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10 August 2006

The Casino Advisory Panel Secretariat
c/o DCMS
2-4 Cockspur Street
London
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For the attention of Ms Valerie Curtis

By Hand

Request for permission to participate in the EiP of the Blackpool Council submission to the CAP on 8 September 2006 in Blackpool

Dear Panel Members

1. We refer to your notification of change to the Examination-in-Public process ("EiP") and issue of revised guidance and notes for participants in the EiP published on the Panel's website on 3 August 2006.
2. The purpose of this letter is to request permission for Leaguenotion to participate in the EiP of Blackpool Council's bid to host the sole regional casino to be licensed under the Gambling Act 2005. We trust that the submissions in this regard are sufficient to demonstrate that Leaguenotion can make an important contribution to consideration of Blackpool Council's bid to host the regional casino and thereby assist the Panel in its evaluation of Blackpool as a candidate location.

Leaguenotion's expertise and knowledge

3. Leaguenotion is the operator of Coral Island and Funland located on the seafront in Blackpool and, indeed, close to the site proposed for the regional casino. Coral Island is believed to be the biggest complex of its kind in Europe featuring approximately 1,000 "slots", including a large number of fruit machines restricted to adults, bingo, family entertainment facilities such as children's rides, simulators and fairground attractions, six restaurants; two bars; a nightclub; live entertainment; and twelve speciality retail outlets. Coral Island attracts around 4 million visitors p.a. and is recognised in the Council's Local Plan as one of Blackpool resort's main "magnets". Leaguenotion's other businesses in Blackpool include Funland - a more traditional but recently refurbished amusement arcade which features a significant number of adult-only fruit machines - and substantial investment plans for the creation of a visitor orientated casino in the Palatine Building, adjacent to Coral Island.

4. We have very serious concerns regarding Blackpool Council's bid to host the sole regional casino (which we outline in brief below) – concerns which are informed by our considerable experience as operators of gambling and leisure businesses in Blackpool for over 25 years and the experience of companies within our corporate group, the Noble Organisation, which operates around 200 leisure and gambling businesses throughout the UK.

Leaguenotion's views and submissions

5. Leaguenotion is not interested in debating national policy on casinos and gambling generally. Leaguenotion has, however, followed the process for selection of the location for the regional casino very closely. Having reviewed Blackpool Council's submission document to the Panel in detail and sought advice from experts NERA Economic Consulting and Professor Mark Griffiths, Leaguenotion is in the course of finalising submissions to be submitted by 14 August 2006 outlining specific and serious concerns that Blackpool does not satisfy the relevant tests for selection as the location for the sole regional casino either on its own merits or, alternatively, by comparison to the other bidding cities.
6. Leaguenotion requests the opportunity to discuss its concerns with the Panel at the EiP of Blackpool Council's bid, which include concerns that:

Blackpool does not offer the best possible test of social impact:

It is a unique town in which gambling and machine based attractions already have an unusually dominant presence and where there are already high levels of social deprivation. From a methodological perspective, and based on our own experience, Blackpool is not an area which is broadly representative of the social, business and economic mix of most likely sites for a regional casino suitable for the pilot study. Further, levels of existing problem gambling in Blackpool have not been properly tested (and we note that Blackpool's approach in this regard appears naive) and this is an important issue given the wholly exceptional impact on problem gambling rates that Category A slot machines are likely to induce.

Our concerns are not only that the methodology of a study based on Blackpool would be seriously flawed but also, as experts NERA and Professor Griffiths describe in their reports, unlimited stake and prize machines present in such vast numbers in the regional casino (1250 will be permitted) represent a wholly new level of risk and are inappropriate for introduction into an area with a socio-economic profile such as Blackpool. In this context, we note that the proposed location of the regional casino in Blackpool (in contrast to the specific proposals in other bids) raises very serious issues regarding impulse gambling on Category A machines.

Regeneration benefits have been overstated:

Our experience in Blackpool and knowledge of the area and of the Council's plans lead us to conclude that Blackpool is not dependent upon the regeneration prospects of a casino development to improve its fortunes and unlikely to benefit in these terms from a new casino. We agree that Blackpool does require regeneration. However, it is clear to us that the regional casino is not in fact the sole regeneration project envisaged for Blackpool. There are other projects currently underway and many more in the pipeline, including the town centre extension, development at the airport, the seafront improvements, environmental improvements to Seaside Way and the Talbot Gateway project. We believe that even further private sector investment is likely once 'bid blight' (i.e. the threat that a

regional casino will be introduced in to the current business mix thereby damaging current competing enterprises, see below) is removed. We would welcome the opportunity to discuss these concerns and the evidence supporting them further with the Panel, including our views on the additional private sector investment which would ensue in Blackpool once the present "bid blight" is removed.

Further, we have specific concerns that Blackpool's economic impact assessment and, indeed, the data upon which its economic benefits have been calculated are highly questionable and unreliable. Linked to this is Blackpool Council's suggestion that the development of the sole regional casino represents the fulfilment of the Blackpool Masterplan. We fundamentally disagree. We would welcome the opportunity to demonstrate to the Panel that Blackpool Council's bid document is, in this regard, misleading since the Masterplan and regeneration benefits expected to flow from its realisation depend upon four resort casino developments and cannot be expected to arise from one regional casino.

The effect of the elimination of competition in the adult gambling market in Blackpool has not been addressed:

We believe that the introduction of the regional casino will be an overwhelming threat to existing businesses offering adult machine gambling and that the one-way substitutability in favour of Category A machine gambling will emasculate existing arcade and machine gambling in Blackpool. Due to the regulatory restrictions limiting the licensing of different categories of gambling machines and the absolute restriction on the provision of Category A machines outside of the regional casino, we consider that there are absolute barriers to entry in the market for adult gambling machines such that customers, once lost to the regional casino Category A machines, cannot be recovered through competition.

As the operator of substantial gambling businesses in Blackpool, we are uniquely able to comment on this and to provide data on the economic impact and relevant markets. We note that the impact of a regional casino would appear not to be the same in other bid locations under consideration by the Panel where no such concentration of gambling businesses exist, and we would welcome the opportunity to assist the Panel's evaluation of these issues.

Blackpool Council's planning and licensing proposals for the regional casino are still in serious doubt:

Blackpool Council has considerably overstated the planning suitability of its bid. We have serious concerns that it has failed in the exercise of its statutory planning duties in relation to the adoption of the Local Plan which we are currently challenging under section 287 of the Town and Country Planning Act 1990. Further, we now understand that ReBlackpool has very recently submitted a planning application to Blackpool Council for a regional casino and other development on the proposed site. We believe that the planning application is misconceived and inconsistent with prevailing planning policy on the location of casinos and likely to be called-in by central government for review. We would welcome the opportunity to discuss with the Panel our objections on this point further.

7. For the all the above reasons, we believe that we can make a significant contribution to the discussions in the EiP for Blackpool's bid and should be a selected participant. If, however, you require any clarification or further information, please do not hesitate to contact us.

Yours faithfully

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