambling activities, but may include hotel accommodation, conference facilities, restaurants, bars, areas for live entertainment and other leisure attractions, gambling activities and non-gambling leisure facilities. The Government believes that it will have the potential to bring in major investment and economic regeneration to the area where it is located.

Criteria for selection

7. The Panel's task is to recommend to the Secretary of State the areas where the one regional casino and eight large and eight small casinos would best be located. The criteria against which the Panel will assess submitted proposals were set out in a national policy statement on casinos which was published by the Government on 16 December 2004. This statement is annexed.
8. The Panel's Terms of Reference also state that the primary consideration will be to ensure that locations satisfy the need for the best possible test of social impact. Subject to this, the criteria will also be:
 - to include areas in need of regeneration (as measured by employment and other social deprivation data) and which are likely to benefit in these terms from a new casino;
 - to ensure that those areas selected are willing to license a new casino.

Proposals

9. Proposals are invited from Licensing Authorities (as defined in Section 2 of the Act); that is, in England and Wales, specified local authorities and, in Scotland, Licensing Boards.
10. Makers of proposals should be aware that, following a letter from the Panel to all local authority chief executives in November 2005, seeking indications of initial interest, some 131 local authorities responded. Of these, 52 authorities said that they were not interested and 4 that they could not give an indication at the present time. Potential interest may be gauged from the following table.

Type of Casino	Number of expressions of interest
Regional (including indeterminate responses)	47
Large	6
Small	8
Additional Mixture of the above	5
Additional One of the above	9
Total	75

Process

11. The Panel will consider the information and material submitted by proposing authorities and may also seek such further and better information as it considers necessary. All proposals will be considered carefully against the Panel's terms of reference and Government policy. Selected proposals for the regional casino will be considered through the medium of Examination in Public (EiP) as outlined in

the project programme. The Panel will also consider representations from other individuals and organisations concerning the location of a casino in their area. The Panel may additionally seek information from any organisation or individual on matters that it considers are material to its decision making. Further details on the process will be published once the Panel has had an opportunity for early appreciation of proposals submitted.

12. The Panel is also seeking of its own initiative appropriate background material to the questions involved. On the basis of all relevant information obtained the Panel will select proposals to take forward for further examination and recommendation.

Confidentiality

13. All submitted material will be in the public domain, and therefore **evidence of a confidential nature will not be accepted.**

Timing

14. The Panel will expect all proposals to be with them by **Friday 31st March 2006.** **It is important that this date be adhered to.** Only in exceptional circumstances and for good reason will late proposals be accepted. This rule is made not only for the convenience of the panel, but also so that others making proposals may become aware of potential competition.

Format, etc of Proposals

15. The Panel wishes it to be known that their view of the form of a good proposal is one that is concise, relevant and focussed on providing sound evidence about the most important issues. Makers of proposals therefore should be guided by a target that their submitted statements should not exceed **20 pages of A4, excluding the cover sheet.** References can be made to published material, however, sources of published information and statistical data must be clearly referenced and there should be no need for additional appendices attached. The Panel will ask for additional information if it is needed.

Information required

General information

16. General information should be submitted on the pro-forma cover sheet attached to include:
 - Name of local authority
 - Contact name, address, telephone numbers, email and fax
 - Name and title of submitting Chief Officer
 - Statement of the basis of the application. Under this head, authorities making proposals should make it clear what their proposal is for. For example, they should say whether their proposal is for one or other of the types of casino to be located in their areas or for groupings of types of casinos.
17. **Eight hard copies and eight CD-ROMs** of proposals should be submitted.

Specific Information

18. Authorities making proposals are asked to submit information under each of the headings listed in the following sections below;

- Type of area
- Social Impact
- Need for regeneration
- Willingness to licence
- Probability of implementation
- Regional Context
- Community benefits
- Unique characteristics

Type of Area

19. Your submission should include information on

- the population base of the local authority area, e.g. size, socio-economic and ethnicity characteristics, levels of educational attainment
- the current levels of tourism in the area, including any recent trends or developments, as well as infrastructure for tourism such as hotels, other entertainment facilities and transport access, origin of tourists and overall vision for tourism
- local plans and strategies for the development of tourism, leisure or gambling in the area.
- the principal needs of regeneration in the area
- anything in the area which would make it a good ground for the testing of social impact.

Social Impact

20. What do you consider the social impact of your proposal will be?

21. If your evaluation of some criteria are negative and some positive (for example economic and social criteria) how will you resolve this?

22. What do you say to those who claim that the effects of your proposals would have a negative impact on social cohesion and the sustainability of your communities? The information supporting your response should include, where appropriate:

- Any recent assessments of the impact of existing gambling in your area on problem gambling, social cohesion and the sustainability of communities in such areas,
- Any policies or procedures in place, or planned, to counter any potential negative social impacts of gambling in your area or optimise any positive social cohesion, including current management arrangements, developer or operator contributions and approved budgets for these policies or procedures,

- Details of how you would test for changes in social impacts if a new casino was to be licensed,
- Comparable initiatives in place to manage social impacts from other activities,
- Existing and planned job creation and training programmes, which improve the skill of and benefit local people,
- Details of existing and planned relationships with relevant voluntary and public organisations which would support your social impact policies and activities.

Need for Regeneration:

23. How do you expect your proposal to assist regeneration of your area and the wider area? Where appropriate, your response should include information as follows:

- Supporting information, including from relevant government bodies, regarding the regeneration and employment status and activity rate (male/female) of your area together with details on the timing and levels of public and private investment for this regeneration,
- Supporting details of the level of additional economic value that your proposal would create, including the anticipated incremental increase in GVA (Gross Value Added) and employment.
- Are there parts of your area, the regeneration of which would particularly benefit from your proposal, and how would this come about?
- How and why do you expect that the “multiplier effect” of the additional economic activity to be created by your proposal would outweigh the potential leakage of money from the local economy?
- Any other regeneration outputs and outcomes you are seeking to achieve from the development of a new casino.

Willingness to licence:

24. Having regard to Section 166 of the Act, what strong evidence can you provide which demonstrates the willingness to license a casino in your area if it is selected? (In Scotland, this power will be exercised by the local licensing board). The information supporting your response should include, where appropriate:

- Council resolutions in favour and relevant supporting Council meeting minutes,
- Details of any local pre-existing polling or market research to establish the extent of support among the area’s population,
- Details of any local consultations,
- Resolutions of support by the Local Strategic Partnership,
- Relevant tourism or leisure strategies, or local plans which demonstrate the extent of consideration and commitment,
- Details, including contact details, and key issues raised in correspondence from any national or local organisations or individuals who have expressed either:
 - support for a casino in your area

- or objections and concerns that a new casino should **not** be licensed in your area,

together with details of your engagement with such groups or individuals or points raised in your responses to them.

Probability of implementation:

25. To enable the Panel to satisfy itself that, if selected, the proposal has a high probability of implementation, what evidence can you provide to demonstrate the overall feasibility of your proposals? The information supporting your response should include, where appropriate:

- A market demand analysis relating to both resident and tourist demand,
- Catchment area and customer base.
- Information on the criteria you would be using to identify appropriate and sustainable localities for the new casino,
- Existing and proposed transport infrastructure, so far as it would relate to your proposal,
- Statement of the current provision for gambling in your local authority area or nearby, including any recent trends or developments in this
- The impact of competition on existing casinos (if any) and other leisure based activities.
- Potential critical mass effect of a cluster of casino and leisure based activities.
- Estimated overall investment potential analysed between public and private sector investment and if sufficiently advanced how that would be funded.
- Current level of investor interest.
- How would you anticipate gambling spend to change following the implementation of your proposal?

Regional and Local Context

26. The information supporting your response should outline the relevant policy context of Regional Spatial Strategies and sub regional policy areas and how they relate to the emerging Local Development Framework. This context should address any development strategies, policies and initiatives, inward investment proposals and regional economic strategies which are or would be relevant to the location of a new casino within a local authority area.

27. To what extent would identification of your area assist in achieving regional economic objectives for employment, skills and regeneration? In particular, in England, the consideration, policy position and attitude of the Regional Planning Body (Regional Assembly) toward your proposal should be requested at an early stage and noted.

Community benefits

28. In general terms, what community benefits does the authority expect to accrue from the licensing and town planning processes?

Unique characteristics

29. What outstanding characteristics of your proposal or area might differentiate it from similar proposals, so far as you know them? Please refer to any aspects of your proposal that you think are unique and which the Panel may reasonably take account of in reaching its decision.

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Proposals should be sent to:

Mrs Jane Bransby
Secretary to the Casino Advisory Panel
DCMS
2-4 Cockspur Street
London SW1Y 5DH

Telephone No 0207 211 6453

Email: Jane.bransby@culture.gsi.gov.uk

Who is also the contact with the Panel for any clarification needed.

Annex A**Casinos: Statement of National Policy**

1. This statement (was) issued on behalf of Her Majesty's Government (on 16 December 2004).

2. The Government's policy on casinos is based on the three broad objectives of the Gambling Bill:

To protect children and other vulnerable people from harm

To prevent gambling being a source of crime or disorder and

To ensure that gambling is conducted in a fair and open way.

Britain has a low level of problem gambling compared to other countries (less than 1% of the population) and the Government is committed to maintaining this record. Casinos are already tightly regulated and have strict controls in place. The Gambling Bill will strengthen the existing safeguards. There are currently a number of regulations, however, which the Government believe are outdated. The 24-hour rule, the ban on advertising and the permitted areas rule unnecessarily restrict customer choice and discourage investment and economic regeneration.

3. The tourism and leisure industries are increasingly significant elements of the economy. Tourism alone accounts for 4.4% of our GDP. The Government believes that the casino proposals in the Bill, with its emphasis on increased regulation, have the potential to make a positive contribution to the success of these sectors. In addition Regional casinos, as major developments, offer clear potential for regeneration of areas across Britain. They will provide not just a range of gambling activities, but may include hotel accommodation, conference facilities, restaurants, bars, areas for live entertainment and other leisure attractions. The benefits of such a development could go much wider than the location of the casino itself. There are many parts of the country which could benefit from the regeneration that these kinds of leisure developments can offer.

4. The Government recognises, however, that the casino proposals in the Bill represent a significant change and we need to take a cautious approach in order to assess whether their introduction leads to an increase in problem gambling. The Government has taken the view that the risk of an increase in problem gambling will be reduced if a limit is imposed on the number of casinos. We have therefore decided to set an initial limit on the number of Regional, Large and Small casinos of 8 each. The identification of operators and locations for the new casinos will be subject to broadly the same arrangements in each case.

5. The Government believes that, in order properly to assess the impact of these new casinos, there needs to be a sufficient number of casinos in each category to allow the impacts to be assessed in a range of areas and types of location that might be suitable (including, for example, urban centres and seaside resorts across different parts of the Britain). A limit on Regional, Large and Small casinos of 8 each is consistent with this aim while at the same time ensuring that any risk of problem gambling is minimised. The Government has decided to appoint an independent Advisory Panel to recommend the

areas for the Regional, Large and Small casinos. Following the Panel's advice the Government will decide the areas where each of the new casinos may be licensed.

6. Once an assessment has been made of the impact on problem gambling of the limited number of new casinos, it will be easier to judge the continuing need for a limit. No earlier than three years after the award of the first premises licence, the Government will ask the Gambling Commission to advise on whether the introduction of the new types of casinos has led to an increase in problem gambling or is increasing that risk. We believe such a period is necessary to ensure a full assessment can be made of the impact of the new casinos. If the Government, on the basis of the Gambling Commission's advice decides to propose that more casinos may be licensed then the Order providing for this will need to be approved by Parliament. We will also want to assess, with the help of regional bodies, what the regeneration and other economic outcomes have been.

7. This policy statement sets out our policy on casinos in more detail below, including the role of the Advisory Panel in recommending areas for the new casinos and arrangements for casinos which already have a licence under the Gaming Act 1968. The proposals for casinos outlined here are for England, Scotland and Wales. Responsibility for the planning system in Scotland and Wales is for their respective devolved administrations. None of the proposals here will affect the ability of local authorities to refuse to have a new casino of any size category in their area.

The Advisory Panel on new casino locations

8. The Secretary of State for Culture, Media and Sport will appoint an independent Advisory Panel to advise her on the areas in which the new casinos should be located. The Panel will collectively have knowledge and expertise in a range of matters including planning, securing regeneration, tourism and addressing the social impacts of gambling. Clearly, all Panel members must be able to demonstrate independence from any potential interested parties and must have an appreciation of the need for impartiality.

9. In order to ensure that the impact of the new casinos can be assessed on the basis of a broad range of information and experience, the Advisory Panel will be asked to identify areas for the new casinos which will provide:

a good range of types of areas, and

a good geographical spread of areas across Britain.

The Panel will also want to ensure that those areas selected are willing to license a new casino. Subject to these criteria, the Panel will be asked to choose areas in need of economic development and regeneration (as measured by employment and other social deprivation factors) and likely to benefit in regeneration terms from a casino.

10. The Advisory Panel will invite views from interested parties. In taking forward its work it will in particular invite the Regional Planning Bodies in England to identify a list of broad locations for Regional casinos emerging from their work on the Regional Spatial Strategies. Before the Advisory Panel finalises its recommendations on areas for Regional casinos it will need to ensure that these areas are compatible with the broad locations identified in England in Regional Spatial Strategies or in any draft revisions of Regional Spatial Strategies before the First Secretary of State.

11. The Advisory Panel will be asked to offer Ministers a list of up to 8 recommended areas for each of the three categories of casino. The Secretary of State will consider the Panel's recommendations. After consulting the Scottish Executive and the Welsh Assembly Government, the Secretary of State will then decide which areas to designate.

12. The Panel will be able to begin its work in the course of 2006, taking account of views put forward to Regional Planning Bodies as they progress the preparation of revisions of Regional Spatial Strategies, and of local authorities as appropriate. We do not expect it to complete its work before the end of 2006.

Planning for casinos

13. In England, Regional Planning Bodies as part of their revision of Regional Spatial Strategies will need to consider possible broad locations for Regional casinos within their region. Their proposals will then feed into the recommendations of areas for the initial eight Regional casinos by the Advisory Panel. In revising their Regional Spatial Strategies, Regional Planning Bodies need to take into account national planning policy guidance. Planning Policy Guidance Note 6 "Planning for Town Centres and Retail Developments"/draft Planning Policy Statement 6 "Planning for Town Centres", Planning Policy Guidance Note 13: "Transport" and the two joint statements already provide a comprehensive policy framework for casino development.

14. The Government does not consider that a separate national planning policy statement on casinos is required. However, it will consider whether there needs to be further clarification or development of its planning policy in respect of casinos in particular, in finalising PPS6.

15. For all three categories of casinos, the identification of specific sites will be for local planning authorities in their local development framework, having regard to national policy and the Regional Spatial Strategy. Local planning authorities will also be responsible for deciding applications for casino developments.

16. Operators will be required to apply for planning permission in the usual way and all applications will be considered on their merits in line with national and local planning policies. Applications may come forward at any stage. Decisions on whether they should be called in for decision by the First Secretary of State will be made in light of the Government's call-in policy and the particular circumstances of the case.

17. It will be for the devolved administrations to decide to what extent these considerations should apply to them.

The operating licence

18. The Gambling Commission will award operating licences to companies on the basis of the usual licensing criteria, but incorporating an additionally stringent test of social responsibility to reflect the fact that Regional, Large and Small casinos will present hitherto untested risks of social harm. Therefore, operators will need to demonstrate a commitment to:

ensuring effective measures for reducing the risks posed to vulnerable people by casino gambling products and the environment in which they are supplied, and

making available information, advice and assistance to people using the casino who may be affected by problems related to gambling.

The Commission will take account of the fact that greater commitment and resources is likely to be needed in the case of Regional casinos because of the greater risk they pose, particularly because of the availability of Category A machines. There will be no limit on the number of operating licences that may be granted.

The premises licence

19. A local licensing authority will only be able to award a casino premises licence if one has been identified for its area. The process for awarding a premises licence will be open to all operators. It will have two stages. The first stage will be a regulatory test to ensure that all proposals satisfy the regulatory premises licensing requirements already in the Bill. The second stage will be triggered where there are more applications for casino premises licences than the local licensing authority is permitted to grant.

20. The second stage of the process will be a competition held by the local authority on the wider casino proposal. We will consult with the Local Government Association and others on how the competition should be conducted. The competition could be judged on a wide range of issues, reflecting the issues that are important in the local area, local concerns and priorities. These may include, for example, employment and regeneration potential, the design of the proposed development, financial commitments by the developer to local projects, location, range of facilities and other matters.

The local authority may wish to provide an opportunity for consultation with local people. The local authority would set out its priorities and concerns in a set of objective key considerations and it will then invite operators to submit entries to the competition. The eventual winner of the competition will be eligible for a full premises licence once he has obtained planning permission and the casino has been built.

21. The operator will therefore need to have an operating licence, a premises licence and planning permission. The planning permission is likely to be subject to a planning obligation.

22. The premises licensing process and the planning consent process will need to be conducted taking account of the need to clearly separate the licensing and planning functions. ODPM and DCMS will issue guidance to local authorities on the propriety issues surrounding these processes. The fact that an applicant's proposal may be the preferred option in the competition will not guarantee planning permission. Once planning permission has been granted and the

casino has been built, the operator will be able to apply for a full premises licence, which he could expect to obtain provided there has been no material change in the proposals since the competition.

Casinos which already have a licence under the Gaming Act 1968

23. The arrangements described above for Regional, Large and Small casinos are aimed at minimising the risk of problem gambling from an increase in the number of casinos, particularly from a proliferation of high stake and high prize gaming machines. Existing casinos will be allowed to continue to operate, and to have the opportunity to compete for

the new licences. But the Government does not believe it would be appropriate to allow them to have all the new casino entitlements in circumstances where a limit is imposed on the establishment of new casinos.

24. Accordingly, we propose that there will be no size requirements on existing casinos and they will not be subject to the ban on advertising and the 24-hour rule. They will, however, be restricted to their current gaming machine entitlement of 10 gaming machines of up to Category B and they will not be allowed to provide bingo or betting on real or virtual events.

25. Arrangements will be made to ensure that existing casino businesses can in the future be transferred to new owners and to new premises if the current premises for some reason become unavailable (such as end of lease or fire), so long as it is within the existing licensing area. A company operating a casino which already had a licence under the 1968 Act may apply for a Regional, Large or Small casino premises licence. If it is awarded one of them for an existing casino, then it will be able to operate it with all the new entitlements authorised by the new licence.

16 December 2004