

**CASINO ADVISORY PANEL - MANCHESTER - 7th SEPTEMBER 2006****SIDE 1**

**MAN:** Good morning ladies and gentlemen. Can I say first of all how glad I am to be in Manchester, even if we're not, and may I thank all those who have contributed to the....or going to contribute to the examination in public today. I'm sorry the timetable only allows about 10 minutes for what I have to say. I do want to make a prompt start at half past 9 and this is how I propose to use the time available. All right now? Good. First a short piece of background and then a few things about the Casino Advisory Panel and our processes. Then I'm going to say something about the examination in public and what we hope to gain by it. And last, since there isn't time to answer all the questions in an unstructured manner, I won't take questions but I hope to anticipate at least some of the questions that, certainly at the beginning of the week, were topical. I know things move very quickly in the press and that Monday's topical things are not always Thursday's. However, background - Parliament last year decided that there should be three new types of casinos allowed to operate in Britain, and by Britain we mean Scotland, Wales and England. One regional casino will be permitted, along with 8 large and 8 small casinos. The definitions are in the Gambling Act 2005 and on our website but, briefly speaking, a regional casino is as big or bigger as anything in Europe presently. Large casinos will be as big as anything currently in Britain and I expect the term small casino speaks for itself. Now about the Casino Advisory Panel. We are constituted as an independent advisory body. I think the concocters of silly stories don't seem to take much notice of the evidence about that but there we are and theologians call it invincible ignorance. We're not beholden to any local authority, casino developer or operator, nor are we subject to any political pressures or interference with our work. We were appointed by Richard Caborn, Minister of State in the Department of Culture, Media and Sport, in September last year after an open competition and interviewed by a board which did include independent members. So the idea that there's been some sort of political jiggery pokery in our appointment is actually sheer bunkum. We are proceeding on the basis that we are consulting widely in seeking our evidence and that evidence we are appraising in the light of all our professional experience, which is considerable taking the Panel as a whole, before we come to a decision. And every member of the Panel is committed to the 7 Nolan principles of public life. We are assisted by a Secretariat, which is based in a Department of Culture, Media and Sport office, but it does function separately from DCMS and it's under my direction. And I think I should say now how grateful I am to the Secretariat and for all the hard work they've put in, sometimes very late nights in preparing for this examination in public. A lot of their work of course has been answering questions from the press and I make no complaint about that. The press is, of course, entitled to ask questions of us but I think I should just mention that it has considerably increased their workload and given them a few late nights. The criteria for the Panel – the primary criterion is laid down by the Secretary of State and it's to ensure that locations satisfy the need for the best possible test of social impact and, subject to that, the Secretary of State has also asked the Panel to include areas in need of regeneration as measured by unemployment and other social deprivation data and which are likely to benefit in these terms from a new casino. And the third criterion is to ensure that the areas selected are willing to licence a new casino. And we also need to pay due regard to government policy in all other respects. Just to make things quite clear, the Panel does understand...we well understand the social issues related to gambling, including problem gambling, and one thing we're looking out for of course is in the proposals how these problems can be minimised. We are committed to the principles of openness and transparency. All relevant documentation is either on the Panel's website, which I hope you've found already, or will be as it comes in. We're due to report to the Secretary of State for Culture, Media and Sport on December this year, December 31<sup>st</sup> to be precise. I'll leave it to your imagination what we're going to do on New Year's Eve but it will....yes, I had a picture actually of turning up sort of at sort of 4 o'clock in the afternoon on New Year's Eve and expecting the Secretary of State to meet me at the door but I don't suppose that will happen. Anyway, once it's got to the Secretary of State of course it is then for her decision as to what happens. We are making recommendations. That's democracy. Processes – well we've jumped quite a lot leading up to this from right through the end of last year through this year. It

says by the end of summer, where we are now in my notes. I hope we haven't got to the end of summer. What we're doing, completing our examination and evaluation of the proposals and then after this we've got to consider all the evidence, not just the evidence in the examination but all the written evidence as well and then we've got to write our report and that's a big job. Examination in public – we've time only for the proposals for the regional casino to be examined in public. The proposals for large and small, which are more numerous, are being dealt with on the basis of asking of questions and exchange of written representations. The purpose of the examination in public is to provide an opportunity for the discussion and testing in public and before the Panel of selected matters and we've selected these matters following consideration of the proposals, the representations made, the responses made to specific questions we've asked of the authorities and what we think we need to hear about in order to select the area to be recommended. A session of the EIP is to be held more or less in the locality of each of the proposals for a regional casino to be short-listed. We started off in London last week. We then went into Cardiff. Up to Glasgow on Monday, Newcastle on Tuesday, Sheffield yesterday and here we are in Greater Manchester. Tomorrow we're going on to Blackpool by the way. The examination takes the form of a structured round table so-called. As you can see it's hardly round but it's a structured so-called round table discussion led by the Panel. Is it a public meeting? Well I'm afraid I had to tell somebody yesterday it wasn't. It isn't. A few centuries ago we'd have called this sort of examination an inquisition. Well we have kinder ways of getting the truth out of people these days. And one thing we do is actually to get a frank discussion and I'm pleased to say that, you know, we have done that and I know we'll continue to do that. People say "Well why can't we have lots of people matching the lots of people on the proposals?" Well it does actually only take one person to make a good point and we want discussion not a series of speeches. Well anticipation of the questions – have we been to see any casinos? Well yes, I was in Dortmund in February this year, taking some students to see urban regeneration in the Ruhrgebiet (?) and very impressive it is actually. You know I'll just mention that for people that want to study urban regeneration. I was told there by an academic colleague that there was the second largest casino in Dortmund. We went out to have a look at it and we did actually get some hospitality there – coffee and biscuits. We also, I and another member of the Panel and the Secretariat, went to see Star City in Birmingham, which is reputed to be the largest in Britain. Incidentally, did I say that the Dortmund one was the second largest in Europe? It is. What role has John Prescott played in our processes? None – no role either in the appointment or the process of the Panel. The only thing that John Prescott's come to touch us is on the Planning Policy Statement 6, which his Department issued this year, which does mention casinos. It says they're town centre uses and then go on to say where town centre uses ought to be. So if you want to get PPS6 then please do so. Is anyone still interested in Brent and their pulling out? Well my answer to that one's been all week. It gave us a day to do something else. Is Greenwich, the Dome, a done deal? No, it certainly is not. As I said, people will like to concoct silly stories on the basis of little evidence. If they want to, we can't stop them doing that. It is actually only one of the proposals that we're currently considering. What does the Panel think of the bid we're looking at today? Well of course we've got to look at it today haven't we? We obviously thought it was worth coming to this part of the world to look at, so perhaps that says something about it but I'm not going to say anything more. So it looks as though we're running out of time, so thanks all very much for your attention and I hope you'll enjoy the rest of the proceedings if you stay and listen to us, for which you are very welcome. Thank you.

**PROFESSOR STEPHEN CROW:** Ladies and gentlemen, it's just gone half past now so we'll make a start. This is a non-statutory examination in public of a proposal by the Manchester City Council 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. Other members of the Panel are Mr Deep Sagar at the end of the table. Next to him is Mr James Froomberg. Turning to my right, we have Mr Neil Mundy and sitting next to me is Mr Chris Collison. I won't waste time repeating everybody's qualifications. They are on our website. They are extensive and if I were to go through all of them, I think we'd be here rather too long. I do just want to make a little point about a couple of the members. First of all Mr Froomberg. He

tells me that he was a partner of KPMG and in 1992 and 1993 he was an advisor to the Manchester City Council in connection with several of the developments planned then at Sport City site. Currently he's Commercial Director at British Waterways through its joint venture company Isis. He is a participant in the development of the nearby Islington Wharf Scheme in New East Manchester, so he therefore has a number of historic acquaintances with some of the key individuals involved in Manchester's proposal. And also Mr Chris Collison. Mr Chris Collison tells me that he's a lifelong supporter of Manchester City Football Club. Is that wise to admit that here do you suppose? And he's currently a season ticket holder. Did I mention the Panel Secretariat? Sitting next to me on my left is the Panel Secretary, Miss Valerie Curtis, and next to her the Assistant Secretary, Kate Rounce. And I think you've probably met another one of our team, Mr Gavin Fleming, at the door. A few points for participants, please remain seated. It's the custom, if you want to speak then just raise your nameplate like that and I or the Secretary will make a note that you wish to speak. Thank you. I am pleased to see a good number of public present, also one or two people who have been following us around the country. I hope you don't get too bored. I try to tell different jokes each day I assure you, but for the people who have come as it were from this area, from Manchester or Greater Manchester, a special welcome. I am sure you know this isn't a public meeting, so we do expect that people don't bob up and suddenly want to make a speech or anything like that. And no matter how good the points are, please don't applaud or sigh or do anything that's otherwise inappropriate. I'm being terribly pedagogical I'm afraid. It just happens that both my mother and father were school-teachers and I suppose it's in the genes. Also, no smoking. I know that that doesn't worry anybody these days but do please turn off your mobile phones. I have one or two horrid stories to tell if anybody does and I think it can be terribly embarrassing actually for anybody if it does go off and you haven't turned it off and you wish you had. For the press, no filming or television please. No sound recording. No flash photography please. Visiting the area, two of our members of the Panel have had an opportunity to visit the Panel. Unfortunately we didn't have time last night, which is unfortunate, but I spoke to the other members of the Panel and we do propose to make a return visit. I'd mention if the City Council just want to give us a little itinerary then that would be very useful when we come back and I'm sorry we haven't. You know it just was....well we had a choice of actually making a terribly rushed visit or none at all and we chose to come back. Are there any queries about the process? There are a couple of....oh first of all I would like to apologise to the City Council for the mix-up over the use of the Town Hall. We took on some agents at quite a late stage when we realised that do-it-yourself wasn't, you know, getting sufficiently quickly and somehow or other in the confusion over changing our agents that got lost and I think the agents couldn't find sufficient overnight accommodation nearby so we're out here. Anyway, my apologies for that and I was actually looking forward to doing some work in a building that I personally hold in high regard architecturally. I have worked there before. The other thing is I think there are two parties who would like to, invited by the City Council as their back-up, would like to appear in their own right. Is that so? No?

**MAN:** Chair, if I may say so, they will...if they may, they will support me.

**SC:** Yes, that's fine. No, well that was the original arrangement but I had heard a whisper they perhaps wanted to appear. As long as they make their presence known and that's fine. The main thing is that the issues are properly considered. Thank you. The agenda follows the issues that we have circulated. We've also put some questions to the City Council. We have also got some more I'm afraid that will be asked, so I'm hoping that he will be prepared to answer. Could I just say that if we happen to ask for some information or something like that you know you're not prepared, please you know I'd rather you said we're not quite prepared and we'll put something in later rather than just to attempt something rushed. The only thing is if anybody does want to put anything in later then for a matter of fairness it should be circulated beyond all participants. I think that's all from me for the moment. I will ask the Secretary to say what happens if there's an emergency.

**VALERIE CURTIS:** If there is an emergency, you'll hear a fire alarm and you need to evacuate via your nearest escape route, which I'm told is the door you came in through, which is nice and easy. And then proceed to the fire assembly point, which is at the top right-hand corner of Waters Reach Car Park.

**SC:** Has everybody got that? It could be important. If I were to take a random selection of someone at the back, would they be able to repeat what was said? Good, thank you. We get so used to this that sooner or later someone's going to forget. Anyway it's our custom to invite the proposing authority just to give a short resume of the proposal, as much as anything so the members of the public know what is proposed. Sir Howard.

**SIR HOWARD BERNSTEIN:** Thank you, chair. My name's Howard Bernstein. I'm Chief Executive of Manchester City Council and I make this statement on behalf of the City and in support of our proposal to locate a regional casino in Manchester. I am accompanied by a number of people who will support me by answering detailed and specialist questions. I understand you already have, sir, list of those people who will be supporting me?

**SC:** Yes, we have. Yes.

**HB:** I'm very happy too for a copy if you wish of my opening statement to be made available to you as well if that would be appropriate.

**SC:** Thank you. It would be useful.

**HB:** I too, sir, would have been very delighted to welcome you to Manchester for the hearing this morning. So welcome to Trafford in Greater Manchester. If nothing else, your inability to find any spare hotel accommodation in the City shows how far we have come as a major destination centre over the last few years. When you undertake your site visit – and to confirm, sir, we would be very, very happy to prepare an itinerary for you – you will see a city which is transforming itself. We are driving forward a profile of economic change, particularly within the City Centre. Our economic base is diversifying. We are now a commercial and business centre of international standing and the investment we have made over the past several years in our cultural and visitor facilities has created a destination centre which in England is second only to London. We have a total economic output which is equivalent to the combined output of the cities of Liverpool, Leeds and Sheffield combined. Our challenge as a city is not only to continue to grow economically but to do so at a faster rate than London and the South East. That is one of the policy targets of central government. So not only is it in the national interest that Manchester succeeds, but it is fundamental to the growth of the North West region and the whole of the North of England. If Manchester does not achieve its full economic potential then there is little prospect of the wider region or regions achieving their full economic potential also. This is one of the cornerstones of the government's Northern Way Strategy. Another critical challenge for us is ensuring that our residents access the wealth and the other benefits we are creating. Notwithstanding the growth path we have established, we still within the City have significant priority needs. 60% of the City of Manchester is within the 10% most deprived areas in England. How we change that profile of under-performance is not only about continuing to create wealth but rather how we create sustainable communities throughout our City. Our biggest challenge is to reduce economic inactivity rates within the City which are amongst the highest in the country at 88,000, which is over 30% of the City's potential workforce. We must also improve skills, create housing choice, improve educational attainment and in doing so create places where people choose to live. When government defined regeneration in the Joint Statement in August 2003 to accompany the publication of the Gambling Bill, it rightly talked about places which could make, and I quote, "the greatest contribution to its objectives of encouraging economic development and creating sustainable communities." Our central proposition is that no place is better than Manchester to provide a test location for the social impact of the regional casino. Neither does any other place have the demonstrable need for regeneration in terms of employment and other social deprivation or the capacity to capture the scale of benefit a regional casino would deliver in the area. As you alluded to earlier, sir, you and your colleagues have the distinction of discharging your obligations as a Panel where, for too many on the fringes of the debate, an evidential base is something of a distraction or indeed an irritant. In Manchester we have welcomed the principle of your involvement. We see an objective and dispassionate input as being essential to a reasoned recommendation be in place before ministers. We believe that firstly and most importantly you should consider which area for the location of a casino would provide the best test of what impact a regional casino will have. In order to provide useful information about the changes that such a casino may produce, what is required is first a catchment area that is reasonably typical of the UK in social and economic terms. I am now producing for the Panel and all those present a table

comparing Greater Manchester's demographics with a national profile. Second, a more local area that requires regeneration. Manchester is the third most deprived area in England. And thirdly, an area that already has a significant tourist trade. Secondly, a good test requires the monitoring of effects both positive and negative in the local and wider areas of impact. You will see from our Social Responsibility Framework that Manchester has developed plans to set up a single unit to obtain the relevant data before and during the operation of a regional casino. The second test also requires the testing of different approaches to combating the negative effects if they are discovered. Our Responsible Gambling Unit will draw on the best research, both national and international, and the significant collective local knowledge of all the agencies involved. Our case is that Manchester is the only short-listed location which meets fully all of these requirements. And once the Panel is satisfied that it has a good test area, it must also be satisfied that the area is both in need of regeneration in terms of employment and other social deprivation and is likely to benefit in terms of employment and other social deprivation. Our case on regeneration centres around two key points. First, Manchester's need for regeneration is undeniable. You will hear from myself and Tom Russell that, notwithstanding the economic achievements of the City, our people remain substantially disadvantaged on all the indicators of deprivation – worklessness, educational achievement, health and environmental deprivation and crime. Moreover, we need to regenerate Manchester for the benefit of the wider region and the nation. Secondly, Manchester's wider catchment area is well-populated, with the right level of income to give real confidence in the detailed commercial success of a regional casino. I will give you more detail on the commercial considerations that will drive the success of a regional casino shortly but what is important is that the more successful a casino is, the greater benefits that can be harnessed for regeneration. We will show that the regeneration effects of a casino in Manchester will be both local to the City and much wider in terms of the city region. When you come to make the recommendations for the location of a regional casino, you will need to have confidence that the negative social impact of a regional casino is to be mitigated. In our view this is related to the confidence you can have in the local authority itself. You need to have confidence in a local authority which a) demonstrates a capacity to understand the potential impact on gambling on residents b) has a track record in joining up public services to secure the multi-agency approach to prevention and support which will be required c) has a commitment to community engagement and partnership with the private and voluntary sectors and finally, has an ability to join up their own licensing, planning and community wellbeing powers and functions. Manchester has demonstrated all of these requirements. For example, our Social Responsibility Framework has been prepared following consultations with our colleagues in the police, health and education centres with communities, including faith communities, with existing gaming operators within the City and those who would like to become operators in the future, and utilising our experts, both Paul and Bob, we have been able to input international best practice. The core of our proposals is the creation of a specialist unit within the Council which will provide the essential focus for overseeing the comprehensive monitoring of gambling trends, aligning the programmes of the Council and partner agencies around priorities for action and ensuring that all outcomes from casino development are monitored. We believe this is the key to securing public confidence. We also invite you to take real confidence from the fact that, unlike some other locations, the commercial proposition from Manchester has been fully tested in open competition. This confirmed the research we did some time ago which revealed that the long-term commercial success of a regional casino was a reflection of a number of factors. The most important of these was that at a minimum within a 45-minute drive time of the location enough people with enough income are likely to visit the destination regularly. With the exception of London, Manchester has the strongest platform for known and potential demand. We are not dependant upon seasonal or non-local demand. Manchester guarantees commercial success with gross gaming revenues based upon visit numbers of at least 3.5 million and potentially more. We believe that these will be the highest outside London. Every location you visit will of course point to pockets of deprivation within their areas. All of us have to meet the challenges of a changing world and an increasingly globalised economy. All of us too are at different stages of development. Manchester is different than most. We offer a proven capacity to effect economic change. We guarantee commercial success through a regional casino and we have very high concentrations of deprivation. Only London offers a similar profile. Why not

London then, many people will ask? Let me explain why. The Greenwich Peninsula has already seen remarkable growth on the back of the Dome. Indeed the new owners are already refurbishing the facility to provide new entertainment facilities and other community benefits and have entered into a development agreement which is binding, which is designed to procure physical development which already optimises the site area. At the same time, just across the river, work is now starting on the multi-billion pound Olympics programme which is rightly being justified on the basis of the long-term regeneration need of Greenwich and the wider area. And, if that's not enough, we also see another multi-billion pound programme underway based around the Thames Gateway. My question therefore is this: Is the public interest served by locating the only regional casino on offer in the UK in the Greenwich area? We here in Manchester or Greater Manchester cannot conceive of the regeneration priority for a casino in the Dome. We do not believe, given the existing contractual commitment, that the regeneration case exists. Nor can we understand how it would be possible to discern the real impact of a regional casino in Greenwich given the scale and proliferation of existing and committee funding programmes in the area. The view of Manchester is that London and Greenwich for this reason alone would not be an appropriate task bed. We are very pleased to see the Regional Development Agency represented at this meeting. We are also pleased to note that, while Blackpool is the Agency's preferred location for the casino, it still supports Manchester given the scale of benefit it will generate. Obviously everyone wants Blackpool to do better, however we believe the regional economy will benefit more if the casino is in Manchester rather than Blackpool. More of the workers will be assisted if the casino is in Manchester. Benefits can be assured with a greater certainty in Manchester. Whether the Blackpool vision to revive the town centre on a 24-acre casino and conference quarter is realistic is an open question. You must also make a judgement on how it can meet the primary criteria to provide a test bed if it depends on 70% of its trade from outside Blackpool. It will not easily survive if there are further regional casinos outside Blackpool. If it is to be successful, Blackpool cannot be a test bed.

**SC:** I'll just interrupt you there, Sir Howard. We of course had intended to ask this and the Blackpool should not think that that's just because you have asked us this.

**HB:** No, of course not, sir. If it is to be successful, we believe Blackpool cannot be a test bed. We believe that Blackpool's future is better assured by other methods. Finally, credibility - The Executive of Manchester City Council is committed to licensing a regional casino and has approved executive reports on the matter since 2004. Most recently, it has approved public consultation on our draft gambling policy, extracts of which I think are included in our Social Responsibility Framework, which includes the draft criteria which we will use to select the casino operator likely to give the best or procure the best benefit to our area. A report on the licensing policy was received with approval by the Council's cross-party's Scrutiny Committee only yesterday. There can be no doubt that the Council is fully committed to awarding a licence. In 2004 we held a competition which attracted firm offers from 11 casino operators which we reduced to 5 bids which all showed the viability of a regional casino in Manchester. We didn't conclude that contract with consent of the other parties because we are committed to holding an open and fair competition under the Gambling Act 2005. We expect that competition to yield even greater benefits than our earlier competition because it is now a unique opportunity. Nonetheless, the winning bid from our earlier competition provides an excellent example of what can be achieved in Manchester. Finally, as a Council, we want to assure you of our commitment to deliver not only a large-scale physical project but also to put in place the essential organisational and partnership structures to ensure that economic and social impact is monitored effectively. Not many authorities in our opinion have the same track record of achievement in delivering consistently such challenging outcomes. Our commitment to you as a Panel is that if you select us, the same focus, the same commitment which we provided in delivering the City Centre in the aftermath of the bomb or the successful hosting of the 2002 Commonwealth Games will all be deployed to ensure the delivery of a successful regional project for the casino. Thank you, sir.

**SC:** Thank you, Sir Howard. I won't take questions on that now because I think every point there will be examined as the day progresses. I'd just like to start now by referring to our first issue. Greater Manchester being a large conurbation, how can the Panel be satisfied that it would offer

the best test of social impact? I mean for example Mr Sagar, you had a point about the lack of minority ethnic constitution.

**Deep Sagar:** Can I ask, Mr Chairman? Thank you. I think I would take the point that this is an authority which is high up on the deprivation list and it does have a relatively large section of its population in BME but if you really examine those figures, how would you respond to the point that it's not really representative of Britain? Versus 9% BME for example, you are up to 19. And similarly economic activity rates are much lower here relative to the average. So I would be grateful if you gave us some comments there?

**HB:** Can I just say a few things about the question and then respond to the specifics around BME communities? I think the essential point is how do we know that Greater Manchester as a large conurbation would be a good test bed? I think that's about four things really. I think the first thing is do we have a reasonably typical demographic profile for residential catchment. Secondly, have we a local area where there is a proven need for regeneration? Have we a significant tourist trade? And do we have the capacity and the plans to monitor impact? And we believe Greater Manchester meets all those tests. First of all, let me talk about the catchment. One of the vagaries I think of being able to identify catchments within drive times doesn't always lend itself because of the way we as a nation identify numbers but put simply, the demographic profile of Greater Manchester we believe is reasonably representative of the UK. Within 45 minutes drive time of the City Centre you're talking about a catchment area of just over 10 million, 10.2 million I think to be precise, and fundamentally we believe that is typical of the overall area. And we also have within the catchment areas of social and economic deprivation, which if I'm frank represents a source of opportunities. We do not understand how you can be an effective test bed in relation to a regional casino if you haven't got – and most urban areas will have – levels of economic and social deprivation within the area. You've got to be able to monitor those things effectively. The second part of the question I think is also about what we mean by the established priority need for regeneration. I hope that is established. Manchester, in terms of deprivation indicators, shows a concentration and a scale of economic and social deprivation which let's say for the purposes of this discussion is more marked than most in England, certainly where Manchester in the context of the North West is concerned. How we address those issues of inequality is also a regional as well as a national priority and it's also being mirrored, if I may say so, by a number of government programmes particularly around worklessness and other things, which is helping us to actually improve the overall sustainability of our work profile. And also the whole question of deprivation within East Manchester, which the second limb of the question, Tom, can cover. Where you're talking about tourism, over 20 million tourists are placed within the City. What are the key to achieving significant tourism to underpin the demographic profile? Well connectivity is clearly very, very important. Our light rail system, which now is to be expanded very significantly in light of recent government statements, are the centre for a heavy rail network. And also very important for our tourism trade, our airport, which over the next 15 years will grow to something like 50 million passengers per annum, making it one of the...well even one of the more biggest airport in the world. We've invested heavily in our cultural facilities, in our business facilities and all of that is driving a highly modern new visitor profile for the City. How we measure – and I think this is very, very important – is the one thing local government has become increasingly adept at because it has to, in fact most public agencies is how you measure, how you monitor, how you achieve, fundamentally we have all had to develop even more improved skills in those terms over the last several years and there's almost nothing we do, particularly in our regeneration areas, which is not the subject of tracking both in economic and social terms on a very, very regular basis. So we are building from a platform I believe of great strength. The other element of that strength is we have to recognise, when we talk about measuring and impact, is that we are talking here about an area which extends well beyond the administrative boundaries of Manchester. And again I think we have a lot to build on. The Association of Greater Manchester Authorities, which is all the ten local authorities in Greater Manchester, has a track record better than most in terms of joint working. Many of the initiatives which we do around waste, around transport, around policing, if not are the envy of other places in the UK, certainly attracts attention from elsewhere in the UK and I have absolutely no doubt whatsoever that based around the work we are doing we will secure not just total co-operation but full participation in the way in which impact is undertaken. Before I hand

over to Tom, you asked us very specific points there about the incidence. When you look at Manchester as an administrative entity, you will find just less than 20%, 19% to be precise, which is the proportion of BME representative people within Manchester. Greater Manchester, it's 9%. So there's a very significant reduction beyond Manchester, which interestingly also represents the average for the UK, which is also 9%. So the essential point which I am making is that the overall demographic profile of Greater Manchester and beyond for the purposes of being able to test the impact of the casino is in our view typical for the whole of the country. Employment – sorry, you also asked about employment, Mr Sagar. The employment rate in Manchester is 59.6. For Greater Manchester it's 72 and for the UK also it's 74. So again, when you start looking and when you have the time to start to address some of the detailed information of the profile we passed to you, I think we are able to show or build up a picture of typicality vis-à-vis our own catchment area vis-à-vis the rest of the demographic profile of the UK. Thank you.

**SC:** Thank you. The Association of Greater Manchester Authorities told us that they couldn't come until this afternoon, can't come till this afternoon but I wonder if someone would just tell them that I'd like to take up with them the point about how one could track the impacts over such a large conurbation, which clearly must present some sort of research and logistical problems.

**HB:** I'd just say a few things about that, Sir, if I may because one of the objectives behind...one of the reasons why we came up, we need here a focus centrally within the City because what we were talking about was not just looking about building up partnership and alliances over a much wider area beyond the City, it's also effectively taking advantage of national and international trends. And our whole approach to this was if we are going to join up licensing, planning, community, well-being powers, we need to have a focus directly within the Council reporting almost directly to me which would actually create the opportunities, the structures for aligning the participation of Greater Manchester police, health authorities, local authorities throughout the area and that's something, Sir, which...

**SC:** Yes, I mean it must have occurred to everybody that social science research is more easily done in a little place than in a big place. Can we move onto issues of social impact more generally and a really big question that we've been asking everywhere is to what extent do the employment opportunities that are going to be on offer – and we will actually be looking later at the numbers – but to what extent will they benefit unemployed and disadvantaged people locally. And I think we know that from the evidence you've given us that the actual area around East Manchester is one of the most difficult areas from that point of view and I think we're all aware of the problems of getting people that really need jobs into the jobs that are being supplied there. So I know Mr Collison has some detailed questions on that general topic.

**CHRIS COLLISON:** Yes, thank you chairman. We've seen the statistics that you've handed us today which are quite stunning – economically inactive workers 88,400, economic inactivity rate of over a third, 34.8% and obviously that's something that we want to discuss with you. We've noted in the documentation the intention to have a customised, on-site skills development facility and there was mention of a hospitality (?) and you know other specialist facilities if you like. It would be helpful really, having read there is some experience around the Manchester Airport generator if you like, whether there has been any success in targeting employment there to areas of disadvantage – and perhaps the Wythenshaw Estate springs to mind, you know, being in that area. And you know it's sort of targeting people with particular social needs. So really I suppose the question you know relates to any success that might have been achieved in those respects in the past and you know the intentions in the future and anticipated successes that may arise for in particular the East Manchester area and colleagues may wish to come in on that. Thank you.

**SC:** Please.

**TOM RUSSELL:** Thanks. If I can start on this, chairman. My name is Tom Russell and I'm the Chief Executive of the new East Manchester Regeneration Company. And, as you may...

**SC:** Just a little nearer to the...so that people at the back can hear. I can hear because you're near to me.

**TR:** Yes, thanks chairman. As you might glean from the nature of the organisation I work for, this issue about linking employment generation in with investment with benefit for local unemployed people is absolutely core and central to what we do. So the casino presents a great opportunity and challenges for us but it's not new and it's not unique. We've been working...

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**SIDE 2**

**TOM RUSSELL (CONTINUED):** There are two dimensions to the approach of tackling this. Firstly, it's about tapping into the range of national government programmes which are available to assist unemployed people into employment and we've worked with the Department for Work and Pensions, Job Centre Plus and other agencies very successfully on this, for example through the initiatives which have been taken to assist people on incapacity benefit into work, where we've been a national pathfinder. In fact our local Job Centre Plus was the first in the country to pilot the government programme with some success. But I think in the case of Manchester, simply tapping into national programmes is not enough because our problems are localised and quite distinctive in some respects with Wythenshaw being one example of that. Issues within BME communities in other parts of the City I think are another example. So in addition to the national programmes, we have run a range of localised, customised programmes in Manchester. And looking at it since 2002 and looking purely at the local schemes, over 3,700 people have been assisted into work through things like the Manchester Airport Academy, through working for example on a specific scheme assisting the Somali community into work because that's one of the fastest growing new minority communities coming into the City, through working with lone parents, through working with disabled people. I think we've learnt some lessons from that and it is important to continue to draw lessons from this because one of the issues I think is that the population of the City is not static or fixed. It's very dynamic. It's very transient and there is a great deal of turn within the local population which actually accounts for some of the continuing levels of economic activity that we're tackling. But the lessons we have drawn are that the leadership of the local authority first and foremost is vital in this, not in delivering directly in most cases but in galvanising partnerships and I think the partnerships really have three dimensions. Firstly, it's important to establish those working relationships with government at the national level and indeed at the regional level. For example, the Bank of New York, major inward investment into the City last year. I think the only major one inward investment in the UK last year. The North West Development Agency was as central as we were in putting together the package which did involve support for their recruitment as well as assistance with site and other forms of support to enable that investment to occur. The second form of support is with other local authorities, recognising that labour markets and travel to work areas are actually no respecters of local authority boundaries. So we have worked very closely for example with the Greater Manchester Authorities as a whole in piloting the government's new Pathways to Work Scheme in the Greater Manchester area. That's actually just getting underway and we're expecting good results from that in years to come. And I think the third area of partnership is actually very much more local. It's with voluntary and community sectors within our City and they're particularly important in addressing local needs. Often the voluntary and community sector is much closer to particular pockets of deprivation and unemployment in local areas. So I mentioned the Somali community but that's one of a number of initiatives we've taken where our partners have been of that nature. The second important thing I think to emphasise is the Council's role in building if I can describe it as a local infrastructure to initiate and broker schemes of support. So it's with the City's lead really that for example Midas, our inward investment agency, has been established with a remit which isn't just about finding sites or premises for businesses who might want to relocate into this area. It's actually about encouraging them to work with us to ensure that their training and workforce requirements can match our wish to get unemployed people into work and a number of examples of successful joint working on that, including one recently in East Manchester, which actually links into the airport as well. The City was also important in establishing Manchester Enterprises, which is the Greater Manchester area's Local Employment Development Agency and that too has a strong focus on employment and regeneration. And I know that in East Manchester in particular the Employment Regeneration Partnership part of Manchester Enterprise undertakes a lot of work as an agent for delivery of our programmes. And thirdly of course working with the further education and the higher education sectors in the City is equally significant because when we talk about the need to bridge the gap

between unemployed people often with a low skills base and the kind of jobs which are coming into the City for the future, skills training and vocational qualifications is absolutely important. In the Manchester College of Art and Technology, MANCAT, we have I think one of the largest FE colleges in the country with particular specialisms which have been important for us in East Manchester. For example it's a centre of vocational excellence on construction skills training. It's the largest provider of construction skills training in the country. We've been able to work successfully with MANCAT to ensure that jobs in the burgeoning construction sector in East Manchester and across the City as a whole benefit local people. Just in terms of the local situation in East Manchester, I do want to mention one specific example because I think this has a relevance really for the approach that we would take if successful in relation to the casino and entertainment complex development and that's with the development of the Asda/Walmart store, which when you are able to visit Store City, as you will know, stands very close to it. It was in fact the first purpose-built store that was constructed following Walmart's take-over of Asda and it was built in 2002. The significance of that for us was that it created 850 full-time equivalent jobs overnight – more jobs in fact but when you aggregate them up it's 850 jobs – and these were jobs which were potentially accessible to local people in terms of skills and generally not degree level qualifications required to work in Asda. So we took the lead in bringing together the statutory and voluntary partners. We established a one-stop shop. We offered intensive support to unemployed local residents to assist them to apply and to prepare them for the recruitment process. We were very successful in that. We had 8,000 expressions of interest from local people for jobs...for those 850 jobs, many more than we could cope with, but the important statistic is that 90% of the initial intake into that store lived within a 15 minute journey of it. Not all Manchester residents I have to say because Tameside residents were equally close to the store but nevertheless that's an important result in terms of tackling local unemployment needs and deprivation. We were asked as a result of that to produce a best practice guide, which was circulated widely as an example that can be used by other regeneration agencies and local authorities and I have a copy of that if you are interested. Just to make one final point, I think one other lesson we take from this is that successful working, linking with private employers and disadvantaged communities, unemployed people, is best done where the local employer shares our aspiration for this. Legal sanctions and coercing private employers into employing local people doesn't work and at the end of the day unemployed people need to be able to compete as effectively as anybody else for jobs in the store and do the job as well. So this was a very important consideration in the competition that we ran in 2004 and any future competition that we run for this development, as indeed for others, it will be equally important to establish the degree of commitment of private employers to our aspirations.

**SC:** Thank you for that comprehensive and informative answer. I was interested to hear this three-pronged approach to the national schemes and how to by localised programmes and then the importance. And I was very interested to hear you mention the importance of the local voluntary community sector being involved in the linking of local disadvantaged people to the job opportunities. Do I take it that that third prong is particularly important in that the involvement of disadvantaged people in the immediate vicinity and in particular are there any what is perhaps sometimes referred to as 'hard to reach' groups. That's perhaps something you'd like to say something about. And secondly, you've mentioned this 90% within you know the immediate locality, which is you know very encouraging I think. Perhaps it would be interesting to know a little bit more about those people – you know were a proportion of them previously unemployed for example? If you have that sort of information to hand but thank you.

**TR:** Yes, thanks for that. Yes, the voluntary and community sectors are particularly important. I think again our experience is that there are pockets of the local community which can be lost in the application of more generalised national or regional programmes to them and it is through the voluntary and community sectors that we often are able to secure the detailed understanding of some of the difficulties and barriers to employment that those communities face, most obviously language but a whole range of other issues as well. So working with the, if you like the local community infrastructure is extremely important and I think one of the advantages we have in East Manchester as a result of the range of initiatives taking place in the area is that local structure for local people's engagement and participation with us in the improvement of their areas is actually very well-established and has built up over the last 5 or 6 years to a considerable extent. That

also applies I have to say at a national level. One of the important innovations that we've undertaken in recent years is called the Stepping Stones Project, which again is specifically targeting hard to reach groups and we've innovated in East Manchester through programmes such as Aspire, which is a job brokerage service, which actually.....it's a social recruitment agency. It employs local unemployed people. It enters into contracts with local employers. It places those people into those contracts, often initially on a fixed term basis but the important thing is that they retain their employment status at the end of that fixed period. And if they don't immediately go into another placement, then they're able to undertake further training to enable them to perform for the future and that's something we've done in the last 3 or 4 years and is proving very successful. The Intensive Support Project does exactly what it says on the tin. It's specifically geared to actually get to those parts of the community which are hardest to reach and furthest from employment and works very, very intensively with people to help them overcome some of the hurdles that they face in obtaining and, often as important, holding down a job in the future. Just coming back to the Asda recruitment process. I'm afraid I haven't got the precise figure but from memory somewhere between 30% and 50% of the local recruitment into that store were previously unemployed.

**SCL:** Thank you. Mr Sagar has a question.

**DEEP SAGAR:** Mr Chairman, I do take the point that matching locally disadvantaged people to jobs isn't an exact science nor even a simple science. However, if you look to the 6 casinos in Manchester so far, would you be able to tell us what share of employment there has gone to disadvantaged and local people?

**MAN:** I can't tell you in terms of existing casinos. What I can tell you is London Clubs International, who are just in the process of refurbishing and opening a major new casino in the heart of the City Centre, came to us very early on and precisely the sort of process, the infrastructure which Tom has described is now being made available to them and their recruitment drive is being driven by those sorts of values. And they have said to me very clearly that their aspiration is to get at least 30% local employment in their establishment and the indications are that we're in the early days but in a couple of weeks time I'm sure we'll be able to finalise that target will be more than exceeding.

**SC:** Thank you. I'd just like to take up a point about what my colleague referred to as the 'hard to reach' groups and I'm sure we all know that I mean they are hard to reach. What is being done in Manchester as it were to make the hard to reach groups less hard to reach, sort of preparing them to take on jobs and assisting them in getting jobs and so on? I know that you know to some extent this is done nationally but Sir Howard mentioned that you were hoping to build on what's being done nationally, specifically with this area, which from all that's told I think there must be lots of such people there.

**TR:** Yes, there are and actually the national programmes frequently don't achieve sufficient penetration into these areas for very understandable reasons. It's no criticism of national programmes. They are designed for more general purposes but where you have people who through particular sort of cultural backgrounds or language difficulties or personal problems of various kinds are far away from being able to obtain and hold down a job, there is requirements to work with them at a much earlier stage than the national programmes often do.

**SC:** And of course before an employer turns up?

**TR:** Absolutely. Absolutely. So there is a lot of sort of pre-recruitment training and support for people and often people need to go through a process of perhaps getting back into a form of education. It may not even be vocational education initially but get back into a process of learning or get into a process of learning, which they may have left many years previously, and progress through that into obtaining vocational qualifications to prepare themselves for when employment becomes a real prospect. But you have to start way back, building people's confidence, building people's aspirations and belief that they can actually obtain a job. Certainly in an area like East Manchester, as I've learnt over the last 5 years, where you have several generations of unemployed people...

**SC:** Can you tell us what's actually being done in this respect?

**TOM:** Well a great deal. I mean I mentioned the Intensive Support Project for example, which is specifically targeted on those hardest to reach bodies, the Aspire Project, job brokerage service, which has achieved a good result in terms of over 1,000 people in those categories into

employment over the last 5 or 6 years. So we are very focused on this and one of the phenomena I think is that as we are successful in getting people into employment, there's a form of what I think others would call target hardening happens actually. As you reduce the overall numbers, those that are left unemployed are those which are furthest away from the job market. So just as....we've intensified our efforts to address those people over the years in order to achieve those outcomes.

**HB:** Can I just add one point to what Tom has raised because Tom's rightly described almost the action that needs to be taken at a neighbourhood level in actually encouraging greater levels of economic activity and participation and, without Tom.....you know the sorts of things that East Manchester have done has led the way nationally frankly in terms of ground breaking initiatives. One of the things we've been trying to do at a city level, which I think helps to provide another part of the answer for your consideration is until comparatively recently there was a temptation for training providers to provide programmes which had almost little relevance to the jobs that were being created within the place. And one of the things we've innovated as well certainly over the last 12 months with I think great effect and is now being replicated elsewhere is the provision of a Skills Board which enables different training providers working with different government agencies led by the City which is encouraging greater levels of integration so that the training programmes that are being developed within Manchester are an accurate reflection of the jobs that are being created with Manchester as well. And that provides a much stronger context within which many of the initiatives at a neighbourhood or area level, which Tom is leading and driving, can actually bear fruit.

**SC:** Well thanks. Margaret Gregory, what I was going to say is if you feel that, you know, there's something you wanted to challenge, I know this isn't you know your specialist area that you've come here but if you do feel that they're saying something that either isn't right or being exaggerated or something, do feel free to chip in.

**MARGARET GREGORY:** I would actually like to support quite a bit of what was said. I've lived in Manchester for 45 years.

**SC:** Which part may I ask?

**MG:** I live in South Manchester, the posh bit, let's put it that way. I've worked very extensively in education services in areas with considerable need and a couple of years ago I was involved in evaluating a very small education support project in East Manchester called Neighbourhood Friends. And that was trying....it didn't do as much as it had hoped to do but I was in there having some contact with the people. The district in which Sports City is actually set is deprived discreetly within the City of Manchester, in particular the level of education qualification or lack of it is vastly worse. 68% of the 2001 census of the people living in Bezick and Clayton (?) had either no qualifications or qualifications less than 5 A-Cs in the GCSE. For the City of Manchester as a whole the equivalent figure was 46%. As far as positive things going on there was some really good work very quietly and undramatically in a lot of the local primary schools in involving parents, in helping the parents to become school helpers and thereby giving them a confidence in their usefulness in society. It's a beginning of moving out of feeling you're no good to anyone into finding you can help. And schools...if schools had starting to be able to give more time to supporting parents – and some of them were actually having to cut back on that work – that is one very effective, non-dramatic way of helping people to increase their self-esteem. And I'd like to support that.

**SC:** Well thank you very much, Margaret Gregory.

**MG:** The other positive thing I'd like to say about the City Council's work and employment, as a volunteer I went to a number of the sessions to do with volunteers for the Commonwealth Games. Those were brilliant and that was very much aimed at trying to get people who hadn't been....not the usual volunteers but the people who didn't think they were good enough to be volunteers not volunteering and helping. And I know that there were plans to use this as part of Stepping Stones to Employment. So I would really at this point like to support as just a citizen of Manchester some of that work going on and I was impressed by it.

**SC:** Thanks very much. I should actually mention that, now Margaret Gregory's mentioned, that I think it was 2 years ago I had working with me a gentleman Kevin Williams, who I think was

Community Liaison responsibilities the Commonwealth Games, so I suppose I know a bit about it in sort of evening conversations. Mr Mundy, you have a question.

**NEIL MUNDY:** It's really addressed to Mr Russell. I very much applaud the approach to engaging with prospective employers in getting sort of voluntary approaches is by all accounts the most successful way of achieving things. Nonetheless, there are I guess occasions where shareholders' interests might not entirely correspond with the wishes of perhaps both sides. Would it be your intention to put any form of agreement in place that could in some way be enforceable or is that....is that undesirable? That's my first question. Secondly, just to comment about the lead time on the regional casino. I think in experienced terms being able to prepare the ground both in getting prospective employees ready for work is a tremendous advantage. I don't know whether you could comment on that too please?

**TR:** Yes, I think we would be very cautious about thinking about any sort of agreement which would be legally enforceable. I think there are major pitfalls in that. I also think, as I said before, it's very much about shared values here rather than about requiring employment and at the end of the day the most important thing for the success of local employment is that the businesses employing them continue to be profitable into the future. So I think our approach is very much built around values and agreements which may not be necessarily....have the weight of law behind them, even if that were possible in today's legislative context. Sorry, the second point you....

**NM:** The lead time.

**TR:** Yes. Well you're clearly experienced in this area because that's absolutely right. It does of course depend on the level of skills and qualifications required but it's often the case that if you leave it too late actually you miss the opportunity to get people into employment and I think we've learnt a fair amount about that in the past in Manchester. And certainly on this particular development we have no excuses. We have plenty of time to prepare the ground and work with the College of Further Education and potential employers in good time to make sure that people can obtain the skills and qualifications they need. But generally I think at least a two year lead time is necessary to be effective in this respect.

**HB:** Can I just follow what Tom has said and just emphasise the point about enforcement regulation around local penetration of market because my legal colleagues behind will say something if I didn't. Obviously there are questions about the values of that in this country but it's what Tom said really or I think was getting to say. It's not just a private sector operator or investor demonstrating their commitment to a product. It's also the private sector operator and developer demonstrating whether or not they share the values which we have about Manchester and those values are about what sort of city we want to create, what we mean by an inclusive society, what we mean by acuity of access to jobs and to levels of achievement. And in our experience most of the most successful initiatives we have ever brought forward – and this is borne out of long experience of doing some things and doing other things based around action on the ground – have all...our most successful of all have been borne by ensuring that the marriage is not just around contractual arrangements but the marriage is around values and aspiration.

**NM:** Thanks very much. I do share that. It was just I wanted to test your reaction to the idea of some form of agreement, which I mean I do very much share your values. Thank you.

**SC:** In your legal point, you mentioned the problem that if you have a geographical definition of employment, this is actually something that the EU takes exception to.

**HB:** It is an EU thing. My understanding is if somebody pops on....knocks on my door and says "I want to provide you with so many local job opportunities" we can then enforce it. We can actually....you know that's fine but what we can't do is enforce it.

**SC:** Yes.

**HB:** ...in general.

**JOHN HOWELL:** Are you going to tell us exactly what the EU law is? Perhaps I should introduce myself. My name's John Howell. ( INAUDIBLE)

**SC:** Now can everybody hear because the gentleman hasn't got a microphone. You've better come forward, Mr Howell, and make sure that the world at large must hear you and not just the Panel.

**JOHN HOWELL:** My name's John Howell. I'm Queens Counsel. One of the areas I specialise in is public procurement.

**SC:** We won't hold that against you.

**JH:** I was hoping to forget about it as well. There's a problem, if a local authority seeks, as for example in a criterion for the competition under the Gambling Act, to insist on a certain amount of local employment, of course that will give rise if it insists on that to potential discrimination on the grounds of nationality because those people who live in this country are obviously going to find it more easier to satisfy the requirement than those who come from abroad. Accordingly, my view is that you couldn't stipulate that you had to employ...you had to provide certain postcode employment in the criteria. What you can do is say in the criteria that you want to look at the amount of unemployed people for example that you'll employ and, in combination with other matters, that may provide a framework within which, in order to satisfy the criteria, the bidder may well want to offer to provide assured local requirement but you can't require it but the structure may be that the best way of achieving it is by a set of criteria. If they do....I should perhaps say in terms of enforceability. If they do offer an agreement in that respect, it's contractually enforceable under the Gambling Act. There's obviously a practical question, quite apart from legally, about what you actually do for example if you've got a number of postcode requirements if they don't actually have one. Are you going to close down the operation? So there's a practical question about enforcement if it's not being complied with but it doesn't mean that you couldn't put the matter in the agreement.

**SC:** Well thank you very much Mr Howell for that.

**HB:** Thanks. That was very helpful indeed. I think that framework is something to be thought about. It can be done is a...I think in a way in which it doesn't breach the spirit of co-operation.

**SC:** Thank you. Do you want to move on? Sorry, before you do, I mustn't forget Mr Gerard, who's....when you do want to speak please put the label up and don't do, as somebody did on one of our previous occasions, put the next door neighbour's, which confuses everybody somewhat. Mr Gerard.

**MR GERARD:** I've caught up with you now. I'm afraid you'll have to rewind the tape about 10 minutes to the point I was going to make. It was just to do with this issue of the importance of tackling the concentrations of people on incapacity benefit. Sir Howard mentioned obviously the City level of concern about this but in the North West regional economic strategy we've identified obviously the high concentrations of people on incapacity benefit in the North West and indeed across the North of England as being one of the key drags on economic growth and it's a problem that's concentrated in the north, and not only concentrated in the north but specifically concentrated in a few areas in the north. And as a consequence of that, in the new economic strategy we've identified as a key priority the focusing of tackling incapacity benefit amongst other areas but particularly the urban generation companies, the areas of which new East Manchester is one and it doesn't just mean by way of our own investment. The other thing I need to mention associated with that as part of the Northern Way Growth Strategy, the big game plan there is to change government policy in relation to incapacity benefit to tackle the north's specific problems. Now whilst that's sort of strategic at sort of a very big level, it's important that those changes are put in place in order that the schemes that are delivered locally can address the needs that we're talking about. And to facilitate that, there's a pot of money called the Northern Way Growth Fund is being put into a number of pilot schemes, five of which are in the North West, one of which is in Manchester, to try new approaches to supplement that which is already being taken. There are four others taking part but this is an attempt to get policies at a national level that can be applied locally to address the specific needs. But the concentrations of this problem are specific...specifically one of the north's economic challenges.

**SC:** I'm interested in your perspective on what's being done in Manchester.

**MR GERARD:** In terms of....well I don't need to repeat what's been said but in terms of the attempts that are being undertaken to tackle people on incapacity benefit are laudable and have been very influential. The thing that we're concerned about is at the moment people are left to devise their own initiatives and to tackle things locally when they could do with more of a kick-start from things nationally so that the programmes, the large amounts of money that are coming through central government programmes can be applied flexibly through Job Centre Plus programmes in particular. And it's those changes that we're trying to get so that the local

deliveries, who have been very successful in places like new East Manchester as we've heard, you know can do more of that.

**SC:** Okay. Thank you.

**MAN:** Yes Chairman. There are a number of issues that perhaps revolve around the topic of crime and I do notice that Chief Inspector Justine Curran is with us today. Thank you. There are two aspects of crime that could come under the category of social impact. There are issues of potential social disorder I suppose from a facility that will attract large numbers of people and so it would be helpful perhaps just to hear whether from a police point of view there are issues that surround perhaps the experience of, although at a different scale, existing casinos within Manchester, whether that has raised any particular policing issues. And then, apart from the social disorder aspect of crime, there is potentially here a very large number of new people visiting the area and clearly that could raise issues of criminal activity or the fear of crime from visitors to the area. So perhaps both those issues are of some importance to explore. And in particular it would be helpful to hear if there are any structure, mechanisms, arrangements in place locally that would give some assurance to the Panel that Manchester could cope with these issues adequately, perhaps with other experience and so on. Thank you.

**CHIEF SUPERINTENDENT JUSTINE CURRAN:** Okay. Just for accuracy, I'm Chief Superintendent. It's actually my division that this casino is proposed to be based on.

**SC:** You should know that if you're not sure of the rank, always guess higher than lower.

**MAN:** We've been misled then.

**SC:** If you'd ever been in the army you'd know that a crown and one pin actually meant something.

**MAN:** I apologise profusely.

**JC:** What I would say – I'm wearing two hats here today really. One is representing Greater Manchester Police and one is also representing the Crime Disorder Partnership for Manchester, of which I am a lead member. In terms of our experience of the current casinos that we have, I am delighted to say that they don't cause us any problems at all. As far as we're concerned, they are well-run contributors to the City Centre. We have many challenges in the City Centre and they are not one of them. So from that point of view they don't cause us any specific issues. In terms of crime generally, obviously we are classed as a high crime area and as a Crime Disorder Partnership we face a lot of challenges and that's not all negative. I mean a big part of what I do is being involved with the City about the exploration we have for Manchester and that keeps me on my toes regularly and, you know, I'm often impressed by what we seek to achieve as a City and often get heavily involved in that. I am up to sort of here at the moment with the Labour Party conference, which is in the City shortly – a sign of our aspiration of bringing things to the City. So in terms of crime, obviously the area that we're talking about has had significant problems with crime but over the last...I'm delighted to say the last 3 years that's fallen significantly. I have...my division is a large division. We have nearly 900 police officers. Obviously because we have within that the regional lead city and also obviously large areas of inner city Manchester, which do have, as we're talked about, elements of deprivation that lead to many other problems that we often do get involved in. But our assessment of this is it won't cause us any particular challenges. It's not likely to bring particular elements of crime. Obviously we do have the City Centre. We do have the City of Manchester Stadium. We're extremely close to Old Trafford as well, so last Saturday, you know, as a division we're obviously hosting the England matches because all of the supporters came through the City Centre. So we're very, very used to and very capable of dealing with large-scale events which bring lots and lots of people on a regular basis into the City. Obviously we were key partners in the Commonwealth Games and the success of that operation as well. In terms of our involvement as a force, we are one of the two forces in the country with an excellent grading for dealing with serious and organised crime, so any issues around that we feel very confident that we are able to deal with. And generally what we do with any kind of development like this is we get involved at a very early stage. We're involved in the design issues to make sure there are no design contributions to any crime factors but also support a particular operator around any particular issues they have. And the Bank of New York has been mentioned already and we worked very intensively with them because they had certain specific areas they were concerned about and we used our expertise to help them develop systems and processes that they would be comfortable with that helped them come to Manchester. So with all of my hats on, I'm very

confident that we don't currently have problems. This wouldn't bring us more problems but would help certainly with all the other factors within Manchester, such as worklessness and so on, that can be contributing factors to crime and actually help us to reduce crime further in the City.

**SC:** Thank you. Mr Froemberg, you have a question and then Mr Sagar.

**JAMES FROEMBERG:** Thank you, chair. I was thinking specifically with the choice of the Sports City location and the proximity to some very deprived wards, whether that might give you undue worry either on potential criminal aspects or indeed, as we'll move onto in a moment, other of the potential negative aspects of casinos and problem gambling. And it's the locational question that we're trying to dig into as to whether that worries you more than otherwise?

**JC:** It certainly doesn't cause me any worries and obviously I'm not in the business of attracting things to Manchester that are going to increase crime. We obviously have Manchester City at the stadium. We have large pop concerts. We've had 3 this summer that attracted sort of 70,000 people at a time. There's a velodrome up there as well and what we've found from a policing point of view is that crime doesn't increase. All of the things that you might expect to go with that amount of people being attracted to an area, we've successfully managed to run operations with ourselves and other partners and that's never been a problem. So I wouldn't anticipate the fact that it's close to areas of severe deprivation being an impacting factor on crime.

**SC:** Thank you. Mr Sagar?

**DEEP SAGAR:** Mr Chairman, the questions have been answered. Thank you.

**SC:** Yes?

**PAUL BELLINGER:** If I may address Mr Froemberg's remarks about...

**SC:** That's Mr Bellringer isn't it?

**PB:** I apologise. Paul Bellringer, Responsible Gambling Solutions. I've been retained by Manchester City Council to advise them on social responsibility. Yes, with regard to the question and a very important question it is too but we don't have any evidence to that effect certainly in this country that deprived groups of people are more particularly prone to problem gambling. I think a few years ago there was some evidence but gambling in those days was very much less of a clearly defined activity or a small number of activities. But now with the availability and accessibility of gambling, I think it's open to all groups. And I think a prevalent study in 2000 actually showed quite a spread amongst the socio-economic groups and no particular prevalence towards problem gambling and I don't think (?) picked that up either but there isn't any. So that as far as this country is concerned, as far as I'm aware, there is no evidence and no real research has been done into this. But, as I'll talk about in my remarks later sir, that Manchester's response through their social responsibility framework I think will be very well-placed to pick up any tendency towards this.

**SC:** Well thanks Mr Bellringer because that will bring us to some other points later on. Before we lose the Chief Superintendent, I would just like to put to you some of the things that I think in the popular imagination are related to casinos. First of all, problems of prostitution. Do you see a problem?

**CH.SUPT. JUSTINE CURRAN:** Not in that area, no. Obviously we do have some elements of prostitution but they are very concentrated in the City Centre parts where they have been some time now where it's sort of regulated to a degree and it doesn't tend to stray outside those areas. There's nothing that would suggest to me that, particularly the geography and the layout of the buildings up there, would support that kind of activity.

**SC:** Thank you. We've dealt with money laundering. Drugs? Any relationship in your opinion between drugs and a very large casino?

**JC:** Well we could talk about Las Vegas and the Mafia and how drug money was used to build casinos but I think in terms of Manchester that certainly wouldn't be my experience at all that there isn't a direct connection.

**SC:** Well you probably know the popular....I mean is there anything in some of the popular imaginations that they are casinos? I mean some of them I suppose, taking the world as a whole and Europe as a whole, must be pretty sleazy places. What's your view from the point of view of an experienced professional police officer?

**JC:** As I said, when I first met with Sir Howard to talk about this, my instant answer was they don't cause us any problems at all. We have up to 150,000 people in Manchester on weekend evenings and the ones that go to casinos and the casinos themselves are the ones that don't cause us any

problems, whilst we are kept extremely busy by a lot of the others who go to other places. So really it does not...from a policing perspective, crime perspective, disorder does not cause us any issues at all.

**SC:** Thank you very much. Margaret Gregory.

**MARGARET GREGORY:** I have a particular question about your statement about deprived people not having particular gambling problems. I believe – and I haven't checked this out – that people in the lowest income groups spend the highest proportion of their money on the National Lottery. I'm sure I've read this in the press. In some respects gambling almost can seem to offer the only hope of getting off a very....it's the only way out. There is already a lot of issues to do with debt in East Manchester. I was talking to a friend who's been working....oh golly, blanked on the name. This is silly.

**SC :** Don't worry. Carry on.

**MG:** Where you're sharing the investment and the borrowing. Credit Union. I'm sorry. A friend who's been working with a Credit Union in East Manchester and is very aware of the struggle that many people have to make their limited income, whether it's benefit or slightly above benefit levels, stretch round and all the problems that debt involve.

**SC:** Is this something for the Chief Superintendent or anybody on the...?

**MG:** It's an issue....it's an issue about....it was really from Mr Bellringer saying...

**SC:** Ah yes. Perhaps in that case we can leave that till after.

**MG:** Surely. No problem.

**SG:** Did I say we were going to have a break when I opened?

**MG:** You did.

**SC:** Well we're getting towards that. The smokers are getting anxious. But just before we break, I think Mr Collison does have a question. I won't forget that. We'll come back to it afterwards.

**CHRIS COLLISON:** Yes Chairman, thank you. In Sir Howard's opening comments there was mention of the social responsibility framework, which sounds as though it's a very useful mechanism to deal with and understand the social issues. It seemed as though it was focused around the City itself and clearly in the presentation that you've given you've emphasised the City region that we're dealing with here and potentially the leadership role of Manchester City in that city region. And I just wondered whether there is some way, given the mention of people visiting the facility will come from potentially...

### **CASINO ADVISORY PANEL - MANCHESTER - 7th SEPTEMBER 2006**

#### **SIDE 3**

**CHRIS COLLISON (CONTINUED):** ...beyond the confines of the City itself and I just wondered whether there are any mechanisms that would allow those social impacts over the wider area to be dealt with perhaps through some form of extension of the social responsibility framework.

**SC:** Howard?

**SIR HOWARD BERNSTEIN:** Yes, if I may. I think there are two points I would make in response to that question. The first point of course is that what the social responsibility framework fundamentally is trying to do is join up licensing planning and community wellbeing powers within Manchester, which we think is fundamental, particularly in terms of responding to many of the questions that have been raised with us. But fundamentally what we're also saying – and that's the second part of the analysis – is that we need a focus within the City in order to be able to tie up national and wider co-operation and secure levels of participation within Greater Manchester and indeed places outside of Greater Manchester in order to ensure that when we talk about awareness programmes, those awareness programmes have wider coverage in order to ensure that we have proper interventionist strategies involving health and other public services. Working with the strategic health authorities is one example. And I think the central point I was trying to make earlier was that we think using the Association of Great Manchester Authorities, where all 10 local authorities meet on a regular basis, I attend Chief Executive meetings, I attend Executive meetings, we would see the monitoring framework as being fundamentally related to how we

involve not only those local authorities but also other public services, including police and health, in order to provide us with the widest possibly coverage and we believe we've got the partnership structures on which to build to make that happen.

**SC:** Thank you very much. I think that's probably a good time to take a short break. How long shall we have? 20 minutes. I think possibly 20 minutes ought to be sufficient for people to get a breath of fresh air or whatever it is they need. So can we be back here promptly at a quarter past 11. Thank you very much. Adjourn till then.

It's gone a quarter past. I think, Sir Howard, you wanted to say something.

**HB:** Yes, Chair, thank you very much. Clearly, given some of the questions that have already been asked, there is an obvious concern, an understandable concern as well about monitoring arrangements relating to the impact of gambling. And what we'd like to share with you is a document for you to read at your own leisure. It's an analysis which is still in draft form, we're still working it up but I think it gives you a clear indication of our emerging thinking about the overall monitoring framework which we would wish to put in place in order to underpin the goals and the targets which are clearly identified within our social responsibility framework.

**SC:** Yes, I think, Sir Howard, if this was a public inquiry of course I'd have to adjourn the proceedings until everybody read it, which would probably be some time next week. I can't do that for fairly obvious reasons but if anybody around the table, having read it you know when they've got a spare moment perhaps this evening or something like that, does feel that there is something in it that needs to be responded to then please do write to the Secretary about it and of course circulate that response around everybody else on the table. There is of course a chance that the Panel might discover something after we've got it, in which case you'll soon know.

**MAN:** (INAUDIBLE).

**SC:** Yes, I mean some of the things....as I said, if you feel we've asked questions that perhaps you weren't really prepared for – I know you've got a good team together and it does cross my mind that you've been preparing for this whole project for some....and if there's something you don't know about it already then perhaps something to the extent...but having said that, if we do indirectly let me just say as I said before, rather than just sort of rush an answer or just invent some vague generalities, then just please say so and we can deal with the correspondence. But it's just that you wanted to put that Paper in, thank you. Margaret Gregory, you have your label up.

**MARGARET GREGORY:** Oh sorry. My apologies. It shouldn't have gone up.

**SC:** Thank you. Mr Collison, do you want to continue?

**CHRIS COLLISON:** (INAUDIBLE)

**SC:** Oh have we? All right. In that case Mr Sagar?

**DEEP SAGAR:** Thank you, Mr Chairman. When we look at the 6 casinos already, would you have any specific information on the impact they have created if it had been measured at all?

**HB:** In terms of the impact in the community, you've already heard from Chief Superintendent Curran. Certainly from a crime and disorder perspective the answer to that is no. The work we have done over the last 12 months or so, I think it's fair to say that if there's been one thing about the regional casino debate, it has certainly increased everybody's awareness about the impact or potentially negative impact of social....of gambling. The work we have done, particularly through Paul Bellringer, has given us every confidence that in the context of the profile of Manchester it's not untypical in terms of the rest of the UK. So therefore there will be an incidence of problem gambling. What the causal relationship between problem gambling might be in different forms of gambling I think Paul rather than me would be the better person to respond. But I think there are two lessons I think for me which I've learned, certainly in the way in which we've examined how we as a local authority should respond both to the opportunities and also to the threats of a regional casino. I think the first is that there is a greater need for multi-agency working within local authorities. That's something which all our consultations with our different partners in health and education and police has actually underpinned and I think on the back of the regional casino debate, irrespective of whether Manchester is awarded the regional casino at least on this round, then very clearly there is an imperative to actually join up public services more to support those vulnerable and who are experiencing problems as a result of gambling. And the commitment which is evidenced within our documentation is that the strategy which we will deploy will be deployed irrespective of whether a regional resort casino will actually take place in Manchester in the short

term. I think the second point which it's underlined for me is it's not that this is just a local or regional issue. We also have to examine very, very closely the responsiveness of national services to the issues of problem gambling. Many of the...indeed one of the letters expressing concern about the concept of regional casino gambling I think came from a doctor Mark Perry or Parry....forgive me.

**WOMAN:** (INAUDIBLE)

**HB:** Yes, I've read it. And approximately what he's questioning is the responsiveness of the Health Service to some of the problems which problem gambling can actually identify. It just doesn't...it's not on their radar screen in terms of targets, in terms of priority need and therefore the social responsibility framework we wish to bring forward will not only test and challenge the effectiveness of individual public institutions in the way in which services are provided, we will also wish to join up as well national policy to ensure that local health services in particular are actually able to play a very full and active part in the overall framework. So those are the big lessons for me. In terms of the other side of it, I think again if I talk to some of the operators which I have done, we've tested the social responsibility framework with existing casino operators or indeed other operators of gambling institutions. All of them have had their awareness raised by the issues we've been raising and talking with them and they have committed themselves to play the fullest part in the delivery of this overall programme. And I think it's also fair to say but for the conversations that we'd had with the operators several months ago, I think it's equally fair that London Clubs International, the new operator of the big casino in the City Centre, would not I don't think have grasped the opportunities which my colleague Tom has talked about, about how you recruit, how you train, how you actually support operators such as that in ensuring that recruitment, where it's possible and feasible, is accessed by local people.

**SC:** Thank you. Mr Froemberg I'm sorry, do you want to ask...follow through?

**DEEP SAGAR:** This is a related question if that's all right with you. We touched on the proximity and location point before when the police were very clear that it didn't cause them any real problems but if I could just go back to that. My instinct based on research is that proximity and access have been one main why problem gambling occurs and it might be related more to do with betting shops for example or Internet gambling and not specifically related to casino. But would that give you any cause for concern in terms of the probable location that you have in mind, that it would have proximity and therefore ease of access to deprived communities?

**HB:** It was a concern initially, which is why we tested that proposition. And again, using the expertise of Paul, we were able to demonstrate to our own satisfaction that those....not many examples certainly in the UK but when you actually look at the provision of these large facilities elsewhere, particularly North America where there has been a causal link in terms of problem gambling and the proximity of facilities say to residential communities, for the most part those locations or those facilities have been provided where there has been an absence of a comprehensive social responsibility framework, which I think has underlined the requirement which we brought forward to actually produce one in order to ensure that the potentially negative effects of problem gambling can be effectively combated. I don't know, Paul, if you wish to say anything further on that?

**SC:** Paul Bellringer?

**PAUL BELLRINGER:** Yes, I'd flagged up that. I'd come in there. In fact we...the concern you express, I would agree that accessibility and availability obviously increases the number of people that gamble and so, even if you just have a constant core of problem gamblers, you are per se going to increase the percentage of problem gamblers. However, I think there's considerable international evidence that has been carried out by Rachel Volberg in the United States, Professor Peter Collins and Graham Bower in South Africa and Max Abbot in New Zealand for example, to....that you can mitigate the effects of a large resort type casino or a regional casino in our case. And that evidence talks about the strong social responsibility requirements, the good quality treatment and support programmes, effective education and public awareness and a range of sport, recreation and leisure activities to go with it. And I think what I'd say to the Panel is certainly from my working with Manchester through the Responsible Gambling Unit which all have specific objectives to commission treatment support, develop education and public awareness and monitor and also ensure compliance, that combined with a casino complex and the other facilities available

in the Manchester area, I am pretty convinced that any negative effect because of the introduction will be mitigated and I don't anticipate there being any significant rise or possibly not any rise at all in the level of problem gambling in this area because of the response by Manchester in terms of building this specific unit, which I have to say to the Panel is very comprehensive and as far as I know based as it is through the Chief Executive's Department and so independent of any operator is a first in this country at a regional level.

**SC:** Having said all that, Mr Bellringer, we can't really can we get away from the situation that the proposed casino would be situated in possibly the worst area of the City from the point of view of problem gambling? I mean if it were to be in the posh area of a town nobody would be too worried would they?

**PB:** I don't think evidence supports that, Sir. I think the evidence is that people from any social class are equally prone to become problem gamblers.

**SC:** But if it's the poor then you know it really is a problem.

**PB:** With poor people, Sir, my response is again there is no evidence....well there is no research been done in this country but I understand that research has been done abroad and again that supports the fact that they are no more likely to become problem gamblers than anybody else. But the one factor that will kick in is that because they have a lower economic base that they work from, it is quite possible that they will get into trouble more quickly and earlier. And the lady over there made a reference to debt agencies and what have you and I think it's clearly one of the areas that will need to be monitored very closely in terms....I'm working in conjunction with our other agencies to monitor that. So there's no evidence to say that they're any more or any less likely. And I've worked in Social Impact of Gambling for 25 years and a lot of problem gamblers and believe me they come from every social class and every walk of life. It is just that they have a lower economic base. And one other factor that I think it would be fair to mention, that somebody from a deprived area might have a greater propensity to chase the dream, hence the popularity of a....

**SC:** Ah, now that's just the point that's been raised by the Methodist Church in representations to us, so do please go on on that.

**PB:** Yes, well I will. And I think that even if the Lottery figures suggest they spend a little bit more, I think the spend is proportionate if the figures that come out about the Lottery are right, but certainly you have to be careful what you are talking about they're gambling on. The Lottery can provide a life-changing experience. That is true and I think that is its main reason for its popularity. It's not because it contributes to good causes alas. And that is why it is so popular. Because it provides a life-changing experience, therefore it realises the dream of those that feel they need to change their lives.

**SC:** Yes. By the way you mustn't necessarily think that because I ask an awkward question it necessarily is based on my views. You know one is duty bound to pick up points that we've got from elsewhere and put them to you.

**PB:** Yes.

**MAN:** (INAUDIBLE)

**SC:** Please do.

**MAN:** Mr Bellringer, could I ask a question about the Problem Gambling Unit? Is there a likelihood that in setting up the Unit you will also always flush out the existing difficulties with other forms of gambling – Internet gambling, you know a whole range of activities? Would it be the City Council's wish to embrace that also or is it exclusively aimed at casinos?

**PB:** No, it's all forms. And I mean what has particularly impressed me as an independent being asked to help Manchester is that this Responsible Gambling Unit a) will be set up and b) will be set up regardless of whether they win the bid for the regional casino. That is important and I think, you know, when we're talking about a 10 million catchment area, I think it is very important to supplement developing very good national services, which people that know me know I had a hand in developing anyway, but to do that at a regional level you will be able to drill down to some of the local things. And things like debt, which actually do not yet emerge – and we know they're there linked to gambling but it's very difficult at a national level to get at that – much easier it will be through the Responsible Gambling Unit to do it regionally.

**MAN:** So that's quite a major commitment really?

**PB:** Yes.

**MAN:** Thank you very much.

**SC:** Mr Froomberg.

**JAMES FROOMBERG:** Thank you, Chair. Just two questions from me on the social impact. One which was raised earlier I just want to flag up. We're waiting for Agma (?) to come in and answer but for me it's important to understand how easily it will be or easy it will be to test or measure, as you mentioned Sir Howard, all the social impacts positive and negative of the casino when there are so many other initiatives going on that have social impacts in very large conurbations? So we are going to pick that one up with Agma. The second one for me was back on the Responsible Gaming Unit, which I understand is going to be overseen by an independent trust. And I just wanted to understand how that works and what you mean by overseen because if it's in the Chief Executive's Department I suspect it's more likely to be overseen by the Chief Executive?

**HB:** It certainly will be overseen by the Chief Executive because it will be accountable for achieving a number of outcomes. It was one of the things, Mr Froomberg, that emerged following our consultation process and indeed it was one of the things that emerged following our discussions with leaders of the faith communities if I'm being precise. What was put to me was as I...Tom and I had a meeting one evening several months ago and we talked about the proposals we had about setting up the Gambling Unit, the question was put 'Well how do we ensure that the activities of the Gambling Unit are visible? How do we ensure that there is wide public confidence in the objectivity of the Gambling Unit? You know Manchester wants a regional casino. How will we know that Manchester will not ensure that the Gambling Unit was delivering outcomes that suited Manchester's case to coincide with a regional casino?' We volunteered following the discussion...well as part of the conversation, well we would be very, very happy to see an independent body made up of not just of representatives of faith communities but also independent people, people hopefully also who were specialists in this particular area of social research to actually oversee the activities of the trust, oversee the preparation of annual business plans with clear targets for approval by the City Council. And I think that as a proposal was well-received.

**SC:** Thank you. Margaret Gregory, you've been very patient for which many thanks.

**MARGARET GREGORY:** My first point was related to the Responsible Gambling Trust and to debt. There is a need for voluntary bodies, which is effectively what credit unions are, to get more support and help. They are running mainly on voluntary staff. They're stretching resource to keep...to function but they are not merely a source of borrowing at a reasonable rate of interest. They are also a source of more general help with money management. Also related to debt, we read fairly frequently in the papers over the last year or two an increasing level of concern about the total amount of indebtedness in the British population and the feeling that this is getting very close to the point at which it goes pear-shaped and undermines our relative economic prosperity because if it starts to go pear-shaped, a lot of people will have debts they can't service. And it's not an insignificant point as far as national survival...well that's a bit dramatic but...

**SC:** We're well aware of this point of course, Miss Gregory. I mean is there something peculiar to Manchester? Is Manchester peculiarly indebted?

**MG:** I have no information on the amount of debt in Manchester.

**SC:** But you just want to put this into its national context, yes.

**MG:** It's a general point that debt is not something to be taken lightly, particularly debt which has very little security behind it, which is typical of a lot of gambling debt.

**SC:** I mean I think it might...it might be....

**MG:** Can I also refer, leave debt alone, to Mark Perry's letter. He's a general practitioner working in the area of addiction. Obviously this is going to include alcohol and drug addiction and gambling will only relatively rarely come into that orbit but we are still I think most of us very aware that gambling is a very addictive pastime and one which links up with all sorts of other problems. Currently the social worker he works with went into this and could only identify one very small source of gambling support, a support they could approach. So while we have plans for the development of services, they ain't there at the moment and there's enough difficulty in trying to get support and help for people with other forms of addiction. We all know that addicts are not always very good at using support consistently. It's a difficult....

**SC:** They have to recognise that they're addicts to start with don't they?

**MG:** There's huge problems in that but if you haven't got the support services available, you've actually nothing to offer people when they do come and say help.

**SC:** Can one of you respond to those points. Could I just, before you do, also mention that we had a senior officer from the Salvation Army at one of our previous sessions and he regarded gambling, and particularly the problem of debt from gambling, as possibly a much more worse problem than alcohol and drug-related problems. I mean, as he put it somewhat dramatically, there's a limit to the amount of alcohol you can take because eventually you can't lift the glass to your mouth, whereas you can keep on getting more and more into debt as you borrow to service the debts that you've got through gambling and hope to gamble in order to relieve the debts, etc. So you know we can put all that together for you to answer. I think the Panel would be very grateful, thank you. Who's going to start? Yes.

**MAN:** I'll start and I'll pick up your point if I may. That's absolutely true. I mean you can gamble huge amounts very quickly and that is one of the distinguishing factors of that addiction compared with some others. And I...this is being addressed through the Gambling Act and I am delighted, personally delighted to see that a condition of licence is to operate under a code of social responsibility for the operator. That in Manchester is clearly going to be supplemented by additional local licensing authority requirements round the social responsibility framework and by the Responsible Gambling Unit. I think Manchester recognises that at the present time – to pick up the point that Margaret Gregory made – that there is a dearth of facilities locally, that the local provision she refers to is Gamblers Anonymous. It has two meetings a week but Manchester have already been in touch with Gam Care and Gam Care not only run the national helpline and a national counselling service but they are developing a number of satellite services and I know Manchester will be working in conjunction with Gam Care to develop that. So yes, Manchester haven't got it now but clearly getting involved with this bid has focused their minds not this year but in fact two/three years ago that I understand this process started, and so in actual fact it is now being addressed. And it is a good time in actual fact because I anticipate that we are going to get fewer problems, if any problems at all, from opening a regional casino but much more from things like Internet gambling. And if I can just refer to the fact that one of the populations of Manchester is clearly the student population, which is a young population. If I can refer that back to one reason why we were talking earlier in terms of the location of the regional casino, you put it in a hard to reach place that people have to travel to, the young people wouldn't go. They'd just get on the Internet. And whilst a few Internet sites will be regulated, certainly those UK-based or with UK interests, there's a large number of unregulated sites out there and personally I'd far prefer them to come to the regional casino, which will be tightly regulated and monitored, than an unregulated offshore online site. And so there is a dearth of provision in summary.

**SC:** Okay. Thank you.

**MAN:** And it's just been drawn to my attention that actually in the policy, Manchester's policy, that with regard to the giving of credit, which is relevant to what we're talking about, the premises licence holder may not give credit in connection with gambling taking place on the premises. That is actually obviously supported by the Gambling Act and by the Gambling Commission's regulations.

**SC:** Can I just chip in there because when we went to Star City, one of the things I noticed was actually an automatic teller machine. And I asked if there was any limit placed by the operators and they said "Well no, it's entirely up to the banks." I don't think I need to go on need I? I mean you know you perhaps could put in your policy that the operators don't give credit but if there's access to an ATM...

**MAN:** Yes, there is access to an ATM and there is an issue with the banks, the banks co-operating in this and I know it would be....

**SC:** Ah, tell us more.

**MAN:** Well there's been some reluctance for example, not so much to do with that but there's an example of banks issuing debit cards to those under the age of 18 and the banks have been very reluctant to identify such debit cards, which makes it much easier for an age restricted product holder, the person holding the debit card, to be identified. And I know discussions with the banks are still going on. But coming back to the ATMs. I know that some companies that operate ATMs

do link that to responsible gambling facilities or to a helpline but it is a facility that is generally available in a lot of places and of course gambling isn't the only activity for which Margaret Gregory was referring to that people are going into large amounts of debt.

**SC:** Is this something that you might take account in in the licensing issue do you suppose?

**MAN:** It is. That's something that....

**SC:** (INAUDIBLE)

**HB:** Yes, thank you. Can I just...Margaret Gregory also raised one or two issues about....

**SC:** Sir Howard, go on.

**HB:** ...the quality and level of services around certain particular vulnerable groups and I just want to say a few things about some of the other services which responsible councils like Manchester actually provide. You know we have got a Drugs Action Team. We have got an Alcohol Team. All of those are firmly rooted in our Health Improvement Plan and also linked to our Crime and Disorder Strategies. And another example of an innovation which I think gave me the idea to bring forward the Responsible Gambling Unit was at a time when the National Health Service is constantly being reorganised and we're now onto the next one as we speak I think....

**SC:** If only this Panel could put the whole world to rights.

**HB:** Exactly. Exactly. One of the things we were concerned about as a city as some of those reorganisations were taking shape was the lack of a potential focus within the City at being able to understand trends in health equalities or inequalities, the way in which individual trusts or hospital providers of services were actually linking in to neighbourhood priorities. And one of the things we did, we set up what is known as the Joint Health Unit within the City. It's a jointly funded Manchester City Council and National Health Service funded initiative. And what that has done is break new ground in being able to provide a monitoring and evaluation framework which has been of enormous use in providing a focus for individual institutions in being able to identify problem areas not just at a city-wide level but also at a local neighbourhood level and which has enabled individual programmes to be aligned. And that is certainly a model we would see our own Responsible Gambling Unit actually perform not only within Manchester but, as I've indicated, on a much wider base with the continue co-operation of all our partners.

**SC:** Mr Sagar has another question to ask.

**DEEP SAGAR:** Thank you, Mr Chairman. Sir Howard, you mentioned consultation that had been carried out and in the material submitted to us before there is mention of extensive consultation. Would you be able please to describe to us now what exactly you have been through and what's the result of that consultation in terms of local support, thank you?

**HB:** Let me have the first go at that and then Tom perhaps might want to fill one or two things in. Around the product itself, i.e. the scheme, very, very clearly we went through a process of community engagement for which I think Manchester is well renowned, involving residents throughout East Manchester, drop-ins in places where people congregate, particularly the new Asda super store, and that gave us the confidence at an early stage that, as an outline proposition, this commanded broad support. As we moved forward in the detailed development of our proposals, again under the auspices of leadership of Tom and New East Manchester, further community engagement had taken place. And around the over-arching framework within which our proposal is being developed, notably the social responsibility framework, that is the outcome of a series of consultations which have taken place over several months, not just as a licensing authority, and obviously the statutory responsibilities we need to discharge in those terms, we've talked to faith communities, we've talked to people like Paul, who has gathered around us, people within the voluntary sector nationally as well as locally. What that underpinned clearly was a lack of local capacity in being able to cope with the outcomes or the potential negative outcomes of gambling. We've been able to input international best practice and I think it's fair to say the problem that we have brought forward if not represents total support from every part of the community, particularly the faith communities, nonetheless I believe an acknowledgement and a recognition that what we are bringing forward here is something which has a robust, evidential base and which will be able to provide a very solid platform for being able to mitigate what they would describe as the social impact associated with gambling. I should also say that I have also spent a lot of time not just with different casino operators or existing casino operators but in Manchester Fred Downe (?) is the single biggest independent operator of licensed betting shops

certainly in this part of the world if not within the UK. Fred has also, and his team, helped us to provide the detailed input, operational input, around our social responsibility framework. And whilst he would not regard himself as being responsible for generating significant amounts of negative social problems, fundamentally what Fred has also agreed is that if we brought forward this social responsibility framework as we have committed ourselves to do, he would contribute to ensure the success of that framework was actually implemented.

**SC:** Thank you. On the point of consultation, Sir Howard, academic colleagues quite often talk to me and each other about the problems of consultation, you know, and how difficult it is to get everybody in. And I must say that as we've gone round the country where there have been organisations on the other side of the table, they've said "Oh, you know, you may have consulted everybody but you didn't consult us" which is always a little embarrassing of course to everybody. I mean what steps do you take to see that your consultation is actually thorough and, you know, what sort of level of participation do you think you'd get?

**HB:** Sir, I'll ask Tom to answer that because he can provide it in the context of East Manchester.

**TOM RUSSELL:** Yes, thank you. The first rule of consultation is no matter how much you do there's always somebody who says they haven't been consulted, so you're absolutely right. I think we've done a limited amount of sort of surveying and questionnaire work. I am personally sceptical about the value of that form of consultation because I think they can be arranged to tell you whatever it is you want to hear by and large and the nature of the questions you ask. So we've tried in East Manchester at least to have a much I hope more meaningful process of engagement with local people and consultation in the form of a dialogue with them about issues as opposed to asking to indicate whether they support it or don't support it. And those processes of engagement with local people and the networks into local communities have been built up now over the six or seven years that the initiative has been running and it's very representative and it does provide a forum for issues to be debated. And Steve Green from the Residents' Forum, which is not part of my organisation, it's entirely independent, might want to make some comments as well. More widely, through the Local Strategic Partnership and the responsibilities that the Local Strategic Partnership has to produce the Manchester Community Plan, we've been able to talk to colleagues more widely about what's happening in East Manchester, recognising that we're not an island. We're part of a wider conurbation. But really I prefer to use the word engagement and participation rather than consultation, which I think is a very limited process in terms of getting local people fully involved in it. And just one final thing I think which may be different from other examinations you've held, I think the 2004 process that we went through, the ideas behind the bid that we put forward have already been exposed to a considerable degree of public exposure and scrutiny and views. And in all of that I think it's fair to say that we have not encountered any significant or widespread opposition to these plans. There are those in Manchester, as there are everywhere else, who have strong I think moral objections to gambling and we absolutely respect that.

**SC:** We've heard about that wherever we've been in the country.

**TR:** But I think by and large those people, whilst maintaining their view of gambling, have also recognised that it is a reality of life, that gambling in Manchester is not going to be defined by a regional casino but it exists as a problem anyway and that we collectively need to do more to jointly address and mitigate the problems and hence the sort of...the Responsible Gambling Unit and the responsibility framework that Howard's already described has met with support from those who may have concerns about the impact.

**SC:** That's interesting. Is there any, in your professional knowledge, any way of testing as it were the depth and breadth of public participation?

**HB:** Based on my experience, it's normally the size of your postbag and....forgive me, that's an indirect...

**SC:** Your postbag of course to a large extent is filled with people...the letters of people that can write.

**HB:** Yes, that's true. The real issue for me in the way in which we've brought forward what can be described as very challenging projects over a period of years within the City is that there are different stages of consultation in the way in which the product is developed. And, as I tried to say at the start of answering your question, we consult widely at different stages of the development of

the process. As an example, at the start of this exercise we wanted to satisfy ourselves that in principle there was a broad level of support for something like this, which is why Tom has explained the process he undertook at the time. As we move forward, you know, particularly the way in which we involve people who helped us in evaluating bids, the way in which we move forward again, in actually consulting in the finalisation of any specification particularly around the community benefits associated with potential casinos, that form of consultation, that regular informed form of consultation so people can focus on the issues of the day has, I believe, been instrumental in gathering a wide public consensus around our regeneration strategies and the delivery of key major projects.

**SC:** Yes. Consultation of course has been defined once as a part of a necessary ingredient of it is that there's a willingness to listen and change your mind if things were said and I suppose one must distinguish this from sort of making a selling point. Where do you see you in this little spectrum?

**HB:** Again there have been many occasions where initiatives which have been promoted by me or my colleagues within the City Council as they've been developed, they've been changed. You know we've moved away or refined and carried on. And you know there has been something like 5 or 6 reports that the Executive of our City Council all scrutinised since 2004 which has shared with our members and the wider community our developing thinking around what we mean by a regional casino and the context within which we wish that proposal to be brought forward. And, as Tom has said, at all the stages of that process we have secured broad support but that doesn't mean everybody who we've spoken to has absolutely supported around the issues of gambling. We understand why that's the case but everybody we've spoken to I think has welcomed the positive steps we've taken in bringing forward realisable, effective frameworks which are designed to minimise the impact.

**SC:** Of course if you go along to people and say "Well we've got a great idea here and it's going to bring thousands of jobs and lots of prosperity to the City, are you in favour of it?" well I suppose people will say yes. But I mean if you went along to them and said "Well here's something that's going to bring, you know, terrible social problems, debt and all the rest of it" they'd say no. So what have you been doing?

**MAN:** Well I think the one thing that we've not had to do – I don't think anyone's had to do in any of the individual locations – is promote in the media, you know, a perception about what the social evils of gambling can be. There was another article I read in the Mail I think it was over the weekend about that.

**SC:** (INAUDIBLE)

**MAN:** I don't, no, but what I'm saying is there is a wide public exposure of what the negative side of gambling had been and that I think has brought into sharper focus and therefore increased the level of responsibility which we as public officers committed to our City must do in bringing forward proposals which are therefore designed to restore public confidence in the way in which these facilities will actually be operated and the way in which impacts can be actually regularised.

**SC:** Thank you.

**MAN:** It would be helpful because you raised something else around consultation and John Pullen, who is Senior Officer from our Licensing Unit is currently overseeing our consultation on our licensing policy in accordance with the Gambling Act. And it might be useful if he just said a few words which gave you an appreciation of the extent of our city-wide and national consultations which we undertake on this issue. So if I may, Sir, I'd invite him to come and sit here and say a few words.

**SC:** Mr Pullen?

**JOHN PULLEN:** Yes, I'm the Licensing Officer for the Council and part of my responsibility to oversee the consultation for the draft gambling policy. And of course it's important to make the point that the policy covers a much wider area than the regional casino. It's the Council's gambling policy over all.

**SC:** Of course.

**JP:** And in drafting that policy we've tapped into a huge range of resources from different agencies, both internal departments, organisations such as Gam Care and various other authorities. In terms of the way we're consulting, we're trying to get as close to local residents as

we can in an effective way by pushing the message out through local ward co-ordinators. We've sent the policy through to all the residents' associations we can find, all the tenants' associations we can find. Also we've sent copies of it to every head master of every school. We've sent it to the chair of the governors' association. So we're just pushing it out as widely as we can and welcoming feedback and discussion from anybody and we're always prepared to go out and meet with people and if necessary with the residents' associations. I've been out previously with the licensing policy and....

### **CASINO ADVISORY PANEL - MANCHESTER - 7th SEPTEMBER 2006**

#### **SIDE 4**

**JOHN PULLEN (CONTINUED):** ...people and get them to respond but we're very precise when we get the responses back. We're very transparent in the way we deal with the responses and we publish all the responses and we also publish what our action is in terms of each of the item that we receive the response. So it's a very open and transparent process as far as I'm concerned.

**SC:** Thank you very much. Thank you. Yes, Mr....

**STEPHEN GREEN:** Mr Stephen Green, East Manchester Residents Forum. With regarding consultation with regard to the casino, we've been consulted from Day 1 with all the proposals. At a meeting dated 30<sup>th</sup> January, the final submission was announced to us that we were to submit to the Casino Panel for this provision.

**SC:** How representative do you think you are of residents?

**SG:** There are 60 residents....approximately 60 plus resident associations within our boundaries at the present moment in time. We represent...we all meet and we all come to a table and discuss any issues which will affect the lives of any of the residents living in this said area of East Manchester.

**SC:** Is it true what Sir Howard says, that the residents are fully aware of the problems?

**SG:** Yes, they're fully aware of the problems and they're also fully aware of the benefits that a casino could bring. With Manchester City Council on a lot of the initiatives that have been brought forward over the past 5 to 10 years in East Manchester, we've always worked very, very closely and they've listened to all our concerns and relayed them concerns to the relevant authorities.

**SC:** Thank you. Margaret Gregory please. Thank you.

**MARGARET GREGORY:** I was not involved and not aware of the consultation process until June. That is not necessarily to say there had been no opportunity. I'm saying what actually happened and then I was cued from outside about the consultation process and the Society of Friends in Manchester felt that we ought to make a response. I have spoken to a leader of the Methodist circuit and he has not been involved on a Manchester basis. So the consult....that is not to say that everything you say about consultation is not true. All I can say is it missed me. I'm reasonably alert to what's going on but nobody can handle everything that's going on.

**SC:** Do the Friends have a presence in East Manchester in terms of the meeting room?

**MG:** No, we don't. We've got a City Centre meeting house but we haven't...we've got a number of people involved with community things in East Manchester and people who have been governors of schools and involvement with the credit union, things of this kind, but we haven't got a worshipping community in East Manchester.

**SC:** I see and what about the Methodists? I guess they must have a church there surely? Perhaps they don't. Perhaps it's closed. Who knows? Do you know?

**MG:** I can't answer that. I'm sorry.

**SC:** No, okay.

**MG:** The person I spoke to....

**SC:** No, it's just a point of testing the....

**MG:** Their actual office base is in Withington but that was the circuit which was I was told covering the whole of Manchester.

**SC:** Right, thank you.

**MG:** I can't answer any more detail than that. I'm sorry.

**SC:** Do you want to make any other points on what has been said? Sorry, just let Margaret Gregory have the floor for a minute.

**MG:** The main question I have, which is not to do with consultation at all, Sports City is wonderful. I was absolutely delighted when a child in foster care in one of the East Manchester schools, I said "What do you like doing in your free time?" And he said "I love going to play squash. We can go at the new sports centre." And I thought my goodness this is a child who is scoring as high on indices of deprivation as any child around and he was enjoying the facilities that had been provided for the Commonwealth Games as a local child. That is gorgeous. There's that involvement as well as the involvement of the major sports people. What worries me is that local children and everybody using the sports facilities are going to be walking past the casino and some of the flashing lights and the whizz bangs and all the noise levels associated with casinos will I am sure spread from the actual building into the area round about and it's going to make it part of the association with sports. And I have reservations about that as making people more likely to be tempted in inadvertently.

**SC:** Could we just mention, I mean Helen Sieberg (?) was architecturally quite a nice building but I mean there was nothing much to invite you in. Star City wasn't...I mean it was in a little complex. There was, you know, the usual things that one has in some of these little redevelopments. You've got a 20-screen cinema and so on. And it wasn't more prominent than the cinema and the others. Is there possibly you know – I don't want to suggest you're exaggerating of course but is your....well what do you say to those points?

**MG:** My only contact with casinos have been visiting them in one case for a sports club meal in Lake Tahoe and seeing the machine.....Lake Tahoe is one of the Nevada gambling sites. It's immediately over the boundary from California where gambling is...casinos are permitted. And the sports club was having a meal there and it was sad. There was attraction outside as I remember it but....sorry.

**SC:** You found it repulsive of course?

**MG:** I was not attracted by it. And inside one of the saddest things was to see people playing away with totally gloomy faces. And when she got a great payout of money, she just wasn't even happy. It just all went back in again. It was pathetic.

**SC:** It's odd. You see James Bond films and they're all there, you know, the women in their slinky dresses and it isn't a bit like that at all is it?

**MG:** It was really depressing but my contact has been of that inadvertent kind.

**SC:** Okay. But I mean yes, you raise the problem of ambient gambling. I mean do you feel you've covered the point of ambient gambling sufficiently, Mr Green?

**STEPHEN GREEN:** With respect to the Methodist minister, our local minister Tim Presswood has been heavily involved with the casino in every aspect of it. He was...he has even sat on our boards – Beacons and New East Manchester - on that particular question. On the other question of the flashing lights and the entrance to this casino, residents were also concerned about this. And with detailed plans that were going to be put into place, were reassured that this would not...it would not cause any effect to the noise levels of the local residents that are around the site and at the same time with the other facilities that were coming to the site as a result of the casino and the generation of income from the casino that were going to be put back into the area and the community commitment, we were quite happy to allow this bid to go through.

**SC:** Thank you. I suppose perhaps Nevada isn't subject to British advertisement control regulations?

**SG:** I don't think that it would become the next Nevada.

**SC:** You wonder whether they're subject to any laws at all in some parts of the United States.

**SG:** Probably El Dorado is more appropriate.

**SC:** Mr Collison tells me I ought to stick to the agenda.

**MAN:** Yes Chairman and not slinky dresses. The Commonwealth Games were a clear demonstration of the capacity and capability of Manchester to bring about a major project of the highest order to a very successful fruition. Whilst recognising the difference between what's principally an event, although there are legacy issues of the buildings and everything else and the ongoing facility such as a regional casino, I'm sure there are some similarities and we've heard

from Margaret Gregory a bit of the boy playing squash and so on but I think it would be useful whilst we've got Mr Green speaking at the moment, Steve, to say a little bit more about the...rather than sort of people talking hypothetically about you know what might happen in a consultation and you know what impacts of social issues you know might be, here we've real example of you know something that's happened fairly recently and it would be helpful just to hear from you, Steve, about how the community were actually involved there and whether there are any impacts, social impacts and legacy issues, you know things that have been left either positive or negatively. And I think Mr Mundy wanted to follow that up but perhaps if we could just hear something about the reality of an actual example there rather than, you know, people waving their arms about and saying what might happen.

**SG:** The Commonwealth Games was of course the catalyst for regeneration within the East Manchester area. The facilities that it's brought for the local people and the community element that them facilities have brought with them has been a vast improvement in the sports facilities for East Manchester and Manchester as a whole. We were very happy to allow or should we say to gain Manchester City as one of our competitors into the area to bring the community facilities which they house themselves, which they are ongoing in developing in our area. As a result of the Games, as everybody knows, Manchester was so successful that they were able to build a 6,000-seater outside arena or should I say extend the original arena, which is another tourist pull for Manchester and also it helps bring together local skills for their sporting excellence. It's bringing a sense of pride into East Manchester, something that had gone a long, long time ago. But we must not be complacent that regeneration cannot just come in a small way or we cannot just stop. East Manchester has suffered over the last 30 years and to bring that spirit right the way forward into the 20<sup>th</sup> century we need more investment putting into the area and we need more commitment from whoever invests into the area into community facilities and participation with us.

**SC:** Tom Russell.

**TOM RUSSELL:** Thank you. I mean the Games has not been short of evaluation. I've got a shelf-load of evaluation of course of various kinds.

**SC:** We're asking of course but you know obviously we want to know what evidence that comes from the Commonwealth Games could possibly enlighten the material you've put to us so far.

**TR:** I think rather than bore you with statistics because we do have evaluation..

**JAMES FROOMBERG:** I like statistics.

**TR:** Well I'll bore you.

**SC:** I've never met – and this is serious – I've never met anybody with such a good head for figures in this sort of work as Mr Froomberg, so I'll just put you on your guard there.

**TR:** Well let me try and satisfy Mr Froomberg's appetite for some figures. I did want to make the point that for us the Commonwealth Games was not simply about improving the economy of the City. That was the driver of it and there are some important figures to give you about the economic impact of the Games but it was much of a social impact, certainly from my point of view, in trying to build on the catalyst that the Games represented in taking forward the comprehensive improvement of the East Manchester area. Margaret's already mentioned the volunteer programme and thank you for the words and the best endorsements are always the unsolicited ones. But 15,000 people benefited from the volunteering programme at the Games and training and support. But 10,500 volunteers actually worked on the Games themselves and that was for many a life-changing experience for them as well as being the best possible ambassadors for Manchester in hosting an international event. Just under 2,500 of those people achieved vocational qualifications through the support that they had in the volunteering programme. Over 2,000 have now progressed into permanent employment as a result of that and that's why I say the volunteer programme was genuinely life-changing. There's been a 30,000 increase in sports participation in the City and obviously we have one of those Margaret's already described. That's actually been slower than we anticipated when we set our targets before the Games but it is still growing and it will continue to grow and it will be reflected in future in improved health outcomes in the area. I would like to say the health had improved already but actually it takes longer to see participation in sport reflected in the normal health indicators. There are 31,500 additional places now on sports development programmes in the City through expanded coaching capacity, which is a direct result of the Games and the financial arrangements that were entered into to ensure that

the revenue streams which were generated post the Games from the facilities built for the Games actually fed into sports development and the expansion of coaching capacity. 250,000 school pupils across the nation utilised through their schools the Commonwealth Games curriculum pack which was designed by us to ensure that we used the fact of this national event called the Commonwealth Games to excite children about their learning in schools. In terms of economic impact, 16,000 additional jobs were generated in total but that equated to just over 6,100 full-time equivalent jobs. That's adding in jobs in the construction of the facilities, the part-time jobs in some of the facilities as well. There was £28 million of additional tourist spend during the Games and more importantly I think for the long-term, £18 million in recurrent tourist expenditure post-Games per annum, with an additional 300,000 visits to Manchester per annum as a result of that uplift that the Games gave us. And there's over £20 million additional business turnover which we believe we can attribute back to the business contacts and the contracts entered into during the Games or subsequently. A lot of that will impact directly on those most in need of that form of assistance. I can't give you figures on the numbers of people who are on benefit who obtained employment as a result because that wasn't collected but I do know the spatial distribution of the additional employment generated by the Games had a very close relationship to levels of poverty and deprivation. So, for example, 63% of those jobs were located in East Manchester, 94% were in the City of Manchester and the rest through the conurbation and the rest of the region. One of the issues by talking about the impact of the Games is where do you draw the line either spatially or temporally and it is true to say that the further away we get from the Games, whether it's other parts of the region of 4 years on as opposed to 6 months, it's that much harder to say if the Games were specifically responsible for all of that. But what they have done is act as a real catalyst. And part of the role of my organisation is to build on that into the future and we continue to monitor closely the health of the area partly through objective quantifiable measures – key performance indicators which are reported to my board every 6 months – but also we try to assess the qualitative impact of the Games and our own work on the neighbourhood. And so again, just to give you a few examples, the unemployment rate in East Manchester has reduced. That's not significant in itself. Unemployment generally has reduced throughout the country in the last few years but it has fallen faster in East Manchester than in the rest of the City or in the region from a very high base. We still have a long way to go I'd hasten to add but certainly the indicators are stronger in East Manchester than elsewhere. Property values, which are a good indicator of the health of the area, have risen by 107%. These are residential property values in East Manchester over the last 5 years. Again I've got to emphasise from a very low base and we are still below the Manchester average in terms of property values but a very significant increase. Education attainment in East Manchester has risen from 10% below the Manchester average 5 years ago to above the Manchester average today and Margaret talked a bit earlier about the need to make education relevant to communities in East Manchester. She's absolutely right about that and it was really gratifying to see the results of the GCSEs in East Manchester secondaries last week, where all three secondary schools actually showed improvements of between 10 and 15%. So again, we've got a long way to go but we've built quite a lot on the back of the stimulus that the Games gave us. And just to finish off really in qualitative terms, because a lot of this is about how people feel about their area and how committed they feel to its future and how stable they feel in the neighbourhoods they live in, we do three-yearly resident perception surveys, which is actually trying to get to people's feelings about their areas as opposed to just measuring jobs or training. In 1999 as we were starting, only 17% of residents in East Manchester said they felt their area was getting better. When we repeated that in July 2005, the figure had risen to 60%. In 1999 when we asked where residents planned to be in 3 years' time, 35% said hopefully not East Manchester. That's reduced by a third over the period, so there's a much stronger commitment amongst local people to the area. In 1999 11% of people said they felt safe in their neighbourhoods or safer in their neighbourhoods than in the two years previously.

**SC:** (INAUDIBLE)

**TR:** 11%.

**SC:** Okay.

**TR:** In 2005 43% said they felt safer in their neighbourhoods than two years previously. So I think we've come from a low base and Steve has talked about the 30 years of economic and social

decline and regeneration is always a long haul but we've come quite a long way in that period and it will move on further.

**MAN:** I'll just add to what Tom has said. I think one point, almost the obvious point really, if the Commonwealth Games would not have been a resounding success, we would not have bid for the London Olympics and it would not now be...being hosted here and that we were absolutely instrumental I believe in convincing government and national sport about the value of sport and that actually Britain can pull these things off in a way which restored national credibility in international sporting circles. The other point I wanted to make because I think it gives a very clear practical example about the leadership which Manchester can provide in establishing the range of partnership structures which are so essential to underpin the implementation of the social responsibility framework. At Agma level, we work together inevitably. At a North West level, we had a North West Partnership Board. That North West Partnership Board was chaired by my colleague, the Chief Executive of Liverpool at the time, and that Partnership Board was responsible for a number of programmes, whether they were healthier lifestyles, education, skills training, cultural or community cohesion type programmes, all of which contributed massively to the real sense of identity which the wider region had with the Games and many of the outcomes that were delivered nationally associated with the Games. And of course what we also established was a unique partnership almost between ourselves, local government, national government and sport, whether it's UK Sport or Sport England. And those partnerships sustain themselves even to this day.

**SC:** Thank you very much.

**MAN:** Chairman, can I just explore the point. I mean that's been most helpful and I think this underlines the importance of the EIP because I think for all of us we've seen the picture emerging so rapidly this morning. We'll soon be moving on to talk about regeneration but there's a sort of bridging point I'd just like to explore if I may just before the Chairman moves onto that and it's really in connection with the way in which the Independent Community Trust will operate, the Responsible Gambling Unit will operate and how it will relate with the community, particularly when we start to talk about the community chest for example, where resources will start to flow through from the future deals with the operator, and also some of the facilities that are going to perhaps come through, things like the ice rink and others which have been so well described and beneficial to us by Mr Green. Could you just try and fill in some of the gaps there, Sir Howard, in the way in which the community will...you know will get involved in the community chest distribution and how it will link in with the independent trust?

**HOWARD BERNSTEIN:** The community clearly will be fundamental in securing representation of the community on the independent trust. That point is absolutely clear. I'm very happy to confirm that because it's absolutely fundamental in being able to provide the level of public confidence which we are just determined to secure as a result of the operation of those facilities. Primarily we would see the Trust overseeing the activities of the Gambling Unit. So the Gambling Unit will be the focus around which we will be overseeing outcomes around monitoring evaluation in terms of the impact of gambling within our community and further afield. It will also be the focus for ensuring that the outcomes, which we hope to deliver as a result of a regional casino, whether they are in terms of employment, whether they are in terms of community access, to facilities, etc, etc, are also observed so they give us as a Council independent scrutiny of the outcomes which would be associated with the enterprise. The community fund itself we've not fully worked through - you wouldn't expect me to I don't think - all the details associated with that but we would have I guess two options and, if I'm being honest, obviously community input in the way we finalise our figure will be essential but we would have two options really. One would be to actually ensure that that community fund was aligned with other Council resources to maximise leverage with communities in the way in which they tackle local problems within their own local neighbourhoods. We as a Council as an example have our own community fund operating as it stands now, something like three or four million pounds a year, which is accessible to all community groups and all organisations within the City. They bring forward their own proposal. We'd like to do up our local park over here. We'd actually like to create something over here, a small playgroup facility for our street, we'd like to do this. This is a very, very effective way we have found of securing community commitment to the place and it's one of the things which we have actually sought to

develop and the response we've had not just from areas like East Manchester but throughout Manchester has been very, very gratifying and it's an initiative which politically has become an increasing priority as that fund and our plans have developed. So one option therefore would be for East Manchester particularly to align itself with that fund so they have a bigger opportunity to (?) or alternatively we would actually look at a fund that was specifically under the auspices of New East Manchester where we have to have some accountability for the use of what still would be a public fund, ensuring or overseeing appropriate deployment within the community. But the important point under both scenarios – it would be the community itself which would be determining its own priorities in the way in which those funds were deployed.

**MAN:** That's very helpful. Thank you.

**SC:** Thank you. Margaret Gregory, do you want to...we're quite close to winding up on social issues but I mean this is something close to your heart I know so do you want to say anything more?

**MARGARET GREGORY:** A slightly different topic. I've raised the concern about the nature of gambling and the effect it has on people and...but ....

**SC:** I mean don't worry that you're not on the same plane as the people opposite. I mean I want to hear what you're thinking as specifically related to this proposal.

**MG:** My specific scepticism when I read the report was the very optimistic evaluation of travelling times. It was assumed that....sorry I'll have to go back into it, you know. You could have been....yes you could maintain a speed of 30 miles an hour and the distances were straight line diameter distances to the circle. So your travelling time was calculated on the basis that you did a speed of 30 miles an hour to the direct line distance. None of us actually travel the direct line distance. Most go round all sorts of bends. So your actual travelling distance was 20 or 30 per cent more and when did you last maintain 30 miles an hour for a journey of 5 or 6 miles within the City of Manchester? I was nowhere near it this morning.

**SC:** Yes, which was this specifically related to?

**MG:** In looking at the catchment areas and the social composition of the catchment areas, the...sorry I'll have to find the right page. It was suggested that we had a certain population....

**SC:** Would you like to just look at the papers perhaps over the lunch break and come back with the point?

**MG:** Right. Thank you. I've been guided by...

**SC:** Don't be flustered. Look, have you got it?

**MG:** Yes. A drive time of 15 minutes for within 7.5 miles. This is Section 6 of the local authority's provision and we have 1,300,000 people within the catchment area. When I was driving down to East Manchester, living 4½ to 5 miles away, I certainly had to allow a minimum of half an hour.

**SC:** Yes, I think I can say that I've driven in Manchester as well. In fact I've been driving in Manchester since my courting days. I didn't have a car then but certainly in visiting mother-in-law days in the 1960s so I do know about it.

**MG:** This is fiction as far as the number of people within 15, 30 and 45 minutes.

**SC:** Who's going to answer to it being fiction?

**MG:** And what worries me is if the statistics are based on a fiction that as a non-expert I can identify, are there any others which have a similar degree of optimism?

**SC:** Ah, that's two questions. First, is it fiction?

**BOB YOUNG:** I haven't spoken yet.

**SC:** Please do.

**BY:** Chairman, my name is Bob Young. I'm one of three principals at Europe Economics. We've been advising Manchester City Council on this bid for a year past. In answer to Miss Gregory's question, it's not fiction. I mean I accept entirely that the time you take to cover a distance, whether by car or any other method, is going to be variable. It's not the same throughout the day. But this is a pretty well standard adopted scheme up and down the country. If I say it's government inspired, I am 99% certain I am right in that and the basis on which it is done if you like is official. I accept entirely you may choose to disagree with your own experience but it's also averaged out across the day as well. So I wouldn't say it's fiction, no. I'm afraid it's not fiction.

**SC:** Have we got the right one? Is this table 3?

**BY:** I assume that's what everybody is looking at, Chairman, yes.

**SC:** Little rings isn't it? I mean it would suggest for example that if I was bathing a mile outside Southport I could get into Manchester in 45 minutes. So if we're looking at the same thing are we?

**BY:** I think we are. We're looking at Table 3, Chairman, yes that's right.

**SC:** Yes, well I think I've appreciated the point straightaway just by looking at it. I mean how much...other people do this, national governments do this but if one were to take actual travel times and do a thorough survey, would you be very different?

**BY:** In parts you would. Yes, in parts you would but we don't have, with great respect Chairman, the means or the justification for devising new technology for ourselves.

**SC:** What percentage of error would you attach to the figures?

**BY:** It does depend very heavily on what time of day we're talking about, so this is average here, but I would have thought we could be easily reached....

**SC:** How about the time of day when people go to casinos?

**BY:** Well that's.... in main that's going to be off-peak relative to commuters. So I...you mentioned a moment ago whether you could get to Manchester from Southport in 45 minutes or so....

**SC:** I don't the tide goes out quite that far does it even at Southport?

**BY:** I beg your pardon?

**SC:** The tide doesn't go out quite that far even at Southport.

**BY:** Point taken. Point taken. But I can't see any reason why you wouldn't. If you were wanting to come to the casino from Southport and you were doing it in the later half of the evening shall we say to arrive at 9 or 10, I would have thought, although I'm not a regular to Southport, that there's no reason why you wouldn't do that. You could certainly get a long way on the motorway network and we're looking at mainly dual carriageway and motorway to...

**SC:** Well now that the Chief Superintendent has left, Mr Collison feels able to tell us that he got from Blackpool.....he got from Blackpool to Manchester in half an hour.

**WOMAN:** By helicopter.

**SC:** Sorry?

**WOMAN:** By helicopter.

**BY:** It is a direct motorway link.

**SC:** Okay. Well I think we've...

**MG:** He didn't spend as long stuck on the motorway as I did a few days ago.

**SC:** I mean I think we have learnt some lessons from this and thank you very much for pointing to it. I think the time has come, as we appear to be losing serious concentration just at the moment, the time has come to break for lunch. Let's say it's 20 to 1. Can we be back please promptly at 20 to 2? Till 20 to 2, thank you very much.

Thank you ladies and gentlemen, it's just gone 20 to now so we will resume. And just before we go onto other matters, is there anything anybody's thought of during the lunchtime that they feel is so important about social matters that we should say it before we move on? Could I also say that I'd like from East Manchester Limited a short note on what is being done, what could be done, what should be done on the subject of bringing the hard to reach elements in the local population, preparing them for employment potentially in this casino. And I'm sure when you've worked it out, we'd like some detail and so on. And needless to say, would you please circulate it round the table, not least of course to Margaret Gregory and other people involved. Now, the need for regeneration, probability of implementation and securing of regeneration benefits. The first question does relate to the issue of confidence. I'd like to just go over to start with what confidence we should have in the estimates of the number of jobs and I know Mr Froomberg, who as I've said has a good head for figures, and he perhaps can lead the discussion here. Mr Froomberg.

**JAMES FROOMBERG:** Thank you, Chair, I think what I'd like to start with a piece of information you gave us, Sir Howard, on your responses to our further questions. It was question 3 on page 9, some point 3. I'll read it briefly for those who haven't got it. "Manchester has a particular concern to ensure that the estimated 100,000 new jobs which will be generated within the City over the next decade are accessible to local unemployed people." And I suppose I have two questions around that one, which is you're telling us and we'll come on later about the 2,700 jobs attributable to the casino. I'd quite like to understand what are the initiatives you've got on that are going to generate the other 97,300. And then the second part of the question which is slightly cheeky, which is given that you've got what you'd like to tell us things going for you to generate 97,300

jobs, we might find some cynics suggesting that we ought to offer the opportunity for the 2,700 to somebody else other than Manchester who perhaps doesn't have the opportunity for 97,300 from other initiatives.

**HOWARD BERNSTEIN:** I'll try and respond to that point if I may. We operate on a City regional base and one of the more helpful contributions and terms of engagement cities like Manchester have had with government over the past few years is that there is an increasing recognition of city regions, of engines of economic development and economic growth. And certainly in Greater Manchester we've been doing over the last couple of years not only responding to what we now regard as a more sensitive policy framework is actually produce what we describe as city regional development plans, which are a fair and accurate reflection of where the economy has been, where the economy is now and where the economy ought to be over the next 10 years. I think it's fair to say where the economy is concerned under the leadership of the city, we have defined 5 or 6 key sectors of economic growth which are capable of differentiating Manchester and Greater Manchester from everywhere else in the UK. Those sectors include commercial and professional services, media, cultural related activities, construction life science developments, the whole question of professional services, telecommunications etc and transport. And those sectors have been distinguishing features almost in terms of the growth and development of the Manchester, the wider Manchester economy over the last few years, than they have been and we see those as sectors which will continue to become priorities for sectorial development over the next 10 years. The City region has identified for itself a target of 214,000 jobs to be generated over the next 10 years. That's a target which is accepted and agreed with the North West Development Agency, other regional bodies, which has one of its key priorities the growth and development of the City region and it's also been accepted by government, particularly in the context of the point I made earlier, not just about how Manchester will continue to grow economically but we want to grow at a faster rate than London and the South East in order to close the productivity gap between London and the South East and the rest of the country, which is also a key government priority which is exemplified in public service target too. I think it is and many of the initiatives which we are talking about are being driven first of all around professional and commercial services. That will represent a lion's share of the increase in jobs. There has been a significant increase in employment in the regional centre around that particular sector – the Bank of New York, Spinning Fields, the way in which financial institutions, the commercial sector generally is starting to consolidate very significant operations within the City Centre. Another area of great growth has been life science development. Our university – we consolidated UMIST and Manchester University in order to create the world class research and academic institution it needs to become and is well on the way of becoming and that is driving a whole range of specialisms around nuclear power and nice sites, development, health, which obviously generates additional activities. Our culture and media sector, we are in the city region I think at 11% - the second biggest media centre outside London. We have worked very hard. The fact that it's taking place, the BBC relocation, over the river, over here, is still important to the City regional economy. The BBC transferring significant functions, commissioning spend, out of London into the regional centre will create great opportunities for further growth in independent media type of activities, which is very important for our growth and development. Telecommunications – Manchester has always had one of the most advanced manufacturing bases in those terms and it's an area too which is seeing considerable growth. It used to form part of the old traditional definition as you know around manufacturing. It's always been at the higher end and now it's enjoying significant growth and development. And also in services, retail, all the rest of it, which all you would associate with a regional centre. So the growth path we've set ourselves up is, we believe, realistic. The initiatives are there, the programmes are there, the energy. The endeavour, not just in Manchester but within Greater Manchester, is there to actually ensure that is achieved. What are some of the critical constraints to the achievement of that growth target? Transport will be one. Currently a big debate going on, which we are having with government, about how we actually secure significant levels of increases in our public transport capacity. We believe we've got the strategy to extract maximum funding from transport innovation funding in the middle of next year. So at one level the growth path, the platform for growth within the City region, has not been as strong as it is for many, many years. On the other hand, what you see, as we've discussed earlier, is still very, very significant levels of social and

economic deprivation in the inner City of Manchester, in Salford, particularly in the core of our conurbation. We have levels of worklessness. We have levels of social deprivation, which are still on a scale which is more marked than almost anywhere else in the country or indeed the nation. So in terms of what we have to do, the challenge is not only in terms of driving change, in terms of economic competitiveness and economic productivity, it is also to ensure that local residents within the inner City, with the areas of the core of the conurbation, secure access to the jobs that are being created. And we see – it's not the panacea, it's not an exclusive response to that requirement – we see the regional casino project as providing the opportunity not only to provide clear benefits in terms of access to community facilities but also a remarkable way of extending the wealth that we are creating to benefit local residents, whether or not they're in or out of jobs at the present time.

**JAMES FROOMBERG:** Thank you, Sir Howard. Could I turn specifically now to the 2,700 jobs estimate and I'm glad your economics are here but I did note that the original forecasts were done by Cambridge Policy Consultants, who I gather aren't here, so you might find when you are addressing them that there are things that you wish you were here. So if there's anything that we get into that you need to come back to us on afterwards then please do so.

**SC:** Thank you, Mr Froomberg. I'm sorry, have I cut you off?

**JF:** No, no. Well...

**SC:** I thought you were going to say something else.

**JF:** Well I am. I'm going to ask the question in a moment.

**SC:** Right. Fine.

**JF:** Sometimes I take a little long to warm up to it.

**MAN:** You wait till he gets going.

**JF:** We've met Cambridge Policy Consultants in other cities and we've met other consultants who have done economic impact studies as well and clearly we're having as much difficulty as people do trying to compare apples with apples on these things. And I think my first question is....

## **CASINO ADVISORY PANEL - MANCHESTER - 7th SEPTEMBER 2006**

### **SIDE 5**

**JAMES FROOMBERG (CONTINUED):** ...their conclusion here on 2,700 full-time equivalent jobs as they have used on other studies that we have seen for other cities. So at least between one firm of consultants we know there's consistency. And very specifically in that the approach they took in other reports we've seen is they started like you have with saying here's the estimate of direct jobs created within the new facility based on as reasonable knowledge as the operator is prepared to give us. And in the case of your proposal you've said that's 1300 and that's not dissimilar to what other people have said. And in your case what you have done is then added to that through various multiplier estimates, whereas what Cambridge Policy Consultants did on the other prospectus we saw was they took a view on how many of those 1300 are net, new, additional jobs as opposed to displaced jobs. There are clearly jobs at the facility but they took a view that some of those were displaced from elsewhere in that city and therefore could not take all of them, so they knocked some off the 1300 and then added the multiplier on and therefore came to a smaller number than yours. I just really wanted to know why in the proposals you have put in front of us you have assumed no displacement and that all these jobs are additional.

**BOB YOUNG:** Right. If I may say so there are several questions buried in that. Can I go back and unpack them?

**STEPHEN CROW;** This is Mr Young isn't it?

**BOB YOUNG:** It's Mr Young. Yes, that's right. I introduced myself just before lunch but I'm Bob Young from Europe Economics, yes. Let's go back first of all to the methodology applied by Cambridge Policy Consultants in the case of Manchester. We were given CPC's papers to review

and comment on and so far as we are concerned, in the case of Manchester Mr Froomberg, we have no difficulty with their methodology. I mean there aren't that many different approaches, fundamentally different approaches you can take to an impact study. Our firm does impact studies all the time and, if you look through them – and I have personally done three, including this one, in the last year – there isn't a lot of room to go off on a frolic. So we regard CPC's approach in the case of Manchester as perfectly legitimate and I'll come back to the numbers in just a moment. You mentioned that CPC have done a report on one of the other bids. I have to say to you I don't know about that so I'm unable to comment on why they might have done something different for the other bidder compared with what they've done here. I just can't help you there. You might want to address CPC on that but I'm afraid I can't help you. I don't know whether friends and colleagues in Manchester can but I don't even know which other bid they were involved with Mr Froomberg.

**JF:** Would it be possible, Howard, for one of your team to get some confirmation from the CPC team that advised you to us shared around as to either whether their methodologies were the same or if there were differences why?

**HB:** (INAUDIBLE)

**JF:** Lovely. Thanks, all right. Thanks. Okay.

**BY:** So, so much then for methodology. And just to go back to basics, I hope this isn't taking up the time of the Panel needlessly but basically in order to estimate employment impact you do three things. One is first of all to estimate the direct jobs. In other words, in the case of the casino, how many people are going to be employed in the casino itself or the casino or the casino resort here. There may be some differences between the two. The next step is then to assess what are commonly known as linkage effects, sometimes known as indirect effects. Linkage effects arise from the fact that the casino itself in this case will have relationships with third party suppliers, who then gain employment by virtue of the fact that the casino is basically buying from them. And then you've got the wider so-called multiplier effect, which is the effect of the spending if you like. To put it simply, it's the effect of the spending of the direct and the linkage effect employees in calculating the previous two steps and I'll just deal with those one by one. What we ought to do, I think Mr Froomberg if I'm going to give you a complete answer to your question, is also distinguish between construction jobs, which some of the bid can do, and the ongoing operations.

**JF:** Set aside construction jobs. I'm only interested in....

**BY:** Oh that saves some time, yes. For what it's worth though I am happy that the CPC estimates of construction jobs are okay. I don't think there's much to argue about there. And I'm also not concerned very much, just to finish that point off, about displacement effects there. I mean the employment effects are so small relatively speaking but if there's a bit of displacement well so what? It's not going to be significant. We'll just leave that on one side. When it comes to the ongoing operational jobs, we started, as you might expect, with whatever information we could get. Now you will now from what Sir Howard and Tom have said that Manchester ran a competition inviting a number of bidders to bid for the regional casino, which would have included outline manning and financial plans, and they did this obviously before it was known there was only one regional casino to be licensed. And Kerzner International won that competition at that stage, which we know is going to have to be re-run but leave that on one side. So we have had access to Kerzner's own estimates of employment that would arise both in relation to their own employees and concessionaires on the casino itself. I personally would regard the operator's own estimate of employment as reliable. I wouldn't say it's bound to be 100% accurate but I can't think of a reason, Mr Froomberg, why they would want to either inflate or deflate it very much.

**JF:** And we don't have an issue with that because we've seen plenty of other similar ones.

**BY:** Indeed so. Indeed so.

**JF:** I do have an issue of displacement.

**BY:** Yes. I have to say I don't...if the regeneration effects of this employment are going to be secured as vigorously as Manchester have set out, I would think the displacement effects are going to be very small indeed. There will be...in some senses you could say that some of the employees who go to the casino will come from jobs in other companies but if the regeneration is being run and the recruitment process is being run as Tom Russell has outlined, then you will get local people moving into those jobs as well. So my basic instinct, Mr Froomberg, is to say that the displacement effects here will be very small as well. I am bound to say to you we didn't specifically

think it worth doing a detailed quasi econometric exercise to estimate what the displacement effects would be. They would be small.

**JF:** Can I just check that with you?

**BY:** Yes.

**JF:** I just want to make sure I fully understand what your case is.

**BY:** Yes.

**JF:** Sir Howard's told us earlier that we've got 3½ million visits coming here with a spend I don't know how much per head but we must be talking sort of in the order of £100 million or more of revenue arriving through this doorstep and your case is that that is all brand new disposable income to the City of Manchester that is not elsewhere being spent on other forms of entertainment or children's shoes or washing machines or holidays and therefore your argument is there is no displacement. There is that much money sloshing around in the economy not being spent and going into savings and this therefore....

**BY:** Yes, I would say it's negative the displacement effect, yes.

**JF:** Okay. That's what you would like us to take away and believe?

**BY:** Yes.

**JF:** Thank you.

**SC:** Okay.

**MAN:** I'm not sure I've actually, if you'll forgive me for interrupting you Professor Crow. We did also do some checks on the number of employees, direct employees. We're not talking about linkage effects here but the number of employees in other casinos and you've picked up in your question the number of employees at Star City and Hohensberg (?) in Germany as well. What we did do was obviously not only to compare the number of employees envisaged in this case by Kerzner for the Manchester proposal. I had a look at a publication which gives an estimate of the effects of – you may laugh when I tell you this – it's the Seneca Niagara Casino, the effects on Niagara Falls on the economy of Niagara Falls. And that usefully gives some figures of how many employees there are per playing position in US casinos. And one accepts that the US position is not exactly the same as we have in the UK because we don't have a large-scale casino...sorry.

**SC:** I don't think we needed to know specifically on the number of direct jobs within the facility.

**MAN:** You're happy?

**SC:** I think as a Panel we are.

**MAN:** All right. Well I just want you to know that we didn't take the Kerzner numbers as read. We did do some checking as well.

**SC:** And we started off with the Hohensberg because that was the only information that I had at that stage and I'm bound to say it has drawn everybody out and the usual comment is well we're talking about something that's bigger and that's fair enough. So there we are. What I'm bound to say though is you know I know I was once told that as many people will doubt the indubitable as believe the credible. But Mr Froemberg's the expert on this but I mean here we have Manchester, which has an acknowledged reputation of being a place where people come for leisure, come for leisure, where the residents you know have many opportunities for spending their money on leisure and yet you're saying that it will all be new money coming into the casino. Now am I....

**MAN:** You find that hard to believe?

**SC:** I wouldn't being other than fair to say I find that until you persuade me incredible.

**MAN:** Let me try and put it in context for you – and I don't mean to ask this in a challenging sort of way...

**SC:** Well I'm sorry if I'm challenging.

**MAN:** No, perhaps you're right.

**SC:** I don't want to go away thinking I've been told something that's incredible.

**MAN:** No, I understand. Okay. The extra £100 million that we will be talking about on gambling is a drop in the ocean compared with what's spent on gambling at the moment. The total UK expenditure measured as stakes on gambling is £55 billion a year. It's half as big again as the education or the defence budget and about the same as the education budget. £100 million extra if you like seems to me not very significant. There seems to be – and I have to tell you that the figure is rising quite rapidly – I can't believe that the increment.....sorry, the displacement effect of £100 million in £55 billion is really going to be all that noticeable.

**JF:** I think the issue is you know if you break it down to one individual visitor's 30, 50, 100, 20 whatever pounds that he's going to spend in that casino what he would have done with that money if the casino hadn't been there. If he would have tucked it in the Halifax Building Society, all of it, then yes it's a fair assumption this is all new money. If he was going to have been spending it at the pub, at the cinema, holidays, whatever, then we've got to take account of some displacement and I to be honest am in the same position as my Chairman. I find it incredible that the assumption that CPC have come forward with here that you're endorsing is that 100% of this spend and hence direct jobs...

**MAN:** Well that is our position. If it would help you I'd happily do a paper on this and send it to you. You've given us the opportunity of coming back on points of detail. We didn't know that you were going to ask this question but (INAUDIBLE) if that's all right with you.

**JF:** Sorry, I'd quite like to see it started if it's possible with the originators of it which is Cambridge Policy Consultants...

**MAN:** All right.

**JF:** ...because where we saw them elsewhere they spent a long time giving us a lecture like you are helpfully doing on why they've included displacement and the proportion that should be displaced.

**MAN:** Now Manchester might argue it's a bigger economy and therefore...

**SC:** This is Glasgow by the way.

**MAN:** I didn't know that so thank you. Less might be displaced here. That might be a valid argument. So let me just understand what you would like to do by the way. You'd like to speak directly or get CPC to do your papers?

**SC:** We'd like you to have a word with Cambridge....

**MAN:** Yes.

**SC:** ....and point out to them that they told us something different or perhaps another arm of their organisation told us something at Glasgow, and perhaps offer an explanation. Don't forget to circulate this of course will you. But Mr Mundy and Mr Sagar both have questions of you if you bear with us.

**NEIL MUNDY:** Thank you, Chairman. It's just in relation to that additional information. If it could also specifically address the gaming/gambling offer in Manchester in relation to displacement. So starting at that point obviously it could impact on other leisure activities but it would be very helpful if initially it could address that as it being analogous. Thank you very much indeed.

**SC:** Mr Sagar?

**MAN:** Can I just make a note? Forgive me.

**SC:** Please do.

**NM:** Just to give you an idea we have seen at other places we have been to where it's not just CPC, estimates of between 20% and 66% of the operational jobs in the venue being deemed as displacement jobs and therefore the net additional new jobs being only 33 to 80%.

**MAN:** Right. Okay.

**NM:** I don't mind what the number is in Manchester but I can't believe it's 100%.

**SC:** Mr Sagar?

**DEEP SAGAR:** Thank you, Mr Chairman. I have three questions for you if I may and some it might have been included in the papers before so I apologise to you in advance if I am asking you for repeat information. First the number of visits as was mentioned this morning, 3½ million....

**MAN:** Yes, sir.

**DS:** You do also indicate a target market, domestic target market of the right sort of target audience of 1.5 million households. So would you have an estimate for people coming from abroad or how does this 3.5 million visits come about?

**MAN:** Okay. We approached it from two different points of view. One was to look at the make-up of the population in the catchment area and use various factors for age, propensity to gamble and so on and so forth. In other words as a population up calculation. We didn't I have to say in that respect, Mr Sagar, use the Acorn figures, which I think you're referring to, which get you the 1.5 million households. For our purposes households are not terribly useful. We need individuals and the Acorn technique, which I'm sure you know about, is concerned with households not with individuals. So Acorn is not particularly relevant to the number of visits we calculated. The other

way in which we looked at it was to take the estimated gross gaming revenue of Kerzner in the financial plan and work that back through the average gaming yield that an operator might expect, the average drop per customer visit and then you work back to customer visits there. And curiously – well perhaps it's not curious – we had to make different assumptions about what the gross gaming yield would be and what the average drop would be. And in fact I have a spreadsheet with a variety of both. And the calculation of visits from gross gaming revenue as worked through is somewhat higher than the number you get from the population up. So the 2.5 million is what we get from population. The 3.5 million comes from gross....I can't say it....gross gaming revenue. So our range therefore, Mr Sagar, is between that 2.5 and 3.5. I don't know to be perfectly honest with you, and neither does anybody else, what the actual number would be but we think that that is a reasonable upper and lower band.

**DS:** Thank you. I understand.

**MAN:** Does that help?

**DS:** Yes, very helpful.

**MAN:** Okay, fine.

**DS:** So if we just remain on that topic for a moment, with 3.5 million visits we are talking roughly of 10,000 people a day, 300 days, just less than 10,000.

**MAN:** Yes.

**DS:** And since this is such a substantial number, rather than just use assumptions based on whatever logic, did you consider actually carrying out a form of quantitative survey, asking people, which is a technique I know with any new service or a product, now here are a sample of domestic residents. How many of you will come in? How much would you spend for example? Similarly, a sample of tourists – what would you do to get to a more robust fix on the number?

**MAN:** Right, well with great respect I wouldn't think that a survey of that type, questioning residents or questioning ordinary citizens about a regional casino of which there is no example in the UK, would achieve very much. There is nothing to stop you doing it, I quite agree, but I think the results would be pretty unreliable because people's intentions are not necessarily the same as their actions when you come to do it. And I was aware when we were first engaged by Manchester City Council they hadn't done any survey of this kind and it certainly was never in our minds to urge them that they should. To the best of my knowledge – I stand to be corrected by some – I don't think any of the operators, any of the major operators who's contemplated coming to the UK, has done that either. To the best of my knowledge, the operators looks at the same things that we looked at, which is where is the population and what is the affluence of the population like? If you ask people well this is what a regional casino would look like 'Would you come? How often would you come? How much would you spend?' you will get answers of a sort but to be perfectly honest with you, I don't think it would be wise to rely on the answers. Until you've got something that people can latch onto, I think some of the answers to the questions you would pose would probably be very unreliable. Where you could do something like that I think was once you'd got a regional casino and there was perhaps broad awareness of what it looked like in the UK, you could then go to other areas and say "Would you like one of these? What would your attitude be? How much would you spend?" or indeed if there were to be perhaps, Mr Sagar, I mean a major expansion of the regional casino, you could then ask consumers "Well you know what it's like now. If we added this on or that on or we offered this service or that service, what would your reaction be?" and I think you're then standing on more solid ground. But just a survey based on really a hypothesis I suppose is probably not worth doing.

**DS:** Thank you. If I could ask my last question and all of this you will appreciate is addressing this major plank of your proposal of commercial success. The question I have now is that if you see the investment being put into the casino, roughly £260 million, would £100 million revenue give enough profit to the operator to justify that? That's one part and the second part would be do you see any impact on the present casino industry at all and, if so, what would that be linking up to the displacement point."

**MAN:** Right. Okay. I think your second point, it might be sensible if I passed back to Manchester because I know they have had direct discussions with the existing casino operators. I have revealed my own but I think they should come in on that as well. On the....on your first question

would £100 million of, can I just define your question, of gross gaming revenue, is that what you're saying? Would that justify an investment of £260 million? Yes, I would have thought so easily.

**SC:** Well look, we will be following that point up later, so if you just want to quickly answer that one.

**MAN:** All right. That's fine. In fact the estimate of gross gaming revenue that I saw for the Kerzner proposal, Mr Sagar, was less than that. So I would have no difficulty in saying that £100 million on an investment of £260 million, even after you've allowed then for costs, overhead costs and taxation and so on and so forth, that would...that would be...

**JF:** If it's not confidential, what assumption did they make on the level of gaming tax that the government is yet to decide they would impose?

**MAN:** Yes, it was about 2½%.

**JF:** Okay. We're all in the dark I think as to what it's likely to be and I'm assuming that this isn't necessarily just a Manchester case, it's for everyone. If the government does something else then the amount of community benefits available drops.

**MAN:** I think Kerzners reserved their position on that in the plan that I saw, Mr Froomberg, which is not unreasonable I think, yes, yes.

**SC:** Thank you. Well perhaps we can get onto that then, onto the investment points because I know Mr Mundy, who probably knows a bit about investment, wants to ask one or two questions.

**NEIL MUNDY:** Thank you, Chairman, and with agreement I'd like to spend a little bit of time on this aspect because it clearly is absolutely fundamental to the establishing of benefits that the licence might provide. And Sir Howard, I'm sort of mindful of course that the competition was previously done under completely different circumstances and one does hope that actually if the area was selected, that the circumstances would be even more favourable. So we are looking at the moment at figures which are perhaps one would hope at the lower end of the range. You very kindly provided the background to the Kerzner proposal which indicated, as Mr Sagar said, a figure of £260 million as to the level of private sector investment. What I'd quite like to do you know with your agreement is to unpack that figure and perhaps to get your thoughts in relation to what that sort of figure might be under the new circumstances and really the sort of relationship between the revenue that might be generated and the very long list of facilities that are set out in your proposal and which you know clearly will bring very strong community benefits. So could I just open up by saying are you able to explore that with us?

**HB:** I think in principle what I don't think will be appropriate recognising the commercial sensitivities of some of that information is to quote detail numbers if only because also many of those numbers are now hopelessly out of date. But in terms of proportions broadly speaking I'm happy to go as far as I can. Would it help...what I'd like to do if I may is just explain a little bit about the context within which the competition was run because I think that helps to create in effect the market-place and also the way in which we defined or got to the list which you read which represents what was then regarded as the community benefit.

**NM:** I'll obviously confidentiality and non-disclosure agreements but I think we have in previous places had a degree of openness about how these things would be constructed because clearly it's central to your competitive position now. So if you can help as far as possible. By all means do introduce that but I will with respect want to come back with some questions if that's okay.

**HB:** I think the first point really is that, I think we explained this in our own big documentation, you know the initiative for Manchester to become deeply involved in casinos wasn't an initiative of Council officers or indeed Council members really. It was the moment we started to receive lots of inquiries from most if not all of the major operators which caused us to try and work out what particular if any relevance regional resort casinos might have for the regeneration plan for Manchester. And I think it was Tom who went to Las Vegas for a week to evaluate what those opportunities might be.

**NM:** I want to know where he gets the budget from because he didn't go.

**HB:** Yes, two days you see. But fundamentally what we did was look at, if I may say so, the floor space for a casino and understand what a floor space for a casino might do in terms of value generated in terms of then helping to fund and deliver a whole range of different but ancillary activities. And a lot of work was undertaken, led by Tom within the East Manchester community and also involve wider city-wide strategies which we're starting to get to an understanding of

where the gaps might be in terms of community provision, activities which would compliment the particular role we saw for East Manchester or indeed for other parts of the City. And I think what we've laid out in our big documentation is a pretty full list of all the different components which make up the regional resort casino as defined in 2004. And I would I think just identify two particular parts of those components and try to provide the rationale for them. The first one was the whole concept of a house of sport. You know Manchester, not just because of its investment in the Commonwealth Games, Manchester has always been committed to the concept of sports development, the way in which that linked to a whole range of social and economic outcomes. And because of the Commonwealth Games and because of its overriding commitment to sport, a number of regional, national and indeed international sports federations had started to consolidate their operations within Manchester. And we saw a great idea based around examples, particularly those familiar with the Australian model of delivering sport – Melbourne in particular – in creating a single focus where there will be shared services, shared accommodation, where different sports organisations will be able to operate. And we thought that would give us, based on the Australian model, greater capacity to influence and develop pathways around elite athletes or elite forms of sports participation with grassroots in community, sports participation, and therefore the house of sport idea was something which we felt particularly was conveniently located at Sports City, having regard to the excellence of the different facilities, including the Regional Institute for Sport which is currently located there, which is not just about sports facilities, it's also access as well to sports medicine, different types of sports, scientology and all the rest of it. So that was one outcome of that. The other outcome of the work which we did was in relation to a skills centre for hospitality and services. Manchester had experienced significant growth over the last 10 years or so in visitor services, service-based activities. There was a need to actually, in order to support the need to equip local people, there was a need to actually provide world class standards in terms of service and we saw an opportunity working with our further education providers. And working with a new internationally based operator who would have very different values and very different standards about service and qualities some of us may have experienced in our travels, we thought there was a remarkable opportunity here to make linkages with that international operator with local providers in order to provide a platform for skills development around service standards and hospitality which would actually not only give significant access to local people in terms of accessing jobs on the Sports City site vis-à-vis the regional casino but would also actually provide increasing levels of access to other operators and other investors who were coming to the City to invest in hotels and other similar types of activities. So those were two particular levels of community outcomes which we thought were potentially capable of helping us to transform our economic base. In addition to that there was the traditional community type sports facilities. And we gave therefore all the competitors in that bidding process the opportunity. Look, these are what we thought were good ideas. If you have better ideas, then please bring them forward. This is what we saw as the overall baseline around different levels of gaps and provision within East Manchester and the wider City area, so therefore they had a very strong basis I think to respond within the terms of the competition about what we meant by community benefit and how community benefit could be delivered. Eleven went to five and five came to one. That evaluation was considered from a perspective of what represents best value to the public sector which incorporated not only issues to do with land receipts or shares in turnover or contribute but also, in addition to that, the costs of providing and where necessary operating the community benefit facility. So we just never looked at it from the perspective of this is a land receipt. This is what is the public sector or the public interest deriving from this overall product which, on the basis of advice, was regarded by ourselves and I think Cushman Wakefield helped us to devise that matrix. That helped us enormously in determining the balance between what we regarded as best value, not only as a landowner in this case but also in the context of what we were seeking to deliver in terms of public benefit. And the offers that came in were all evaluated largely in financial terms on that basis.

**NM:** Right, that's extremely helpful. You mention in your proposal that the City Council is very much in favour of transferring some of the risk to the private sector proposer in the delivery of facilities, which you know seems a very good principle. Could you just elaborate a little on that because presumably it's a principle you'll follow to the next stage?

**HB:** Thank you very much for that. Yes, you know local government operating in a modern world needs to be doing things which it's good at. And whilst our local authority has had to become what I would describe as an intelligent client, fundamentally the management, the effective management of risk is something which, whether we're talking about operationally or whether we're talking about procurement, is something wherever possible local government, the public sector should be looking to transfer. And I think that's a particular example of the way in which we've looked at the casino. So we have looked at the regional casino project as an integrated project. There was the option of desegregating say the other facilities from the casino but we believe that the procurement and operation of those facilities would not deliver us the outcomes we were looking for, which is both in terms of maximum efficiency of cost and benefit in the absence of transferring wherever possible public sector risk in terms of procurement and operation. That represents a fundamental tenet of our procurement policy and it's one which I can assure you we'll be pursuing with all vigour if we have the privilege of being able to move forward on the regional casino in the future. So therefore we would see the private sector underwriting not only the provision of the casino, we would also see the private sector also underwriting the provision where necessary the operation of all the associated community facilities which I've talked about. Obviously there would be, and we would help, facilitate the private sector operator and deliverer in bringing forward a particular operational expertise, for example the Skills Centre. You wouldn't expect in that case Kerzner to operate a hospitality and trading centre, though we'd expect them to have a critical input in its operation. That would be undertaken by MAN CAT from North Manchester who is our major skills training agency in the northern part of the City.

**NM:** Just one or two....

**SC:** Can I just chip in?

**NM:** By all means.

**SC:** Sir Howard I'm very interested in the point you made about how you evaluated the economics of the proposals when you went from eleven to five to one. Could you just give us a detail on what processes you used, perhaps took a consultancy in or what? I mean you didn't just look at this thing and say "Oh that looks convincing" did you?

**HB:** It was a very robust...because it had to be....a very, very robust appraisal process.

**SC:** Well I guessed it might be so could you tell us about it please?

**HB:** Of course, Sir. Fundamentally we had a project team. That project team was led by Tom as Chief Executive of New East Manchester. We had surveyors. We had planning input, obviously a generic skill base which can be found in local government, and more particularly we brought in specialist additional support. Cushman and Wakefield were part of our evaluation team. They led and have demonstrated....this is not an advert for Cushman and Wakefield by the way but it was the reason why we retained them. They had a particular expertise internationally proven around the evaluation of casinos certainly based on their experience in North America. Transportation consultants and what we produced was through a project team we produced almost a 60-page report based around very clear criteria around the particular outcomes which we were looking to deliver, which evaluated each of those proposals. And because I'm a cautious person, we then brought in KPMG, who were very, very strongly.....have got a great expertise certainly in commercial and leisure type activities within the UK. KPMG came in and then did an independent appraisal of the project team, which thankfully our conclusions coincided. And in actual fact I don't think I'm betraying any confidence when I say that the KPMG process was a little bit more robust but which said that the difference between the bidders was perhaps more marked than the project team led by Tom had identified. And that appraisal process was presented, as it always has to be for public probity purposes, through to our Executive with very recommendations from me about what the outcome of that evaluation process was and which in turn was unanimously agreed by the Council.

**SC:** Thanks. Don't answer this if it infringes the confidentiality thing but did any of the other ten fail on the economic investment appraisal to your own recollection?

**HB:** We got from eleven to five largely on the basis of...it goes back again to some of the points we made earlier. Do you share the vision? Have you....can you demonstrate an understanding of what our regeneration priorities are and how the regional resort casino we want you to build can be actually accommodated within it? Do you understand Manchester? Do you understand East

Manchester? Have you the capacity, have you the proven track record of achievement which gives us the confidence that you can deliver the product you're saying you can and more particular in the time-scale and in a manner with local benefit attached to it in the way we would want to? And so the eleven went to five on that basis alone, Sir. And the five then...obviously we then had much more developed there with models, the AVs as you would expect, detailed financial proposals and also detailed planning and development proposals which were all evaluated on an equitable basis in accordance with the said criteria.

**SC:** So I mean on that second stage...if you don't want to answer the question then don't of course but I mean did anybody fail on investment appraisal as you recollect?

**HB:** Yes.

**SC:** Thanks. Thanks.

**NM:** May I continue? Sir Howard, that's been really helpful. It's set the scene and we understand the formula or the approach that you're taking and that's fine. I have one or two more questions but, as the Chairman said, you know we'll perfectly accept confidentiality issue and you know please don't....yes. It's just there's such an impressive list of potential facilities in the document that I'd just like to explore them a little further. Can we touch on the hotel which is classified as a 3 to 6 star hotel? Could you say how firm you think that would be your requirement I mean in terms of driving up standards in Manchester? Would you be looking for as high a quality hotel as possible in the proposal?

**HB:** I think we've had to learn to understand the hotel market in Manchester to a sophisticated extent over the last couple of years. And whereas until four or five years ago the real problem in Manchester was in a very real sense the quality end of the market if I'm being frank, 4 star plus, that's ceased to become a problem over the last two or three years. And where we see the opportunities for growth particularly in the City Centre is at the higher end of the market and outside the City Centre around the 3 star mark. Now all the research we did demonstrates – and I think this was corroborated as a result of the competition – is that the ideal fit for the regional resort casino we want to see provided in Sports City in East Manchester would be around a 3 to 4 star brand. That's not to say the 4 star plus...you know...

**NM:** You would obviously be happy if the standard was higher? If the market was to see....

**HB:** If Sherton knocked on our door and said we'd love to build a hotel in East Manchester then we'd....

**NM:** Yes. That's great.

**MAN:** (INAUDIBLE)

**NM:** Well there's high rollers coming. They want to have a hotel. Could we look also at the suggestion that there may be some additional conference facilities. What sort of business angle will there be in terms of you know the relationship with the casino and the offer at Sports City? Just try to say how you see it fleshing out?

**HB:** Again Manchester City Football Club you know within the stadium has what we would regard as a small, comparatively small sized conference facilities. Most of the hotels which are now being developed, not just in Manchester, in other big cities, have got their own comparatively small conference facilities. I think most operators nowadays see small...comparatively small rather conference facilities as being an integral part of the comprehensive offer they made to local businesses or indeed businesses further afield. What we've always been concerned about and will continue to be concerned about is the creation of any major conference facility which in any way at all conflicts with our existing conference and exhibition facilities, which are all based of course within our City Centre.

**NM:** Yes, that was really the point I was trying to (?) so that was enormously helpful. Sorry, Chairman.

**HB:** I think it was a 300, 500 type capacity thing.

**NM:** Thank you. In relation to the current offer on site, things like the water park. Is that something again that would probably be done as a sort of specialist feature? Would it fit in with you....you would obviously want to fit in with your present offer. You're not thinking about disinvesting and moving...

**HB:** No, no, no, no.

**NM:** Fine. Thank you for your patience by the way but it's such an interesting area to explore. Could we look at the concept of what may be seen as capital investment and some engagement and sharing in the long-term revenue benefits from the casino? So that's the sort of area I'd like to move into now if I may. You've talked...if we could start perhaps by mentioned the community chest because that's something which I think is a feature which you feel is very important and it's just to understand the sort of quantum that you felt – you know again without breaching confidentiality – the sort of level of community chest that you would...or community fund that you would have in mind. And also if you envisaged possibly within the invitation for proposals an idea of some further profit sharing, however one would describe it, but a share in the good fortune of the casino.

**HB:** Yes, sorry I thought I'd turned it off. Inevitably when we're talking about revenue sharing, like other I hope intelligent procurers, what we were looking for was guaranteed as well as variable based on performance and I think it's fair to say all five bids that came back all gave us varying degrees of guaranteed levels of revenue share and also of those which were subject to actual financial performance. Where the community fund was concerned, we...hopefully, well I'll say it, what we were trying to do there was give people you know the opportunity to come back with their own initiatives because some of it could have been regarded as being pretty fixed. You know Howard and Tom think there is a case for a house of sport. Howard and Tom think there's a great case here for a skills centre for hospitality services, etc. etc. But equally by sharing the values and about how we wanted the community to benefit in the way in which the success of the regional resort casino would be encouraged for it, we wanted the opportunity for them to use some of their own ideas and recognise well what were you going to do for the community to support the aspirations which Manchester had set out? And what we got was a variety of some very interesting ideas. And the winning consortium also demonstrated another great idea by coming up with the idea of having a community fund, a community chest, which was very significant on an annual basis - well over £3 million just to give you a scale of what we're talking about.

**NM:** Thank you. That's very helpful.

**HB:** So it was an opportunity for people to innovate something and that's significant enough you know to really start to address things like health and various other things in some way.

**MAN;** (INAUDIBLE)

**HB:** It was quite different from the additional sums that we were demanding to support other types of regeneration activity particularly. We always knew at some point there was going to be a requirement for – we didn't quite have it as defined then as we have it now – for a social responsibility framework and that needed to be funded also.

**NM:** Of course. Are there any other comments you have on this, this gearing with the revenue from....

**HB:** ...points which I would make – and I think it does bring into sharp focus the market positioning at the time – there were 20 regional casinos in 2004 being actively promoted and there were 3 in Greater Manchester. One to the...well both to the western side of the conurbation...

#### **CASINO ADVISORY PANEL - MANCHESTER - 7th SEPTEMBER 2006**

### **SIDE 6**

**HOWARD BERNSTEIN (CONTINUED):** ...with the potential of at least two other competitors within Greater Manchester and I think that point underscores your point at the start, if I may say so, which is...well we want a lot more now.

**NEIL MUNDY:** That's very helpful. I'm almost at the end of my period and again thanks for your patience. I notice that the City Council is in the very good position of owning the land, which you know I always think is a particularly strong situation to be in. Any land receipts that might accrue from this, Sir Howard, would that get fed back into this area or..?

**HB:** Members within Withenshaw would have a view about that. I think what we try to do is look to deliver community benefit based on the resource levels but on a very closely focused process of prioritisations. I think the days when we circulate only in one particular neighbourhood or area the proceeds of sale of land, I think are probably long gone. That's not to say exceptions cannot be

made but fundamentally what we invest in as a Council has to be a reflection of our city-wide priorities and not necessarily....

**NM:** Yes, I fully accept that. It's just that there was quite a long list of priorities in this particular area and I was just thinking if it would obviously help you to address those more easily.

**HB:** I'm not sure we'd give that up because Nick Gerard still owes us a lot of money for the next five years.

**NM:** Okay. Could I just conclude by thanking you very much indeed for helping us to explore that area and I hope we've not taken you into areas that you feel uncomfortable with. Thank you very much indeed.

**HB:** Thank you.

**STEPHEN CROW:** Well thank you very much, Sir Howard. I want to move on now to, do you want to pick up on this?

**MAN:** Yes.

**SC:** Oh right. Go ahead then.

**MAN:** Could I just tag a couple of the end of Mr Mundy's questions on investment and I hope we didn't ask them and answer them already because if so I must have sort of dosed off for a moment. But the bit that I was just hoping to understand was in the Kerzner example where the estimated total investment was £260 million, are you able to break that down for us between the casino, the hotel and sort of all the other things that have come within your sort of house of sport/community facility, i.e. the bits that you've asked them to add on? I just want to get a balance between what they would have done commercially and what you're getting as the goodies. I can live without it if it's part of your commercial confidentiality.....

**MAN:** It is.

**MAN:** ....because Chairman is obviously concerned but...

**MAN:** I'm happy to give it if you choose.

**SC:** The Chair has got to rule here.

**MAN:** I can live without it, yes.

**SC:** I'm afraid that we can't take evidence in confidentiality. The only thing we can do is important matters of defence, which we nearly got to in another place and then I scowled and they withdrew that point.

**MAN:** It's all right, I don't mind being ruled out.

**SC:** Do you want to take the point further though?

**MAN:** We'll take a view as a Panel.

**SC:** Well I mean we can't take confidential....

**MAN:** (INAUDIBLE)

**SC:** I'd like to just move on a bit about the connection between Sports City and the proposed casino because one of the things that doesn't strike me as abundantly obvious is the connection between 22 young men kicking a ball around and Margaret Gregory's middle aged ladies playing the fruit machines.

**MAN:** There's more of a relationship between 40,000 middle aged men watching 22 young men kicking a ball about and using fruit machines but seriously I mean I don't think we would pretend that in terms of actual activity that there is any great relationship between gambling in a casino and all the other activities which go on in the Sports City site at the moment, nor is there any less of a relationship with other forms of human activity than might exist outside of Sports City. But I think the synergy, the importance of this particular form of development – and by this I mean a casino and leisure complex and I emphasise leisure complex – is that it adds to the range of visitor attractions which the Sports City site can offer and that's extremely important to us in East Manchester but I think also for the City as a whole. I mean since the Commonwealth Games with all the development that happened on that site, we get round about 4 million visits a year to the site. Now I don't want to exaggerate the economic importance of that. A lot that is football supporters but it's a range of other visits as well and those visits do two things. One, people spend some time and spend some money in the area and therefore it's a contribution to reconstructing the economy of the area. Secondly, rather less tangibly, those 4 million visits reconnect East Manchester to the wider area, the wider conurbation. And for a severely deprived area which characteristically becomes very cut off from the conurbation, that reconnection back into

Manchester is extremely important. What the casino and entertainment complex will do for us at Sports City is more or less double the numbers of visits, so more or less double the economic significance, if not more than double the economic significance of the site as a whole to the regeneration of East Manchester and the contribution to the economy of Manchester as a whole. And I think we did have the advantage because this site has been in the public sector ownership for a great number of years and it was in public sector ownership before the Commonwealth Games, we had the opportunity to evaluate a whole range of options for the development of the site before indeed there was any prospect at all of this form of development becoming a reality in this country. And through that process I am very confident that the development which we promoted in 2004 and might promote in the future will deliver far more in terms of economic contribution and jobs to this area than any other potential form of development. So that's really the synergy with all the other facilities on site, not so much to do with the activities but with the economic significance.

**SC:** Thanks. Mr Froomberg has a follow-up question.

**JAMES FROOMBERG:** Thanks. It is linking with the sport theme and I am hazarding a guess in my mind the answer to my earlier question that you're not able to give me that you've got X million pounds worth of goodies that you've focused on this house of sport. And really I would just like to be convinced that, given the opportunity for X million pounds worth of goodies, that both the City and New East Manchester reckoned that this house of sport and skills centre facility is the best thing for Manchester regeneration and Manchester community that really, you know, it could be applied to. We've heard what other people want to spend theirs on and we've given them similar challenges on is this the best use of the sort of capital receipts, super profits that a regional casino can bring.

**MAN:** It's a dynamic situation, Mr Froomberg. When we did that work, there were what we thought two remarkably strong ideas. We know that one of those ideas is people are trying to pursue it elsewhere in the City and if that happens fine and then we'll back it then as we would do anyway before we went for (?). In fact there's a piece of work which Tom's already started which is about evaluating or re-evaluating you know the current positioning of gaps in the market-place and it might well be something superior comes out from that study which, even if say the skills centre was going to happen somewhere else or wasn't going to happen somewhere else actually, we would want to replace it. It's a dynamic situation. All I can say is it's based upon the consultations we undertook with many private and voluntary sector people. You know the skills centre was seen as a very high priority, particularly given our requirement to secure increasing levels of economic participation amongst our workforce within a growing burgeoning sector of the regional economy. Now that may change in the future. The house of sport idea I think is as strong today as it was two or three years ago and indeed, based on those activities over the last couple of years, I would suggest they become even stronger. And you know the questions that we would want obviously to ask always is that notwithstanding the validity or the concept validity of the ideas, are we achieving value for money? Are we achieving, you know, outcomes which actually justify the level of investment which we're making?

**SC:** Yes, thank you. Margaret Gregory please.

**MARGARET GREGORY:** I love the house of sports idea. It's great and I think how my lads and lass would have loved those opportunities if they'd been around when they were young. East Manchester certainly is disconnected or before the Commonwealth Games was hugely disconnected. People living in other parts of Manchester: "Clayton? Openshaw? Where's that?" You just never went that way and things which get people moving around the City as a whole and sharing the feeling that that's part of the City are something I would applaud. I had one quite big worry about the economic basis. We've talked about a large number of visitors. At one point this morning we were talking a lot about the use of the airport. Again, Manchester Airport's a great place. Heaven help them having to go anywhere near Heathrow. But we're also hearing a great deal about the greenhouse effect, about global warming, and about the need to consider very carefully our future use of air travel because in a survival sense I'm not sure we can afford it. This impact upon our visitor base, it's a question we ain't got that much to come.

**SC:** Is this...I mean interestingly enough we had a previous contributor who was actually a member of the Green Party and I mean she was making this case very strongly and it occurred to

me as you know she developed the point that this is very much an argument against having regional casinos, major international tourism and so on generally and not specifically to Manchester.

**MG:** For me it is certainly a question about the appropriateness of having I'm going to say short stay facilities.

**SC:** I mean perhaps if we follow this argument we might have said parliament shouldn't have passed this legislation.

**MG:** I think we have not taken on board....

**SC:** Do appreciate that parliament that parliament has passed this legislation and it's not for us to say that it's right or wrong.

**MG:** Yes, surely. As a society we're only beginning to think about the wider implications of global warming and our behaviours. We haven't taken into account...we do think should I really be going on so many trips abroad perhaps and how should I do it? But we're still doing all our planning on the basis we had five years ago of an infinite, you know a rising graph.

**SC:** I'll come to airports because there is actually a practical point that does stem from that. In fact we're going to come to it not just in a minute but now aren't we?

**MAN:** Yes, I think we are, Chairman. We've reached a point where we'll perhaps talk about transport in a little more detail. I was awarded three points over the lunch break following the Chairman's remarks before the break but transport. I mean we've noted that Manchester is the third most visited city in the UK by international visitors and we've noted the projected growth of passengers at the airport, which has just been mentioned. I think the figures are 22 million projected to 39 by 2015, so you know major growth. So there is obviously capacity locally to handle international visits to a regional casino. And last night arriving at both Piccadilly and Oxford Road we have noted you know a good national rail connection and so on. Perhaps you just want to delve into one or two perhaps more local issues, in particular the selection of East Manchester. It was mentioned a couple of minutes ago that there have been one or two ideas in West Manchester perhaps in the past. East Manchester...

**SC:** It isn't as close as West Manchester.

**MAN:** No there isn't really. There isn't really. You're absolutely right to the West. Metrolink, Sir Howard, thinking of the Metrolink and you know the ideas of connecting Sports City into and so on really would probably just benefit from an update first of all, you know, where things are in that respect and, you know, perhaps that's in part linked in with the selection of East.

**MAN:** Certainly if around the planning arguments around the selection of East Manchester then my colleague Peter will take you further through that. Transport is one of the critical issues for this conurbation over the next 5,10 years. Given the level of economic growth which we are determined to capture here, given the policies which all of us are actively pursuing throughout Greater Manchester in promoting social inclusion and very clearly the adequacy of our public transport system is going to be a critical factor. That is why it was so important for us to make the progress we have in securing government approval to the expansion of our Metrolink system. Two or three years ago we hit a little bit of a hiccup on that where for a whole variety of reasons the Department of Transport felt unable to progress our funding applications. That's caused us to re-evaluate, re-engage and re-position our respective partnership arrangements. And several weeks ago the new Secretary of State for Transport, Douglas Alexander, came up to Manchester to announce the equivalent of a £640 million package to extend Metrolink through North Manchester and the Oldham-Rochdale just at this stage just missing out Oldham and Rochdale town centres, through East Manchester, past the stadium to Drawlsdon (?) and through Chorlton to the south. There are three missing limbs to that. As I said, the town centres were Oldham to Rochdale. From Drawlsdon to Ashton and from Chorlton to Manchester Airport. Those with other public transport capacity enhancements alongside other transportation initiatives will form part of Greater Manchester's bid which the Secretary of State has invited us to submit in July of next year for transport innovation funding. I am not here to say that Metrolink is a panacea for all our public transport capacity issues because it isn't. We have made it very, very clear we need significant additional investment through the north of the conurbation, through Bolton, Wigan, etc. in terms of rolling stock. There are critical issues around bus penetration around Lee, through Salford here. There are issues around the expansion of Metrolink into Salford Quays. There is also other bus

initiatives. Certainly Brian Suter or (?) here from First Bus and Stage Coach, they will say we need a lot more investment in promoting the reliability and attractiveness of bussing different corridors of the City but we believe we've got the strategic base and we've got the platform to secure that transport investment, so important for our future growth over the next few years. And there is a real commitment throughout Greater Manchester across all political parties, throughout all local authorities, all the private sector in getting us to that point. One final point which I think helps to give you an indication of how we work in the City and the wider area, we've almost divided the area, the whole conurbation up into 11 or 12 corridor partnerships. So what we are doing is each of the local authorities working with my colleagues....I'm also by the way the Clerk to the Passenger Transport Authority, one of the county-wide functions we discharge within Agma. My colleagues, working with individual local authorities, individual regeneration agencies, where agencies like Tom's exist, people like Tom in Salford, elsewhere, are all working through the development of corridor planning throughout the conurbation, examining travel behaviour, travel choice, efficiency and the way in which we deploy public resources, how we secure maximum outcomes for all the investment we're making, how we influence travel behaviour. So it's also about providing terms of engagement with private sector employers in each of those corridors and each of them are producing corridor plans which will actually be pulled together to represent the total cumulative bid as it were for government in the middle of next year. What that also is doing is providing a much stronger accountable relationship between the Passenger Transport Authority and individual local authorities in terms of what they deliver on the ground. So if we say to government we want £1.4 billion please so we can do x, y and z in order to deliver all of these outcomes, we are then driving down those outcomes and that investment to individual corridor partnerships so they become accountable to us so we in turn can become accountable to the government for the delivery of those outcomes. And that's something which both Treasury and the Department of Transport are expressing very positive signals of encouragement in order for us to develop that strategy even further.

**SC:** You mentioned the Drawlsdon, whatever you call it, the Drawlsdon line or the Drawlsdon corridor. Can you just remind me what the position is on funding on that?

**MAN:** We have entered....the £640 million is a combination of three funding sources. Funding source no. 1 is central government grant. Funding source no. 2....

**SC:** Have you been promised...that's not in the present package, the Golden Links, is it?

**MAN:** No, Drawlsdon is.

**SC:** Drawlsdon is?

**MAN:** Yes.

**SC:** Ah, that's the point I wanted to establish.

**MAN:** Oh sorry, Sir. Oldham-Rochdale without the town centres, Piccadilly to Drawlsdon through East Manchester and Chorlton are all guaranteed.

**SC:** Okay. Because I mean were it not the case, I was wondering whether you'd spend perhaps some of the revenue from the casino on getting that going.

**MAN:** Your Treasury will ask though, yes at some point, yes.

**SC:** The Treasury have some nasty habits of course. As soon as they find a local authority with income, they cut your support grant.

**MAN:** Exactly.

**SC:** You could ask them but that's another story of course.

**MAN:** The other thing as well of course, what we're doing in East Manchester and North Manchester with Metrolink is also complimented by the way in which we procure bus services, encourage bus operators, though with some uneven success it has to be said within the existing statutory regime to actually provide an integrated transport offer. And I think it's fair to say that the East Manchester area is one of the better-served areas in Greater Manchester for public transport probably because of its proximity to the City Centre. So it is heavily trafficked in terms of buses and the Metrolink line for which we are now starting procurement, we started that two weeks ago, will dramatically add to the choice and also the attractiveness of this part of the City as a major destination use. Sorry sir, do you want to talk about the funding of....

**SC:** I wanted to know that....I wanted to know where you were in terms of funding not about it.

**MAN:** I think it was just important to know, which you've confirmed, that the funding is in place in particular for the East.... The question that we just really wanted to follow that up with is – and I don't know whether one of your colleagues may have some information really about...thoughts about the model split, you know the means by which people will arrive at a regional casino and obviously some of those arrivals will be at times when public transport isn't necessarily at the moment, you know, running. I mean I suppose there can be adjustments to that but has there been some thought as to the model split?

**MAN:** I don't think I would sit here and claim that we've done a detailed transportation analysis of the regional casino but can I say a little bit about this because I think it is quite important the Panel understands it. We worked very hard in the 12 months prior to the Commonwealth Games on a transport strategy for the facilities at Sports City to ensure that as many people as possible went to the Games on foot or via public transport. And if I'm honest we didn't do that for good sustainable reasons. We did it because we were concerned that there shouldn't be congestion and disruption for residents in the area during the period of the Games, and used a variety of different approaches to that. And it was I think by common consent very successful with over three-quarters of the visitors to the Sports City site for that period actually walking from the City Centre, and it's a short walk from the City Centre, or using public transport. Now that the Sports City site is in steady state, i.e. with the football club in occupation, it is still the case that somewhere between 60 and 75 percent of people going to the ground for a match either walk out from the City Centre or use public transport. And the impact on the area of increased car usage has been very limited and, apart from the occasional illegal parker who gets dealt with by our parking wardens, it really hasn't been a major problem and this we would have anticipated. Now I think if there were to be a casino development at Sports City – and we should remind ourselves that the site for a regional casino in Manchester is not necessarily at Sports City – but if there were to be a regional casino at Sports City then I think that does present particular challenges given the peak periods of usage late at night and into the early morning. And it is true to say that currently public transport arrangements wouldn't deal with that demand and there would need to be further negotiations with providers around that. I think I would also say that the Sports City site, because of the range of uses on it and not because of the casino, currently has capacity for over 2,500 car parking spaces and you'll know that they are regularly used.

**SC:** Thank you.

**MAN:** Partly related to transport issues but more generally. There seems to be a link being established in some of the information that we're being provided with between business conference uses and casino operations and you know I just wondered whether any thought had been given to that in terms of the importance of the business element of turnover within a casino and also this issue I think that was mentioned a little bit earlier that the intention is to retain the City Centre as the hub of the conference activity and to see you know that the casino as a separate destination if you like. We're being told perhaps in other places that you know there's a great interaction between these two things and I just wondered whether there is a view on that here?

**MAN:** We're all at different stages of development I think and we'd all have our view of priorities but from my point of view, replicating what we've already got wouldn't be a very intelligent thing for us to do. So we want to look for added value and the added value not just in terms of money but also in terms of community benefit and driving our City forward. And we've now got the Regions Premier conference and exhibition facility and we want to continue to grow that in the face of competition inside and outside the North West.

**SC:** Of course you'll appreciate this is related to the displacement issue and the point that the activities at Sports City that might detract from similar competitive activities in the City Centre.

**MAN:** This is why we're being very, very clear about what we want as a profile within Sports City. You're absolutely right, Sir, if we would have been promoting as part of our regional resort product facilities which would be competing effectively with the City Centre, then the issue of displacement would be very significant indeed, quite apart from very serious questions being asked about the leadership of Tom and I in such a process. But more particularly what we are seeking to do here is to create a product which adds value to our regeneration programme. And we've made it very clear and have made no apologies for that in terms of how we've remorselessly managed and promoted this as part of our strategy.

**SC:** Thank you.

**MAN:** Very clear.

**SC:** Just a point on the intro. Following a point of Margaret Gregory's, air travel is at present said to be very cheap because there's no tax on aviation fuel and so on and there is a growing green movement, particularly in European circles, that would suggest that governments perhaps ought to put tax on aviation fuel just so as to drive the price of aviation up. So that instead of having a steady rise as it were in a curve, it might sort of tail off a bit. If that were to happen – and I know it's an if – if that were to happen, would that affect your proposal much do you suppose?

**MAN:** I'll have a go at this and if Paul wants... We are the majority shareholder of Manchester Airport and we colleagues, all the local authorities collectively own Manchester Airport, so strategically the positioning of Manchester Airport, both as an investment and an asset as well as a contributor, a significant contributor to our regional economy, dominates our strategic thinking. And yes, there is a debate that will take place and which we are part of about the extent to which environmental responsibilities should be displayed in the way in which the airport goes about its operations. Issues to do with taxation around aviation are clearly matters beyond our control, though I am sure the airlines would want to say something about it. And so long as it's an even playing field, the impact I think of these taxes over the years or what are seen as disincentives to travel over the years, you might get some short-term blips, which start to influence changes in behaviour, but fundamentally the long-term growth path seems to be assured. And I think there needs to be greater emphasis in the way in which airport and aviation policy is developed about the environmental responsibilities which airlines display to the environment, quite apart from the way in which airport policy itself as a principle is determined. So my short answer to you, Sir, is that in the medium to long-term I see no discernible impact on our proposals.

**SC:** Yet it occurs to me that there was a planning inquiry into your airport a short time ago. Was that issue covered in any depth do you know? Can you remember what the inspector said if it was?

**MAN:** I think that, what I've just said I think, if Peter can correct me, but I think that more or less mirrored...his conclusions more or less mirrored what I said and that was what is the airport's responsibility in terms of the environment and it is about ensuring that they had respectable travel plans, particularly for employees, emphasis on public transport. That's why Manchester Airport will be a significant contributor to the cost of our Metrolink extension to the airport.

**SC:** Thanks for that. So that's covered is it? Yes, I think you have about the competition. You've covered that. Mr Sagar, you wanted to ask about Pathfinder in this connection.

**DEEP SAGAR:** I have a fair understanding of their Pathfinder and DWP City Strategy Initiatives Line, so that's fine, thank you.

**SC:** Let's go on then if no one else wants to speak on the regeneration and some of the associated issues, the willingness to license. Does anyone on the Panel want to go onto this any further. Mr Froemberg?

**JAMES FROEMBERG:** I just wanted to...just one thought that opened up with Sir Howard a few minutes ago, which is if – and we're in the world of hypothesis here – the government decides to impose a tax rate such as to cause the extent of let's call it super profits, go trundling off to the Treasury instead of into local community benefits and therefore the regional casino was just that – it was a regional casino and maybe a hotel but not a whole load of other stuff – how would your willingness to license change? Would you still be keen to have the casino and the hotel sort of naked if you like?

**MAN:** Not nearly as keen.

**JF:** Not nearly as keen? Thank you.

**SC:** Well in that case we'll just go on to regional context and I have a query: Why do some regional bodies support Blackpool over Manchester? Is anybody going to tell us, like the Assembly. It's good of you to come along and face them.

**NICK GERARD:** First of all I wanted to...you've had a question about the Pion (?) report as well, which is obviously a key piece of information. When the whole business of government...reviewing the Gambling Act came up and the issue of regional casinos and the benefits that could come from those was realised, we were very interested in that purely from the point of view of what it could do to the economic development of the North of England. And it was as a result of that that we

commissioned a piece of work by Pion (?) which you've got. And we used Pion because they'd done some work for this cross industry gaming group and obviously had a lot of experience and privileged information in terms of the things that matter to casino operators, so they understood the casino market and they also had a credible track record as economists. Now we used them and our agenda was purely to see how we could maximise the benefits of regional casinos for the North West of England. And we asked them to do a piece of work. We commissioned it jointly with the Assembly and the government office, basically to ask you know what was the market demand? In other words, how much could the North West cope with and where were they likely to go? As a basis for that we established where all the local authorities were already interested. There were a variety of expressions of interest all over the region. But basically the crude question was we wanted to know where we could get the biggest bangs for the buck from these. Now bear in mind when all this started it was in the context of there were going to be significantly more regional casinos than are proposed now. I mean I want go through all the conclusions of the study but the main one was the capacity of the North West, whether the benefits could be maximised, their conclusions, whether you could have two in Liverpool, Manchester and Blackpool. And if you had two regional ones in each of those locations, and if you had that that would be a) what the region could cope with, probably at the top end of the demand, and also the way in which the benefits could be maximised. Now we moved on from that of course because one of the things we wisely put in the brief was that they had to have regard to the evolving legislative framework. We didn't realise quite how much it was going to evolve during the course of the study. So when the rules changed and it turned out there was only going to be sort of one specific casino, we asked them you know what was their answer to the question about where we could maximise economic development, tourism and regeneration benefits in that regard. And as a consequence of that, they came to the conclusions that if economic tourists and deprived groups were weighted equally, Manchester and Blackpool are ranked at roughly the same level, with Liverpool in third position, Trafford and finally Salford because at that stage all of those places had interest in casinos or potentially did. The key conclusion they came to is that justification for each location could be offered in terms of regeneration. In Manchester a regional casino would generate localised regeneration in the context of a diversified and generally buoyant economy. In Blackpool a regional casino would help restructure a much less diversified and weaker economy, which in the consultancies is continuing to struggle against intense decline. And they concluded that in terms..these terms it was difficult not to assign a higher priority to Blackpool. Now then having produced that...

**SC:** That's a political judgement isn't it really rather than an economic....

**NG:** What I have quoted was the economist. You know that was the basis of asking somebody for some evidence...

**SC:** No, I mean it's giving to the people that need it most. Well that's not economics is it?

**NG:** Well this...anyway, the decision was made in the light of...

**SC:** Do go on if you don't want to respond to the point.

**NG:** The decision was made in the light of that because bear in mind the objective of the whole exercise from our point of view is where could this regional casino most fulfil the aims and to be frank there are a number of opportunities in the North West and the two very specific ones that the Panel are considering now, we think both of them present very strong cases, far stronger actually than other parts of the country and particularly London in terms of what can be gained from them. We're very clear in our views about that. But given there's only one we're forced into making a choice and as a consequence of that piece of work I've referred to and quoted from and a consequence of the strategic environment provided by the existing regional economic strategy at that time, the regional tourism strategy, where the casino-led regeneration of Blackpool, their whole plans are built around the casino-led regeneration and the fact that there are far fewer opportunities if any for realising the regeneration of Blackpool compared to Manchester caused us to come very firmly in favour that if there's only going to be one of these things then Blackpool is where we want it to go.

**SC:** But in no way...he's probably far too polite to say that aren't you asking us to be sorry for Blackpool?

**NG:** No. Well if we're addressing the Blackpool case, that's tomorrow's discussion.

**SC:** Are you coming tomorrow?

**NG:** Well I am and my Chief Executive are coming tomorrow to address Blackpool's specific merits.

**SC:** I hope you do because you know clearly we can see it's important.

**NG:** But, as I said, the driving motivation here from our point of view is there are many regeneration needs in the North West. The case for Manchester that's been set out today is very powerful indeed and we do not want in any way detract from that because we're committed to ensuring the regeneration of East Manchester and indeed funding it substantially in all sorts of other activities. But we're put into the position of there only being one of these opportunities and frankly, if you've only got one penny to spend and there's only one place we can spend it, Blackpool is the place that needs it most. Does New East Manchester need it and can maximise the benefit from it? You've heard that very well articulated today but the thing is is we're very clear that if there's only going to be one of these things, there is an overwhelming case for Blackpool securing that, not to feel sorry for them because the context of Blackpool isn't...our plans are derived on feeling sorry for people. They're planned on looking at the economy of the North West as a whole, looking at the needs and the opportunities. Now in Blackpool the issue there is you've got a major resort that's on a serious decline, which you will no doubt hear about in some detail tomorrow, and the opportunities of turning that around are very few and far between. There's a masterplan being devised based upon casinos right from well before the Gambling Act came into being and that's been the whole basis of their plans in the way in which that regeneration of that place, which is an important tourist asset not just in the North West but nationally. Blackpool is still, even with its decline, the leading seaside resort in terms of visitor numbers but they're on the way down. So we've been forced into having to make a choice, as indeed you will be. So I want to repeat for us, the two North West locations are very powerful. Both presented very powerful cases but the need in Blackpool is overwhelmingly greater and the benefits for the regional economy are very important. And I'm not knocking anything that has been put forward by Manchester today because we are working with them very hard to ensure that the Manchester City region, which has basically 50% of the North West economy, that potential is realised.

**SC:** Yes, Mr Collison wants to chip in.

**CHRIS COLLISON:** Yes, thank you Mr Gerard. Over the years I've been involved with quite a lot of regeneration in various areas and in particular picking up on the word that you've just used 'need'. One tool that I've always found very useful – and it's changed its name once or twice over the years – is the index of deprivation. It's, you know, an accepted measure if you like of need, using your word. Could you just describe to us how you see Blackpool and East Manchester in terms of the index of deprivation and the relative need that that would indicate?

**NG:** Well in terms of....I mean the index of deprivation, I mean you've got the figures before you. Both are ranked very highly. In fact Manchester's at the top is it not in terms of the information.

**CC:** ....you really because you seem to be saying that there's a greater need in Blackpool and I was just wondering whether you were basing that on the index of deprivation or on some other criteria and I'd like to know what the other criteria is.

**NG:** Well the criteria is a combination of need and opportunity, the opportunity to realise regeneration.

**CC:** It's not just based on the....

**NG:** Not purely.

**CC:** No. So we're just concentrating on the question of need then. Could you explain why the need is greater in Blackpool than in East Manchester?

**NG:** Because the opportunities to address that need are more.

**CC:** Well I was wanting to explore the need rather than the opportunity.

**NG:** Why the needs are greater?

**CC:** Yes, that's what you said before.

**NG:** Right. Well when I was saying the needs are greater, I'm saying the needs are greater because the opportunities to address them are more limited.

**CC:** So the needs are not greater in Blackpool?

**NG:** The needs...the index of deprivation needs are what they are.

**CC:** Yes, they are but what do they show?

**NG:** I'm not arguing with those.

**CC:** Sorry?

**NG:** And I'm not arguing with those.

**CC:** So what do they show?

**NG:** Well that Manchester is higher ranked in the indices of deprivation than Blackpool is.

**CC:** Thank you.

**SC:** Mr Sagar, do you want to ask a question of the participant?

**DEEP SAGAR:** Thank you, Mr Chairman. The main criterion given to the Panel, as you know, is to find the best place, the best test of social impact, the place that will....in that context, would you still maintain that position, that Blackpool should be preferred?

**NG:** Yes.

**SC:** Would you like to tell us why? Really I'm a bit like a stuck record on this.

**NG:** Sorry?

**SC:** I said I'm a bit like a stuck record.

**NG:** I mean our position is as set out in the two letters that we wrote to the Panel and I've actually got nothing more to add to that. We are committed to delivering the Regional Economic Strategy, which has just been reviewed, agreed by the region and published in March 2006 after ministerial endorsement. That sets out a) the economic needs of the North – we talked about worklessness this morning – and a whole variety of the economic current status of the North West of England. That's an agreed analysis shared by key partners across the North West of England. We then sought to identify what are the key opportunities and the assets upon which we can build in order to address those needs and maximise the growth of the North West economy and to close the output gap. There are a whole variety of priorities identified in which to do that based on those opportunities and the areas of need. Often, as we've already heard today, the combination of opportunities and needs are in the same place. So for example in Manchester, as Sir Howard articulated very effectively this morning, in terms of its growth prospects and that which has been achieved are enormous but there are still desperately urgent issues of their social needs that need to be addressed through....

## **CASINO ADVISORY PANEL - MANCHESTER - 7th SEPTEMBER 2006**

### **SIDE 7**

**STEPHEN CROW:** Is there anything they said that you think wasn't perhaps good enough?

**NICK GARARD:** Like I say, no. I've got nothing to argue with at all about what Manchester have said. We are forced into the position of having to make a choice, okay. We want both Blackpool and Manchester and we think....

**SC:** Rather than Newcastle or Cardiff or any of the others?

**NG:** ...Greenwich because the thing is is both of them are well thought through schemes but the thing is is in terms of when there is only going to be one....we haven't done all of the analysis. You're (?) that about tests of social impact and all of that. That's not the analysis that we have done. We are looking at....I was talking about what were the needs of the North West and the opportunities. In Blackpool's case, we've still got the leading tourist resort in the country, on the decline, and one of our major features of the economic strategy which is important for the economy of the North West if it is to grow is our tourist industry. It's a major potential area of growth. Now there are a number of key assets upon which we can build but the opportunities to build on those assets in Blackpool's case are seriously limited and this presents an opportunity they've been working on for 6 years or more to turn that around – a masterplan and work to invest in public round there to build on that. So if a choice has to be made, that's the choice that we have made.

**SC:** Well that's fair enough and thanks for telling us that. Coming back to the question of tests of social impact, I'm sure that tomorrow there will be several people from Blackpool that tell us why

Blackpool is the better place. I mean one of them might be that it's much smaller. Well if they tell us all sorts of things that the Manchester people haven't anticipated then there could be a little bit of embarrassment over fairness you might think.

**NG:** Yes, I mean it is a disadvantage because I'm not here to present the Blackpool case.

**SC:** No, I appreciate that.

**NG:** But there are social impacts or whatever.

**SC:** Basically you perhaps haven't considered this point very thoroughly and I do understand that.

**NG:** I think what I can say though, I mean what I can say is our confidence in their ability to address these issues and I've obviously reinforced the confidence we have in the arguments that have been put forward this morning.

**SC:** Look, I'm going to take Mr Gallagher next and then I'll perhaps hear the...what the Manchester folk will all want to say. Would you rather Mr Greenwood from the government office?

**MR GREENWOOD:** If you took Mr Gallagher first and then myself to do the sort of wind up from the government's side as the region, would that be satisfactory?

**SC:** Yes, of course. Mr Gallagher, thanks for coming along. We've met before have we not.

**MR GALLAGHER:** Yes, we have.

**SC:** And what happened to our report then?

**MR GALLAGHER:** It got rolled into the current RSS process and my examination in public starts in a month's time.

**SC:** Yes. Why some people think that I'm a stooge of government I really don't know. Can you help us on this particular issue? Why have you supported Blackpool?

**MR GALLAGHER:** Right. I think the first point to make is very much echoing what Nick has said, that we've used the evidence based on the Pion study. Throughout the RSS process we've been encouraged by government to make use of shared evidence bases to ensure that we are compatible, complement existing regional strategies and that that's why the joint work was commissioned in that respect. And we did start off...you know we were looking at more than one regional casino. The goal posts have moved. We are required as the regional planning body in RSS to identify the location for regional casinos. We can't duck the issue so we had to address it in RSS. Given that there's only one pilot, that forces the issue even more for us in our view. We've come down on the side of saying Manchester, Liverpool and Blackpool are the preferred locations for regional casinos but the first one should be Blackpool. Our view on that is because, as Manchester's pointed out a number of times today, they are one of the drivers of the north's economy, a lot of economic growth, a lot of opportunity, a lot of opportunity in a whole range of different sectors. Whereas Blackpool has got much less opportunities to turn around its fortunes. Bearing in mind that the Assembly operates, it is a partnership of local authorities, the social, economic and environmental partners, so there is a democratic element to the Assembly's activity. We have to devise a regional spatial strategy. This has got by from stakeholders across the region. Throughout the process we have been putting forward a regional casino in Blackpool from the outset. This has not been fresh from the advice we've had from Blackpool based on the work they've been doing for the last 6 years has fed into the process and we've engaged with stakeholders throughout that. We had...the RSS was approved by for submission to the Secretary of State in January unanimously by the whole of the Regional Assembly. That's the local authority side and the other partners. We then took a report to our Assembly in April, when this process was announced that it was going to be happening, to get a further endorsement to make sure that the Assembly was backing the approach it had put in RSS in the policy there and the whole Assembly was in total agreement that we should be backing the Blackpool bid in the first instance. The two politicians from Manchester did indicate that if it went to a formal vote they would have abstained but all...we had politicians and other members of the Assembly from right across the region, including elsewhere in Greater Manchester, who spoke in support of Blackpool being the region's first priority and that being the Assembly stance.

**SC:** So there's a lot more we've got to explore with Blackpool and it's perhaps not kind to Blackpool to be exploring it now but you will be there tomorrow will you?

**MR GALLAGHER:** Yes.

**SC:** Thank you. Is there anything more you want to say on....

**MR GALLAGHER:** No, that's it.

**SC:** ...on the choice of it? I mean are you in the same position as Mr Gerard, that is you don't want to knock Manchester?

**MR GALLAGHER:** Yes, we're not knocking Manchester. It's a case we've been made to make a choice in regional spatial planning in terms of identifying a location for a regional casino so that's why Blackpool we've had as I say first but if there was more regional casinos at a later date, Manchester is still a preferred location. We have put a caveat that we would want to see you know an adequate time to evaluate the impact. We're not saying, you know....we don't want the government to say a casino, one first regional casino and then two months later we're going to have a whole flood because it is a pilot.

**SC:** Thank you. Mr Greenwood.

**MICHAEL GREENWOOD:** Thank you, Chairman. Michael Greenwood, I'm a Director in the Government Office for the North West. In this particular examination my role is that of the lead director for Manchester City Council in relationship terms. There will be someone different from the Government Office tomorrow who liaises with Blackpool. The Government Office is concerned with casinos, particularly in the context of the regional spatial strategy and the regional economic strategy and of course in relation to the regional spatial strategy, as you will well understand, we have a dual role. We are a sort of guardian of the process to ensure that all the views are marshalled from the government and the process is followed and so on, although we don't actually carry it out. But also we have the legitimate role of expressing the regional views of government on the issues within the RSS and it's important that we do keep those things in proper balance and I'm sure you will allow for that in your questioning of a humble bureaucrat, Chairman. The....I'd like to start with a regional context. What this region has been experiencing for the last 20 years or more is massive economic sectoral restructuring, principally decline of manufacturing of course. I know we're not alone in that but we're talking about the North West as far as I'm concerned today. And we have still not got sufficient representation in the growth sectors of the economy that the region would wish and that's in the regional economic strategy. There have been major successes in the economic....continuing major successes in economic regeneration in that period of course and really none better than the achievements of Manchester City Council, which have been truly wonderful, and we expect those things to continue in the future. But despite those excellent achievements, the gap in economic performance between the North West and particularly London and the South East remains great and that is inescapable. So what we want in the region is increased representation in sectors which are likely to produce growth. One such is leisure and tourism and therefore in the Government Office we definitely want to see....we would like to see the regional casino in the North West because we think it would be a very useful addition to the leisure and tourism offer in the region and would have significant benefits. And indeed Manchester have very, very fully explained the potential of those benefits to add to the offer sub-regionally wherever it is and regionally. Okay, so saying that we want it in the North West, what's the Government Office's position on this choice? I'm looking at this in the context of the regional spatial strategy and accepting that what exists at the present time is a draft and subject....

**SC:** Can I chip in there because my understanding is that it's coming up for examination just before Christmas, then a break for Christmas and then coming up afterwards. Is that right?

**MG:** Correct. It's three weeks in November and three weeks at the start of January and I think the Manchester...

**SC:** So you could just be informed by our report if not the Secretary of State's decision?

**MG:** Indeed.

**SC:** Thank you.

**MG:** The view that....the relevant policy in the regional economic strategy....sorry spatial strategy is Policy W8 and the government's formal response....the Government Office's formal response on that, which is in the public domain, is as follows: "We welcome the prioritisation of Blackpool in line with independent advice supported by MWDA and other partners and reflected in the Advisory Panel's recently published shortlist but Policy W8 may go too far in preventing Manchester from promoting other proposals as it too has been shortlisted by the Advisory Panel." The point there is that the second paragraph of W8 does suggest that if Manchester does not get the regional casino, they would have to sort of wait for a subsequent regional casino development and I don't

know....I realise we're not talking about other forms of development in this inquiry but we too see the strength and indeed sophistication of the Manchester bid and we wouldn't want a Blackpool choice necessarily to stop other things....not a regional casino clearly but other things happening in Manchester.

**SC:** Yes. Of course you appreciate that our choice does involve places outside the region.

**MG:** Absolutely but my concern here, Chairman, is for the North West.

**SC:** Thank you. Can I just ask a question of either the Development Agency or the Assembly about Pion. You heard today about the City Council having the Cambridge Policy Consultants and they've also run a model and so on. Have you had a chance to sort of put the two models and their assumptions side by side? Which is going to answer that? Sorry, Mr Gerard.

**NICK GERARD:** The answer is no. What I was going to say is if you did have any technical question, as I might call them, about the Pion reports, Jim Toomey of Pion, who was the author of the report which we commissioned, is at the inquiry tomorrow.

**SC:** Good.

**NG:** And so...and he'll obviously be happy to take any detailed questions on his methodology or other questions of that nature you want to address to him.

**SC:** Thank you. Yes I'm turning in your direction. I mean were you happy with Pion?

**NG:** No.

**SC:** Can you tell us why and put it to Mr Toomey tomorrow?

**NG:** Well let me just define Pion first of all Chairman if I may. We saw first of all some little while ago what we think of as Pion 1, which is the report that Mr Gerard has been talking about. Yesterday evening we saw what we think of as Pion 2, which is the Pion report on Blackpool. It was done in March I believe but it didn't go onto the website I think until....

**SC:** Well we've just got it.

**NG:** No, no, I understand that, okay. So we've had a look, a more detailed look at Pion 1 and then at Pion 2 but I also took a look yesterday as well at the question and answer session for the....not question and answer session, the question and answers that had been exchanged between the Panel and Blackpool earlier on. We do have real problems with Pion and to be perfectly blunt with you – and I know this will I guess upset the regional gentleman opposite – we don't think you can rely on Pion at all.

**SC:** I'm taking a note of this Mr Gerard because I'd like you to tell, you know to warn Mr Toomey what he's going to face tomorrow please.

**NG:** Our principal objection to Pion 1 at least is that it is non-transparent. You can't see how Pion get to the conclusion that Blackpool is to be preferred from the analysis that goes before. You've got various types of analyses that go on and we certainly don't criticise Pion at all for looking at the multiple possibilities of a regional casino because that was the situation at the time they wrote the report. But then as a surprise if you like on the end, they do conclude that Blackpool is to be preferred. There is no argumentation, no analysis which leads you to the conclusion, any rational conclusion that Blackpool is to be preferred. I will come onto Pion 2 and whether it goes any further in that respect in a moment. We do think, because of its characteristics, that Blackpool would not make a proper test bed. If you look at the characteristics of Blackpool compared with the other bids that have got on the shortlist, dropping Brent off, Blackpool is the smallest. It's the only non-city. It's relatively isolated. The area roundabout has low population and it is hugely dependent on tourism. We spent some time this morning looking at the similarities and the not many differences between....

**SC:** I was going to say that that's an advantage of course I guess.

**NG:** I'm not sure that it is but....

**SC:** So long as you know that they might think it's an advantage.

**NG:** They might think it is, yes. We would suggest that...I mean in the same way that you were trying to check this morning Chairman, rightly so in my view, that the Manchester and Greater Manchester demographics look broadly similar to those of the UK, which they do, then on that basis I think Blackpool fails because it is so small, not surrounded by a larger population and very dependent on one industry, vis tourism. Perhaps the biggest thing that worries Europe Economics, me personally about it, is the assumption or assertion if you like that a regional casino in Blackpool will sustain between 2½ and 3½ million visits a year and for the life of me I cannot see how you

can rely on that assumption or assertion. Blackpool is alone amongst the bids that have made it onto the shortlist in relying really very heavily on non-local custom. Now all the casino operators we've spoken to, the literature on casinos we've read, suggest that you do need a strong local clientele to secure commercial viability for a casino and, if you don't have the commercial viability, you aren't going to get the regeneration benefits. In Manchester we suggest you have got a strong commercial case and therefore ample funds available for regeneration which is needed in the area because of the scale of deprivation in Manchester. The two go together. In Blackpool, it is said that 7% of the clientele or the visits rather to the casino would come from within one hour, leaving 93% beyond. If you look at Pion 2, the numbers change a little bit and we're looking at 70% outside the North West region. But on either basis, Chairman, that is a huge proportion of visits to be found from shall we just call it a non-local source and that is inconsistent. It's completely inconsistent with everything we've heard from casino operators and everything we've read about casino operations as well. You have to make a giant leap of faith it seems to me that Blackpool will actually be able to secure, without access effectively to much local custom, between 2½ and 3½ million casino visits a year. And to be perfectly honest my firm view is that is infeasible. You cannot rely on it. You simply cannot rely on it. I think Mr Gerard talked about where you get the biggest bang for your buck. I mean I think if you put your buck on Blackpool, you get no bang at all. It simply won't work. If it were to work, it would have to take an immensely long time to do because you're starting from such a low base. I simply can't see how you would ever get Blackpool to tell you anything valuable about the licensing of further regional casinos and that is one of the Secretary of State's requirements. The first regional casino licence should provide a test bed to judge whether further should be licensed. Our view is that if you license a regional casino in Blackpool, it will be wholly dependent for a long time to come on a monopoly position and that is not, as I understand it, what the government is after. If, let's just hypothesise for a moment, if you licensed the first regional casino in Blackpool and then subsequently licensed another one shall we say in Manchester or Newcastle, I think Blackpool would die. If you licensed the first one in Manchester and then put the second one in Blackpool, Manchester is not going to die because of the simple reason it has that viability about it which Blackpool lacks. So our view I have to say – and I am sorry this is in such sharp distinction to what we heard from the other side of the table – a) you shouldn't rely on the Pion work and b) you certainly shouldn't award the licence or recommend the award of a licence to Blackpool because it will not work.

**SC:** Well thank you very much. Are there any points that either Mr Gerard or Mr Greenwood can respond to now?

**MAN:** Well I can certainly respond on one, not on the technical points because, as I say, they'll be dealt with tomorrow. But the point about the conclusions and the lack of transparent analysis about why Blackpool was chosen, I actually do strongly disagree with that because I've read out the conclusions of the report, which is on the basis of the analysis that is presented in the report that Manchester and Blackpool are equal in terms of economic development and tourism and regeneration impacts. Then the issue of the choice was a question that we put and debated with them, this Panel that...sorry, the Steering Group Panel which looked at it after the analysis had been done because the rules have now changed. If we're only going to have one, what would be the choice? Because we wouldn't have needed to have made a choice between their conclusions had the single regional casino issue not come up. And what is articulated in there, which is the core of the argument which their analysis hasn't changed, is basically to do with the opportunities for securing the regeneration that you're talking about. And that's where the differentiation and the opportunities between Manchester and Blackpool are greater. So that's the only thing I can strongly comment on. The other points, I've noted the vehemence of the argument and I'll make sure Mr....

**SC:** Would you expect otherwise?

**MAN:** ....Mr Toomey to defend his report.

**SC:** Yes. Just a procedural point does come to mind, Sir Howard. Will you be sending an observer to Blackpool tomorrow?

**HOWARD BERNSTEIN:** Yes, we will.

**SC:** You will?

**HB:** Somebody who could...

**SC:** If there's anything, you know points of unfairness come up, you won't be prompting to let me know will you? Thank you.

**HB:** ...just add to something. I'm not an economist but what I found about the Pion analysis was its inscrutability in terms of the figurework and itself and I think that's really what Bob was talking about when he was talking about the transparency because the central conclusion is that if all these things are equal then we think the balance of advantage may lay in Blackpool. Well the central proposition we're making is that all things are not equal on any level. Can I just make one other point really because I don't want this just to be an issue around the issue of Blackpool and opportunities. This is also an issue about jobs and productivity and some of the central points I hope we made this morning, which I'd like the opportunity to reinforce again very, very quickly, is that Manchester will provide far more regional employment opportunities. Manchester plainly will provide more jobs for deprived people. Even if Blackpool was viable – and we don't believe it is – the North West and certainly the disadvantaged in our region will be worse off if Blackpool is chosen. The region, I think Nick has already said in worklessness terms, you know there is a greater priority in parts of the inner area of Manchester and Salford than there is in most other parts of the North West. In productivity terms, the region will be better off as a result of supporting the regional casino in Manchester. And just one final point really, I have not seen any analysis at all presented either in the Blackpool statement of case or in terms of the questions and answers about the particular validity of their assumptions about the growth and development of their conference and exhibition business. I think based on some of the analysis....

**SC:** Is it by there you mean Pion do you?

**HB:** Oh yes. There is absolutely no investment case or benefit appraisal provided about that at all. You know I do not understand the extent to which not just the regional exhibition facility in Manchester...what allowance has been made for that but there's also another facility being currently built now as we speak in Kings Dock in Liverpool and one of the questions that I would like the North West Development Agency to respond to, if Blackpool as they say is a major regeneration opportunity and the conference and exhibition business is one of the ways in which the products of Blackpool should be widened and supported, why they did not...why they have not promoted investment in the Winter Gardens in Blackpool rather than Liverpool?

**SC:** Well thank you, Sir Howard. I think it's fair to say that you know even before we came here, we had I think pretty well all these points down on our little list as it were.

**MAN:** (INAUDIBLE)

**MAN:** I'm sure you'll find other opportunities.

**SC:** Yes, Mr Sagar.

**DEEP SAGAR:** Thank you, Mr Chairman. Can I ask Mr Greenwood to go back to that quotation and could you read that out a bit more slowly please, where you had Blackpool and Manchester. When you were talking about...

**MICHAEL GREENWOOD:** The Government Office's formal response in relation to the draft RSS?

**SC:** Have you got it written down?

**MG:** Yes, I have.

**SC:** Could you just put it in to save us. We're not very good at writing down dictation I'm afraid.

**MG:** That's the response the Government Office...but it's important to remember of course that this is a matter which will, I'm repeating myself really, but will be scrutinised through the examination in public of the regional spatial strategy. Indeed it's matter 3C in the list that's now been published for matters under consideration.

**SC:** I understand that's going to be after Christmas.

**MG:** Yes, I believe so, yes. And so you know this will be subject to further scrutiny as it were and further discussion.

**SC:** When you will all be round a table?

**MG:** Absolutely. So I'll pass that piece of paper.

**SC:** Mr Gallagher, sorry did you want to say anything more?

**MG:** Well no.

**SC:** I've got Mr Gallagher and then I know Mr Simpson's being very patient but before that Mr Collison has a technical question he tells me and I've just forgotten who he wanted to ask it of.

**CHRIS COLLISON:** Yes, it was Mr Gerard. I've just picked up the word Steering Group when you were talking about the Pion report and it was the Steering Group's conclusion rather than the Pion people. And I just wanted you to explain that to me a little because a new player has appeared on the scene. When you say a Steering Group, is that influencing the conclusions of the Pion report?

**NICK GERARD:** No, there isn't a new player come on the scene. I mentioned the report was jointly commissioned by the Development Agency, the Government Office and the Regional Assembly. The Steering Group of those 3 bodies met with Pion during the course of the study to discuss these issues and we put this issue to them. Given what has happened to the changes in legislation and the fact there is now only going to be one regional casino, what conclusions can be drawn about that? And I said that was an issue that we debated with them and the conclusions they came to in the light of that debate are the ones recorded in their report. It's perfectly normal practice to have a steering group leading such a consultancy study.

**SC:** Well it wouldn't be all that abnormal for the Steering Group to sort of gently lead the consultants in a particular direction would it?

**NG:** It's fair to say that we discussed these issues quite openly with them and the conclusions they've put down there are ones with which we agree. That's absolutely straightforward and fair to say. We did not get them to say something that they did not want to say.

**SC:** Yes. Okay, thank you.

**NG:** Because it was a question of the rules have now changed. If there's only going to be one, what can we say about that choice?

**SC:** Thank you. Mr Sagar.

**DEEP SAGAR:** Thank you. Just for Mr Greenwood. I appreciate getting this. I think in the statement I just wanted to clarify that, unlike what you say, the Panel had not prioritised Blackpool in the recently published shortlist, which is what partly what your statement said.

**MICHAEL GREENWOOD:** I accept that. It was second wasn't it? We know it's not...I mean these are not my words. Somebody else drafted these. I've not been involved in it. This is what we put in the public domain.

**DS:** No, I think whatever was published did not reflect a priority listing at all from the Panel's point of view. It was just a shortlist of people who were going to examine it further. Thank you.

**MG:** Thank you for that clarification.

**SC:** Mr Gallagher please.

**MR GALLAGHER:** Just a few points. Just to confirm, the matter is going to be discussed in January at a North West EIP and the Manchester sub-regional matters will also be discussed in January just so you're aware. And that was deliberately done so that the Panel for the RSS can take account of your report.

**SC:** Which you hope, just as we do, will be submitted not later than the 31<sup>st</sup> December. There's any number of people doing their hardest to stop us I must say.

**MR GALLAGHER:** The second point I'd like to make is just to reiterate that when the Assembly is involved with research as a commissioning partner, that research...what comes back from the consultants is what the consultants recommend as independent consultants. We will publish it even if we don't like the outcome of it. If we didn't like the outcome of something, we would say so in a company statement. We are not in the business of telling consultants to go away and rewrite the conclusions because we don't like the conclusions that they've come up with, which may be the practice with other parties. I'm not say that anywhere round here at the table but we are open and transparent in activities. We do not...our written policy at RSS is totally driven by evidence. The evidence informs policy being written and we take account of a whole range of information and the views of our members of the regional planning body and that is the reason why we have come to the conclusion that we have that Blackpool is the preferred location. And then just a final point, it's just in connection with the figures that Manchester put out first thing this morning. We have noticed on the third sheet – and you may want to get a Blackpool view on this – that the comparison between the shortlisted bids, that some of the geography that Manchester have used, Blackpool may take issue at it because the wider area is Blackpool, Blackburn, Holton and Warrington and there seems to be a big gap between Holton and Warrington and Blackpool.

**SC:** Would you give them that sheet.

**MR GALLAGHER:** They have the sheet. They are aware of it.

**SC:** They've got it already have they?

**MR GALLAGHER:** Yes.

**SC:** Thank you. Yes, Mr Froomberg...

**MAN:** Can I come back on Mr Sagar's point. Sorry.

**SC:** No, just a minute. I think Mr Froomberg's got a question of Mr Gallagher.

**JAMES FROOMBERG:** Well it was sort of trying to square up I think it was Mr Gallagher but also with this....sorry Mr Young because I heard one bit of evidence on this side of the table that said in the days where it was thought to be a free for all on regional casinos there was a market opportunity for two each in Blackpool, Liverpool and Manchester but I heard over there a claim that if Blackpool got one, as soon as another one was allowed in the North West, Blackpool would die. So how does that square up with the evidence that there was a market opportunity for 6 in the North West. I don't mind which of you goes first on it but I'd like to get an understanding on it.

**BOB YOUNG:** I think it was I who said that. Well I know it was I who said that because I was referring to the conclusions in the Pion report which was the first aspect of what they were asked to address on the basis of known interest and market demand what could the North West accommodate? And they looked at a variety of scenarios and the scenario they came up with, which was accommodatable in their terms, was the two in Liverpool, Blackpool and Manchester.

**JF:** And are you disputing that part of the Pion report as well, Mr Young?

**BY:** Mr Froomberg, I am, yes. I don't believe that's sustainable.

**JF:** You have market studies that you've done?

**BY:** Can I just go on and finish my sentence. We didn't do any detail on that simply because we knew by then that we were in the position of one 88 not multiple 88. But it does seem to us that the idea that the North West could as a whole support 6 regional casinos as it were up-front seems infeasible to me, yes. Yes.

**JF:** How many do you think the North West could accommodate?

**BY:** The honest answer to your question is I don't know at this stage. I don't know. It depends where they would be.

**JF:** I'm just struggling to see...you haven't got a market report or whatever?

**BY:** Not the view of the North West, no.

**JF:** Okay. So you're prepared to attack the suggestion that the North West could support 6 but you're not prepared to say how many it could support and you haven't got any market studies to help us with that. I mean I'm struggling a bit here.

**BY:** As I say, I could do that but I haven't done it.

**JF:** Well I could do it as well but I haven't done it.

**SC:** Well we might just have to go through all the evidence and do it of course, yes. Mr Simpson, you've been waiting so patiently. You have hardly said anything today at all so we must hear from you.

**PAUL SIMPSON:** Thank you, Chair. I've actually said nothing actually but yes, the point I was only going to make – and I certainly don't want to labour it because I think it's been made quite substantially over the last half hour or so – was really over Pion and I just want to make some observations from a tourism point of view really. Sorry, my name's Paul Simpson. I'm the Deputy Chief Executive of Marketing Manchester, who are the tourist board for Greater Manchester. I think there's a couple of things. The regional tourism strategy was referred to earlier on. I just want to make the point that the regional tourism strategy is based around the notion of attacking slipstream brands, the attacked brands being the brands that are used as the hook to attract international visitors into the North West. There are four attack brands recognised by the North West Development Agency – Manchester, Liverpool, Chester and the Lake District. Blackpool isn't one of them. I just wanted to make that point. Yes, the Blackpool masterplan is in the regional tourism strategy. However our regional casino proposal would fit with five..at least five of the nine programmes within the RTS. And I think it's also fair to just point out that one of the issues I certainly have with Pion from a visitor economy point of view, from a tourism point of view, is the fact that it makes the point that tourism somehow changes the notion of Blackpool being more relevant. Tourism actually is just as important to Manchester because we're talking about the history economy. We're not talking about bucket and spades and I think it's important to get that message across. In fact Manchester has 5 million more visitors per year than Blackpool. So it's

again just making the point really. Economic impact of tourism here in Manchester is 40% higher than in Blackpool. These are quoted....these are taken from the steam figures. And I think one of the issues that again we have I think is with the regional casino development and particularly around the conference market as well is that you have to have the hotel infrastructure that's going to support that. We know that in Blackpool currently there are less than 1,000 beds in 3 star plus hotels. In Manchester we're looking at 15,000 plus. That's the difference we're looking at at the moment. We're just making those observations, Chairman.

**SC:** Well thank you for that point. Still on the subject of the regional approach, tourism in England's North West? Where are we up to on that Mr Gerard?

**NICK GERARD:** Tourism in England's North West is the regional tourism strategy that's been published. It's actually beginning to go through a review as we speak. That's just commenced. I think I should actually just add a point to my colleague over there's commentary about the regional tourism strategy. What he said about Manchester is absolutely correct. He did refer to slipstream brands which are the brands to be developed and Blackpool is a slipstream brand to be developed in the slipstream phase. That's why that terminology was used. It's also one of the signature projects. You'll appreciate from our point of view we don't want to get involved in a slanging match between locations and the reason we don't is because we want to drive forward the prosperity of the North West economy.

**SC:** Well of course, yes.

**NG:** And all that has been said about the importance of Manchester and its city regional economy we wholeheartedly endorse and are wholeheartedly committed to.

**SC:** Thanks.

**NG:** But we are also wholeheartedly committed to developing our tourism product and the Central Lancashire city region, which is a far less big economic player than the Manchester city region but a very important part of the North West economy too. And Blackpool has a critical role to play in that. And that is why you know we're equally committed to supporting that. Obviously there are differences and they've been explored and you'll explore those more tomorrow but you will understand from our point of view why we should want to avoid being put in that position.

**SC:** Of course, yes. Yes, and I'm so glad because it's been discussed with a certain amount of good humour. Incidentally, which is nearer to Manchester, Blackpool or Sheffield?

**MAN:** Sheffield.

**SC:** Interesting. Interesting.

**NG:** But I doubt you could get to Sheffield in half an hour.

**SC:** Thank you. Just on a point of detail that just came to my mind as I was reading through the papers, this is about the...your definition of conference facilities. You've got European ones and national ones and I don't know that I'm terribly familiar with conference facilities but I wonder if this is a distinction without a difference?

**MAN:** You'll probably be better able to deal with that than I am.

**SC:** Mr Simpson.

**PAUL SIMPSON:** Mr Chair, I can take that, yes. When you're looking at European or international conference facilities, the question really is about whether those facilities can actually host an international association conference. That's what I think the question really is about. And there's a clear definition for what an international association conference is and that is that there has to be a minimum of 300 delegates, they have to come from 5 different countries, they have to stay for a minimum of 3 days at the conference and the minimum number of foreigners – and this is their terminology – is 40%. Quite clearly Manchester has a capability of hosting international association business. We've been doing so for many years and in fact this was recognised also within the business tourism strategy that's just been produced by the IDA (?).

**SC:** I think what was worrying me is that – thanks for that bit which I didn't know of course – but I mean a facility that can host an international conference one week will just as easily host a national or a local one the next week couldn't it?

**PS:** Yes, absolutely.

**SC:** Okay. Well thanks for that little help on that...thanks for that considerable help I should say on that little detail. Do we want to go on...no, I don't think we do. Could I just say again that whereas Blackpool will have a chance to answer your points, if Blackpool raise something then do let us

know won't you? I mean if you think it's serious enough to answer, I mean if you think it's beneath contempt then I'm sure you won't bother. I mean I'll just point out as well it is a point of fairness because I was told that as a planning inspector. Thank you. Yes, Mr Finlay. Again I remember you from Wigan.

**MR FINLAY:** The same interesting event, Sir, yes.

**SC:** Yes.

**MR FINLAY:** Representing the Association of Greater Manchester Authorities. I thought it might just be useful to say a few things about the Agma (?) approach which is relatively straightforward. I think we've got to be clear that there are two processes going on, if everyone is aware of this, but there are sometimes some confusion between them. There is your process, which is about identifying a pilot, and that is operating at a national level and you will consider all those bids which are being put before you and come to a conclusion. Rather peculiarly in the North West there is another process which actually takes place after you have come to your conclusion, which is a process which looks at the locations within the North West within the

## CASINO ADVISORY PANEL - MANCHESTER - 7th SEPTEMBER 2006

### SIDE 8

**STEPHEN CROW:** Margaret Gregory.

**MAN:** Chair, before we go to that, you asked me while Chris was here to talk a little bit more about Agma if you recall, about the partnerships and around the evaluation frames.

**SC:** Yes, yes, thanks for reminding me on that. So you've got time to think what you were going to say.

**MAN:** Well I know now and hopefully Chris will come in after me. The basic point was, just in case you've not been briefed, I think you have, the basic point really was was that the way in which we want to mount an evaluation framework if Manchester was chosen to locate the regional casino obviously would extend beyond the boundaries of Manchester recognising...even beyond the boundaries of Greater Manchester recognising the catchment area we would be talking about. One of the issues that we discussed I think before lunch was the platform which Agma as a structure would give us in order to be able to coalesce a number of different authorities throughout Greater Manchester and other agencies in active pursuit of that evaluation framework. I'll just say a few words, a little bit about what Agma looks like and some of the things it does. Agma fundamentally is driven by an executive which consists of the 10 local authority leaders. Chief Executives are there, very rarely say very much, but fundamentally it is the 10 local authority leaders. The leader of Agma is the leader of Wigan Council, Lord Peter Smith. The deputy leader of Agma is my own leader, Councillor Sir Richard Lees. That Executive meets every month and the Executive fundamentally looks at a whole range of strategic issues round planning, economic and other similar types of issues in the way in which the sub-region Greater Manchester develops. It also oversees, I think quite critically, the activities of a number of joint boards, whether they are waste, whether they are police, whether they are fire, whether they're passenger transport. Underneath Agma is the Chief Executive's Group of which I am a member and that Chief Executive Group meets twice a month – once just before the Agma Executive, which is largely routine business, but once a month we spend I think every third Friday or second Friday in the month I think it is, three or four hours debating the strategic issues of the day. And that's how we actually drive forward our collective interests in and around Greater Manchester. The scenario I'm just going to describe to you now would obviously need further development and work but I think would give you some overall appreciation about the way in which we structure ourselves within Greater Manchester and what the role of the gambling unit might be once we establish it within the City Council. So, as I said this morning, we would see the Gambling Unit being fundamentally a commissioner of services and the funder of services as well, particularly in the context of research and evaluation. And what that would do was work with Agma authorities in a number of areas,

particular in the following area, certainly you know economic development and employment. We have an economic development officer's group which meets also on a monthly basis. We have our own Manchester Enterprises, which is now driving economic change within Greater Manchester which would have an important role to play. And one of the things obviously the economic side of it would do was support us in the evaluation of the economic impact of the casino, particularly in relation to how successful we are in penetrating hard to reach communities, the way in which we'd secure local skill, local employment type activities and also, if I'm being frank, also helping us to ensure that the recruitment supply chains that are associated with these institutions are not just focused in and around just East Manchester. We also have our Education Officers and Children's Officers meeting regularly as well and we would recognise too that there would be synergy in common and common practice in terms of how we improve awareness, how we support activities. You heard from Justine, Chief Supt. Justine Curran, the excellent working of the...yes, I had to say Chief Supt. otherwise she probably would have come back. Chief Supt. Justine Curran, you know the excellent crime and disorder partnership which are run through Salford Council on a county-wide base, how that interrelates with drug and alcohol type activities. And so as you can see there is a pretty good, strong, vibrant, some would say bureaucracy, I prefer to call it infrastructure, which is actually looking around things to do with monitoring of the economy and quite a lot of the social impact. Where we would need to go in terms of institutional support outside Greater Manchester, the obvious source of that would be health. We've already had preliminary conversations with the newly-formed Strategic Health Authority and I'm absolutely convinced, based on the conversation we've already had, that they would prioritise this and give us every conceivable support alongside our own National Health Service institutions within the City. And I think the combination therefore of Agma and the health process – and we also have through Agma a scrutiny committee, one of the few statutory functions scrutiny committees on health, so that would give even more impetus to a visible transparent process of change. And I think that would give us a very, very strong platform from within Greater Manchester working out to support. And obviously one of the key objectives we would have as a city in leading this process in engaging colleagues in Liverpool, Sheffield and Leeds, who are also critical parts of our drive-time catchment area to be part of this wider evaluation project. And I hope, Sir, on that basis I've given you enough information to be able to conceptualise the overall...

**SC:** Yes, thanks for that. I don't know whether Mr Finlay wants to add anything. Quite an encomium, Mr Finlay.

**MR FINLAY:** Perhaps briefly, Sir, so I won't make it too long an encomium but just to say that we do have a good infrastructure. We have a lot of commitment to joint working. We are actually producing for example a joint waste development plan document across Greater Manchester which will be looking at locations for waste facilities. We are in the lead on that. Nationally there's a conference being organised and up this way soon and with people coming from all over the country. And we have a process called Making Housing Count, where we've actually been looking at our housing markets and how housing works across the conurbation. That grew out of the Manchester/Salford Pathfinder but we're actually moving into a position where we may well be looking at operating, plan, monitor and manage in PPS3 or PPG3 terms across the area because housing markets do not stop at administrative boundaries. We have a number of Agma units which work for us all and those aren't only working to the local authorities, the universities are also involved in those as well. So there is actually a real infrastructure and a real commitment to joint working. (MOBILE PHONE) In terms of RSS, we are actually moving forward with a..

**SC:** Who was that? Oh dear. Well there was once an examination in public and there was a very distinguished London solicitor whose name he would not like me to mention and this went off in his pocket while he was making what I must say was quite a good point. But on the other side of the table came a large whisper right in front of the microphone "That's his automatic bullshit indicator." I'm sorry to interrupt you Mr Finlay.

**MR FINLAY:** I hope I was making a good point. To conclude, Agma has actually put in an Agma submission, or Agma submissions I should say, on RSS and indeed we have a common view on RSS which is not a lowest common denominator view and that will be debated obviously from October 31<sup>st</sup> onwards. Thank you.

**SC:** Thank you. Government Office. No?

**MAN:** Only to just perhaps briefly respond to Mr Sagar's point. I don't think we should read anything into that word reflect other than Blackpool is included in the final list on further consideration. Thank you.

**SC:** Thank you. Margaret Gregory, have you thought of what you want to say as they key thing you want to go away with?

**MARGARET GREGORY:** In this country we used to have very considerable public reservations about gambling which were reflected in our law, although they were often broken in practise. I'm thinking for example of bookies' runners. I'm going back a bit, yes. The law has gradually been changed to accommodate practise and the more restrictive rules that we used to have, for example making betting shops very dreary places, have been dropped. The National Lottery has increased the acceptability of gambling. It's institutionalised it. It is a good a thing because it helps charities. And it's changed people's thresholds about what's normal, acceptable reasonable behaviour. It's now kind of okay to gamble amongst a group of people for whom it probably wasn't 15 years ago. Internet gambling is without controls for the most part and the implications of that are potentially quite serious and we don't know..I don't think anybody really knows quite how to cope with that but I think it needs a lot of looking at. We don't know what the implications for human behaviour are, for debt, for damage to family structures and all this kind of thing, of the big casinos. We don't know how addictive they're going to prove in this country. We know that they can be quite addictive by observing what's happened in America. The best argument I can see for Blackpool is that there is a smaller catchment area within the easy access and so there are fewer people who live close enough to the casino to get seriously ensnared by going every day or three times a week. In Manchester there's too many people live too close and are therefore more easily sucked into the addictive quality of the casino. Thank you.

**SC:** Thank you very much Margaret Gregory. It's also customary for the opposing authority to just have a brief word, particularly if there's anything you feel that we've missed.

**HOWARD BERNSTEIN:** No, Chair. Just one or two points if I may. There have been times certainly this afternoon where some of us felt, based on what we've listened to, that we're here as the sort of (?) extra. Yes, you can look out of the window and see cranes, still lots of cranes littering the Manchester skyline but beyond the City Centre we are still dealing with some of the most deprived communities, the scale of deprivation, which frankly has almost no comparison anywhere in England. And that's why we want this. This is an important part, a fundamental part of how we drive our City forward. And to respond to one of the questions that was asked earlier, what we will leave with you Sir is the index of multiple deprivation and the ranking and what it relates to in relation to the East Manchester area. And there are some very interesting statistics in there which I hope you will find of interest. Just beyond that Sir, just two housekeeping points. First of all you asked for an itinerary from us about a future visit to Manchester and we're very, very happy to collaborate with the Secretariat and ensure that itinerary is developed as quickly as possible. And also you've asked for a further paper on hard to reach areas, which again we will work very hard on to ensure you get within the next two weeks.

**SC:** Thank you very much.

**HB:** And just finally can I thank you and your colleagues for the patience and forbearance almost you've demonstrated today in listening to us as a team present our case for our City. Thank you very much indeed.

**SC:** Thank you, Sir Howard. Well it just remains for me to thank all the participants for all the help they've given and for the thoroughly professional manner in which you've all dealt often with some very controversial matters. Having said that, I think it only remains for me to close. The examination or this session of the examination is now closed and may God bless your journey home. Thank you all.

**Ends**