

NEWCASTLE CITY COUNCIL – REGIONAL CASINO AND ENTERTAINMENT CENTRE BID (RCEC) – SUMMARY STATEMENT

1. EXECUTIVE SUMMARY

- 1.1 Newcastle is the regional capital and the heart of the City region. A compact City with excellent regional, national and international transport links, Newcastle is a highly sustainable location for a Regional Casino and Entertainment Centre (RCEC).
- 1.2 Newcastle's bid for a RCEC is based on the ability of such a facility to also deliver a major new regional asset in the form of a fully-funded regional convention centre (RCC). The combined impact of this joint facility would act as a major driver in the City's regeneration, serving to attract tourist and business visitors, provide employment for local residents, and acting as a catalyst for further investment. These regeneration benefits are unlikely to be achievable by other means in the medium term.
- 1.3 Extensive research has been undertaken into the social impact of a RCEC in the City and there is already an established and diverse range of treatment services provided by the North East Council on Addictions (NECA).
- 1.4 The City Council has made the decision not to select a preferred partner or a specific site in order to use a competitive process for the allocation of a licence, ensuring that the maximum possible community benefits are secured.

2. TYPE OF AREA

- 2.1 After decades of decline, population projections suggest Newcastle's population will grow by around 15,000 by 2021. Tourism has played a leading role in the economic resurgence of Newcastle and accounts for an estimated 7,500 jobs in Newcastle and neighbouring Gateshead. However, Newcastle continues to experience pervasive deprivation, particularly concentrated in the communities to the west and east ends of the City which traditionally sought employment in the now declining shipbuilding and engineering industries along the river Tyne.
- 2.2 Key statistics include:
 - Newcastle is ranked 20th of the 354 local authorities in England in terms of overall deprivation.
 - Newcastle's economic inactivity rate is 27.5% compared to the UK average of 21.6%.
 - Newcastle has 173 Super Output Areas in total, including 53 (30.6%) within the most deprived 10% in England.
 - Nearly one third of adults in Newcastle have no qualifications.

3. SOCIAL IMPACT

- 3.1 Newcastle already has a robust and diverse range of treatment services for problem gamblers which meet many of the RIGT recommendations for best practice. The Council has a highly effective partnership with NECA to identify potential social harm resulting from gambling and to provide support services. NECA has also established good working relationships with gambling operators to develop collaborative projects to prevent and treat problem gambling.
- 3.2 In managing the competitive process for licensing a RCEC, the Council would accord the highest priority to potential operators' commitment to minimising risk and protecting vulnerable groups.
- 3.3 The major social benefits of a RCEC in Newcastle will be in the form of helping people access employment, growth of local businesses and uplift in the City's economy. Existing casino operators have demonstrated the success of partnership schemes with Newcastle College and other training agencies to develop local recruitment and training programmes.

4. NEED FOR REGENERATION

- 4.1 Newcastle's Regeneration Strategy sets out in detail the challenges facing the City. These include a narrow business base, low business start-up rates, and low levels of innovation. Attracting investment and employment across a range of business sectors is vital if these challenges are to be addressed.
- 4.2 The principal motivator behind Newcastle's proposal for RCEC is the real potential to link the creation of sustainable new employment opportunities to areas of deprivation, particularly those neighbouring the proposed location for the RCEC and RCC in the City's Discovery Quarter.
- 4.3 Other plans for the Discovery Quarter include the development of 'Science Central', part of the City's Science City agenda and a key element in the transition to a knowledge-based economy. Collectively, these developments alongside a RCEC and RCC bring the potential to create a critical mass of development and strategic assets, acting as a catalyst for further investment.

5. WILLINGNESS TO LICENSE

- 5.1 The Council's licensing Committee has agreed the principle of a willingness to licence a RCEC on the basis that it can provide the means to secure significant regeneration activity, including a RCC. Support in principle has also been received from the Council's Executive, the Leader of the Opposition, the Local Strategic Partnership and City Centre Partnership, as well as a range of regional stakeholders. There has been favourable coverage in the local media.

- 5.2 Following an initial consultation exercise carried out in March 2006, further public consultation and communication has been undertaken, including a survey of 1,100 residents, visitors and tourists, and follow-up focus groups. Preliminary results suggest a 13% net favourable rating for the proposal.
- 5.3 From 150 interviews with minority and faith groups and other voluntary organisations, there is net support of 11%, with economic regeneration and job creation seen as key strengths of this potential development.
- 5.4 The Council is also continuing to undertake a variety of activities to stimulate debate, including press advertisements, a series of newsletters, a street stall to engage with shoppers, a seminar for business stakeholders, and a hotline for comments and queries. As yet no specific objections have been raised with the Council.

6. PROBABILITY OF IMPLEMENTATION

- 6.1 Examples from across the world indicate that casino developments have the ability to cross subsidise significant projects and there is evidence to suggest that a RCEC in Newcastle would generate sufficient surplus to allow the preferred operator to fund a RCC of the scale required.
- 6.2 The Discovery Quarter, located on the western edge of the City Centre between the retail core of the City and several inner west neighbourhoods, makes an ideal location for a RCEC and RCC and would be considered a non-ambient location.
- 6.3 At least two of the four potential operators which have expressed strong interest in developing a RCEC in Newcastle have secured land interests in the Discovery Quarter. All four operators have stated that, in principle, they would develop a 1500-seat RCC as part of an RCEC.

7. REGIONAL AND LOCAL CONTEXT

- 7.1 Newcastle's bid for a RCEC enjoys strong support from across the North East region, including the Regional Development Agency (ONE NorthEast), and Regional Planning Authority.
- 7.2 A RCEC and RCC would make a vital contribution to the sustainable regeneration of the regional capital in line with the Regional Spatial Strategy (RSS), which sets out that there should be a concentration of economic growth in the core areas and the sequential approach to development yielding sustainable benefits in jobs, business and leisure tourism, transport and regeneration of the wider area. The Panel Report recommends that more prominence should be given to City regions and that in future a City region approach should be adopted with respect to the analysis and allocation of employment land. Newcastle would therefore be a highly sustainable location for a RCEC in line with the RSS.

8. COMMUNITY BENEFITS

- 8.1 Development of a RCEC and RCC in Newcastle would result in the regeneration of a brownfield site, on the edge of the City Centre and close to an area of high social and economic deprivation. A cautious analysis suggests that this development would provide a combined total of up to 2,030 sustainable jobs.
- 8.2 In addition to seeking investment for a RCC, the Council would require operators to deliver a comprehensive programme of measures to minimise the social risks and maximise regeneration benefits, including local recruitment and training initiatives, and bearing the full cost of any infrastructure improvements necessary.

9. UNIQUE CHARACTERISTICS

- 9.1 Newcastle City Council's proposal for a RCEC has the following unique advantages:
- The RCEC will fund a RCC, essential to the region's continued economic revival, which could not be delivered on the required scale in isolation through the private sector or public funding.
 - All of the potential operators who have come forward to date have expressed strong interest in developing and running a RCC alongside the RCEC.
 - The location of a landmark development in the Discovery Quarter, one of the North East's most important urban regeneration areas, brings the potential to act as a focal point for further investment and development.
 - The existence of long-established support systems for problem gambling alongside new initiatives to be developed by the operator will ensure that negative social impacts associated with a RCEC are minimised.
 - The Council's decision not to select a preferred partner or site at this stage will enable it to use a carefully competitive licensing process to extract the maximum possible contribution to wider community and social benefits.
 - In addition, the Council's strong track record in managing Public Private Partnerships will enable it to manage the regulatory, procurement and partnering processes robustly and efficiently to maximise the benefits to the region.
- 9.2 In combination, the above factors make Newcastle uniquely well placed to act as an exemplar project to test the social impact and demonstrate the regeneration potential of a RCEC.