

CEX/EW

Valerie Curtis
Casino Advisory Panel Secretariat
Department for Culture, Media and Sport
2 - 4 Cockspur Street
London
SW1Y 5D

6 October 2006

Dear Ms Curtis,

Further to the Examination in Public relating to the proposals for a regional casino submitted by Manchester City Council, I have pleasure in enclosing further documents as requested by the Chairman Professor Stephen Crow and other Panel members. These are:

- A paper detailing our strategy for ensuring that the employment benefits arising from the regional casino have a positive impact on the hardest to reach sections of the potential labour market, which highlights the relevant expertise of Manchester City Council and New East Manchester in this regard.
- A paper from independent economists Cambridge Policy Consultants (CPC) on the estimated additional jobs which will be created as a result of a regional casino in Manchester, in order to clarify our response to the Panel's inquiries about the displacement impact of the regional casino in Manchester.
- An independent review of the Pion Reports, 'Casinos in England's North West: An Assessment of Market Demand' (June 2005) and 'Blackpool Casino Submission Economic Impact Assessment' (March 2006).
- A suggested itinerary and map for the Panel's visit to Manchester.

We commissioned CPC to produce a review of the Pion reports published in 2005 and 2006 which played a central role in underpinning both Blackpool's submission to the Casino Advisory Panel and the decision of the North West Development Agency (NWDA) to prioritise Blackpool as a location for the regional casino over that of Manchester in the Regional Spatial Strategy. CPC's review shows that Pion's assumptions and methodology do not withstand scrutiny.

Pion's remit was to 'provide an independent assessment of both the demand and capacity for regional casinos in the North West' and 'develop various scenarios of casino development to inform planning policy within the region and ensure transparency in regional decisions on the broad locations of regional casinos to be identified in the North West Regional Spatial Strategy (RSS) within the context of the evolving legislative framework'. Its conclusion that Blackpool is the optimum location for a regional casino in the North West not only goes beyond this remit, but directly contradicts its own analysis. Pion ranks Blackpool and Manchester as equal first, but in

establishing this ranking, it demonstrates that the benefit accrued from a regional casino in the North West would be highest in Manchester in terms of benefits for deprived groups.

In addition to the concerns raised by CPC on the soundness of the economic analysis contained within Pion and the conclusions drawn therein, we also have a further objection to Pion's assessment of the demand for regional casinos in the North West. Pion's terms of reference do not include consideration of social impact, despite the fact that this is accorded the highest priority in the Government's gambling policy and the Casino Advisory Panel's remit. We would argue that had social impact criteria been included in their assessment of the optimum location in the North West, Blackpool certainly would not have been ranked first. Based on Pion's visitor assumptions, local Blackpool residents would need to visit the casino 16 times a year (about once every three weeks) under the high scenario and 11 times a year under the low scenario and spend a significant proportion of the average annual disposable income spent on cultural and recreational activities in the casino (between £550 - £800 out of a total average annual expenditure of £920).

Additionally, DCMS guidelines state that 'Regional Planning Bodies in England should identify a list of broad **locations** for regional casinos emerging from their work on the Regional Spatial Strategies' to inform the CAP's work. It was, therefore, also unnecessary for the NWDA to make such a choice between supporting Blackpool or Manchester and demonstrates a lack of serious consideration of other options for the regeneration of Blackpool, rather than a decision which has the best interests of the North West of England at its core.

At our E.I.P. it was indicated that the draft RSS as it relates to regional casinos, which the Government Office North West considered to be too restrictive, would be subject to scrutiny in January. We also indicated that AGMA had objected to the draft policy on behalf of the 10 Greater Manchester local authorities. Since our E.I.P. we have looked at the minute of North West Regional Assembly (NWRA) meeting which took place on the 13th January 2006 when the draft RSS was considered. A copy is enclosed. These demonstrate that many at the meeting recognised that the draft RSS was subject to change. Indeed the AGMA representatives were not able to support many aspects of the draft RSS and other members called for more 'balance in the final document'. The draft RSS was, therefore, approved on this basis for public consultation.

I hope that you find this letter and our submissions constructive in informing your deliberations. Please do not hesitate to contact me should you require any further information or clarification.

Yours sincerely

A handwritten signature in black ink, appearing to be 'H. Bernstein', written over a horizontal line.

Sir Howard Bernstein
Chief Executive