

CASINO ADVISORY PANEL

PROF Stephen Crow Chairman
James Froomberg, Chris Collison, Neil Mundy, Deep Sagar

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PROF STEPHEN CROW: Well good morning Ladies and Gentlemen; first of all can I say how glad I am to be in Newcastle. I used to come here a lot at one time and got to know the City quite well, but I haven't been here for quite a few years now, so it's good to be back. Although I thank everybody that's contributed to the Examination in Public today. I'm sorry that our timetable only allows some 10 minutes before we start, and I do want to make a prompt start, so this is how I propose to use the time. First a short piece of background, and then I'll say a few things about us, the Casino Advisory Panel and its processes, then I'll say something about the Examination in Public because for some people it is quite a new procedure. And then, as I haven't got time to answer all your questions in an unstructured fashion, I'm going to anticipate some of them, at least. Anyway, let's begin with background. Parliament last year decided that there should be three new types of casino in Britain, and by Britain we mean Scotland, Wales and England. One regional casino should be permitted along with eight large and eight small, and the definitions of regional, large and small are in the Gambling Act, 2005, and on our website. Briefly speaking, the regional casino is as big as anything in Europe, or possibly bigger than anything in Europe at present. Large casinos are as big as anything currently in Britain and I think the term small speaks for itself. Now, the Casino Advisory Panel. We're constituted as an independent advisory body, now there are one or two sectors of the press that seem to think that isn't right, but as a former Bishop of Durham once said, there's as many will believe the, what is it? As many will doubt the indubitable as believe the incredible, and I think that just applies here. We were appointed by the Minister of State, Richard Caborn, Minister of State in DCMS in September last year, after an open competition and interviews by a board comprising a mixture of civil servants, senior civil servants and two independent members. Should it worry you, John Prescott had no point in our appointment. We're proceeding on the basis that we're consulting widely and seeking out evidence which we're appraising in the light of all its professional experience, all our professional experience before coming to a decision. And every member, all five of us are committed to the seven Nolan principles of public life. We're assisted by a secretariat which is based in the DCMS office in, just off Trafalgar Square in London, but it does function separately from the rest of the Department, and it's under my direction. And I would just like to take the opportunity to say how grateful I am to the secretariat for putting in an enormous amount of very, very hard work, particularly hard work in preparation for the examinations. Their hard work, of course, has comprised to a large extent, well quite a large extent in answering questions from the new media, now I make no complaint about this, you're entitled to know what goes on, but I did mention it because of course it does add to the amount of the work, and they have worked really late hours. I'm grateful to them. Anyway, the criteria, what are we supposed to be looking for? The primary criteria, as laid down by the Secretary of State is 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 we also need to look at whether the areas selected are willing to licence a new casino. And of course, we need to pay due regard to government policy and other respects. I should just make one thing clear, the Panel well understands the social issues related to gambling, including problem gambling. We've learnt a lot about this already, going round the country, but even before that, of course, we'd learnt a lot from written representations we'd received, and indeed our own research. And one thing we're looking out for in the proposals is examining how these problems can be minimised. Openness and transparency we're committed to and all the relevant documents and so on are either on our website, or will be. Now the processes, we're due to report with recommendations to the Secretary of State for Culture, Media and Sport by the end of December this year. Whether that means that I have to stand outside 2-4 Cockspur Street, on

New Year's Eve and someone's going to come and take it in for us, I don't know. Probably not, I think that's perhaps a bit of drama that we won't go in for. But, of course, once we've sent our report into the Secretary of State that's the end of it, it's then her decision. And our programme of work, in board terms, well we started off with scoping and research, if by the end of March we asked for formal proposals, we got 67 and at the end of summer, it says in my note, I don't like that, I don't like to think the summer is ending, but we're examining. That's where we are now. And then of course, from next week onwards we'll be consider all the evidence, both the written evidence that we've had, and the oral evidence and deciding what we're going to do, and then writing our report. The Examination in Public, or EIP as it's call in this day of initials for everything, only the proposals for the regional casino, super casino as it's sometimes called, are being examined in public, the others large and small, we're dealing with by written representations, and the idea of the Examination in Public is to provide an opportunity for the discussion and testing in public, and before the Panel of selected matters. The matters have been selected by the Panel following consideration of the proposals, the representations made, the responses received and specific questions put to the short listed authorities. And I suspect you've all gathered by now that we're having a session in each of the short listed authorities. Last week, we looked at Greenwich and then we went to Cardiff, this week so far, we started off in Glasgow, we're not glad to be in Newcastle, we're going on to Sheffield, Manchester and Blackpool and I think you can see a certain logistics in all that. Is the EIP a public meeting? Now, it's not a public meeting, it's an examination held in public. A few centuries ago it would have been called an inquisition. Now that terms has some unpleasant connotations with it, and we don't do that these days, I'm pleased to say. But we want to both ask questions of the proposing authorities and also hear from a range of views from around the table. Anybody can come along and see and hear what goes on, but only those invited can take part in the discussions. And I say that because it only takes one person to make a good point. So we're hoping for a proper discussion not just a succession of people popping up and making speeches. And as I said, all the papers that are submitted are on our website. Now let's just spend a few minutes available to anticipate some of the questions. Have we been to see any casinos? Well, we didn't think it was our business to go swanning round the world looking at Las Vegas and South Africa and Australia and all the other places. It just happens that I was taking some students to Dortmund, which is, perhaps you don't know, it's one of the older industrial areas in Germany that is looking for regeneration like so many places in Britain. And an academic colleague there suggested we looked at the casino in Dortmund, which is reputed to be the second largest in Europe. By the way, as to entertainment we got there, we did actually get a cup of coffee and biscuits. The Panel, a couple of members of the Panel, including myself, then went to see Star City in Birmingham. I think I can admit to having some little sandwiches there, also a cup of coffee. So, I don't think we've had any lavish entertainment. What role has John Prescott played in the process? None. As I said, we were appointed in September 2005, don't think I gave the date, by Richard Caborn. Mr Prescott's had no role in either the appointment or the process of the Panel, he did actually produce a piece of policy statement saying about casinos and town centres, that's to be found in Planning Policy Statement 6, of which I'm sure everybody here has a copy, if not go and buy one, stationery office needs a bit of support, I'm sure. What are the other questions you're going to ask? What do we think about Brent pulling out, well, it gave us a day off. Could I just say that that reduced the number of short listed authorities for the bid for the casino from 8 to 7. We are still considering whether some others should be added to the list. There's no connection, however, between those two. There's nothing especially magic about the 8. It could have been 7, it could have been 9 or some other number, but it just happened to be 8. Have they started building at the Dome? So we heard on, when was it, Wednesday last. Is that something we're going to take into account? Well we heard evidence about it. We also heard from both sides whether it was a good thing or a bad thing, and did it, and the other thing I heard about was did it matter all that much? What does the Panel think about the bid we're looking at today? Well, as I said on radio earlier, if I didn't think it worth examining I don't think I'd have come all this way, much as I like coming to Newcastle. So, what do we actually think about the proposal? Well, we'll tell you, but I'm afraid you'll have to wait til New Years Eve. Conflicts of interest; we do, any interest we have in a place we say at the beginning and we make sure in our processes that there isn't anything prejudicial

happening. I'm told that if we don't stop now, I'm afraid we won't be able to pick up on time. So thank you all very much for listening to me so patiently. Thank you.

This is a non statutory examination in public of a proposal by the Newcastle 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. The other members of the Panel, I'll start today on my right, extreme right, Mr Neil Mundy, sitting next to me Mr Chris Collison, to the left, far left, is Dr Deep Sagar and Mr James Froomberg. Sitting immediately on my left is the Panel Secretary Valerie Curtis and on her left is Assistant Secretary Kate Rownce. Our, any number of qualifications between us and immensely long CV, so I won't bore you with that, but they are all on our website. I should just mention that Mr Mundy, he is a local man, he's born on Tyneside, lives and works in the North East and over many years has held a number of appointments here, the most significant recent position until 2 years ago was Executive Director with One North East, the Regional Development. I think that's the Regional Development Agency with a strange name. But he's also a non-executive director with a health care foundation trust in the Port of Tyne Authority. He's got some commercial interest, currently part ownership of some business in Northumberland, and he has a small consultancy in economic strategy and project development. He's Chairman of US Microsystems, a nano-technology group working with the 9 regional development agencies and three devolved administrations in the UK. None of that work, I should advise you, is connected with casinos. He's also an advisor to the South Tyneside Council, but takes no part in casino matters, if raised, for fairly obvious reasons. Consultancy assignments, including current one for One North East, again nothing to do with casinos. Trustee and member of Fund Raising Committee, again no connection with casinos. And last, but by no means lease, he's a Parish Councillor in his home village in Northumberland, but again they have no connection with casinos. Let's get back to where we where. A few points of procedure for participants, do please remain seated. It's not a public enquiry or court, so people can remain speaking seating. If you want to say something, to be heard, then the convention is to put your name plate up like that, and either I will spot you or somebody round the table, it's usually the Secretary, gives me a nudge and says, just look over there. So that's the way to be heard. Pleased to see so many members of the public present. I think actually there's more members of the public here now, than we've had at previous examinations, haven't we? Except, perhaps for the first 20 minutes at Greenwich, after that people got bored and wondered off. Yes, when they realised it wasn't going to be as exciting as all that, you know, it's a, I think it's, just reminded of the events in the early Roman Empire about, you know, with the lions, the lions just quietly munched away at the Christians, then that was really thumbs down for the person that looked after the lions, and he was in on the next day, they liked plenty of roaring, did the Romans, and fighting and blood and all that sort of thing. And when, you know, we don't do that here I'm afraid, just quiet munching. So there we are. Oh, please I must ask you, no smoking, of course, do please turn off your mobile phones, I have some really horrifying stories to tell anyone who just forgets and we hear a little Nokia tune or something. It's terribly embarrassing. The press know, of course, no filming during the proceedings, or television, no sound recording and no flash photography please. We managed to get here in the early evening yesterday and that's to the City Council, they did give us an area to look at which we went on a walking tour, guided by Mr Mundy who showed us all the best places to look at. I don't know whether they're the best places to be, but they were certainly the best places to look at, so thanks very much Newcastle and Mr Mundy for that. Are there any queries about the procedures? Is everybody familiar with what's going to happen? If you're not, and people are not used to speaking in public, or anything, please don't let it worry you. Oh yes, the secretary's reminded me, so I mustn't forget like I did yesterday, when we're having breaks. We will have a break in the morning, some time around 11'ish and again, we'll break for lunch probably 12.30 to 1.30. If anyone can't stay amongst the participants, after lunch then perhaps you'd let the secretariat know, and I can make sure that I bring you on earlier. I use the word 11'ish, because you know, we're not some sort of quiz programme where they bang the gong and stop. Obviously we use our intelligence to know when to stop and when not to. The agenda today will follow the list of issues that have been circulated and could I apologise here and now for the short notice we've

given everybody. It has been something of a rush to get all our programme together, within the time allocated to us by the Secretary of State, so I am very grateful to the people that have put in such a lot of hard work to be prepared for today. If something turns up that can't be answered today, then I'm quite prepared to take a written representation afterwards. The only thing is, I would ask, is that if anybody wants to write to us afterwards, would they please circulate it around all the other participants here, so that the participants have a chance to respond, if they want to. And that will save a lot of trouble. Mr Rubinstein, did you have a query?

MR PAUL RUBINSTEIN: Could I just say, Chair, I'm leading for the City Council but I have a number of colleagues and advisers elsewhere, and at times, if it's OK with you, I'd like them to come up here, and I shall vacate my seat and stand behind them and hover and make them nervous, and they'll come and speak, is that OK with you?

PROF STEPHEN CROW: Of course it is and that has worked very well on the sessions we've had so far. What have we got to do, oh yes, I must ask the secretary to say what happens if the ship starts sinking or whatever.

SECRETARY: Let's hope it doesn't, but on hearing a two tone siren, you need to exit the room via the fire exits, there's one just to my left and one at the back of the room, the door that you through to. And make your way down the stairs and out of the main hotel entrance. And then the marshalling area is 50 meters down the street on the right hand side, between O'Neil's and Gotham pubs.

PROF STEPHEN CROW: Thank you, did everybody hear that by the way? One of these days there will actually be an emergency and the safety of everybody does actually depend upon everybody doing the right thing. It's the convention that we've established here, that the proposing authority just makes a very brief statement to start with. This is as much as anything, so the members of the public really know what the proposals all about. I won't take questions after that, immediately after that, but questions of course, might be addressed during the course of the rest of the day. So Mr Rubinstein if you want to just lead off, please?

MR PAUL RUBINSTEIN: Thanks Chair. Our proposals, as you know is for the regional casino; we're delighted to have achieved this stage. There's three or four things I want to say, first of all we believe that we have, as you saw last night, a range of excellent sustainable locations. Right in the centre of the urban core, but away from the core area of day time and night time activity. Secondly, you may be aware, I hope you are, of the story, if I can put it that way, of economic regeneration, not only of Newcastle, but of Newcastle Gateshead, and the wider North East regional. We strongly believe that such an investment, with its associated benefits would help maintain and take us forward to the next stage of that regeneration process, strongly supported by our partners, such as One North East, the Regional Development Agency. We believe as a city that we've undertaken this process in step with the government and in step with the work of the Panel. As you know, we have no preferred bidder sitting alongside us today. We have a number of potential bidders, we have a number of sites, we believe that that's absolutely in step with the way the government see the process happening and it should guarantee transparency and a fair process. We believe that we have the unique support here of the North East Council of Addictions, one of the best of its kind in the country, in terms of addressing social and community issues. The sites we have are adjacent to some of the poorest communities in the region, and therefore the opportunities for economic benefit are substantial. And lastly, if I may say so, it's a pretty obvious point to us, but not to some people, and not to some people who don't come from here. And that is, we're in the centre of the country. We're in the centre of Britain. I think your journey last night from Glasgow would probably have taken you just under three hours on the train, and if you leave from that building over there, and you want to go to London it will take exactly the same time. We believe we're a central location with excellent communications and that we are natural candidate for this development. Thank you.

PROF STEPHEN CROW: We'll get on with discussing the issues then. The first is, relates particularly to our primary criteria of testing social impact. Do you know that the reason why we've asked this is because government said in Parliament that they wanted to go cautiously, to put a toe in the water first, or some similar analogy, so we've got to find the best place to set up this test of social impact. And we're asking the same question everywhere we go. And one thing we need to know is about the demographic characteristics. You have given us a lot of information,

Newcastle, already, and I thought we ought to discuss it. Mr Collison, you wanted to ask a detailed question on this, I believe?

MR CHRIS COLLISON: Yes, thank you Chairman, just within the context of the demographics, we were wanted to hear a little bit about the most significant factors that would explain the lower representation of black and ethnic minority groups in Newcastle, that is compared to Britain as a whole.

MR PAUL RUBINSTEIN: Thank you. In our answer to your questions, you'll see the graphs we've given you looking at ethnic minority representation, and you're absolutely right. We have around 7% ethnic minority population, and the country as a whole is around 9%. I don't particularly want to get into historical issues around migration patterns in the country, I'm sure you know far more about that than me. I mean, the blunt answer to your question is that the kind of industries we had in the North East, both in the 19th century and the mid-20th century at times of greatest immigration, were not those which attracted migrant workers. We have actually, a lot of people of Irish descent who, for example, came and worked in the steel industry, in North West County Durham, if you want to count those. But, for example, the sorts of industry that we had in the region, where not those, for example, textiles is an obvious example which we've not been a great centre of, which attracted migrants from different parts of the world. That said, you know, migration comes and goes in waves, doesn't it? We now are, as a region, the third most populous region, for better or for worse, for migrants from A8 countries within the EU. This has been the sources of some considerable debate in the local media, whether this is a good thing, whether this is a bad thing, particularly given the issues we have, as you know, of endemic worklessness and economic deprivation. Our view is that for the City and the region to grow, economic migration is a positive factor, and actually is a key plank in addressing the skills and labour market gaps within the region. If you take the population growth of our indigenous ethnic minorities, and I'll remind you the hub of those ethnic minorities is very close to the sites we're talking about, potentially for the casino. If you take the population growth of those communities which far outstrips that of the indigenous white population. If you take the growth in migrant workers, particularly over recent years, and obviously we're aware of what the government's saying about the two new countries and so on, but nevertheless we have been a very popular destination. And if you take the growth of overseas students, Newcastle, somebody else said this, I'm stealing their words. Newcastle is a university city, you would not have said that 10 years ago, and you would have it's a declining industrial city. Newcastle is a university city. And the success of our universities depends very heavily on their ability to attract international students. International student numbers, particular from China have grown significantly, and in fact I think the leading of the Council was with the Chine community yesterday, and one of their issues was around support for incoming overseas students into the community. So if you take the growth of indigenous ethnic minority communities, if you take the migration from the accession countries and if you take overseas students, you actually see a much more diverse and cosmopolitan city than you would possibly have done 10 years ago. It's changed beyond recognition. That said, walk down Northumberland Street, we're not Leicester, we're not Birmingham, and you know, we're not blind to that, and that's been the source of some controversy in the local press, but we positively embrace migration as part of our economic and social strategy. So you see a changing picture, built from very different historical patterns than elsewhere in the country.

PROF STEPHEN CROW: Thank you, does anyone else wish to make any comment on that particular subject? Profession Cunningham?

PROF WILLIAM CUNNINGHAM: Thank you Chairman. Of course, we're all aware that Newcastle is attracting many more students. The problem is that there isn't enough accommodation for them. And I would have thought that a priority would have been to use some of these brown sites, to provide that extra accommodation that's needed. And I'm not talking simply, about the two universities. Newcastle College has exactly the same problem.

PROF STEPHEN CROW: Yes, if you wish to answer that point.

MR PAUL RUBINSTEIN: The growth in students which is partly UK led, but also significantly internationally led, we have had several meetings recently, with both the universities, Newcastle University and Northumbria University but also the college, and there are significant plans for meeting the 3,000 bed deficit that is forecast within the next 5 years, for student accommodation.

And indeed, if you look in the city in the last 12 months, significant numbers of new bed accommodation has been built, and occupied. So that problem will disappear over the next three to four years. It is actually no different, I should say, from most university city destinations.

PROF STEPHEN CROW: Thank you. Mr Dobson?

MR HUMPHREY DOBSON: Humphrey Dobson, the Christian Institute. I would just say that in the past week I've spoken to representatives of two different Chinese Christian communities in the city who are extremely concerned about the City Council's bid and are totally opposed to it. So that part, that important part of the ethnic community in the city already, is already very concerned and the people I've spoken to representing that community are opposed to the City Council's proposal.

PROF STEPHEN CROW: Mr Dobson, we heard in Glasgow yesterday, something about gambling and the Chinese community. I won't prompt to by saying what it was, but I mean do you see any special connection between problem gambling and the Chinese community?

MR HUMPHREY DOBSON: Well, I would say first of all that the Chinese Christian community, which is what I personally, at the Christian Institute would deal with, is a thriving and vital part of the community. Family and friends of that community know of problems with gambling addiction. I wouldn't want to say anything from personal conversation with those communities, but from my own background reading over the issue of gambling, it is a perception that the Chinese communities are more prone to problem gambling, but I really couldn't go beyond that, Mr Chairman.

PROF STEPHEN CROW: Mr McMullen?

MR ROB McMULLEN: Thank you Chair, Rob McMullen from the North East Chamber of Commerce. The issue of the casino has been discussed by various committees of the Chamber of Commerce, most notably the Newcastle Committee which includes two representatives on the Asian business community. The Newcastle Committee is warmly welcoming the bid that Newcastle Council has given, and members of my Committee from the Asian business community are very exciting at the prospects that this will bring to their communities and are hoping for an increase in the amount of economy in this regard. With regard to migration, the North East Chamber of Commerce welcomes migrants to help us to build the economy and to help members of the North East Chamber of Commerce to increase their productivity and profitability. They see this as a very welcome addition to the population of the North East of England, particularly in Newcastle.

PROF STEPHEN CROW: Thank you. If you see anything special in the demographic characteristics of migration and so on that would make Newcastle really special as a test, somebody the other day pro-joritively referred to it as a guinea pig, which I suppose is one point, expresses one point of view, but how do you feel on that subject?

MR ROB McMULLEN: In so far as the uniqueness of Newcastle as a test bed for this particular project I think that many of the demographic issues that Newcastle's city has are, I think ready for it to be tested in this regard. We've got a very vibrant business economy in the area, most of the businesses that are represented by the North East Chamber of Commerce are very much engaged in the processes that Newcastle City Council and other Councils in the region are putting forward. I think that, so far as the business community is concerned, as represented by the Chamber of Commerce we are more than willing to participate in this, and as participants in the test, as it were, we're happy to participate in any way that we can to help this. But I suppose Paul Rubinstein would be able to answer more detailed questions about that issue.

PROF STEPHEN CROW: Thanks, can I ask the City Council, is there anything else that would make Newcastle uniquely, a good place to test social impact, size of the city or whatever?

MR PAUL RUBINSTEIN: Sir, I'm trying to sort of play back in my head, with the uniqueness on the one hand but the fact that we should be a kind of typical on the other, to try and sort of be comparable elsewhere.

PROF STEPHEN CROW: That perhaps wasn't very kind of me saying that, was it? Sorry, I stand reproved; I really try not to put questions as just to bowl fast ones.

MR PAUL RUBINSTEIN: In my opening remarks I was tempted to say, but I didn't, but I will now. In some we're quite a typical city. We have a relatively smaller city centre than most, but quite a bit hinterland. We have a conurbation, a city region as they now call it, of around 1.7 million. SO

we're not so big, to be blunt we're not a London borough, and there's an argument that says, and I've seen, you know the Panel have asked Greenwich this, you know, why would be London be typical because it's so different from the rest of the country. We're a city region, we've got an inner city, we've got relatively prosperous suburbs and we've got a commuter belt in North Durham, South East Northumberland, stretching to the North in Anneck over to the West in Hexham. We've got a kind of travel to work area of about 1.7 million people. We have a range of different economic sectors, we're not dependant on one, we used to be, but we're not anymore, one or two. We have, you know, as we said before 7% ethnic minority population and growing, in some ways we're a pretty typical British conurbation. There are things different about us, so for example the difference say between us and Manchester is that we've got no other big conurbations on our door step. Sheffield, you know, Sheffield's got Leeds nearby, Liverpool's got Manchester next door to it, Glasgow, Edinburgh and so on. So one of the things about Newcastle is, that as a city we're quite small in population terms. The local authority boundary structure is quite fragmented here, so the city boundary, in local authority terms is quite small. The conurbation at the city region of 1.7 is medium sized in European terms, and we've just had an OECD analysis that looked at us as a model of small to mid sized European cities. But what it means is, that in Newcastle there isn't anywhere else, so we provide. I should now say Newcastle Gateshead, because you'll be aware of our strong partnership with Gateshead and you see the emerging offer between the two. But effectively, although we do have other urban areas nearby, effectively for what a model European conurbation needs, it's here. As I say, there isn't anywhere else. So in that sense, you've got it all in a single place, in a very accessible place, with broadly a social economic structure that is not far off typical of the country. I supposed that's the point I'm trying to make.

PROF STEPHEN CROW: Oh I'm sorry, yes, it's Ms Atkinson from the Council on Addictions. Yes, please.

MS CYNTHIA ATKINSON: Thank you. It's just to go back to the point that was made about the Chinese community and gambling.

PROF STEPHEN CROW: I wonder if you could speak up, you've got a very pleasant voice, but it's perhaps a little too gentle for the acoustics here.

MS CYNTHIA ATKINSON: My children would disagree with that comment, but I'll crack on anyway. It's just to go back to the point that was made about the Chinese community and gambling. NECA's perception is that culturally the Chinese community are prone to gambling, and enjoy gambling, but not necessarily present as problem gamblers. We would, however, welcome the opportunity to have a Councillor from the Chinese community and we're currently negotiating this. We have listed that as one of the Enhancement Entreatment provision that we would like to see. We believe we could access more preventative roles within that community if we could have someone representative of it.

PROF STEPHEN CROW: Thank Ms Atkinson. Oh, Mr Sagar you want to ask a question, sorry you did say earlier.

MR DEEP SAGAR: Thank you Mr Chairman. Could I ask the Council about the fact of the relatively high level of inactivity rates that you mention? Would that make it either unrepresentative in the British context or difficult to test social impact, how would you feel?

MR PAUL RUBINSTEIN: Sorry, you mean in terms of economic inactivity?

MR DEEP SAGAR: Yes

MR PAUL RUBINSTEIN: I don't think it makes it unrepresentative, I mean we'll come on to economic impacts, presumably in a bit more detail later on. It means that the economic impacts can be clearly tested, because if you like, there's a lot to test it on, if you see what I mean, the added value I think can be very significant, particularly if we get our labour market strategy right, and I think we're capable of doing that, so there is the evidence to test impact very clearly, because there's a significant pool of people and communities where an impact can clearly be tested and we have the tools in our neighbourhood information system measurements, in the North East Council on Addiction does, and so on, to make that possible. So I think we can test impact. Yes we, again, we're quite typical, I mean if you look at London it has some of the most prosperous parts of the country, and it has some of the poorest, as the Major of London tells us on a pretty regular basis. There are some people in this part of the world who quite like to pay the

poverty card. You know, we're very poor therefore we need lots of money. That's not been the line that the City Council has adopted. We've been very keen to look at restructuring the economy of the City, so that we can move forward on a positive basis, bluntly not heavily dependent on grants from elsewhere, because we don't think that's sustainable economic development, but we're pretty similar. We have pockets of wealth, and in some areas, for example, professional business services, we outstrip, our growth has outstripped anywhere else in the region and other parts of the country. So we've got, I think in the bid, we use that phrase polarisation. We do have a polarised economy and that's led to social difficulties but I think in some ways that is quite typical of the UK economy as a whole. I don't see that we're much different from anywhere else.

PROF STEPHEN CROW: Right then, well let's move on to more general questions of social impact, and in particular I would like a discussion on the problems of problem gambling. That's an inelegant way of putting it, but that's what I want to do. I glean you have a question you specifically want to ask, Mr Collison?

MR CHRIS COLLISON: Yes Chairman, there's just be mentioned by Paul Rubinstein of the Neighbourhood Information Service and we did in fact read of this service, and it would be helpful, really, in the context of the word testing, you know, which the Chairman has addressed on a number of occasions this morning, how will that particularly service be capable of revealing, particularly penetrative, qualitative and quantitative analysis of social impact of a regional casino.

MR PAUL RUBINSTEIN: Chair, with your permission, I've just passed Neil Mundy a copy of some, an example of the kind of analytical work that the Newcastle Neighbourhood Information System is capable of.

PROF STEPHEN CROW: Now, everybody should have a copy of this if we're going to refer to it. Not least, the people who don't agree with you.

MR PAUL RUBINSTEIN: Ok, in that case shall I take them back and I can ...

PROF STEPHEN CROW: No, just give us one and I'll pass mine over. Thanks. Perhaps you'd just better explain what it is. Well let's, perhaps part with another one to the table on the left.

MR PAUL RUBINSTEIN: Can I just say before I talk about NNIS in a bit more detail. We were using three principle measurement tools, around impact. The first is the Newcastle Neighbourhood Information System, the second is something which we've just undertaking, which is a Local Economic Activity Profile, LEAP profile which is a fairly standard model of economic activity in the country, based on industry, classification codes, and so on. We've had that done recently, and we would see updating that, so if we see trends in employment and growth in different sectors we would use an Economy Activity Profile as part of the measurement. And the third of course, more on the social side is the work of NECA and their statistical service which looks at problem gambling and so on. So we have got a three pronged approach to measuring impact. With apologies, I just, 'cos we really should have given you this before. I just give this as a kind of analytical work that the Newcastle Neighbourhood Information Service does. What it does is it takes measures of social and economic performance, average earnings, educational performance, economic activity, benefit claimancy, so on and so forth. The usual measurements, not the dissimilar from the tools used to measure multiple deprivation. And it does it on a ward basis, i.e. local authority ward basis, and it can also do it on a sub-ward basis.

PROF STEPHEN CROW: Which is, I know what an SOA is, I think, but I don't know what everybody does, so you'd better ...

MR PAUL RUBINSTEIN: A super output area

PROF STEPHEN CROW: Well, yes, what is a super output area?

MR PAUL RUBINSTEIN: Geoff, give us some detail on super output area please.

GEOFF: Super output areas, they are areas of statistical significance when linked with the government's statistic service, they offer no more than that.

PROF STEPHEN CROW: My understanding is that it's the smallest area that the census are willing to part with, because that's the smallest you can get without revealing individuals details, is that right?

GEOFF: That's more or less the case. May I just say ...

PROF STEPHEN CROW: You'll appreciate that I don't want people to be blinded by science.

GEOFF: we have community areas, which are similar but more relevant to local area, so NNIS runs, which relates to our area, or areas that people understand.

PROF STEPHEN CROW: I don't know that everybody can hear you, especially those behind you. It was an explanation of what an SOA is, so, but thanks very much. If anybody wants to know they'd better ask him.

MR CHRIS COLLISON: I think, Chairman, from the documentation that's just been distributed, there clearly is a capacity and capability to produce quantitative data. Just to start on the point of qualitative data, are those three mechanisms that you've mentioned, the Neighbourhood Information Service, the Local Economic Activity Profile and NECA are also able to deal with qualitative aspects?

MR PAUL RUBINSTEIN: Yes, I think so. I mean, for example, I think I'm sort of struggling to see the difference in what you mean, in this context, but for example, if you look at the document which has just been passed round, what we're trying to do there is track the difference in performance between, bluntly the poorer parts of the city and the richer parts of the city and see whether we're, the government's term, closing the gap in economic performance. We are able to do so by using this methodology. Clearly that's quantitative rather than qualitative, in terms of the quality, for example, of jobs, the Economic Activity Profile could give information on the kind of quality of jobs provided, rather than just the number of jobs provided. So I think, I think so is the answer to your question.

MR CHRIS COLLISON: Just by way of explanation, examples of qualitative analysis might be discussion groups with communities and so on, where, not dealing specifically with statistics, but with perhaps people's feelings about quality of life, opportunities, job opportunities, a fear of crimes, those sort of things, you know, kind of more qualitative rather than necessarily quantitative.

MR PAUL RUBINSTEIN: Sorry, I'm with you now. We have a range of mechanisms to do that, perhaps the most obvious is our Residents Panel for the Council who we deal with on a regular basis. A better example, actually would be, you'll be aware of the government's recent push around ...

Do not waste much time in telling us pretty plainly what they do and don't think about the public services in the City provided by the Council and otherwise, and those kind of mechanisms, which I suppose you might call more anecdotal but extremely, as an example an our Children and Young People's Plan said this is what the agencies think should be done, and this is what the children and young people think should be done, and they were by no means the same time.

PROF STEPHEN CROW: Yes, McMullen?

MR ROB McMULLEN: Yes, thank you Chair. The North East Chamber of Commerce and the Newcastle Partnership, the Newcastle City Centre Partnership and I'm a member of the board of both of those organisations, and I also sit on the Neighbourhood Renewal Fund Group. The Neighbourhood Renewal Fund has just sponsored the community and voluntary sector's infranet process which will help Newcastle Partnership come to decisions about how to spend money wisely. And part of that process is also involving and engaging the voluntary and community sector in this regard. This is precisely why it's been set up. Also the North East Chamber of Commerce manages to business forum in the East and West End of Newcastle which deals, on a daily basis with small and medium sized businesses, who do not necessarily engage on a regular basis, or readily or willingly, with Newcastle City Council. And there are one of the methods that, these are a number of the methods where quite a load of information about the impact of such a study, or such a proposal can be tested. We got, in the North East Chamber of Commerce researchers, and I am myself a researcher in this field of qualitative study, so we can assist the Council in this regard, and this is precisely why the infranet process and the private sector process of engagement with the Newcastle Partnership is being set up.

MR CHRIS COLLISON: Thank you very much, very adequate answers.

PROF STEPHEN CROW: Of course, one of the things we want to do is not only to see about the testing of social impact, we want to make sure that the adverse impacts are minimised. It might be a blindingly obvious point, but perhaps we could just focus on that. Has, for example, the City Council engaged in any activities to, concerning the problem of debt that effects some of the less well off families.

MR PAUL RUBINSTEIN: Yes, I mean primarily obviously, specifically related to gambling we worked closely with the North East Council of Addictions, but more generally ...

PROF STEPHEN CROW: You know, gambling problems can lead to debt, and there's other ways people can have debt problems as you know.

MR PAUL RUBINSTEIN: Indeed so. We, I suppose, in two ways is the answer. First of all, particularly through some of our regeneration programmes such as New Deal for Communities, we're active supporters of credit union schemes, and schemes which encourage people to manage their debt in a socially responsible way. We have a number of successes on long standing credit union schemes in the City, all of which are working in communities such as the West End and the East end of the City. And secondly, we have a semi-voluntary sector, semi-private sector organisation called Financial Inclusion Newcastle, who do what it says on the tin, really. They look at financial issues, again, particularly as it affects people starting a business actually in that regard, but particularly looking at issues of financial inclusion again around debt management and so on, and we support them on an ongoing basis.

PROF STEPHEN CROW: Have the organisations said anything to you about potential for gambling debts exacerbating problems?

MR PAUL RUBINSTEIN: No, they've not said directly to us.

PROF STEPHEN CROW: Perhaps we might find something from the table across the way. Professor Cunningham?

PROF WILLIAM CUNNINGHAM: I'm pleased to hear that the Council is supporting the credit unions. The fact is that credit unions, at the moment, both in Gateshead and in Newcastle are merely scratching the service. There is an enormous problem here, in door to door lending, at extortionate rates. And I don't think the Council is in a position to do a great deal about that. It is part of the social condition, and until the social conditions are addressed, we will continue to have this problem. But not only that, the proposed locations are on the doorstep of these communities that are more prone to doorstep borrowing and we have no doubt at all that there would be a substantial increase in the magnitude of this problem. We haven't heard from the City, other than the resources for NECA would have to be increased. Where are those resources going to come from? Are they, are ratepayers expected to put their hands in their pockets to deal with this situation?

PROF STEPHEN CROW: I think that's a question we're going to get round to this afternoon.

PROF WILLIAM CUNNINGHAM: I hope so.

PROF STEPHEN CROW: Now, Mr Froomburg?

MR JAMES FROOMBURG: Thank you Chair. Professor Cunningham, do you know whether the situation you've described about the increase in door to door lending and the problems that causes, whether that is a particular feature of Newcastle or whether this is something that actually is relevant across the country, wherever we recommend this casino will go, will be in the same situation?

PROF WILLIAM CUNNINGHAM: The published research tends to concentrate on Newcastle and Gateshead, as far as I am aware.

PROF STEPHEN CROW: Do you want to follow that up, Mr Froomburg?

MR JAMES FROOMBERG: No thank you.

PROF STEPHEN CROW: Mr Collison?

MR CHRIS COLLISON: Yes, if we could move on then.

PROF STEPHEN CROW: I'm sorry Mr Rubinstein, did you want to respond?

MR PAUL RUBINSTEIN: Well, it was just a very obvious point, Chair, and I agree, you know, personal debt in this part of this region, in this part of the country it's a problem. I'm not sure about the research, I've not seen it. But if I can make the obvious point, as you say I'm sure we'll come back to this. One would hope one of the answers to debt is in job creation and in source of personal income. And clearly given what we may talk about later, we would want to see the opportunities for sustainable employment by people on relatively low incomes in this development as a key part of that process.

MR CHRIS COLLISON: Well, taking that point up directly, clearly we're looking at local benefit, and I suppose we would like to try and seek out some information on just how, and to what extent employment opportunities would benefit those local people who are unemployed or otherwise

within disadvantaged communities. And I suppose, just rolling into that is the question of, we understand Newcastle has traditionally low wage, relatively low skill economy and perhaps you could describe to us how the introduction of a regional casino could improve that situation, thank you?

MR PAUL RUBINSTEIN: Gosh, there's a lot to say in that. I'll try and be as brief as I can. First of all, to deal with the issues at the strategic level, you're absolutely right, and as I say, we've just received this OECD study, which has looked at the economy here in a great deal of detail. Effectively our economic strategy, and I think this has been outlined to you in previous submissions, it mirrors that of One North East's regional economic strategy. That is to raise participation levels in the labour market, and of building a knowledge based economy. Now, as you can see there's a, something of a duality there, if you see what I mean, kind of in danger of a two speed economy. You've got some people working in relatively low paid jobs at one end of the spectrum, and the other, you've got a lot of knowledge based global businesses at the other, and something of a missing middle. And that is a concern for us, and that's something we're also addressing in strategic terms. However, this is the region with the lowest in England, with lowest employment rates and lowest participation in the labour market improving, it's improving in Newcastle, actually, but it's still the lowest. Therefore, the issue of participation with the opportunity of progression is a key strand in our strategy. So, will these be entry levels jobs? We hope so. Will they give good training once they're in their jobs? We hope so. Would they give the opportunity for progression within the leisure sector? We hope so. And believe that in strategic terms, this is about building a critical mass in the leisure and service sector in the City. If it's too small, you will only get very low skilled jobs, and the employers will not have the wherewithal to invest effectively in their staff. If you have a sector with critical mass, then you've got the opportunity for both participation and progression at the same time. That's the point in terms of the overall strategy, and we think that's absolutely in line with what One North East has put, in terms of the regional economic strategy. In terms of ensuring, how can I put this without sounding too daft, local jobs go to local people. Two or three points really, and some of my colleagues may want to comment. First of all, the Newcastle Partnership, our local strategic partnership has identified worklessness as it's number one priority, and Kehri Ellis, the director of the Partnership is not able to be here now, but she will be coming later, and I'm sure she'll be happy to talk to you about that this afternoon, should you wish to come back to it. We are setting up a new model around worklessness with Job Centre Plus and the Learning and Skills Council because to be blunt, we do not believe that the efforts of public sector agencies today have satisfactorily addressed the problem. We don't think that we've got to the right people. Job Centre Plus, in my personal view, are very good at working with the people who come through their door. However, the vast majority of people who are on benefit, predominantly on incapacity benefit, don't come through their door. So there's significant numbers of people who are, to use the Job Centre Plus term, they call them the stock, rather than the flow. That is people who are there and on their books and they can't shift them. We believe that the voluntary and community sector should be the primary tool to engage those people, and the model that we're setting up, and Rob may want to talk about this later, because he's a member, as he said, of the LSP is to set up a company where we take what Job Centre Plus do, we take what the local authority does and we work with the voluntary and community sector and we reach into those communities. In our communities area we have got an example of this working, and it's been working pretty well. So we're actually changing our approach, because we don't think we've been doing it right. Secondly, in Newcastle College, you may have seen it last night. It's very close to the areas potentially we're talking about today. We have one of the country's leading further education colleges, and it has a range of specialism in tourism and hospitality and colleagues may want to talk about that. Thirdly, as I said before, Newcastle is a small city, and we don't, although the issue of relating the area of investment directly, for example, to the West End of the City is important. It's also important to see this as an opportunity for the wider labour market. So we also have significant pockets of deprivation elsewhere in the conurbation and we've now been granted, by the Department of Work and Pensions, city status, which is their new initiative for addressing employment skills across the labour market as a whole. Two final points which are quite specific. Firstly, we've worked for some time with the private sector directly, that's the City

Council and Job Centre Plus, and two or three examples. When the Morrison's supermarket came to the East end of Newcastle, not far from where I live, as it happens, at the bottom of Shields Road, people in the room will remember it, we worked with them, we set up an employment team to ensure that the jobs at Morrison's went to people, by and large who lived in Byker and it was extremely successful. Of the 150 people who were offered places on the training courses 125 were accepted into jobs. Another example, we currently have a programme, the retail industry here, as we've talked about the service economy, is growing. We have a project called Shop for Jobs, working very closely with Eldon Square, our major retail centre including John Lewis, Marks & Spencer's and so on, and that's about directly training people from areas of deprivation off benefit into jobs into the retail industry. It's running at the moment, we can go up and take you to the project and see how it's working. And the last observation I'd make is around the Aspers model, which I think we referred to in our correspondence to you. Aspers work very closely with Job Centre Plus, the Working Links Project, which is a bit of a model working links for what we're trying to do with our worklessness project. Aspers worked with Job Centre Plus to find new deal candidates who were capable of going through to their academy. You probably know the model 'cos you've seen it in the documentation. Again, a significant amount of people, over 20% from areas of deprivation through that model, and as I understand Aspers have made a commitment with Job Centre Plus, to maintain that through their academy programmes. So we have examples in different sectors in the gaming industry and more broadly about a labour market strategy which is very directly targeted and I suppose, sorry, just to conclude, we will make this a condition of any licence. So along with the other things we'll talk about later on, a sustained commitment to employment and training will be one of our key criteria when we hold a competition.

MR CHRIS COLLISON: You've just mentioned the 20% local recruits from disadvantaged communities. It would be just helpful if you could explain why the figure of 20% has been determined as the appropriate rate, and in answer to the previous question, you've mentioned the particularly significant role of voluntary community sector of in identifying hard to reach groups, and acting as a link between job opportunities and deprived community. And I just wondered whether, in the local compact whether that is identified as a role for the voluntary community sector.

MR PAUL RUBINSTEIN: The answer to the second is, it's not as such. We do obviously have a VCS compact in the City, it's not as such, but it is at the LSP board and it is, in terms of the place of the VCS on the worklessness company, we're actually setting up a separate company limited by guarantee called New Futures, so they are part of that. The role of the voluntary and community sector in supporting employment in areas of deprivation is recognised for the compact, but it doesn't go beyond that, if you see what I mean. Sorry?

MR CHRIS COLLISON: It was just the 20%?

PROF STEPHEN CROW: Just finish your answer, yes.

MR PAUL RUBINSTEIN: 20% was the figure that Aspers achieved, and we thought that was a benchmark to start from.

MR CHRIS COLLISON: OK, thank you.

PROF STEPHEN CROW: I'd like to bring in some people from around the table now. I'll start with Ms Atkinson and go to Mr Dixon and Mr McMullen again, and Mr Ellis. Sorry?

MR ANDREW LEWIS: Andrew Lewis from the government office for the North East.

PROF STEPHEN CROW: Ah ha. Mr Who from the government? That's Mr Ellis next to you.

MR ANDREW LEWIS: No, it's Mrs Ellis, whose not here yet, from the Newcastle Partnership and will be joining us, I think, later on, but I've taken her seat.

PROF STEPHEN CROW: But you're ..

MR PAUL RUBINSTEIN: You'll see there's something of a difference in their appearance, later on, Chair.

PROF STEPHEN CROW: I think we met before actually, Mr Spurgeon, haven't we, in London? I won't hold that against you. Let's get on, Ms Atkinson?

MS CYNTHIA ATKINSON: Thank you, it was just to pick up on the final point that Paul Rubenstein made about Aspers and the gaming industry.

PROF STEPHEN CROW: Could I just ask you to, just lift it up a bit and pull it nearer.

MS CYNTHIA ATKINSON: It was just to pick up on the final point that Paul Rubenstein made when he made reference to employment figures and Aspers. This is probably outside of my remit as a treatment agency, but we do monitor employment status, and we do look at finance, social implications, and employment is obviously a huge one. So I have some information that might actually be helpful, although it is outside of my remit. We were advised that Aspers currently have 230 staff, 75% of these are local people. There were 48 trainees taken on before the opening of that casino, mostly local people. 10 of these were through Working Links, i.e. long term unemployed, and 20 again, most local people were taken on in May this year. I'm not sure whether that information's a help to you, or not.

PROF STEPHEN CROW: Thank you. Yes, Mr Dixon.

MR ANDREW DIXON: Yes, I wanted to pick up on the important of training. We do have great aspirations for the job potential, not just of the casino, but of the convention centre which has a further range of employment opportunities attached to it, and clearly one needs to look at the package of the two when you're looking at the employment potential of awarding a licence in Newcastle. The existence of Newcastle College was referred to by Paul Rubenstein. They are opening in a week or so's time. Their new £18 million centre for hospitality, right on the doorstep of any of the potential sites that we have for a casino and convention centre. That College is already a high performing training provided, Beacon status, and it's dealing with everything from pre-entry level up to degree level. And it's got very effective links with people like the CBI, the Chamber of Commerce and others, and works with 1800 employers who contribute to placements, to sponsorships of course programmes, to places, and because of its physical location, next to the very areas of disadvantage that we're talking about, it draws a huge number of its student into education, into training. And its achievement levels are extremely high. What I think is particularly relevant to this is that probably unlike anywhere else in the country, right on the doorstep of a potential site for a casino and convention centre, we have a training establishment already up and running and growing, that is dealing with course programmes on customer service, food preparation, health and safety, front office reception, hospitality supervision and management, events management. The very skills that we need. You can have aspirations to bring people into employment, but you actually need the catalyst in between to deliver it, and I think this is one of our huge strengths here. And it's not just Newcastle College, it's also our universities, it's also Gateshead College which is building a £34 million campus on the other side of the river. The other point I wanted to make in relation to this, in terms of expertise in the broader region, is the example of the Sage Gateshead. When the Sage Gateshead was developed, the capital project by Gateshead Council, the running of the project by a new voluntary organisation, the North Music Trust Limited, there was a similar commitment made to local employment, the same actually at the Baltic Centre for Contemporary Arts. But in Sage Gateshead, particular resources were brought to bear from the sub regional partnership to encourage training programmes to bring people into employment. Those have been very successful, and some very specific training programmes, actually targeting sectors of disadvantaged, such as disability and a programme which has brought people with learning difficulties into employment in that hospitality sector. So I've got great hopes that not only will we deliver employment but we have the roots to do that, and I think that's a great selling point for the location.

PROF STEPHEN CROW: Thank you. After the others. Mr Spurgeon? It's Mr Lewis.

MR ANDREW LEWIS: Sorry, Andrew Lewis, Government Office for the North East.

PROF STEPHEN CROW: So who is Mr Spurgeon then?

MR ANDREW LEWIS: My colleague to the left from the North East Assembly.

PROF STEPHEN CROW: Government Office for the North East, with an unfortunate acronym.

MR ANDREW LEWIS: Gone but not forgotten. I just wanted to comment a little on the labour market issues that were raised in your question and in the response from the City Council. I mean I think it's very clear from experience that local jobs don't go to local people by accident or simply by leaving it to the market to recruit as the market sees fit, so clearly it's important for the Panel to have a good understand of the infrastructure that's in place in a city like Newcastle and the surrounding area to help manage active labour market policies. And perhaps it would help the Panel if I said a few words on that from a government perspective. I mean, partly because of

the history, I think, of the North East and Newcastle in particular, worklessness has a very high profile and priority here. It's probably the number one issue highlighted in the regional economy strategy for the North East and that isn't typical in many respects of other regions where worklessness and employment is often seen as, less as an economic imperative as it is in the North East, and partly as a result of that, there is a pretty extensive infrastructure locally to help with the delivery and support for labour market interventions to help match people to jobs. It's also a very significant growth area here, not least because of the government's own Green Paper on Welfare Reform which has encouraged more localised approaches. And as Mr Rubenstein briefly alluded earlier, the Department for Work and Pensions has identified not just Newcastle, but the whole of the Tyne and Wear city region as one of the relatively small number of areas chosen to develop more localised approaches to employment, matching of people to jobs and jobs creation, under that strategy. So, what we're hoping to do over the next few years is to very significantly develop the existing structures in place, and there's a lot of capacity to build on here, not least through the Newcastle partnership and the local strategic partnerships. And again, not only in Newcastle but in surrounding authorities as well. And through Job Centre Plus' own activities, and Gateshead was one of the first round of Pathways to Work pilots, which was set up specifically to support people outside the labour market altogether, generally on incapacity benefit to access labour market opportunities. So, I think if you're looking for areas which are, where the capacity exists, not only to support people into work but also to monitor and analyse the impacts of that, then I think Newcastle in many respects does fit that criteria, but it's clearly something where the infrastructure that's in place, already on the ground is very important to making that sort of connection happen and to deliver the regeneration benefits of a very large employment site, such as a regional casino.

PROF STEPHEN CROW: Thank you, Mr Lewis. Mr McMullen, did you want to add to this?

MR ROB McMULLEN: Yes, thank you Chair. I'd just like to stress the massive amount of activity that members of the North East Chamber of Commerce have and the great interest that they have in the initiatives that are developed around what the public sector would consider to be the worklessness theme. But what the private sector are very much engaged with are finding people who can fill the jobs that they need to create in order to sustain their business, and to grow it. Now, members of the Chamber of Commerce are part of the company limited by guarantee that is being set up by Newcastle Partnership, around the worklessness theme, called Newcastle Futures. And the reason that the North East Chamber of Commerce is part of that is so that we can work with our members in Tyne and Wear but also in Newcastle to encourage them to think of ways in which they can engage with the public sector so that their business can grow and prosper. And this is one of the vehicles that's being set up. Now businesses go into this thing, not only through altruistic methods, I mean we feel that there is a great social impact in becoming involved in this, but also to seek ways in which to grow their business. And the chair of my Newcastle committee is encouraging our members to participate greatly in the work of Newcastle future to increase the amount of people who are employed in this area. We have something in the region of 800 members in Newcastle alone, some 2,023 members in Tyne and Wear that we communicate with on a regular basis, so this will be brought to the Newcastle Futures to encourage greater participation.

PROF STEPHEN CROW: Thank you. Mr Dixon?

MR ANDREW DIXON: I'd just like to bring to the Panel's attention a fatal flaw that lies at the heart of the City Council's proposal, and it's quite evident on reflection that this area, as the Council itself says has some of the most deprived communities in the whole country. The North East is the most deprived region of the whole of the UK, and as this diagram we've seen, given just earlier, clearly shows that in the 10% of the most deprived super output areas, you can see them around the Discovery Quarter being proposed by the City Council. Now, with your permission we will return to this issue, but specifically as it relates to employment, a super casino in this city will undermine the good efforts such as the North East Chamber of Commerce to increase employability in the area, because it's a well established fact from the evidence that problem gambling is particularly related to poverty and social deprivation, and just to lead on from that, the joint committee of parliament highlighted, with problems of problem gambling, of job loss, absenteeism and poor work performance. As a local church minister said to me yesterday, you

know, people who are addicted to gambling are likely to be less skilled, they're likely to lose their jobs, and this will have a negative impact if it comes here, throughout the economy of the North East. And I would just like to bring that to the Panel's attention.

PROF STEPHEN CROW: Yes, there's one aspect of that that I think we did ask Newcastle in writing about this, but I mean, given that a member of the public has raised it, I mean, it must be a problem. You're putting the casino right next to the area where, if they're going to be problems, they're going to be the worst problems, because it must be blindingly obviously, that if you're very rich you can afford to lose quite a lot of money. If you're not very rich, and if you've got hardly any and you lose it, then you're really in trouble. And, we've got this problem of ambient gambling. People will, you know, perhaps in desperation see a quite fix, it's been described by one church group.

MR PAUL RUBINSTEIN: Yes, those are real issues and we wouldn't want to minimise them. The other side of the coin, of course, as I referred to earlier, is the proximity of the potential sites to the areas of deprivation in terms of employment opportunities. So in terms of sustainability of location, many of the sites are walkable from Elsick, from Scotswood, from Fenham and so on, so these are areas where, the kind of barriers, I don't know how well you know the area now, Chair, but for example, if you live in the West End of the City, say somewhere like Scotswood, one of the biggest areas of employment, over recent years has been at the Metro Centre over the river. You can see it, we all have different views of out of town shopping, you can see it from virtually the whole of the West End, there isn't a bus that goes there, because of the way public transportation works. So the sustainability of that as an employment location is extremely important. Now, that's notwithstanding the points you've made. The other point I'd make in response to that, however, is this issue of ambience. I think, there's no evidence for this, but if you put it in the top of Northumberland Street or right by the Centre Station or something which is a real hub of people, by the Monument, in the centre of town, everybody will be going past it all the time. It will be the kind of attractor that the commercial sector wants. If you put it in a central location, which is good for sustainability, good for people getting to work and getting there, but in design terms you design it in such a way that it's not something that people are working past every day of their lives. So, I think one of the phrases we used in the document is almost a mini-campus development, so the urban design of it is extremely important. But the whole regeneration strategy of the city, and this applies in exactly the same points actually, but not the same points, but related points, refer to our Science City Project. Science City Project are undertaking, has a range of physical, it's all about technology transfer, but two of the key locations, one is slap bang in the middle of the West End on the Newcastle General Hospital site where we have one of the world's foremost centre for aging and health. And the second is the place where they used to make Newcastle Brown Ale, they now make that in Gateshead, the Newcastle Brewery site which was formerly Newcastle Brewery site, which you may have seen yesterday. One our concerns with both those sites is that they offer opportunity, employment opportunities for local people in our most deprived communities. Our strategy is around spreading the prosperity of the city centre westward which is the area of most disadvantage. That's our economic regeneration strategy. And in design terms, it's important we get that right to address exactly the issue of ambience that you raise.

PROF STEPHEN CROW: Thank you. Professor Cunningham?

PROF WILLIAM CUNNINGHAM: Thank you Chair, just for the record I wonder if Mr Lewis could tell us what the current level of unemployment is in the Newcastle area.

PROF STEPHEN CROW: Can you tell us, somebody, Mr Lewis?

MR ANDREW LEWIS: Well for the North East as a whole, it's, the rate of employment is 65%. I mean Newcastle is one of the few, I think the only City areas in, sorry the only local authority area in the North East where the number of jobs is greater than the number of working age people that reflects it's roll as a hub for community. But if you're looking at Newcastle residents, I think it's around 65% employment rate, but the City Council may have the more exact number.

MR PAUL RUBENSTEIN: It, what Andrew says is absolutely right, Chair, that the region as a whole still, as you say its right, has the highest unemployment rate of any of the English regions. Newcastle out performs the region as a whole, to effectively there are more jobs that people available. That's partly distorted by the number of people, as Andrew referred to before on

incapacity benefit, which remains a great problem for us, hence all these social and economic efforts which we talked about area.

PROF WILLIAM CUNNINGHAM: Just for the record, Chairman, Mr Lewis' office told me yesterday, the rate is 7% and rising.

PROF STEPHEN CROW: I mean, do you want to make a comment about those figures, Professor?

PROF WILLIAM CUNNINGHAM: Only to say that clearly there is a lot of activity going on, on the part of Newcastle City Council, but the fact is it's not having the impact that will reduce effectively and in the long term the level of unemployment.

MR PAUL RUBINSTEIN: I'm sorry, Chair, I mean I don't want to contradict what government office said to yesterday, but if you look at employment rates in this City now, compared to 10 years ago, they are unrecognisable. 10 years ago the unemployment problem was well over 10%, now, I mean if government office have you that figure, that's fine, by and large the definition we go with is in the region of 5%, but distorted by the amount of people on incapacity benefit. The employment rates in this city are higher now than they've been, and you know, good reasons for that, the economic position has worked for Newcastle very well. Many people who live in the City, sorry who work in the City however, we're absolutely clear don't live here. Newcastle is a commuter destination, commuter patterns in the City over the past 10 years have grown very considerably, so now the travel to work area, as I said before, goes from Anick in the North, to Durham City and further south in the south. It's a much more commutable City. So we have continued problems of multiple deprivation, I'm not minimising those, but the City's employment rate now is higher than it's been in any time from the past 10 years.

PROF STEPHEN CROW: Thank you. I think I'm going to take a new speaker now. Mr Warburton?

MR WARBURTON: It was just comment on the employment figures. I've only got the regional figures in front of me, but just to back up what Paul Rubinstein's just said. Historically the North East has had the worst performance in the region

PROF STEPHEN CROW: Yes, I understand that.

MR WARBURTON: But in recent years there has been quite a big shift, and these are regional figures, not Newcastle, I'm afraid I haven't got those to hand.

PROF STEPHEN CROW: As it has in many other parts of the country.

MR WARBURTON: Yes, from 1996 to 2005 the numbers of jobs rose from just over a million in the region to 1.1 million, just above that, and the claimant count on unemployment fell by a third. And that's against the contrast of the national figure was 19%. So again, the reasons to be optimistic in the North East and particularly on Tyneside are quite considerable.

PROF STEPHEN CROW: We'll never know the extent to which that's the national economy improving or the peculiarly local things done. Just a minute Mr Lewis, I think Mr Dobson, have I got your name right name. Good, I apologise for getting it wrong first. I'm glad you answered to another name, or I wouldn't have heard you at all.

MR HUMPHREY DOBSON: Well, I just, thank you for asking me to speak once more. Just to say that Mr Rubenstein referred to this problem of ambient gambling, which I'm sure your Panel's well aware of. I must say the Christian Institute found the City Council's explanation for how it was going to get round that problem wholly unconvincing and very flimsy. And I mean, you can just quote another part of the Council's proposal to contradict that. Page 17 of the formal proposal, it boasts the site will be situation so that everyone can access it on foot, bicycle or public transport. And then, and therefore I just wanted to put that on the record, Mr Chairman.

PROF STEPHEN CROW: Mr Sagar? I won't forget you other people, but I think Mr Sagar wants to just follow something up.

MR DEEP SAGAR: Thank you Mr Chairman. On this issue of ambient gambling, problem gambling and the location. As we know, there are four casinos already operating and we saw last night two of these are very close to the area proposed. And in the impressive data that the Council has given us, it says that just about 46 and 68 people in the two previous years were referred to NECA with these sort of problems, OK? And the current year trends are ever lower. What is the feeling here? Is it that people are not being treated well in terms of support being

given by NECA or is it that there are lots of other people who might be around who don't go to NECA or is it the fear that these numbers will rise a lot, and more support is necessary?

PROF STEPHEN CROW: Yes, could someone answer that, Ms Atkinson?

MS CYNTHIA ATKINSON: Yes. I mean, of the referrals we have to date most of them are self-referrals which means that the person has recognised that there is a problem. One of the things that we're working on at the moment is a screening tool which is now complete, which we would hope will be picked up and used by anybody in the gaming industry so that they too can recognise early problems. Alongside this we would like very much to run much more preventative programmes. The people we see are those people who require treatment intervention or are supporting people who they believe require treatment intervention. So I suppose we have got people that are established problem gamblers as opposed to those people who would just go out and gamble and maybe have a bad experience, and have sufficient information and knowledge to correct the situation itself. One of the things that I did want to address the Panel about was from NECA's stats and data that we collect, those people who come to us on either low or fixed income or are unemployed, their mode of gambling is less likely to be a casino. It would correlate much more to a bookmakers, fruit machines in pubs or in arcades. Those in bingo halls, and indeed bingo halls themselves. There is that definitely correlation between those income groups.

PROF STEPHEN CROW: Thank you.

MS CYNTHIA ATKINSON: Yes, Mr Dobson?

MR HUMPHREY DOBSON: I'm not sure whether Mr Sagar's question was partly addressed to me, so if I may just respond.

PROF STEPHEN CROW: Well, yes, addressed to everybody.

MR HUMPHREY DOBSON: Thank you. There are four casinos in the City already, I understand there are two more planning permission pending. Two of those are very recent, in so much as they were established last year, I think, according to the Council's documentation, so I would judge it's too early to get a good impression. It's also said in the Council's document that the referrals to the Council on Addiction may not be as much as the problem, perhaps the service isn't as well known about, for all its good work. The main thing about this super casino, I'm not sure whether the public are aware of this or not, I mean certainly your Panel will be, is that the major issues really are these category A, unlimited stake and unlimited prize jackpot machines, which the casino will be able to have a maximum of 1,250. This is enormous, comparable to the casinos in Las Vegas. And there's a particular problem here for the North East, again speaking to a church minister yesterday and others last week, the first thing they will tell you if they've dealt with gambling addiction in Newcastle is the problem with the one armed bandits, that's what they call them, the slot machines. And these are the things that are going to be most attractive to people in the super casino, and just to pick up on Ms Atkinson's figures ...

PROF STEPHEN CROW: Of course, you don't have to exercise the arm these days, do you, with the machine?

MR HUMPHREY DOBSON: Is that, is that correct? Well that's what they're called still, colloquially, I understand.

PROF STEPHEN CROW: Well, I mean, it's all electronic, you don't even have to put money in these days, you just put your credit card, you just get it out.

MR HUMPHREY DOBSON: Or you don't, as the case may be.

PROF STEPHEN CROW: They're called in Australian, Australians call them pokies.

MR HUMPHREY DOBSON: They do, and I've spoken to friends in Australia who say they're a disaster in Australia. The level of gambling addiction to pokies in Australia is immense. And one of the problems, I won't digress, is that the states are so dependent on taxation from the gambling that they're reluctant to go back.

PROF STEPHEN CROW: Well, of course.

MR HUMPHREY DOBSON: But to go back to the point, the figures here, from NECA's own figures it shows that 51% of gambling clients in Newcastle are addicted to fruit machines, and if you compare that to the national average ...

PROF STEPHEN CROW: Sorry, 51% were what?

MR HUMPHREY DOBSON: Addicted to, or had a problem with fruit machines, slot machines, comparing that with the national average, that was 11% so it appears from these figures, there's a

five times problem, higher problem with these slot machines in Newcastle as compared to the national average, and to put 1,250 monster machines, the like of which have never been seen before, is going to cause an explosion in Newcastle, that's the Christian Institute's view.

PROF STEPHEN CROW: There was, I mean some of the evidence coming from Australia is that the, people like yourself, is it the John Mark's Society, or John Mark Association, they were concerned that in opposing casinos they lost sight of one of the worst problems, which was that, of the local, you know, the small numbers of machines, 'cos of course, you only need one machine to lose your money in, you don't need several thousand. I don't know whether you want to make a comment on that. If you don't I'll ask Mr Froomberg to ask you a question.

MR JAMES FROOMBERG: I just wanted to double check that you're suggesting that the North East has five times the national average, like problem gambling per head or per machine. Can you just explain that to me again, and see if there's anyone else here who wants to challenge that?

MR HUMPHREY DOBSON: All I was referring to was this submission by NECA, which has been provided with the documentation, and the graphs clearly show that the gambling clients from Newcastle, for the last year, 51%, over half, the problem there was the fruit machines. And if you compare that with the graph above, for the national level, on average nationally it's only 11% are treated for the slot machines.

PROF STEPHEN CROW: Ms Atkinson? Well, perhaps we can have NECA. It's just dawned on me what your initials are, the North East Council, it's your paper?

MS CYNTHIA ATKINSON: I mean, we have to remember that the graphs relate only to those people we actually see. We're not predicting that we have that huge difference in national trends. What we're saying is of the people we see, when we ask their modes of gambling that is the information that we have.

PROF STEPHEN CROW: I mean, I don't think anybody's suggesting are they, that we should go away with anything other than the impression that there's a special problem of fruit machine gambling in this City?

MS CYNTHIA ATKINSON: No.

PROF STEPHEN CROW: Mr McMullen?

MR ROB McMULLEN: Thank you Chair. The issue of problem gambling really was discussed at length by the North East Chamber of Commerce Committee throughout the region, when proposals for super casino licences was put to the country. But also the Newcastle Partnership and Newcastle City Centre Partnership discussed this in very great depth. There was a real concern about this issue in partners around the table. However, on close examination of presentations that were given at Newcastle Partnership and also to the Chamber we were assured that the systems that were going to be put in place, the excellent work that the North East Council on Addiction were doing. The association with Gamcare actually did present the assemble with some very secure feelings around the proposal. The other thing, I think, that we need to take into consideration is, is that this will be a completely new and foreign experience. What people are saying is that people are more comfortable when they're in an environment that reminds them of something of their home environment. In other words, they're used to going to a place in order to gamble in the way that they wish to gamble. So this is part of their normal cultural routine. This will be completely new and different. So those things need, I think, to be taken into consideration. There is one further thing that I'd like to say with regard to the economic performance of this part of the country. We as Chamber of Commerce and through the British Chambers of Commerce run quarter economic surveys, of all of our members and I've said that there are something like 5,000 in this region. Our last quarter economic survey showed the business confidence was very high. That people are investing in plant and machinery, and they are thinking of taking people on and employing people into the future. The business confidence in this area is pretty high, and I think that that should give confidence to those people who are thinking about this, in those terms.

PROF STEPHEN CROW: Quick one, Mr Dobson, because I think sooner or later I've got to ask the City Council to respond.

MR HUMPHREY DOBSON: Just a quick point. Nobody wants to take away from the excellent work being done by the North East Council on Addiction, and I'm glad to meet the representative here today. Except to say, I think that some of the Council's presentation on this has been, you

know, we think there may be a problem with problem gambling, but we've got excellent services in place to cope with it. That appears to be my understanding. But I think that's rather like saying we don't mind if we have a high level of obesity in the area, because we have the best heart disease specialists in the country to deal with it. I mean you wouldn't take that attitude to any other area. You wouldn't allow addictive drugs to be given out in pharmacies because you thought you had the best drug rehabilitation available. I mean, I think the Council's arguments there are totally unpersuasive to most people in the City.

PROF STEPHEN CROW: Yes, of course, this is an argument that applies anywhere, isn't it Mr Dobson, in that I know that, a senior Salvation Army officer was talking similar points in another city and he said, well of course, this applies anywhere and do I really want to argue it should be somewhere else? Yes, by all means Mr Dobson, I was just being wistful.

MR HUMPHREY DOBSON: To be honest, I have had the same thought. The Christian Institute opposed the whole gambling bill as a very dangerous bill, particularly opposed the category A slot machines that would come with the new casino.

PROF STEPHEN CROW: We've got it, haven't we?

MR HUMPHREY DOBSON: We've got it. I don't wish this dreadful thing on any part of the UK. But what I would bring to the Panel's, and I think you've have an unenviable job, one I couldn't do.

PROF STEPHEN CROW: I'm coming to that conclusion myself, of course.

MR HUMPHREY DOBSON: I think you should, as far as I can tell you're coping admirably. No, I don't want it anywhere, what I have sought already, and God willing will seek later to do is to bring to the Panel's attention the particular reasons why Newcastle would be, in my view the worst view to have it. And I think the Institute as a national body, but based locally and set up locally has a good perspective on that issue.

PROF STEPHEN CROW: Many thanks. Well, just before we break, could I ask the City Council, Councillor Shipley, did you want to speak, have you given up?

COUNCILLOR JOHN SHIPLEY: Well, most of what I wanted to say had actually been covered, but I will give part of the Council's response to what's just been said and ask Paul Rubinstein just to finish off. I don't see, in terms of Newcastle upon Tyne, as opposed to the national UK position, I don't think we're very different from anywhere else. The area which is closest to the sites that have been identified, it is true that it has one of the highest deprivation rates in the UK. It is also the case that the Council's regeneration strategy for 2021 will produce an extra net 13,500 homes in Newcastle of which a significant number will be on brown field sites on the banks of the river. What I'm saying is that this becomes actually a statistical argument, because at the moment, these are some of the most deprived wards in the City, but in the course of the next 10 to 15 years, in national statistical terms that will no longer be the case. So I just need, if we're going to have statistics mentioned in this way, you know they do need to be valid statistics.

PROF STEPHEN CROW: May I just stop you there, because that's an interesting point, which we've had from elsewhere, and one of the things that did cross our minds is that when people, you know, from a really deprived area, when they get jobs, they get more money, they move out, and so the actual area doesn't approve, the people do, but then they just move out.

COUNCILLOR JOHN SHIPLEY: Right, but that would not be the case here, because both the Regional Spatial Strategy, the public enquiry just completed a few weeks ago, but also the Council's own plans for 18,000 new homes, and by 2021 will be designed on the lifetime homes principle which enable people within communities, and particularly the housing expo that is planned for Scotswood in 2009 will be an expo relating to lifetime homes. That is, people will be able to stay within a community, to exercise owner occupation if they wish to do so, so housing, all housing tenures types and of all sizes of homes. So houses, flats whatever, to enable people to stay within communities. I don't know if Paul wants to add to that.

MR PAUL RUBINSTEIN: I'd just perhaps emphasise that. I mean we're into kind of wider, spatial planning issues as much as the casino, but I do think what Councillor Shipley said is important. The West End of Newcastle has been the subject, or guinea pig or every government urban regeneration experiment over the past 40 years and to be blunt ...

PROF STEPHEN CROW: Which is just about the length of my planning career.

MR PAUL RUBINSTEIN: Well, I hope there's no direct relationship between the two. There is no direct, the long term benefit of these programmes from City Challenge, the Urban Programme,

you know the story, has been limited. It's not our ambition for the West End to stay as the most deprived part of the City and I think we've got a clear approach which is built on sustainable ...

PROF STEPHEN CROW: But you've just given evidence that it might.

MR PAUL RUBINSTEIN: Well, it may do, but the hope is around sustainable employment and around housing mix, which as Councillor Shipley points out, enables people to stay within those communities. When David Millerband, when he was Secretary of State for whatever it was then, came on his City Summit and wondered around the West End one of the residents made it very clear. If you start to succeed and you live here, what happens is you leave. At the moment there are many parents who will not send their children to local schools in the West End of the City. They want to send them elsewhere because they think the schools are associated with failure. We're trying to address those. The issue of jobs, the issue of housing, the issue of education, the issue of transport, together, is the core of the regeneration strategy for the City. And as I say actually to have something like the General Hospital site in the heart of the West End, to have a range of other employment sites, there's plenty of land to build private housing, to build family housing, to build more social housing, the opportunity is there for the West End to become, and if you stand on the banks of the Tyne, in some of the areas of the West End there are some of the most attractive areas for investment, in the country. And quite how we haven't managed to lever in that private investment, between all of us in this room and outside over the past 40 years is somewhat beyond me. The opportunities to make those some of the most exciting and attractive parts of this region clearly exists. And it's our job to make that happen. And if I can just lastly, I mean I don't dispute at all, and you know, the evidence we have comes from NECA really, that slot machines are a problem and as Cynthia's pointed out, in places like bingo halls and slot machines and so on, they're where the referrals come. And we're not saying they're not a problem. I think you've made the point yourself, Chair, that that's not necessarily much different from elsewhere in the country. I suppose our, the way we would mitigate that is twofold. (a) the existence of NECA, and I don't particularly accept the arguments that Mr Dobson's made around that, but (a) the work of NECA and the opportunity to expand the work of NECA through contributions from the successful operator, and I think that's extremely important. And secondly, in the nature of the operator themselves. They'll be considerable opportunity to influence those operators above and beyond the usual planning conditions. These will be operators who we will be able to get into long term agreements with and who we would expect the highest levels of customer care, of trend for staff, of protection for minors, the usual list, much of will from the Bill. The opportunity is there to put those in place with this development when it hasn't always been so, for example with a planning permission for a bingo hall. So the opportunity to address those issues, I think, is there and it's not been before.

PROF STEPHEN CROW: Yes, I think Mr Sagar wants to ask a question, and it may well be about the four casinos.

MR DEEP SAGAR: Thank you Mr Chairman, pre-empted me. I think what I was going to say, someone might just look at your position and say you're over casino'd already. You know, four casinos, leave aside two planning permission pending, per head of population you might be worse than anyone, except Westminster, in Britain. So how would you respond to that, and is there support from the present casino industry for this proposal?

MR PAUL RUBINSTEIN: Can I just say a word, and then pass over to Mr Dixon if that's OK. I think it's a genuine issue. I suppose our thinking is that (a) if we win this process there could certainly be a market adjustment in the casinos in the City, and that's something for the industry and not for ourselves. And I also think, it's important to think, we like, I think our view, somebody said this before, is that the kind of casino we're talking about here, would be a destination venue, particularly associated with the conference centre, and so on, and I think we're looking for a different market, as well as a local market and the work that Price Waterhouse Coopers has addressed this. Not just a local market, but a regional market and a national market. So it's different in character, if I may say so, to the others. But we do expect some market adjustment as well, I think that's fair to say.

PROF STEPHEN CROW: Mr Dixon?

MR ANDREW DIXON: Chairman, I'd just ask to that briefly. I think if you look at the history of casinos as they've arrived in the City, they've not been necessary kind of strategic developments.

They've arrived on pieces of land which were opportunistic. They've been in actually quite good locations, and they've had some regenerative impact. But casinos come and go around the country. Casinos have come and gone within the City. You'll have ready today in the press, I'm sure, about Stanley's potentially being taken over by a Malaysian company. Land values change and operators move on, and operators have certain length of lives to write down their investments insights, some leasing, rather than on their own sites. So there will be changes and shifts, whether or not a super casino comes to Newcastle. I think the difference is that none of our casinos are destination casinos. And what is interesting in terms of the super casino is the ability here to test a known market that is existing and how that can be grown, how it can benefit tourism in the area, how it specifically brings people into the City for nightlife and entertainment. And so it's a very different proposition. There will be interest, potentially, from some of the existing casino operators in the City in bidding for the licence in Newcastle. That could affect the outcome and balance of casinos in the long term. But the point I want to make is things aren't set in stone, and whilst, well may say we're over casino'd you might say the same about many of the other casinos that are bidding on the shortlist.

PROF STEPHEN CROW: Thank you. Well I can see the debate on the social issues going on for some while, so, I think we'll perhaps finish off after the break. I did nurse an idea that we might have the break after we've finished social issues, but clearly everybody wants to talk about it a bit longer, so what's the time? 6 minutes past 11, how long do we usually have? Quarter of an hour. Could you please all be back by 20 past promptly, so we can make a good start, and then we'll finish talking about the social issues. Could I just mention to the Chief INSPECTOR there are issues about crime that I particularly want to ask about. Thank you. So 20 past please, we'll adjourn til then.

Thank you very much, ladies and gentlemen, the examination is resumed, and thanks for all being back in your places before the Panel, even though we had to hold the door open for some people. We seem some way from finishing the discussion on social issues. I make no complaint about that because they are very important. Professor Cunningham?

PROF WILLIAM CUNNINGHAM: Yes Chairman, if I could just pick up Mr Rubenstein's remarks, just before we finish there. Restructuring of the industry is something for the industry and not for ourselves. I think that speaks very loudly and clearly. Let me remind him, this casino, if it was approved, if it came to Newcastle would probably result in 2,000 people being made redundant out of the existing gambling establishments which would wipe out the new jobs that you're claiming.

PROF STEPHEN CROW: Yes, we'll come to the job situation later and in particular the displacements, yes. Ms Atkinson from, I was told I ought to call you NECA which I'd rather not, actually.

MS CYNTHIA ATKINSON: Well locally it's known as NECA, I think that's even worse probably, yes. So I answer to most things. If I could just go back to the issue about fruit machines. Just to clarify some things. Anecdotally the information that NECA collects would suggest that people who play fruit machines and casinos limit their play to casinos, i.e. they don't play elsewhere, and vice versa. Traditionally the area, as I've been reminded, links to the working men's clubs where there fruit machines, one armed bandits, call them what you will. And as I said before, by far the majority of the people we see certainly don't record fruit machines being played in casinos. So I think that's quite an important one. Betting shops are a close second to fruit machines, with racing, horses and dogs following. And then casinos. And as a treatment agency NECA's considered the question whether the proposed bid by Newcastle would result in any potential exacerbation in problem gambling. That's important to us, because if there were to be any market increase we would want to know that we could respond accordingly. NECA's investigation as to the potential increase in problem gamblers presenting for treatment has looked at two areas. One is a national response from Gamcare and secondly, to go back to our own data, Newcastle specific and also regional analysis of those people presenting for treatment because of casino usage. Firstly the Gamcare response, they say if proper education is put in place, and runs alongside the regional casino complex they can't foresee any problems. Giving numbers on the effect of the increasing level of number of people gambling is pure speculation, and they would

not be prepared to speculate. I don't think they meant that as a pun. I think that was how they really felt about it. That, it would at best, be an estimate, that's where they were coming from.

PROF STEPHEN CROW: Can I just pick up on a point about gambling in working men's clubs, my understanding if its right is that under the existing legislation the money they can pay out, the jackpots they can offer are actually quite limited, aren't they? So I mean if one is really desperate and wants, you know, to find a quick way out, you wouldn't gamble in a working men's club, on the other hand, if you go to a place where the jackpot is unlimited, I mean like I saw in Dortmund, they actually syndicated the jackpot round all the casinos in that particular chain, I think they've got 5 others. And I think on offer, I can't remember the number now, but it was 6 or 7 hundred thousand Euros, and you know, even I was tempted to pick up a Euro and put one in. Fortunately the manager of the place didn't want me to stop too long. But, I mean, in temptation terms there must be a difference, surely.

MS CYNTHIA ATKINSON: It's not necessarily though the size of the pay out that's attractive. It is the environment that people are in. It's having time, if you imagine the bingo establishments, prior to a game commencing, people go early so they can find their best seat, and they've got time so they play on the bandit. It might not be paying much out, but then they, the bingo starts so they have their tickets, they play bingo, then there's an interval, and for a lot of those people the addiction behaviour is back to the bandit. So they're not really considering the size of the payout, there's no real analysis takes place with people we see about if I invest this, this is likely to be the return, or arguably they would never put anything in it. Because then the chances of them getting much back would be slim. So it is about the environment. It's about the socialising within those areas. And I think it's that more than the size of the pay out.

PROF STEPHEN CROW: Thank you. I think Mr Froemberg wants to raise a point.

MR JAMES FROOMBERG: Thank you, Chairman. Ms Atkinson we hear and we read that as far as problem gambling is concerned the area that's given rise to most concern these days is on internet gambling but you haven't mentioned that as one of the areas that has arisen in NECA's activities, you concentrated on the sort of, if you like the terrestrial outputs. Is that just an oversight in what you've been telling us or has it been something particular in the North East that has meant that internet gambling has not risen up as a particular issue for you.

MS CYNTHIA ATKINSON: We are of the difficulties with internet gambling. It's, because you can do it at home and because it's not regulated it's quite a difficult one to actually assess. We have spoken to Gamcare about it, who now believe that it might be less significant, although still a huge problem, than was at first thought. But it is difficult to get any real analysis on, because of the nature of the internet. You know, you have to register but that's relatively easy to do. So we don't actually see many of those people who will use the internet for gambling, and gamble in their own homes, in their own time. But we are aware that you can lose a lot of money doing that.

MR JAMES FROOMBERG: Thank you.

MS CYNTHIA ATKINSON: If I could just go back to what I was saying about Gamcare's stance on the casino environment and we've looked at our own stats, and using the document that was prepared by the responsibility and gambling trust it suggested that treatment agencies, NECA in this instance should regionally be able to respond to 3% of the number of problem gamblers. An estimate of this, in our region, would mean a response to 418 people. This figure includes those already seen by NECA, the figure represents all forms of gambling with casinos only accounting for 10% of our problematic gambling statistics. So in other words we would be anticipating a potential of 42 people coming forward. Now NECA acknowledges that this is a best estimate and one which may well be significantly reduced as in the quarter April to June 06 only 3 clients came forward to NECA identifying casino table games as their primary mode of gambling. Statistics collated in the last two quarters have actually seen numbers come down, even though Newcastle has seen Aspers new casino operational during that time. Reflecting on this data, the evidence to date, potential increase in numbers who may or may not present for treatment, NECA has to conclude that we do not anticipate a significant increase over and above what could be expected if we increase the publicity and increase the public awareness. Wherever we go out and we start a new service we get an influx. We have stated a service recently in Middlesbrough and in the first week we had 13 people present. Now that didn't mean that we're going to get 13 people every week rather it meant that the publicity about the new service had gone out and 13 people

realised that they would want to make use of that service. So, if Newcastle is successful with this bid, then we believe that we're well placed to record statistics and evaluate the date, having made a considerable investment in the production of the database, specifically for gambling. Gamcare and NECA are working together on this, because NECA is, I think, slightly further on with the development of that package and that database, specifically designed to pick up issues with problem gambling and respond to queries on data that's kept. Again, we believe that NECA is leading the field in electronic data collection for that type of specific service. So I think that's where we're at with an anticipated, now I do realise that it is the best estimate, but it is one that we felt we needed to address.

PROF STEPHEN CROW: Mr Dobson, a quick word?

MR HUMPHREY DOBSON: A quick word, we sometimes hear that past performance is not a guide to further returns, and I think we need to bear in mind that the nature of this casino, and the slot machines it contains are on a wholly unprecedented scale, and I'm sure your Panel are aware. To take the extent of the problem, there will be a massive problem with problem gambling caused by these category A, these unlimited prize machines. The joint committee of Parliament said all the evidence from both the prevalent studies, from reports of counselling services suggest that high prize machine gaming is the form of gambling most liable to be abused, and most likely to increase the incidence of problem gambling. Or take Professor Orford, who's a specialist in the area, according to his recent research for the DTI he listed category A and B gaming machines as top of the list of all activities that may carry the greatest future risk of behavioural addiction. And that includes activities other than gambling. The future is not an optimistic one, and I'm not convinced that the best support services in the world could ameliorate the negative consequences of this casino. I'd also add, because they are addictive and cheap to run, these category A machines are extremely lucrative and they generate up to 85% of the casino earnings in a number of countries that allow them, and that was a memorandum submitted to the Joint Committee of Parliament. So that I think is what people ...

PROF STEPHEN CROW: Which of course, we are familiar with.

MR HUMPHREY DOBSON: You are, I'm saying that for the benefit of ...

PROF STEPHEN CROW: Well, of course.

MR HUMPHREY DOBSON: Forgive me.

PROF STEPHEN CROW: Yes, we, I think one reason we made rather a slow start is that we did feel we ought to do some homework first.

MR HUMPHREY DOBSON: Please forgive me, it's for the ...

PROF STEPHEN CROW: No, I take no point on it at all. What I would like to move onto, unless the Council want to say anything more on what's just been raised, since we have Chief Inspector Matchell is it?

CHIEF INSPECTOR MATCHELL: It's Matchell.

PROF STEPHEN CROW: Sorry, I don't seem to have got anybody's name right today.

CHIEF INSPECTOR MATCHELL: It's a good Cumbrian name.

PROF STEPHEN CROW: Anything you want to say, particularly about, well crime, I suppose. There are one or two things I want to ask you but if you'd like to start by saying, what do you feel are going to be the principal challenges to the Force from this proposed casino, in Newcastle?

CHIEF INSPECTOR MATCHELL: If I could start and give you a sort of little bit of background. Northumbria Police reformed itself in April 2004 so I now control an area that is completely coterminous with the city boundaries. And as such I am a board member of the Local Strategic Partnership, the City Centre Partnership, I current Chair the Safe Newcastle CDPR joint, I currently Chair the local Safeguarding Children's board. As a City we already have a premier league football ground which attracts 52,000 every other week when there's a league game. We have a premier league rugby ground which attracts 10,000 people every Friday night, as it currently will be. An international airport with 5 to 6 million passengers. We have 100,000 drinking spaces in the City centre alone, and Newcastle was voted the 7th most exciting party city in the world. When I came to Newcastle, well when I started in the Police Force 26 years ago, Newcastle has 3 casinos, they're all gone. And there's 4 new ones. As far as the BME, or the Black Minority Ethnic population goes, I think the figures are probably wrong, in as much as Northumbria, and particularly Newcastle and Sunderland came second biggest dispersal point for

asylum seekers in the country, when we had all those problems over the past three years. So we have a lot more than we probably know because of the immigration policy that we've brought in. To give an idea of diversity Westgate College, which is in the West End of the City, they now speak 28 different languages there. There's a primary school in Byker where children there represent every single country from the African continent. 260,000 people live in Newcastle and our main priority is reducing crime, increasing sanction detections, not detections, sanction detections where there is either a charge, summons or a caution, so some action is taken against the person responsible, and we're very, very big on neighbourhood policing where we have a city divided into 8 sectors, and the Chief Constable likes to think as a Neighbourhood Inspector as the local sheriff whose responsible for policing everything within that area. I have almost a thousand staff at my disposal, which includes police officers and police staff. We have a very, very close and a very necessary close working relationship with the licensing department of the City Council, particularly over the change in the licensing laws last year, so we've been working hand in glove to make sure that the right place got the right licences, the right restrictions were put on places and we also ran a couple of very high profile anti-binge drinking campaigns, headed by the Chief Constable, who actually takes the national lead on these particular issues. Crime and casinos, well to all intents and purposes there's 4 casinos here at the moment, they don't cause us any problem at all. They have, and because we work closely with them they have very, very proper, correct and intrusive systems to stop money laundering, organised crime which exists in every city in the country to some extent, does not have a foothold in the casinos in Newcastle. Things such as prostitution, well street prostitution finished in Newcastle in 1982, and I wouldn't see that as an issue. The fact it's in the West End of the city, I would suggest it's probably a good place to have it, if that was a proposed site because not necessarily as a police officer, but I would say a reasonable person would suggest that this isn't about trying to take the money off the local residents, it's about producing a destination that other people are going to want to come to, to visit. If that creates me more problems because there are more visitors and potentially more victims of crime, then that's something I have to deal with. But I don't see it as a bigger issue than anything else. I'm aware of the transport policy, I know how people usually come to Newcastle. They don't tend to come by car, they fly in, they get the train in. So there isn't going to be lots of big huge car parks where we're going to have 24 hour surveillance. It's just going to be another big venue, but as it is I've got loads of those already.

PROF STEPHEN CROW: Well, thank you very much, I don't know, have you any points you want to put to the Chief INSPECTOR.

MR CHRIS COLLISON: May I thank the Police for all the excellent work they do in the City, in keeping order first of all, that would only be proper. But I have say that I'm astonished by the sanguine outlook that you put forward, bearing in mind this will be the only super casino in the country, so it's going to be a magnet for all sorts of people, desirable and undesirable. Looking at the position of other places across the world that have these super casinos, there are clearly links to organised crime, casinos of a related size, and also local people who get addicted and then steal or whatever to fund their habit. If you speak to the, the situation in Detroit which was made public yesterday in Scotland, they have a separate policing department, a building for gambling alone, because they have a similar casino. And when asked yesterday, if was broadcast, whether the senior policeman in Detroit would be happy to have a super casino without a separate dedicated department to police it, he said he'd be very worried. Now, does that not weigh ever slightly on the mind of the police in Newcastle?

CHIEF INSPECTOR MATCHELL: Chair, if I could respond to that? Newcastle isn't in the United States, it never has been, never will be.

PROF STEPHEN CROW: That's a sure way of getting unanimity around the hall.

CHIEF INSPECTOR MATCHELL: For my understanding, over the years, Detroit has been one of the most violent cities in the world, where they have people slaughtered whole scale every day of the week. If we are in a position to work with the people, whoever it is, who are fortunate to get the licence, then what you aim to do is iron out and design out those problems before they actually arise. Gambling and super casinos in the United States have been infiltrated by organised crime, but I think it's about closing the stable door after the horse has bolted. We are in a position here to actually make it work and make it work properly for the benefit of more

people. I would be naïve if I didn't say, a casino's there to make money, and to make money for the people who operate it. So people will lose money. Some people may win. But as long as it's run properly, like any other business I don't see that there should be any issues at all. The fact is, we deal with casinos now, it's just a bigger version, that's it.

PROF STEPHEN CROW: I think on the question of, could there be a separate department, I'm certainly no expert on policing in the United States but when I've been there one has observed that, you know, there was no single force like there is in British city. You've got municipal police, state highway police, you've got transport police, I mean the tradition there is if you have a policing problem you set up a department for it, or have I got it all wrong. It's quite a different tradition from our own policing tradition.

CHIEF INSPECTOR MATCHELL: You've got it right, there are 22,000 different police forces in the United States, we have 43. We thought we might only have 12 or 13 at one stage, but it looks like we're going to stay with 43.

PROF STEPHEN CROW: Given one place, you have one force.

CHIEF INSPECTOR MATCHELL: And I have squads that deal with particular problems until they go away, so I will have a group of officers who work on, for instance, motor vehicle crime whether it's stealing things from cars or stealing cars themselves. I will have a small team who deal with retail theft, because there are a huge number of shops in Newcastle and people steal from them. So you do get specialists working in different fields, but we don't have a gambling problem, and I would never, ever foresee taking people from what is their core responsibility of neighbourhood policing at the moment, to put into another field that we have no experience of, at all.

PROF STEPHEN CROW: Mr Dobson, a quick response before we move on to something else.

MR HUMPHREY DOBSON: Just a quick response, I think that residents of the City would be alarmed if they read the reports that you read from elsewhere such as gangs that wait till somebody's won a huge amount of money from one of these casinos, and then they follow them home to their home and then, you know, rob them or whatever. And that's a unique problem that comes with casinos of this type. So I think the residents of the City have great cause to worry. And the experience from the 1960s when the government last liberalised the law on gambling, there was massive involvement of criminal elements in the casino, so I'd just ask you to bear that mind if it came to Newcastle.

PROF STEPHEN CROW: Right

CHIEF INSPECTOR MATCHELL: If I could just respond on what particular point Mr Dobson made there. The one thing you make sure is that if anybody is fortunate enough to win is they don't walk home with a sack full of money so they can get robbed. And you design that old before that actually happens.

PROF STEPHEN CROW: Well I would like to move on now to, oh Mr Rubinstein...

MR PAUL RUBINSTEIN: I was going to say ...

PROF STEPHEN CROW: You've been so quiet, go on.

MR PAUL RUBINSTEIN: Just very briefly, two points about infrastructure in a sense, it relates back to what we were talking about before. Just as with NECA we've got the infrastructure to think about the world with the social side of gambling, with the Safer Newcastle Partnership which Chief Inspector Matchell's talked about, we have a community safety infrastructure in which to directly log in these casino issues, so we've got a place where this will become discussed between the two partners, so it's part of that infrastructure, and secondly back to the statistical base. The community safety partnership, Safe Newcastle, has an extremely strong, analytical function which looks at crime figures, looks at the range, looks at racist incidence, so on and so forth. We have a very good base for that, and again it provides a sound basis for evaluation of impact.

PROF STEPHEN CROW: Thank you, well I won't go over the ground again. I think what I'd like to get onto now, and make a start before lunch, we'll have to go over lunch, obviously we what confidence, I want to move on to regeneration and the probability of implementation and the securing of regeneration benefits. And the first one is what confidence can be attached to the forecast of employment and economic growth, which of course have been challenged. Mr Froemberg you had some concerns about this, that you wanted to put to the participants.

MR JAMES FROOMBERG: Thank you, Chair, yes I did. I'm assuming the gentleman heading our way is from PWC, we saw that you were down to help us out here. The first thing I'll like to do, Chair, is just make sure we understand what figures are being presented to us, and if I've read it right, I think your PWC report is suggesting that in this sort of operation phase, not the construction phase, the net additional full time equivalent jobs that will be created will be between 540 and 947, have I read the right number of that?

MR PAUL RUBINSTEIN: That's correct.

MR JAMES FROOMBERG: We've obviously, as you can image, had a lot of economic forecasts and job creation forecasts presented to us all around the country and they are usually done by different firms of consultants for different cities so we're struggling a bit with comparing methodologies to see if we are comparing outcomes that are similar, but we're fortunate here in that this is not the first PWC estimates that we've seen, and we were debated when we were in another city, a few days ago. But it looks to me like PWC have used a different methodology here to one I've looked at elsewhere, have I misread or are you using a consistent methodology so I can at least compare apples with apples where PWC is being concerned?

MR MARK GRAHAM: I think in terms of the method that's adopted to come up with the projections, yes. I think the issue that you may be raising are around the assumptions that we've made in applying that method. So, can I just explain how we arrived at those estimates, and then you can, having reviewed that, consider whether there is any difference, I suggest there isn't.

MR JAMES FROOMBERG: Could you speak just a bit closer to the mic though, or move the mic rather than you, is easier I find.

MR MARK GRAHAM: OK, in terms of the approach we adopted for Newcastle we basically took a very prudent view, both in terms of the facility and also the potential overall market place, and in contrast to some of the other bids, there isn't a particular casino operator that has provided a detailed view of cost, size and employment profile that's likely to be in Newcastle. So initially we based our views on the facility of the 7,500 square meters facility in 350 room bedroom ...

MR JAMES FROOMBERG: Is that the £143 million proposal. Could I just clarify on that £143 million proposal, I'm a bit confused because £143 million and Peter Collins appear in two documents that you've submitted to us, but they refer to different things. In one it refers to it being an assumption on £143 million investment that you've adopted your model on, and then somewhere else, I think in Newcastle's answers to our questions it refers to £143 million as the sum available for investment in ancillary benefits. I'm just trying to work out it's a total coincidence that there are two £143 millions.

MR MARK GRAHAM: The £143 refers to the estimate of the overall cost involved in developing the facility, and that excludes the convention centre, which I will come on to in a minute.

MR JAMES FROOMBERG: Yes, we will.

MR MARK GRAHAM: OK, so in essence in terms of the benefits that we've identified, they are based on that overall capital cost, the 7,500 square meters, the 350 bedroom hotel four star. Because we don't have any specific detail on a proposal, we then considered what the employment ratios might be in terms of square meters. We obviously have access, as everybody else does, to information about employment ratios at different casinos, but as you will have seen from our analysis, in essence we took a range, and that range was one employee per 15 square meters, which accords to some of the bids that have been put forward, and some of the operations we had knowledge of, all the way to one employee to 44 square meters, which is the ration that English Partnerships suggest in their Additionality Guide when the public sector is considering an investment in an entertainment facility.

PROF STEPHEN CROW: Sorry, could you just repeat that figure please.

MR MARK GRAHAM: There's a range, and the range is, in our analysis for Newcastle 15 square meters per employee, all the way to 44 square meters per employee and that's the guidance that's provided by English Partnership when looking at an entertainment facility.

PROF STEPHEN CROW: Where did you get that from?

MR MARK GRAHAM: That's from English Partnerships Additionality Guide which I think was published four or five years ago.

MR JAMES FROOMBERG: Again, have your colleagues in evaluating other cities used the same guide?

MR MARK GRAHAM: As far as I'm aware, yes.

PROF STEPHEN CROW: Which I have in front of me, if it's the same thing that I'm talking about. Produced by English Partnerships in July 2001?

MR MARK GRAHAM: That's correct. So, also within the guide, I mean in terms of looking at the job ranges, we were not saying it's 15 definitely, we're saying it could be a range, and taking different sources it could be between 15 and 44, for example Dortmund is 19 square meters per employee. So that's the basis in terms of the range of employment that might be generated within the facility. We also considered, and again as detailed in the English Partnership's Additionality Guide, three key elements for coming up, looking at the difference between the growth impact and what I suggest is more important to you, which is the net impact within any given local economy. So we considered three particular issues, the first one is displacement, and quite rightly, if we have four existing casinos two additional might be planned, you would anticipate that there would be some substitution in terms of expenditure by existing gamblers from the current facilities to this new facility. Likewise, in terms of the second element we considered, which was deadweight. Namely, if the casino is not taken forward as is indicated here, the Council and all the other organisations will not sit here and do nothing, there will be regeneration, there will be developments occurring within the City. And the third factor we look account of is what's called leakage, which is the degree to which, outside the region. So in terms of looking at the gross levels which were around 860 to 1,172 we actually discounted those levels to come up with the net impact of around 540 to 947. I think, also, what is absolutely key in this particular bid, in terms of looking at the economic impact, is that we've always conceived, or understood that this is related, the casino is very much related to and tied to the convention centre. Now the convention centre itself, if it goes forward, and I know Andrew might have other things to say about the market place for the convention centre, but adopting those same type of principles, in terms of looking at employment ratios, also looking at those displacement deadweight leakage effects, the conference centre could generate an additional level of net jobs of anywhere between 200 and 1,000. Now the reason for that range, tied back to the number of returnees who having come to a conference in the region, will return, and NGI's got various figures on that, and similarly, I think this comes to a further point, the degree to which the casino and the convention centre becomes a catalyst to further investment, in particular with the convention centre to investment in hotels. So without the casino, without the convention centre, none of that further investment may occur.

MR JAMES FROOMBERG: Could we come back to the convention centre and any further downstream investment in a moment, because it is an important point for us on the Panel. What I think you're saying to us is, your estimates of net additional jobs from the casino is driven by two principle characteristics, one is the scale of investment in the first place, and you've taken an assumption of £143 million, and the second is the characteristics of the Newcastle and surrounding economy as to the extent to which there is displacement, leakage and deadweight. On the second of these, the characteristics of the economy, have you plugged into the model specifics on the characteristics of the economy or have you taken a broad assumption that says we would expect, you know, a town of this size, or an area of these size to leak X%, to displace Y%. I'm really trying to understand whether there is a Newcastle specific element to this part of the job creation estimates.

MR MARK GRAHAM: There is a Newcastle specific in the sense that clearly one would have to take a view on the overall market place, and that's what we have done. And in terms of looking at that market place and I think, hand on heart, I can say there's a degree of consistency across all the bids that we've been involved in, in a sense that we did undertake a review of the catchment areas within a 45 minute drive time, and therefore took a view on the overall size of the overall resident market. Similarly in terms of looking at tourism, and those that currently visit the region, we looked at the figures in terms of overall tourism, those to the City centre and so forth. We then applied penetration rates of those two catchments, to take a view on the likelihood of the number of people who might be attracted to come to the facility. So clearly, Newcastle, in terms of characteristics, the total market place will have some bearing on footfall through the casino. The convention is different, as you say, we'll come back to that. I think the other issue is, as I said at the beginning, without a specific and detailed view of what the capital cost was, we came up with

this 143. Now the degree to which that is in contrast to, as I understand it from your website, some of the other bits, if the actual facility in Newcastle was larger, that would have a construction effect and if the facility was larger because the operator anticipated a greater footfall that we've projected, similarly that would have a greater effect.

MR JAMES FROOMBERG: Could I turn that round the other 'cos obviously we're well aware that we're looking at different proposals, and in some places proposals have been put forward, and in other places we're visiting it's at an earlier stage. Mr Rubinstein talked about the transparency, and we're well aware of the differences. Turning it round the other way, what work have either you done at PWC or the Council or other advisers to you, to take a view on what you think the market potential is. Do you, are you suggesting that you think the market potential here is for £143 million facility, or something double that size, or half that size? Or is it a bit of a guess? Should we go away from here saying, if it was Newcastle the market potential is at about that sort of scale, or should we go away saying we really don't know yet.

MR MARK GRAHAM: If we go back to, I think there's two issues here, one is the capital cost, i.e. is the facility sufficient to meet the potential market demand, and the second issue is what is the actual potential market out there. And as I said, and I may go into a little bit more detail about the market assessment. We looked at catchment areas for local resident population, we also looked at the percentage of people that gamble, various types of gambling. We also looked at, and the surveys that were produced by the Council, in terms of responses by people to this proposal, and their likelihood of going to the casino facility. So in terms of the penetration rates that we applied to the different catchments, when we looked at both the local understanding of the prevalence of gambling, and likelihood of visiting this facility, and compared and contrast that to national statistics in terms of prevalence, as you will have seen within the detailed report, we came up with penetration rates, at different drive time levels, and also likelihood, average likelihood of trips, and therefore we came up with what we thought was a consistent and prudent view of what the likely market would be. Now your point then says, as I understand it, is that facility that we are, you know, suggesting in terms of size, appropriate? We did take a lot of credence from the original MGM outline, which provided a clear view on what their total size of facility was likely to be. Likewise, we bench marked the capital cost of that size of facility, including the hotel, against national statistics. So there's a degree of confidence if you will in terms of available market information and available capital costs that would imply that this seems a reasonable and prudent projection. When a competition is undertaken there could well be different approaches. What I would say is, if you look at the capital cost of the casino and the convention centre which is, in essence, the key here, the capital cost is in a similar range to the other bits.

MR JAMES FROOMBERG: Thank you, that's very helpful, a great deal. But we will come back to the convention centre issue of this in a number of parts, but I think I'm happy there Chairman, on that component.

PROF STEPHEN CROW: Thank you. Mr Collison.

MR CHRIS COLLISON: Yes, thank you Chairman. We've read that Newcastle is described as having a flourishing leisure and business, tourist market. We wondered whether we could assume that those would continue in that state, in the absence of the regional casino. And I'd like to just link in a second question that's related to that, in that we were wanting to explore, really how a regional casino and possible convention centre would act as catalysts for other investment, and linked to that really is the economy sufficiently strong, sufficiently buoyant in this area to lever in other development as a consequence of the regional casino in particular? Thank you.

MR PAUL RUBINSTEIN: Chair, if I can begin an answer and then pass over to Andrew Dixon from Newcastle Gateshead Initiative. It's far to say that our strategy for developing the cultural economy, the night time economy, the leisure economy, the business tourism economy, is not and has never been predicated on a regional casino. Ours has been a story of cultural regeneration, which has transformed the aspiration of the people of Newcastle Gateshead. We had a difficult time here in the 1980s and we believe the two Councils working together in Newcastle and Gateshead, along with partners such as the Regional Development Agency and others, put in place the kind of projects which gave local people hope that a new future in this part of the world was possible, to stop them leaving, bluntly, and that pointed away to a kind of niche in the market, if you like, for what kind of city we could be in the future. That was a city which

took creativity seriously, culture seriously and tried to build on our biggest economic asset, which is our universities to find a place in the global economy. The jobs that the tourism sector offers, the service sector offers are of vital significance to the long term future of the City, and as I said before, we see momentum in that as absolutely critical. Once you stop, and think you've done it, then you start to go backwards. In addition, because of our success and Andrew will take about that a bit in a moment, there is pent up demand in the leisure economy in a whole set of areas, not least in business tourism, as I say, Andrew will talk about that. So the desire, the ambition for a conference and convention centre with associated exhibition space to work closely with existing partners in the City at the moment, the football club's a good example, the Sage Gateshead's another good example, the International Centre for Life's another good example, to give us the critical mass of those facilities. That's part of that, building this critical mass of a service sector based on both visitor and business tourism. So we see the casino and the convention sector as part of the critical next stage of development, this time, driven by private sector investment rather than public sector investment. So the investments of the late 80s and 90s were characterised by a lot of European money, a lot of Regional Development Agency money, a lot of lottery money, clearly we're now into a different phase in British public, finance for better or for worse. But our strategy has always been to use public sector finance to lever in private sector investment and for example, and Andrew will talk about the success on the other side of the Tyne in Gateshead Keys, with the Sage Gateshead and the Baltic, and now the commensurate, private sector investment coming in on the back of that, is testimony to the way that's worked here. Granger Town in Newcastle is another good example, the historic business environment of the city centre, with public sector investment from English Partnership, English Heritage and others, then levering in significant private sector investment, that's the model we have looked to adopt. That strategy is in place and will be driven forward whether we get this casino or not, 'cos it's the right strategy for the City. The casino will clearly help drive it forward in an accelerated way, and will give the kind of economic and other levers, critical mass really, to make it happen in the right way. But that strategy is a long term strategy and has been set for the City for some time. Andrew will now talk about the details.

PROF STEPHEN CROW: Now, just before we move on, I forgot Mr Sagar is too far away, I think possibly had a question for the previous speaker.

MR DEEP SAGAR: Thank you Mr Chairman. If I could ask the PWC gentleman, perhaps? I think when quantifying demand for a casino, rather than just make assumptions, why wouldn't you consider, or did you consider just asking people, living here, and tourists, whether they would visit a casino for how long, and then quantify demand like that, thank you.

MR MARK GRAHAM: We did, we based it on the Council's survey. There was extensive surveys of local residents, and that was one of the basis upon which we came up with the view on penetration rates.

PROF STEPHEN CROW: Mr Dixon?

MR ANDREW DIXON: Right, I'm answering two questions, the first question just to remind myself, was can it be assumed that the leisure sector will continue to flourish without a regional casino. Second question which myself and Tom Warburton will answer is about the buoyancy of the economy and the ability to level other developments. Perhaps I could start by saying where we've come from. If you look back at this region 10 years ago, there was no leisure tourism, and negligible business. When I arrived in the region 17 years ago, it was closed on Sunday night, it was closed on Monday night and it was closed on most Tuesday and Wednesday nights. People did not choose to visit Newcastle Gateshead, as a tourist, business conferences was not happening, there were local meetings happening. There was a very small choice of hotels. We didn't have a destination offer. We've moved significantly and I think it is fair to use the word flourishing, tourism is flourishing, we had a 5% increase in economic value in 2004, we're just about to get the increase for 2005 through. However, we have a negligible share of the national market for tourism. And that's not just Newcastle Gateshead, it's the whole of North East England and Northumberland, yet we have major natural assets from which we can grow. So there's huge potential here for growth. And I think that's another reason why the casino and convention centre is an interesting test on regeneration. We're currently doing with One North East a very significant survey of 1,000 people, visitors in the City are being interviewed over a 12

month period to find what their influencing factors were of visiting the City, and what their visitor patterns are. Its 9 months into this survey, so there's a bit of seasonality yet to be ironed out, but what the survey is showing is, is that the key influencing factors are restaurant, bars, shopping, quality accommodation, transport links, other cultural facilities and night life. And very high percentages of those are driven here by the night time economy, by the night life. And there's a multi-use of night life restaurants, conference venues for the business tourist, and the leisure tourist dipping in more to the cultural life within the City. We can sustain a tourism economy in the region, but as Paul says, you've got to continue to grow, and the growth potential here in terms of employment is very significant. Again, just to describe the journey we've been on, I was delighted this morning, it couldn't have come at a better time actually, to read in the newspaper that we've been voted by the Condinastic Traveller survey, the fourth favourite City in the UK. We've overleaped Cambridge, Bath and Liverpool in that survey. We've been voted by the Guardian and the Observer as the best city break in the UK for the last three years running. And the Rough Guide to Britain voted Newcastle's night life and culture as the number one tourism attraction in the UK. Now you could not have said that 10 years ago. On the positive side, that I think gives you supreme confidence that this city is on an upward projectory and is a place that can make a regional casino and conference centre work. That's on the positive side. On the negative side, if we stand still we will lose our market share, not just to other cities in the UK, but to other cities in Europe, and we're obviously operating in a very interesting market with low cost airlines and others in terms of the tourism offer. Some other factors I think are important to bring into bear here. Compared to Leeds or Liverpool, our bed stock here is still low. I'll come on later and talk about the growth in hotels and the buoyancy in that sector, but actually our bed stock in the City is still relatively low, and we need the convention centre and the conference, and the casino to help us with that growth in bed stock. Although we've had a very significant growth in bed stock, 1,400 beds in the last two and half years, which shows the buoyancy in the market, occupancy rates are still very high. I mean last month we were talking 75% occupancy rates. 81% in the four star hotels in the City. The problem with that, it may sound like a great success story, but in terms of growing your tourism market, those are actually squeezing the potential for growth for new visitors. So we need to move on to the next stage, and the next stage is casino and convention centre. Again, we'll doubtless talk later more about conferences and the convention centre, but what we've shown here is an ability to attract international conferences and high yield, medical and association conferences. We've had some very successful conferences in the past two years in the City with large numbers of international visitors. However, we've reached a plateau and without a convention centre, and without that growth in hotel beds, we're not going to be able to compete with Liverpool and Manchester and Glasgow. They've all had their boosts. Glasgow's had Capital of Culture, London's got the Olympics, Manchester's had the Commonwealth games. We actually need something, in terms of our tourism growth we need a boost, we need an investment, a private sector investment, an opportunity like the casino and the convention centre to take the growth trajectory up here. Finally, you'll have read in the materials about the lost conference business, again we can go into more detail on this later, but we've lost 40 major conferences in the last 3 years in the City, 40,000 people, £20 million worth of business into the City. We've lost that because we haven't got the facilities, and again the benefits of the convention centre on the back of the casino will, will help us with that. I'll pause there happily and answer any questions on it. Perhaps I'll move on, and just cover my items about buoyancy in the market, if that's OK?

PROF STEPHEN CROW: Just before you do move on, wouldn't a really cynical observer hearing what you've just said, say something like, well we don't really want a casino, what we really want is the convention centre, and we have to have the casino to get it.

MR ANDREW DIXON: Well, we do want a casino as well, because again we'll talk later about the tourism markets. We're a city break destination; we're planning to grow our international markets in Ireland, in Europe and particularly in Scandinavia. We've a high proportion of German and Dutch visitors. And those markets are looking for night life. If the casino goes to another city, that will have a displacement effect on the tourism in our area, we believe actually a casino fits very well with the range of cultural offer that we have in the area, it fits very well with the propensity to deliver business tourism here, people like coming here. Our statistics show that we

get a higher number of people coming to conferences here, than in some other cities, and I have got some facts to prove that. So the casino's important too. We bid for Capital of Culture, and we came second, it's no good coming second, in some respects, although it has actually been a bit of a blessing in some ways. But the point was made there, well you're on upward trajectory, you're delivering it all in culture. The point here is, yes we're on an upward trajectory in tourism, but we're actually about to plateau and the offer of a casino, a super casino and convention centre would provide this City more than anywhere else, with a real opportunity to go that extra mile in terms of growing its tourism base.

PROF STEPHEN CROW: Again, the really cynical person, which I'm not incidentally, but one does come across them, a really cynical person would say well we don't really want the casino here, we just want to stop other people from getting it.

MR ANDREW DIXON: No, that's not the case. It was mentioned earlier that we may be over casino'd. I think the willingness of the City in licensing terms, in regeneration terms to accept that casinos are important part of the mix of the leisure and business tourism offer here has been clearly evidence, there's been a willingness to embrace, and they're very, very important to us here. They're an important part of, you know, the current night life offer, and that's borne out by the visitors that we have.

PROF STEPHEN CROW: So you think I'm being utterly unkind and unfair do you?

MR ANDREW DIXON: I think you're being a little unkind, Professor, yes. Can I finally just come on and answer the second part of the question, and then pass you on to Tom Warburton, who'll give the regional perspective. I think the buoyancy in securing leverage beyond the casino is a very interesting issue. There has been significant hotel growth, as I've mentioned, and the occupancy rates remain high. There's several hotel operators looking now, at sites in the City, approximately another 1,000 beds under consideration in the City. I would estimate that 500 of those may happen anyway, based on the current trajectory within the next three years. But actually with the casino and conference centre combined, we could be talking about a total of 1,300/1,400 new beds as the optimum growth within the City. And there are the operators out there that are capable of delivering that. We don't have Radisson, Intercontinental, some of the big chains in the City, they're currently looking at sites, they're interesting in the City given the casino and the convention centre. The Marriott already has two major sites in Newcastle and Gateshead, and they're interested in a potential of a further site in the city centre were there to be the growth of a casino and convention centre. Obviously the hotel associated with the casino itself. The airport's another important factor here and again we may touch on this in more detail later. They've got development plans to grow to about 10 million through by 2016. That would be massively increased by casino and convention centre. They hadn't factored that into their planning. Their planning was done some time ago before the opportunities for super casinos arose, and a key element of this is what that then does in opening up new routes, and that has a sustainable effect in terms of ongoing leisure tourism. The other point I make about the buoyancy in a city, is we've had some private sector led developments, Silverlink properties in Trinity Gardens down on the quayside, Proud Brothers Estates working areas behind Central Station, which have shown both a buoyancy in the office markets and a buoyancy in terms of developers wanting to come and get engaged. But they need an anchor, they need something that creates the spark for that development to happen. And again, this is where I think the casino provides the spark, and the opportunity for regeneration in the West End.

PROF STEPHEN CROW: Yes, Mr Warburton, and then I'll perhaps hear some points from the other side.

MR TOM WARBURTON: Just to re-emphasise some of those points from a regional level, although the gap in the regional economic performance between this region and others ...

PROF STEPHEN CROW: Do you think you could speak a little closer to the microphone?

MR TOM WARBURTON: Sorry, as I said earlier, there are some positive signs in the economy and buoyancy in the economy and if I could just maybe reiterate some of those points. There's been significant improvement over the last decade in the regional economic performance. The working age population, employment rate has increased significantly over the last 8 to 10 years, this sea change really in the perception of both the region and particularly in Newcastle Gateshead, with the capital investments that were made, Capital of Culture bid have significantly

changed the buoyancy in the market and as Mr Dixon's just outlined, the growing and building on that momentum is a really important part of the regional strategy, both for tourism and for the regional economy as a whole.

PROF STEPHEN CROW: Thank you. Mr Dobson?

MR HUMPHREY DOBSON: Thank you, well there's a lot of fascinating information there. But I would just say that we must bear in mind this fundamental point, that this is an area which is more likely to cause problem gambling as an area, than any of the other sites that have bid for the casino. And picking up on the Price Waterhouse Coopers report I noted with interested that in one of the potential, sort of advantages it was giving for having a casino here, it said there appears to be evidence for a relatively high propensity to gamble in Newcastle and the North East. The local catchment shows around a 50% higher overall gambling propensity compared to the UK as the whole.

PROF STEPHEN CROW: Sorry, which report was that?

MR HUMPHREY DOBSON: Page 10 of the City Council's formal proposal referring to the Price Waterhouse Coopers report. Well that seems to me to be a recipe for disaster. The question I have to ask about this conference centre is while the Councillor's are sipping champagne in this conference centre, will they do so with an easy conscience, knowing that it's being funded by the benefit cheques of some of their poorest resident.

PROF STEPHEN CROW: Well whether they have an easy conscience really depends on whether they hold your beliefs, doesn't it?

MR HUMPHREY DOBSON: Well, I'm happy to go into that, but I didn't think you'd want me to. I don't see how they could, they appear to stand for, they stand in elections ...

PROF STEPHEN CROW: Well, let's ask them, shall we?

MR HUMPHREY DOBSON: Well, yes, let's ask them.

PROF STEPHEN CROW: How does your conscience stand?

MR PAUL RUBINSTEIN: My conscience stands very easily in this, and I certainly shan't be sipping champagne in the way you suggest, and I wish rather than the kind of broad generalisation that you come out Mr Dobson, that you actually gave evidence to what you say, because in the submission the percentage of those who gamble in the region, it's actual very small scale gambling and I think the NECA evidence that has been provided is actually the evidence that we should take because it's built on something that is quantitative. And the evidence that you're giving is actually, with respect Professor Crow, I see it not as evidence, I see it as pre-judged. The prize of a regional convention centre for us is extremely important. Other parts of the UK and other countries in Europe are securing convention centre facilities. And I think the evidence that's been provided by NGI, about the tourism and particularly business tourism potential for Newcastle Gateshead is extremely important to us. We have major plans, having been designated by the Chancellor as one of a limited number science cities in the United Kingdom, but the expansion plans of our universities into scientific research and the commercialisation of that scientific research, we know from discussions with our universities that one of the things they desperate want is adequate convention facilities. So, you know, it isn't a question of, you know, the majorative Councillors sipping champagne, it's actually about providing an economy for the City which will generate further jobs and further reputation of Newcastle Gateshead as a destination. And that's what we seek from this, and it's an extremely important objective.

PROF STEPHEN CROW: I think you've only partly answered, Mr Dobson. I'm sure if someone from Mr Dobson's church were to suggest, well we need a new, what do you need a new of?

MR HUMPHREY DOBSON: Church hall?

PROF STEPHEN CROW: Alright, we need a new church hall, we could put a couple of slot machines in the lobby of the church and we'll soon raise the money, and of course you know the answer that he'd give. Now, aren't you doing the same?

MR HUMPHREY DOBSON: No, I don't think we're going to do the same, and I'm going to ask NGI to respond in a second, and to repeat the evidence it gave about the tourism impact of the casino, in its own right. It is the case, however, it is true and our submission makes it absolutely clear that to secure a convention centre requires a funding stream. Public sector funding streams are not available to us. We don't have Objective 1 status, as Liverpool has, and in terms of

support in other parts of the public sector we couldn't afford to build that convention centre from the public purse. We then need a private sector stream.

PROF STEPHEN CROW: I don't want you to repeat the evidence, Councillor. Thanks very much, I've got the message.

MR HUMPHREY DOBSON: May I comment on a couple of those, please?

PROF STEPHEN CROW: Well you can do, I mean I think the short answer is that the people on the opposite side don't altogether share your value systems.

MR HUMPHREY DOBSON: Well, with your permission Mr Chairman, the people opposite believe that gambling is fine, but that's not the issue here today, primarily it's whether there should be a regional casino. My view is that all the evidence nationally and locally is that this is a bad place for the super casino, I'm not going to go into all that again, just to pick up on a couple of things. Speaking to a church leader whose dealt with a student, blew his entire student loan through gambling in the City already, and made life a misery for himself and his family. I'm sure that's not the sort of thing that our universities want to see. Or another local church minister, whose church is right on the edge of the Discovery Quarter said, we obviously stand for regeneration and a decent conference centre, when I spoke to him, of course we do, I do as a resident of the City, but not through this, the social cost for it will be massive. And if I just may address the City Council's publicity for this, in the City Life magazine you get the headline, a regional convention centre for Newcastle. Well this is a hearing about a casino, not a convention centre.

PROF STEPHEN CROW: Yes, I think we've got that point.

MR HUMPHREY DOBSON: I know, but I think that the City Council's presentation of this, to the community has been biased and misleading, and I set no store by the consultation that's being conducted which I think was not a fair consultation. And even, even with the glowing presentation of this package to the people asked, only 50% agreed with it. I find that remarkable.

PROF STEPHEN CROW: Thanks very much Mr Dobson, you'll forgive us if we move on because I think we're going over grounds we've gone before, perhaps a little more heat than before, but nevertheless, the same ground. Where were we up to Mr Collison?

MR CHRIS COLLISON: Well, I think he heard a few minutes ago that Newcastle is increasingly becoming a destination related to, in particular the night time economy, and we heard even earlier, in the session before the break that Newcastle is actually at the centre of Britain. And that really, in part, I think, answers the question that we were going to ask about people's propensity to journey a length by car, but if there is a comment to be heard there, then we were intending to move on to international matters and airports and so on, but if there is anything on car journeying, and my previously, obviously wrong assumption that Newcastle was in a partially, peripheral location to the main population centres of Britain, then I now stand corrected but.

MR PAUL RUBINSTEIN: Chairman, if I could add a few more points here in terms of propensity to travel. We did a large Mori survey in 2005, 6.2% of the national population, but 1.2 million of regional residents visited the City, and as I mentioned earlier we've been doing 1,000 street interviews so we have a lot of detailed evidence of our travel to population. What's very interesting, although as you might expect we have a large proportion visiting from say, within three hours travel time, from the North West, Yorkshire and Scotland. We have a fairly even spread across the country, so 6% of our visitors are from the South West because of low cost airline routes to Bristol. 6% from the Midlands. Obviously 14% being the largest, in Yorkshire. 14% from Europe and a significant percentage from Ireland. Now what's really interesting is when we come on to how people get here, and our surveys of business travellers, which are actual people that have been here to conferences, show that 44% came by train, 36% by air, and only 18% by car. It's a different picture for leisure travellers, are surveys are not quite complete there, and we're only at the 9 month stage, but about 50-60% are coming by car as leisure travellers. But even so, what this shows is there's a willingness to travel for leisure purposes by car, there's a great ease of access by plane and train. And as a result of that we're actually serving the whole of the UK, particularly when it comes to business visitors. So, in answering your specific question about people coming here, yes they do, and yes they come in different ways than they do to other cities. If you run a conference in Manchester, or a conference in Birmingham, the majority of people will come by car. Here they don't, it may be because, as you

say, we're slightly further away, but actually it's not, it's because it's the ease of public transport, the ease of rail, the ease of air travel here. And when they get here, 39% of them walk around the City, they don't even have to use transport because of the ease of getting around.

MR CHRIS COLLISON: Just forgive me, I was trying to write down everything you said, and I got the figures for the business travellers, but didn't actually record anything for the leisure travellers.

MR PAUL RUBINSTEIN: Our leisure service, as I mentioned earlier, we're 9 months through a 12 months survey, and it's showing me, between 50 and 60% come by car as leisure tourists. But again very significant numbers are coming by plane. Thank you.

PROF STEPHEN CROW: I'm conscious that I missed Professor Cunningham out in my anxiety ...

PROF WILLIAM CUNNINGHAM: Thank you Chairman. I don't want to be, or appear to be critical, but I think, you know, the other side have had the best part of 20 minutes and there's lots of statistics flying around here and I think it would be helpful if we could perhaps be allowed to come in and challenge some of those.

PROF STEPHEN CROW: Which in particular would you like to challenge?

PROF WILLIAM CUNNINGHAM: Well, if we go back to the PWC model, and indeed Mr Rubinstein's contributions before that, I think the PWC model is a familiar one. It is dependent on what is factored in and it's infinitely flexible. You can get it to produce the answer that you want with no difficulty whatsoever. And with all due respect to PWC that's exactly what they've done. In terms of Mr Rubinstein's claims, I think we need to be quite clear when we talk about job creation. Are we talking about short term, or are we talking about long term? And that doesn't, or it hasn't so far been adequately dealt with. In terms of short term, clearly the construction period would give rise to additional jobs, but as we know, very well, the construction industry at the moment, is almost entirely dependent on people from Poland. So, the opportunity for local tradesmen is perhaps limited. Again, in terms of the creation of those jobs within the casino, I suspect like the existing casinos, many of them will be on the minimum wage. So, in terms of the impact on the local economy, I would think it would be pretty negligible. If I could turn to the reason why people come to Newcastle, and I would prefer to say why do they come to the North East? They come principally because of the existence of Hadrian's Wall, and the existence of the Metro Shopping Centre. They don't come to gamble, and certainly not from Holland. I've lived in Holland for a number of years. They've got plenty of casinos over there, they don't need to come here for that. The reason they come here is because of the attraction of the Metro Centre, the general level of prizes here is below what they expect to pay within the Netherlands. In terms of hotel provision, hotels are notoriously seasonal, and although we've heard that there is, what was it, a 75% occupancy rate, I'm quite sure that that's not maintained throughout the whole of the year. Again, in terms of the provision of a conference facility, we only look at the, have to look at the experience of Harrogate, an enormous conference facility, funded in part by the local authority, it's been a disaster. It's underutilised, they seriously over estimated the demand for that type of facility. We've heard, and indeed it's in the evidence, that we lost 40 events and we've calculated how much that might have contributed to the local economy. There are 101 reasons why they may not have come to Newcastle, and I'm perfectly sure that the absence of a casino is probably not terribly high on those reasons. Again, we've heard of the increase, or the anticipated increase in the throughput at Newcastle Airport. That's not going to happen simply because we have a casino. It's a ridiculous thing to suggest.

PROF STEPHEN CROW: Thank you. Well there's a very large number of points there, and I think I've noted them all and I would like to see them all answered please, or responded to anyway.

MR PAUL RUBINSTEIN: Just some very specific points, the occupancy rates I have you the specifics for last month, the occupancy rate over the year for last year was 72% across all hotels in the city, and that's higher than the out of London average, in the UK.

PROF STEPHEN CROW: Right, that's one.

MR PAUL RUBINSTEIN: The reasons that conferences don't come. Nobody's cited that they haven't come here because we haven't got a super casino, because there isn't a super casino anywhere in the UK yet. What people have cited as the reason why they didn't come to those 40 very lucrative events, was the lack of dedicated convention facilities, and in particular exhibition

space. And again, just to correct a point, when I talked about the Airport expansion, I very specifically said that the Airport's expansion plans pre-dated any thinking about regional casinos, but would be boosted further by a regional casino and in particular perhaps, the convention centre. So those are the sort of key points that I wanted to answer, but am happy to pick up any others that the Chairman would like me to answer. Shall I continue, if that's OK, Chairman?

PROF STEPHEN CROW: Yes, let's get round to the first question.

MR PAUL RUBINSTEIN: Mr Graham from PWC may well pick them up. I think in PWC's calculations and Mr Graham will correct me if I'm wrong, the issue of short term and long term jobs was addressed directly in the calculations, the difference between the construction phase and the operational phase was directly addressed in terms of the job creation numbers, and I think that's laid out in the PWC report, I might be wrong, Mark, but I was pretty sure that that was very clearly laid out, that distinction between the different phases of job creation, absolutely right, of course there'll be different phases and we asked PWC to address that very directly. Will the jobs in a casino be minimum wage jobs, I think there is evidence that jobs across the leisure sector are minimum wage jobs. However, it goes back to that point I made about creating a sector with critical mass, for people to grow, so you know, more hotels, more attractions the ability to work within organisations and progress with them, commitments to training and development of staff, extremely important, but it's easier to do it if you've got a sector of critical mass. So, yes I'm sure lots of these jobs will be minimum wage jobs, but I don't think anybody has said otherwise elsewhere, but the opportunity for progression is very significant. Why people came, well I think all the evidence now says, of course people come to Hadrian's Wall, Andrew talked before about the natural assets of the regional being, you know, one of our major cards to play in the UK, and the fact that I think the figure is 1% of people in the UK come to Northumberland each year is a shocking statistic which we need to do something about.

PROF STEPHEN CROW: One of the best reasons for coming to Northumberland is that there's not many other people coming.

MR PAUL RUBINSTEIN: Well, there's a longer debate about that, Chair. Two points, first of all for conferences directly, and I appreciate this is for conferences and not casinos, but for conferences, to be blunt, people now want to come to cities. Now was is the Labour Party Conference in a couple of weeks time in Manchester, because they want to be in cities, because it's in cities where there's the wider entertainment, the wider offer, I'm not sure people want to be by the seaside anymore, and Newcastle Gateshead needs to be a key part of that city offer, in that industry. But also what's absolutely unique about here is the urban rural ease of access, the interchange, if I can call it that, and Councillor Shipley's talked about this in the past, and actually this is not about saying, you know they'll be lots of jobs kind of sucked into the core urban area, and therefore kind of leaving the rural areas destitute in some way. We've got ease of access between the two, and the linkages between the urban and rural economy, both for business and for tourism, are a major card to play in our favour. And I think that's what we're trying to do. We're trying to take the urban offer forward to the next level. Now, I appreciate that there's lots of casinos in Holland and I understand that, but we're looking at the combined offer of where this will take the City. So, you know, Gateshead have done it. This will take the destination forward and it puts us, keeps us on that international map, and I think that's incredibly important. There may be one or two points still missed, I'm sorry if that's the case.

PROF STEPHEN CROW: Well, let's see, oh your construction industry?

MR PAUL RUBINSTEIN: Oh, Rob will probably correct me. The construction industry has been supported by migrants from Eastern Europe. However, it is not dominated by Poles, and in fact some of the work we've done directly, I chose some examples before of labour market initiatives.

PROF STEPHEN CROW: When you were talking training, did you talk about construction industry training?

MR PAUL RUBINSTEIN: No, I didn't, and I'm sorry to say that. We talked about an initiative in the retail sector, Shop for Jobs, and I talked about the work we'd done with Morrison's in the East End. We have another project called Building Newcastle, which is directly trying to link construction employment opportunities with people in areas of deprivation, specifically those on benefit. It's been extremely successful. That's not to say that migrant workers aren't supporting a construction industry, because they are, all over the country. And you'll be aware, Chair, of some

of the concerns of people in this part of the world, of people with construction industry expertise being drawn down to London because of the Thames Gateway, and the Olympics and so on and so forth. But we've had wide spread training schemes working with organisations, like the Eske Group actually, a building firm south of Newcastle, who've done quite excellent things in terms of linkages directly in areas of deprivation.

PROF STEPHEN CROW: Yes, would you like to just look, sort of mentally, around the country at places who do have a successful convention operation, I don't know which comes to mind, Bournemouth comes to mind, possibly because I live fairly close to it. I mean, there must be others. Do they, are they well furnished with existing casinos?

MR PAUL RUBINSTEIN: I think, my understanding, Chair, is that most of the conference and convention centres in the country to date, with the exception from London, which is a bit of an exception, if you see what I mean, have been supported by large scale public finance, so either windfalls from the local authority, as Councillor Shipley said before, large dollops of European money, such as is happening in Liverpool at the moment, similarly the case in Glasgow. We're trying to do this without recourse to the public purse, and without recourse to the recurrent public purse, if you see what I mean. That is, I think someone quoted, perhaps it was you, Professor Cunningham, the Harrogate example as being a sort of

PROF STEPHEN CROW: So you're looking for a source of money?

MR PAUL RUBINSTEIN: Exactly. Now, what we're trying to do, is do this in way whereby these facilities can be provided to the industry, but without them becoming an ongoing burden to the taxpayers of the City, which is actually a relevant small tax base, you'll realise because of the nature of local governments. So, for example, the City Council provides a whole range of regional facilities which are consumed, as it were, by people from across the region, because that's the way society and the economy works here. Now we're trying to do this in a way that's sustainable financially, and economically and this seems to us, absolutely the right way to do it.

PROF STEPHEN CROW: Do you have, perhaps, a European model that you could point to by way of reassuring Professor Cunningham?

MR PAUL RUBINSTEIN: In terms of the interplay between a casino and a conference centre?

PROF STEPHEN CROW: Yes

MR PAUL RUBINSTEIN: I'm not sure I do, directly. I don't know if PWC have looked at some of this, have found direct examples, but no I'm not sure I do.

PROF STEPHEN CROW: I must admit, I can't think of one myself, but I don't know the whole of Europe.

MR PAUL RUBINSTEIN: No, but I think that's the point I'm trying to make here. We're trying to take the City as a whole, we're looking at creative ways in which we can see the cross subsidisation directly and indirectly of different facilities, and this seems to us the right strategy to adopt.

PROF STEPHEN CROW: Yeah, I mean the only one I know really well, of course, is Dortmund, which provides a lot of money to the City Council, I've just forgotten the figure, but it was almost unbelievable, but has no other economic effects whatsoever, according to my Professor friend there.

PROF WILLIAM CUNNINGHAM: Perhaps I could help you Chairman?

PROF STEPHEN CROW: Sorry?

PROF WILLIAM CUNNINGHAM: Perhaps I could help you.

PROF STEPHEN CROW: Of course.

PROF WILLIAM CUNNINGHAM: If you take Maastricht, Maastricht has a convention centre, it has a casino, the convention centre was built in 1995, and it is still in deficit. And we're talking about more than 100 million Euros.

PROF STEPHEN CROW: Still in difficulty, yes? In deficit, I'm sorry. OK, well thank you.

MR JAMES FROOMBERG: Chairman, perhaps I could probe a little?

PROF STEPHEN CROW: Yes, of course, but not for long though, because we want to go for lunch.

MR JAMES FROOMBERG: The specification of convention centre you're looking for, you had your KPMG work, and they've suggested a 1500 seater, with a break out for exhibition and so on, and you've estimated that's going to cost, I think between 86 and 105 million, as a stand alone

facility. And I'm sure KPMG have also advised you on what the ongoing revenue deficit might be if it was a stand alone facility. What I just can't quite understand is if given that you've told us you'd been assuming a £143 million casino, how we get to the point that you're trying to persuade us that a casino of that scale, £143 million investment will give you, for free, a £100 million or so convention centre, plus you've told us that you wouldn't have to subsidise it, so it's a £100 million plus the ongoing revenue subsidy. I just can't understand how that maths works, that you can get that much for free out of a casino of this size.

MR PAUL RUBINSTEIN: I think, Chair, KPMG are here, and we can talk to them in detail in you'd like, but just a couple of points in general, if I may. First of all, each of the casino operators who have approached the City Council with an interest in coming to the City, we've made it clear to them that building such a conference centre would be part of the deal. Each of them has said they would. Now, they might be saying that to impress us, at this stage of the game, but each of them has said they would, and they would be clear that in Newcastle that would be a condition of their applying for the licence. Secondly, we do see, and I think we have done some detailed work on this, some synergy between the two. We haven't got to the stage yet, as you know, of whether these will be stand alone facilities, integrated and so on. But if you're building them together, or at least the same operator is working together to do so, it does seem to me there are significant economies of scale, across the piste that make that a more cost effective investment for the operator. Now, that I think may partially explain what you're implying is a kind of very big gain out of it, but that's the assumption that we've made, and that's been confirmed by what the operators have said to us.

PROF STEPHEN CROW: Yes thank you. If you would like a bit of time just to consider the figures that Mr Froemberg's putting to you, can we make sure that we've asked them all before lunch?

MR JAMES FROOMBERG: Chair, I think that's the key one that's been concerning me, in this proposal, and while I'm comforted it's to what operators have told you at this stage, I'm not fully convinced yet that their maths and your maths are on the same planet.

PROF STEPHEN CROW: And you've actually got, you've grasped the point, particularly? Well, look I won't, I don't want you to rush to an answer, I don't want anybody to rush to an answer, and I did promise people they'd get away at half past twelve, so can we break now, until ten to two, do you suppose? Can we break til ten to two, and is there anybody who finds it difficult to come back this afternoon. Chief Inspector, do you feel you ought to do some policing round Newcastle this afternoon? Thank you, well it's very good of you to come along.

I'll start with James' query. Dead on. Good afternoon, ladies and gentlemen, thanks for coming back to your seats so promptly. The examination is resumed. I'd just like, before we go any further, you'll remember that Mr Froemberg asked a question about investment, I don't know whether you've forgotten it, if so I'll ask him to repeat it, but I guess you haven't forgotten it, and you're just going to give the answer.

MR PAUL RUBINSTEIN: Can I just say a few words first, and then pass over to PWC who'll go into the detail, and perhaps check I understood the question correctly, and the premise as it were? You were trying to ascertain whether we were interested, not in a regional casino, but primarily in a convention centre, and if that was the case, what did we think about that. And secondly, if we were interested in convention centre, did they really stack up financially, the one against the other. Can I just say a brief word about the former, and then pass over to Mark, who'll say something about the latter? One of your questions and criteria was regenerative impact. We looked at what the regenerative impact of a casino would be in the City, and the kind of regenerative impact that fitted in with existing City and regional strategies. The best fit, in those strategies, particularly for the reasons Councillor Shipley's referred to around Science City, and so on, is for a regional conference centre, because we lack that in our market place. So it wasn't, as it were, you know we had this scheme, and all of a sudden came the casino, we slotted it along. We looked at the casino, we looked at the regenerative impacts and we went for the convention centre, and associated support for social and economic programmes. Those are the regenerative benefits we identified out of the investment. The question then becomes, OK, if that's what you want, does it stack up together. And then, it's over to Mark.

MR JAMES FROOMBERG: I don't think there's any query on the appropriateness of having a regional convention centre, I think we've all understood that and, you know, the need and suitability for a region, and Newcastle in that region to have a centre. We could debate for hours whether or not 1500 is the maximum size, it's the right thing to go for, and it's a balance of market and fundability and so on. The issue is really around whether it can actually be delivered, financially through the mechanism that you're suggesting or anticipating.

MR MARK GRAHAM: OK, well just to clear up, actually, a point that you raised this morning, which was the £143 million, and actually re-visiting our work, there are two £143 millions.

MR JAMES FROOMBERG: Thank you.

MR MARK GRAHAM: One which relates to the costs, which I stated this morning, the other relates to the February 2006 report, which was undertaken by Professor Collins, which estimated a surplus to any operator, given his views on the market place, of £143 million, which would then, could subsequently be used to support the cost of a convention centre. We understood analysis of that, of those estimates and we undertook some adjustments because his view of the market place was significantly more optimistic than ours, so we reduced his view of the overall market, and we also took a view on certain taxes and additional costs. Consequently, our view on the surplus is relatively lower than his, but having said that, if you assume an overall cost for the casino, of around about £40 million, if you assume that the hotel would be built and operated by a hotel operator, then you are left in our view, with a potential surplus of anywhere between 70-95 million, and it actually could be higher if the market place was greater.

MR JAMES FROOMBERG: What do you mean by surplus, in that regard?

MR MARK GRAHAM: If you look at projections over 20 years. If you look at, take out the costs of build, and the potential, if you like the normal profit that the operator would require in order to operate the facility, then, as I understand it, in regards to all of the bidders, the likelihood is, and as I understand from the public in Cardiff, there was a figure suggested by one operator, there is potential surplus that could be used to support capital development, given the operators view of the market over the 20 year time period. So our estimate of what that surplus could potentially be for Newcastle, as I say it's in the region of sort 70 to 95, in our view, on market place. And that, if you look at estimates, recent estimates undertaken by Davies Langdon in Newcastle, they're looking at around £86 to about £100 million for a stand alone convention centre. So, in essence, probably the capital costs do equate in terms of value. I think, also, it's important to stress two other points. As Andrew will no doubt go into a little bit more detail, but it's indicated there is a demand, which is not being fulfilled currently, in terms of business conference market place. While you wouldn't anticipate, if you open this convention centre that you'd fill it, in day one, potentially you might. There is a potential to reach a sustainable level of business, in our view, of business in sort of, two to three years time. And that the level of deficit funding will be relatively small, and could be supported by NGI and others. And therefore, you are not depending upon the operator, to provide an ongoing subsidy for the operation of the convention centre. And similarly, as I said this morning, in terms of the economic benefits that might be generated by that convention centre, over and above the economic benefits we identified for the casino, could be in the region of 200 to 1,000 additional full time equivalent jobs. And again, just to reiterate in terms of the range implied, it's very much dependent on are there any returnees of those that come to the North East from conferences, if it's zero then you're more towards the 200 level, and similarly, again stressing the quick start that this could have, and support the accelerated development to meet to the Council's overall regeneration strategy, will that lead to additional investment in hotels, restaurants and other facilities to support those who are attending conferences. And if it does, again you'd be the top end of that range in terms of economic impact.

MR JAMES FROOMBERG: That's very helpful, thank you. Could I just check on one thing there, which is around land value? I don't know what the land ownerships are, but clearly if some of your estimated £70 - £95 million had to go acquiring the land, then that might not be available for the capital projects. If it was Council owned land, then clearly it could through as a mechanism of land payment, and hence the conference centre.

MR MARK GRAHAM: Our estimates are not site specific, and you are right in your views of dependence of the site, but there was also, clearly in terms of the planning process, and the competition itself.

MR PAUL RUBINSTEIN: And the Council is clear that where there are land holdings belonging to the Council, if they were needed to be part of the overall equation, then we would do that.

PROF STEPHEN CROW: I'm asking Mr Collison to continue.

MR CHRIS COLLISON: Yes, I think we got to the point where we were about to talk about international visitors, and airports. The first part of the questions really is, whether, apart from the desire to achieve a regional casino and associated convention centre, are there any other, any specific measures of funding, programmes to increase the flow of international visitors to Newcastle. And then, secondly, with regard to the airport itself, how important is the future development of the airport considered to be in terms of ensuring the success of a regional casino, if located in Newcastle?

PROF STEPHEN CROW: Mr Dixon?

MR ANDREW DIXON: If Mr Warburton could perhaps speak first on the regional impact on tourism?

MR TOM WARBURTON: Tom Warburton, from One North East. The Panel might not be aware but One North East is the Regional Development Agency for the North East region, has taken the tourist, what was the Tourist Board in-house, so we actually are the strategic lead for tourism across the whole region. And the short answer to the question is, yes there are a number of specific measures on programmes funded already and committed to by the RDA to look at the growing international tourist market across the region. I'll give you a flavour of those. You may be aware of the Regional Image Campaign, which has had adverts on the TV at the latter end of last year. Quite high profile in the press, nationally, and internationally. We're also working with the other Northern regions on England's north country, and we market across the, overseas destinations in a, as, in partnership with the other Northern RDAs and also targeting markets across Europe, and particularly Andrew Dixon's mentioned the target markets in Scandinavia and Northern Europe, particularly. That's on the sort of marketing side. Other programmes that are funded and approved are building on some of the countryside products, and we are working on Hadrian's Wall, product development, working with Beamish and Durham City, right across the region on product development. Also on ICT platforms and working with tourism businesses and the hospitality industry on improving their productivity and finally, I'll just mention the, obviously the transport linkages, we're working particularly closely with Port of Tyne on cruise tourism. But also with both airports, but particularly in this case, Newcastle, on route developments. And again, we have an EU compliance route development fund up and running to which the airports and flight operators can bid to open up new routes, and we're activity pursuing new route development, particularly with Newcastle Airport, in this context. Both European destinations, national destinations and longer haul destinations. Andrew knows a lot more of the detail of the Tyneside picture, so.

MR ANDREW DIXON: Yes, one of the points I wanted to make, Chair, was in terms of ongoing support for tourism promotion, Newcastle Gateshead Initiative is a destination marketing agency. It's funded by the two Councils, Newcastle and Gateshead, but quite importantly by a 107 private sector businesses. So this hotel chain, many other hotel chains in the City, the taxi operators, the tourism infrastructure in the City, and indeed some of the big companies, like Sage PLC, Proctor & Gamble. So, we are there to promote the, Newcastle Gateshead as a world class place to live, work, learn and visit. And that's relevant 'cos we're not just talking about this is a place to visit, we also see the casino and the conference centre as a driver of people coming here to re-locate and visit. And we've got some evidence that that's starting to happen. We also run a convention bureau, already, which pro-actively seeks to bring conference business here. We've had some notable successes, the Labour Party Spring Conference, the World Summit on Arts and Culture, World Music, International conference 2200 delegates from 77 countries. And Newcastle Gateshead Initiative has become the base for a broader tourism partnership, for the whole of Tyne and Wear, and this is part of the One North East network. So we have responsibility, we're housing a partnership for tourism Tyne and Wear, which will help release benefits from a casino convention centre, across the broader sub-region. In terms of campaigns, yes there are funded campaigns by One North East, but also by ourselves, targeting some of those key markets. The key growth markets for us are Ireland and Scandinavia, but actually our largest single international market is Germany, where about 13% of our international visitors come from. The

USA 10%, Norway 10.6%, France 9.5%. That gives you, I hope that gives you a flavour of the market. Our organisation, in a way will be there to support a casino and convention centre by way of being there to promote the destination. We also manage a lot of international press visits to Newcastle Gateshead, over 400 in the last 4 years, and just this week we're going out on German TV to 23 million people, with a piece about Newcastle Gateshead as a city break destination. The feel for the City is that is an iconic city, a place that people want to come, a cosmopolitan city and a manageable city, and that's how we promote it. And the friendliness of our people is something that we're very proud of, and customer service. And that is borne out by a lot of the tourism surveys that we conduct on the streets. Would you like me to go on and answer the airports questions, to save time? We talked earlier about the Airport's growth plan, which pre-dated the proposals for super casinos. And I think it's fair to say that the growth of Newcastle Airport has been dramatic. It's got up to 5.5 million in the last year, and its projections are to go to 10 million by 2016. However, underlying that is the balance between in-bound and out-bound flights. And a significant part of the growth is in out-bound charter flights, and out-bound scheduled activity. And obviously from a tourism point of view, and an economic value point of view, though growth in the airport itself is valuable. From a tourism point of view we want to increase the number of inbound passengers. And this is where a conference centre and casino can play a significant part. The strength of the domestic routes, to London, Bristol and the Irish routes is significant, but in talking to the Airport about the casino and the convention centre, one of the significant things is the potential new route development. If you're in London you've got routes everywhere. If you're in Manchester you've got routes everywhere. But actually, the proposition here is that a casino and convention centre could open up the tourism gates, to many other routes. Particular targets for us at the moment are America and the Middle East routes, and the presence of a super casino and a convention centre would start to open up those markets. Which in turn, open up new markets for conferences, because you're then into a much more international conference market. The casino and conference centre clearly has an effect on the growth of the airport itself, there is already planned development around the airport. And we've talked about jobs, and I wanted to make the point that the jobs are not just low skilled jobs in hospitality. There are a lot of technical jobs in convention centre, and indeed in casinos, and obviously highly technical jobs in the growth of something like the airport. So the knock-on effect is quite significant in the chain of employment.

MR PAUL RUBINSTEIN: Chair, could I just add a point to that? The international flights, it's worth just highlighting that the international and particularly the transatlantic flights aren't just a pipe dream. We had American Airlines signed up to a New York flight. Other airlines are very interested in it, it was only international security situation that resulting in it not going forward. And the airport is in active dialogue with transcontinental flights so, you know, this extra impetus is ...

PROF STEPHEN CROW: Is that a daily flight you're thinking of with America?

MR PAUL RUBINSTEIN: Yes, they were starting at part weekly and then building up.

PROF STEPHEN CROW: I see, when?

MR PAUL RUBINSTEIN: The flight was originally going to start in May, but because of the international security situation at the moment, they have, you know, pulled it for now. But the point I'm making is the dialogue with international carriers is real, it's not, you know, a pipe dream that if we get a casino, you know, somehow miraculously they'll arrive. It's an active dialogue.

PROF STEPHEN CROW: There's a general increase in aviation, commercial aviation in Britain, are you ahead of the trend, do you think?

MR PAUL RUBINSTEIN: No, we're not ahead of the trend. I mean, you'll have heard figures for growth in Cardiff airport, you'll hear very impressive figures, obviously, Manchester airport is a very significant route. But as a regional airport, we're one of the fastest growing, and the significant point for us is we have room for growth into new markets. Many of the other airports are already covering most of the European markets, so a casino convention centre for us, could open up a lot of new routes that aren't currently available. And I think that's the key message really.

PROF STEPHEN CROW: You've got a bit of chicken and egg, really there, haven't you?

MR PAUL RUBINSTEIN: You have. I mean, people have asked me the question before, what came first, the cultural facilities in Newcastle Gateshead, or Easyjet? The answer was, the idea for both. And both actually complemented each other. And it's about a sustainable cycle, and the sustainability is key on this. I think it's, of the in-bound schedule flights into Newcastle Airport, 44% of the people coming in are on business purposes, quite a significant proportion of those for conference business. And we know that, our conference and business tourists are likely to return as leisure visitors. So it's about building those cycles which reinforce each other, and bring more visitors back to the City.

PROF STEPHEN CROW: Thank you. Professor Cunningham, please?

PROF WILLIAM CUNNINGHAM: Thank you Chairman. Two points, first of all let me remind you that the European Commission are currently looking at short haul traffic with the intention of reducing on an ecological basis. We all know, and are very much aware now of the damage which is done to the atmosphere as a result of increased aircraft traffic.

PROF STEPHEN CROW: Yes, we're aware of that, obviously.

PROF WILLIAM CUNNINGHAM: And clearly Newcastle is no better placed than any other regional airport in that respect.

PROF STEPHEN CROW: Do you see that affecting the casino convention.

MR ANDREW DIXON: I don't see, clearly there are moves which are going to effect price more than anything else. An interesting point to note that we've perhaps not mentioned elsewhere is that Newcastle has a very significant carbon neutral initiative, which we are adopting in our conference business and encouraging all companies that are booking into the City to make a compensatory donation, or gesture or measure to account for the impact of the ecological effects of transport to the area.

PROF STEPHEN CROW: Yes. Well, that's interesting, I did actually miss the answer to the question.

MR PAUL RUBINSTEIN: Would you like to rephrase the question?

PROF STEPHEN CROW: Well the question with the European drive to reduce short haul might bear somewhat adversely upon tourism, in-coming tourism to the North East, not least that if the alternative is rail, that presumably puts a premium on the South East of England.

MR PAUL RUBINSTEIN: Chair, it might. I think you're absolutely right, I mean we all in our personal lives, you know, now I think are looking for alternatives to using the aeroplane because of sustainability issues. But as I said before, we've been looking at this regeneration strategy, and the Councillors, actually the politicians said to us, tell us the tricky issues, 'cos you know what most of these strategies are like, they say things that you know already, really, lots of padding and then there's kind of normally two or three issues. And one of the issues was said was, do you want a growing airport which is central to economic growth, or do you want to hold the airport back for reasons of sustainability. And of course, I mean, the leader will speak for himself. Of course the answer is up to a point both. On balance, our strategy is around sustainable economic growth. Now what we need to do is support the airport, but minimise environmental impact where we can, for example the kind of carbon neutral initiative which Andrew referred to, for example, we've already done this, obviously extending the Metro System so that people get to the airport on public transport. So, you know, we want to see the airport as a driver of growth. When people look at studies of cities one of the things you need for a successful and striving city, they are teaching hospitals, they are universities, there are first class cultural facilities, they are international airports. And we're clear that we want to develop those forward. Airports have been a big issue in the regional spatial strategy here, as you might be aware, and there's been the odd tangle with the various parties involved about the meanings of certain phrases, such as airport related development, which I think has been a tangle over some years. And up and down the country. The point is to try and get the right development at the airport to minimise environmental cost, but we do on balance see the airport as central to economic growth. Now, if there's a, there's things in our control and there are things out of our control, and if there is a downturn in air travel in Europe ...

PROF STEPHEN CROW: I mean, one of them might be, of course, there's a European wide tax on aviation fuel. I've heard that spoken of.

MR PAUL RUBINSTEIN: Yes, that's what I was going to say. There are some things in our control that are part of strategy and some things are out of our control. If there is a downturn in the use of short haul flights across Europe we'll have less people coming into Newcastle airport.

PROF STEPHEN CROW: Well, I think the most used word in that exchange was, if, I think wasn't it. Mr Warburton?

MR TOM WARBURTON: As Paul Rubinstein has outlined, we've recently been through an examination in public of a regional spatial strategy, and as you might imagine ...

PROF STEPHEN CROW: Oh yes, I meant to ask whether you enjoyed that more than this one.

MR TOM WARBURTON: Had a particularly nasty time.

PROF STEPHEN CROW: This one is shorter for you.

MR TOM WARBURTON: The airport was subject of some discussion. Obviously the key thing here is airport policy is European or national level, and that all your biddings will have that issue, the same wherever they are and if the European Union introduce tax, or the UK government chose to introduce tax, or financial disincentives to flights, then all your bidders will be the case, we're the same as anywhere else. So the differential between other places will be the same. And that's where we got to with the regional spatial strategy, too.

MR ANDREW LEWIS: Can I just add one fact as a member of a political party which believes in aviation fuel tax, that actually the point that Andrew Dixon made about the growth in routes and destinations is actually the materialist you hear, not the frequency of flights to short haul destinations. And it is that growth that is forecast, both into the Middle East and into the USA as well as other European destinations that currently are not directly served from Newcastle, for which there is a likely to be great potential. So I do not see a major impact caused by rise in price, in deflating passenger numbers into and out of Newcastle. Perhaps to the same extent that other airports might suffer from.

PROF STEPHEN CROW: Professor Cunningham, you've still got your label up.

PROF WILLIAM CUNNINGHAM: Thank you. There is however a constraint that hasn't been mentioned, and that is, of course, in this area we are subject to restrictions in terms of RAF usage. There have been a number of incidents over the past one or two years, and there is an ongoing argument between the MOD and the CAA over air space here.

PROF STEPHEN CROW: Do you know any details of that argument, do you the, I mean any data as to how much that's going to affect flights?

PROF WILLIAM CUNNINGHAM: I do, but I'm afraid I'm not in a position to reveal that.

PROF STEPHEN CROW: Oh right, that's OK. No, well that's fair enough. One of the things about these examinations is one can't take, one can't take evidence in confidence, with one exception, and that's Defence, but I'm not going to use that exception. You've just reminded me of the rules. Yes please?

MR PAUL RUBINSTEIN: Chairman, the airport's projections fully take into account the negotiations in relation to air space.

PROF STEPHEN CROW: Yes?

MR CHRIS COLLISON: We noticed earlier that there was an intention by the Council to undertake a competition, just wondered whether there were any further pieces of information that were available, regarding any discussions that may be taking place between the City Council and potential regional casino operators?

MR PAUL RUBINSTEIN: No, not really, Chair. As we've said before, we've been in discussing with potential operators. Some of them have landholdings in the City, and if we want to talk about that in a bit more detail, my colleague Peter Howe has been involved in them, and can answer questions. We've made it absolutely clear to those operators that there will be an open and transparent competition, and they're clear on that. As I said before, we've asked those operators in discussion, we've given them an indication of the kind of wider, economic and social benefits we would expect, and we've had feedback from them for that. We've done detailed work in the Discovery Quarter on the kind of sites available, obviously land ownership issues, land constraints, transportation issues, so on and so forth, but in terms of detailed discussion with operators, as it were, about next steps, no we've not taken those discussions further at this stage.

PROF STEPHEN CROW: Thanks. Yes, Mr Froemberg?

MR JAMES FROOMBERG: Could I just check a small point on that, because you mentioned the four particular operators in your proposal or in answer to our questions, and there was one name in there that I didn't recognise as a casino operator, which I think was SMG, are they a casino operator, or are they an operator of something else?

MR PAUL RUBINSTEIN: No, they operate the, largely music arena, based in the City at the moment. They are an international US based entertainment conglomerate, who operate the Newcastle Arena, as it is now.

MR JAMES FROOMBERG: But they're on your list as a potential casino operator?

MR PAUL RUBINSTEIN: They are. Peter, do you want to just talk in a bit more detail about the discussions with them?

MR PETER HOWE: Peter Howe, we've had two long standing interests, those are from MGM Mirage, which you'll be familiar with, and with Isle of Capri, both of whom have some sort of arrangements with partnerships in the City, or have taken land interests in the City. We have two late arrivals at the feast, as it were, SMG who as you point out are not casino operators but have indicated that they will be willing to work with, both the hotel and a casino operator. And also with Aspers, who again, as you are aware, have a City centre based facility, who have indicated that they would wish to participate. So we have four active interests. And in terms of recent information, all four have indicated both a willingness to join any competition, and also as part of that to commit to a conference facility that is part of that deal. So you are quite right, SMG are not a casino operator, but they do have partners, I think it's with the Hyatt Group, or the Hyatt Hotel Group and would bring that partner to the table as well.

PROF STEPHEN CROW: Thank you.

MR JAMES FROOMBERG: Thank you for clarifying that. The Council's proposal document identified racially motivated crime and harassment, and was continuing to pose a problem. Those were the words that were used, and the question really is, how compatible is that situation where a regional casino would be likely to attract, to the area, visitors from a wide range of racial groups, and given that there is this problem, have the LSP, the Local Strategy Partnership, developed a strategy to address this issue.

MR PAUL RUBINSTEIN: Can I just say a word Chairman, and perhaps pass over to Chief Inspector Matchell, and then to Kehri Ellis who, as I mentioned to you has arrived, the Director of the Newcastle Strategic Partnership. We have been concerned about racially motivated crime. It's been an issue for the City, and I'm sure the police will talk about that in more detail. As a result of that, and working under the Safer Newcastle, Community Safety Partnership, we have what I believe to be, a very sophisticated and effective system, which goes by the acronym ARCH, the Agency for Racist Crime and Harassment. ARCH has got a network of people, on the ground in local communities, in schools particularly in the West End of the City, but also actually in the East End as well, where there have been incidents of concern. It's had a training programme on reducing tensions with, in inverted commas, front line workers. So, people who work in parks, people who work in neighbourhood housing offices and so on. And it's been working very closely with the Neighbourhood Renewal Adviser, who's been working with us, on behalf of the government. And ARCH, I believe, I mean Chief Inspector Matchell will take a view, I'm sure, has been a real example of how those incidents have been addressed by people working together. I may be wrong, Chief Inspector, I think those issues are more in those communities than in the City centre, I think we'd be less concerned about that, but I believe we do have the infrastructure in place. But as I say, Chief Inspector and Kehri may want to add further.

PROF STEPHEN CROW: Thank you, shall we have a police view?

CHIEF INSPECTOR MATCHELL: Yes, any form of racist crime, or any form of racist incident is of concern to us, per se. I am measured in a, as a policing area with a lot of other in the country, such as Cardiff, Middlesbrough, Hull, Nottingham, places of a similar size and a similar make-up and actually our reports of racist crime are quite considerably below those other cities. We have the ARCH system, we also have third party reporting of racist incidents. So, perversely, one of our aims is to increase the number of reports of racist incidents that we actually deal with, to try and build more confidence in the way they're actually dealt with. We work very, very closely with the City Council. We've been promoting this scheme, it's actually now really been taken up by Sunderland as well, and we're actually quite successful in dealing with those particular types of

racist incident. The things that are totally beyond our control are events like the 7th July bombings in London, and that spawns racist attacks all over the country. Usually, it's just verbal attacks as opposed to physical assault, but anything like that happens internationally, effects the rest of the country.

MR CHRIS COLLISON: Yes, it's a strange anomaly, isn't it, that the harder you work to identify crime, and to encourage the reporting of it, then obviously the statistics become worse. What's the percentage of successful outcomes, though, from those reports?

CHIEF INSPECTOR MATCHELL: This is where we could end up in a statistical nightmare, actually, because you can have a successful outcome, without having a successful prosecution. As long as the person whose reported the incident is satisfied that everything that could have been done, has been done, that can be put down as a successful outcome, and we work around 90% successful outcomes.

MR CHRIS COLLISON: Thank you, and the LSP view?

MS KEHRI ELLIS: Thank you, community safety and crime prevention has been identified as a key priority for the Local Strategic Partnership in Newcastle, and certainly the majority of the Round 3 Neighbourhood Renewal Funding is being directed to that area of activity and being delivered through the Safe Newcastle Partnership, which is part of the partnership family. Certainly as a partnership, it's an area on which it's been agreed we are performing exceptionally well, with this year's performance assessment through government office, coming back with a Green Light rating, for our performance on crime prevention and community safety.

PROF STEPHEN CROW: Thank you, and welcome to the examination. Mr Collison?

MR CHRIS COLLISON: I think that's adequately answered the question from my point of view, but I think there may be others.

PROF STEPHEN CROW: We've got Mr McMullen back in his seat.

MR ROB McMULLEN: I'd just like to remind you of the network that we have in the private sector in the Newcastle area that's supported by two business forums, both in the East End and West End of Newcastle, from whom we get a great deal of qualitative information about business prospects and also what it's like to do business in particularly deprived areas. I also am the lead on business crime, for the North East Chamber of Commerce, and I'm in communication with our members on these issues, on a regular basis, both in our Update magazine, and the e-shots that we do to business, and I try to encourage businesses to report things to the police, but if they feel they want to have a communication with someone whose part of the business community and is representative of their views, they can talk to me about this. It doesn't factor, as far as a tax on businesses which are predominantly run by say people from the Asian business community. And, of course, we've got extremely good links with the Asian business forum, in the Newcastle area. Now these, these people are initially quite reticent about making reports. But we don't get regular reports about racist incidents affecting their business or their lifestyles. There are small pockets, but they are dealt with very effectively in the net works that we've discussed and also have been discussed by the Local Strategic Partnership, and the police.

MR CHRIS COLLISON: In terms of probability of implementation, we've noted that the Discovery Quarter has been identified as the primary area of search by the City Council, and we noted that you've outlined, in some detail perceived advantages of the co-location of casino and conference centre. We were interested in that this is edge of city centre, I suppose site, what the potential might be for multi-purpose trips of people actually using the combined centre, but also there being some derived advantage for the city centre itself, and in answering, perhaps you could just also update us on the latest position regarding the Science Central development.

MR PAUL RUBINSTEIN: Chair, I'll start and then others, Andrew Dixon may want to come in.

PROF STEPHEN CROW: Do go on.

MR PAUL RUBINSTEIN: Let me just try and deal with any confusion. We are a partner with One North East and Newcastle University, along with Durham University and the NHS Hospital Trust, in a project called Science City. This is a project designed to commercialise the research and development that takes place in the regions universities. It is the latest in the development of a reasonably long term strategy, which people in the room have been involved with, to bring economic advantage from cutting edge research taking place here. I talked before about the Centre for Aging and Vitality at the Newcastle General Hospital, perhaps another example is the

International Centre for Life, about 150 yards from here, which is at the leading edge of stem cell research, and regenerative medicine. That project is about just that, it's about the interaction between higher education, business and regional development. Its forms will be both physical and non-physical. By which I mean, probably more important than anything physical is to get that interaction right between what happens in a research lab, and how that benefits, either an existing company in a city, creates a spin out, or attracts inward investment. That's probably the most important thing that project is trying to do, and it's central to our economic strategy. Another thing that's absolutely central to that strategy, which is non-physical, is education. We are absolutely clear, unless we transform attitudes and standards of science learning in our schools, then our aspirations will not be met, and we're just about to publish a very substantial piece of work which we've done in association with Durham, on science learning. However, the project also has a physical focus. It has three or four physical foca, focuses whatever you want to say. One is the International Centre for Life ...

PROF STEPHEN CROW: It all depends which school of thought you have for the pronunciation of Latin.

MR PAUL RUBINSTEIN: Indeed, thank you for that.

PROF STEPHEN CROW: One could of course, go into sort of Anglo-Catholic church Latin, I don't recommend, or school Latin.

MR CHRIS COLLISON: I should have warned you not to get him started on the Latin thing.

PROF STEPHEN CROW: Legal Latin.

MR PAUL RUBINSTEIN: I've regretted saying it already, I'm afraid. Comprehensive school education, I'm afraid, didn't do Latin. We have three or four principal sites for science sitting, one is the expansion of the International Centre for Life, which you may be familiar with, and you may have walked past the other day. That's a millennium project, it's now full and a programme for expanding the Centre for Life is in place, heavily supported by One North East. The University of Newcastle's main campus will be re-designed to attract business directly onto the campus, that's at the Northern end of the City. Thirdly, as I said before, the Newcastle General Hospital site, probably to the West of the area you've been looking at on some of your maps, it's in the heart of the New Deal for Communities area of the City, and we would look for significant expansion around probably what is the world leading area, as I say, in aging and vitality, and it's probably our strongest scientific strength. And the last, is a physical focus on the former brewery site, which did for a while have a working title called Science Central, different from Science City, Science Central. We don't really like it very much, so we're trying to shake it off, but it seems to have stuff with us, so let's just say, for the time being, the former brewery site we're calling Science Central, if you can think of another name, we'll be happy to hear it. Science Central is the centrepiece, because it represents one of the largest areas of land, in any UK city which can be devoted to knowledge based science research and development. It is, as you probably saw last night, a very substantial area, and it has that asset which very few sites, again, do, of looking both ways. It looks at one side to the city centre, being right next to the football ground, and from the other side it looks directly into the West End. So physically it symbolises this attempt to take the City forward economically, expand the central business district, provide space for the knowledge economy, and on the other side, spread prosperity from the city centre, into the West End of Newcastle. So it's become a very, sort of totemic signal of what we're trying to achieve. That's what Science City is all about. The site, Science Central was bought for around 35 million, jointly by Newcastle University, One North East and Newcastle City Council, and if you can tell me of anywhere else in the country where three institutions, who love each other dearly, but occasionally rub up against each other, collectively found £15 million and put it on the table, to buy a piece of land like that, I'd like to hear about it, because I don't think it happens very often. So it's a sign of enormous trust and commitment to the whole initiative.

MR JAMES FROOMBERG: Bought it with the view to doing what with it?

MR PAUL RUBINSTEIN: Bought it with a view for it being the space to expand, to accommodate an expanding research and commercialisation for science and technology in this City. That's why we bought it, and that's what we'll use it for. The Discovery Quarter is a broader area, and I'm sure you've seen this on the various maps you've had. If you think of the regeneration of Newcastle over the recent years, I'll leave Gateshead to one side for the time being, although I'm

happy to talk about that if you want. Just over recent years, we had the extraordinary transformation of the quayside, which was led by Tyne & Wear Development Corporation. We had the regeneration of the City Centre's historic business environment, known as Granger Town, designed principally by John Dobson and developed by Richard Granger, which regenerated the central business district, the traditional central business district, probably not in a dissimilar way to what Glasgow did with Merchant City. And has won every award there is to win, for regeneration going with the grain of heritage potential. So the quayside was done, Granger Town was done, and then next great area for the City Centre, probably the last great area of regeneration is the Discovery Quarter, which we're kind of on the fringes on here. It's the last part of the City where you see the opportunity, where there are derelict sites, where there's the opportunity for expansion, for a whole range of reasons. As you come in, from the train, from the South you see a number of derelict sites. The brewery site is obviously another good example. So there are a range of sites, in this area, called the Discovery Quarter, just because of the Discovery Museum, which is our science and engineering museum, as was, is right in the middle of it. The Discovery Quarter is packaged up into a number of sub-areas, you've got the area behind the Central Station, known as the Stephenson Quarter, 'cos that was where Stephenson's original workshop was, you've got the area, yes can take you to it later on, if you want, Heritage Open Day's this weekend, you can go and have a look round, add to our tourist numbers. You've got the brewery area; you've got the area around Newcastle College and the George Street area, which is another area for regeneration. We've got the area by the Arena, run by SMG as we were talking about before, and we've got the land between Fourth Banks and the Arena, which is the site you see when you're coming from the South on the train. So there's quite significant availability of land, much of which is in the City Council's ownership. This represents a big opportunity to develop our economic priorities. If I've got a criticism, it's a personal view, I might get told off by the leader of the Council later, of our regeneration in the past, its bit a bit economically blind. That is, we've had a bit of derelict land so we thought we'd better find a use for it, and with a bit of luck someone will come along and use it. We haven't tailored the availability of land to the sectors of economy where we want to see growth. Our economic strategy, the OECD, I would say that was pretty much in their view. You know, people put all sorts of efforts into remediating land, and so on, but they don't kind of know what the end user is, they say in a very vague way, oh we'll have a nice mixed-use scheme. It's tailoring it the future needs of the economy that's the critical point. Future of the economy is in the service sector, and growing the tourism market, and we've talked about that for, and in the knowledge economy and our links with the University. That is what we'd want to do with the sites in the Discovery Quarter. What we did for the casino and conference centre was a detailed site appraisal of all those sites, and if you want to go into detail, again my colleague Peter Howe led that process and we can talk about that in some detail. We analysed all those sites in detail and we now have a detailed picture of what of those sites are available. You may, and I'll close on this if I can, have seen some press about some fuss saying we bought the former brewery site for science and technology, and here was the City Council going to use it for a casino, that's not what the other partners wanted and that's what nobody's signed up to do. That's not our intention. We put £15 million on the table to work with the University and work with One North East to take forward that site. However, any appraisal of sites in the Discovery Quarter, by definition looks at all of them. And we looked at all of them in detail and have a detailed knowledge of the pros and cons of each site, within that board area.

MR CHRIS COLLISON: Thank you for that very full answer. That second part of the question really related to the potential for multi-purpose trips. So perhaps we could come back to that, the Chairman's indicating.

PROF STEPHEN CROW: Yes, could we have Mr Dobson?

MR HUMPHREY DOBSON: Thank you, just briefly to say, to remind the Panel that this Discovery Quarter is next to some of the most deprived communities in Newcastle which would be most likely to have problems with gambling addiction, if the super casino was to come here.

PROF STEPHEN CROW: Yes, we did recall that, don't forget we went to see it.

MR HUMPHREY DOBSON: Well, we've heard so much from the Council I just wanted to remind those present of other facts. And also I speak to church leaders who've followed the plans for the Discovery Quarter closely, and are very keen to see the science and regeneration that's been

spoken about. But their reaction, when you mention a casino is, in all those discussions, a casino has never been mentioned, and my subsequent point, and they've attended meetings that have been held about it, as members of the community. And the second, follow on point is that a casino is not related to science and, you know, research development, is it? It's an entirely different type of project which goes against what you seem to be saying the Discovery Quarter was for.

PROF STEPHEN CROW: Mr Dixon?

MR ANDREW DIXON: Shall I move and answer the second part of the question, which was, to what extent there's cross over between business and leisure tourism, whether there's repeat business and etc. One of the most interesting statistics since I took up my role at the Newcastle Gateshead Initiative was a survey of 550 responses, in total, from conference delegates that have been to the City. These are people that have come from all over the UK, some international, but we factored those out. 49% of those visitors had come to Newcastle and Gateshead for the first time to a conference. 26% of them said they would definitely return for a city break, and a further 56% said they would possibly return. So the cross over between business and leisure tourism is significant. We've surveyed those tourists when they're here, and we know that business tourists, they obviously eat, you'd expect them to eat in our restaurants, but we also know that the nightlife is an important factor for them. They're less inclined to spend time in cultural venues, 'cos they're working during the day, but our leisure tourists are crossing over all of them, they're crossing over museums, galleries, nightlife, shopping, restaurants, the whole gambit. Another interesting statistic is that 10% of our current conference visitors extend their stay. We need to grow that. I think our target is to get that up to 20% extending their stay. But the importance in terms of the cross over for us, is the absolute key behind growing tourism in the region. The brilliant thing about conferences is, other organisations market your city. They promote it as a great place to come to for a conference, and when they get here, we know that we have a very high satisfaction rate. So this is all about sustainabilities, all about cross over, that's exactly what our tourism strategy is based on.

MR JAMES FROMBERG: Thank you. You've spoken once or twice today about the critical mass of development. I suppose a couple of questions that involve around that, really. This is critical mass in terms of being a catalyst for further investment. First of all, how is that measured, and how certain is it that the development of a regional casino and a possible associated convention centre will bring the momentum for growth to this point of critical mass, such that transformational regeneration will occur.

MR PAUL RUBINSTEIN: Again, I'll say a few words, Chair, if I may and pass over to Mark Graham, from PWC. I mean, I'm always wary of using phrases like transformational regeneration, but I suppose that's what we've done, along with Gateshead and I think that's what we continue to seek to do. I think we talked before about both the critical mass in the leisure economy as a whole. The way I see that, is if our leisure economy is by and large public sector dominated, you know I've perhaps not said this before, the biggest economic problem we have here, or one of them, is that we've got a public sector dominated economy. And certainly our OECD colleagues when they arrived here, were absolutely stunned by the size and scale of the public sector dominance of the regional economy. And I don't think you have a successful and sustainable leisure economy when it's almost wholly dominated by publicly funded institutions. So I think in creating that critical mass in that sector, you are bringing a very significant private sector player, or players into that market place and I think that's enormously important. Secondly, you know, we've talked about the opportunity, the way in which the casino would catalyse the convention centre and I hope we've made that link to your satisfaction, so I think, you know, it's what we've done in the past, and what this would do, and how that would create that kind of stand alone economic sector, that's the important thing for me. But Mark, did you want to add to that?

MR MARK GRAHAM: Yes, thanks. I guess in terms of not having an actually infinitely flexible model that would give me the answers.

PROF STEPHEN CROW: Sorry, you've disappeared again.

MR MARK GRAHAM: Oh sorry, actually we don't have an infinitely flexible model against which we can derive specific answers to this question and I think that the issue here is, in terms of what you would anticipate to occur, and how you would then measure that in terms of critical mass, I

think is, as we've all emphasised, there are a series of knock-on effects that would anticipate as a result of both the casino and convention centre development. And we've captured some of those in terms of the economic benefit. For example, we've suggested with the convention centre that it could lead to the accelerated development of hotel rooms. You would also anticipate that there would be an increase in investor confidence, both of the City and the region, and that that would promote more enquiries and actually planning bids within the City itself. We have said regeneration, regeneration can be measured in a whole series of different ways, whether that's to be in terms of infrastructure, but I think the key measures that we would suggest are around employment and wage levels. And again, playing very much to the points that you've raised on participation and wage rates. Similarly, I think it's important in terms of actual image enhancement, both again to Newcastle Gateshead and the region as a whole, and the impact that that can have in terms of Newcastle Gateshead status, whether it be rankings and things like The Guardian and so forth, but also more materially in terms of increased visitation, both by different tourist groups. And ultimately, the key measure will be the level of increased investment, in the City, which one would anticipate from an increased footfall, from the convention centre and the casino, of around 1.6 million. But also the associated knock-on developments. Now the issue here again, I would suggest, is in contrast to what would happen anyway, and clearly one would have to take a view, and this is the counterfactual view, if the casino doesn't go forward, if the convention centre doesn't go forward, what would you anticipate is likely to occur? Our view is yes there will be developments, yes there will be regeneration within Newcastle, but it won't be within the same period, it will be slower. It will certainly probably be of a different type and is certainly unlikely to generate the level of benefits that we've identified and alluded to in terms of the knock-on effects.

MR CHRIS COLLISON: There was mention earlier of the two casinos having planning permission beyond those that already exist. We just wondered whether there was any information about the likely operational dates for those.

MR PAUL RUBINSTEIN: I'll ask my colleague, the Councillor, Head of Licensing, Public Health and Environment Protection, Stephen Savage to answer if I could?

MR STEPHEN SAVAGE: Thank you Chair, yes, the two applications which you speak of have planning permission for three and five years, and they have been made under the current legislation. Both applications are due to be heard in the local ...

PROF STEPHEN CROW: By current legislation you mean the 1968 Act, do you?

MR STEPHEN SAVAGE: Yes. And there might be a suggesting that it's sort of precursor of the new legislation coming in, and they are both due to be heard at the Magistrates Court at the end of January. Both applications have objectors, both from the Stanley casinos, and also from Grosvenor. And having speaking to the operators is, one they don't know whether they'll be granted in the first place, and secondly the operators don't know whether they'll implement and when they'll implement, if they are granted.

MR CHRIS COLLISON: Do the objectors include the police?

MR STEPHEN SAVAGE: No.

PROF STEPHEN CROW: What sort of applications are they, are they outline, full, somewhere in between?

MR STEPHEN SAVAGE: The particular one at Queen's Square, which is currently an amusement centre is for 1,000 square meters for application. The planning permissions are granted, it's for the casino applications that the Magistrates are ...

PROF STEPHEN CROW: So pretty well bare outline with the size, right? And the other?

MR STEPHEN SAVAGE: Well, this building itself, similar size.

PROF STEPHEN CROW: Oh I see, it's a change of use within this hotel. Yes. Where in this hotel, as a point of irrelevant interest?

MR STEPHEN SAVAGE: On the ground floor, as I understand Chairman.

PROF STEPHEN CROW: Thank you, let's get on shall we?

MR CHRIS COLLISON: So, Chairman, do you want to move on to the willingness to licence?

PROF STEPHEN CROW: Oh we've finished the, yes thanks. I want to make sure that we've covered the ground in regeneration before we go on, have we? Have we, Mr Dobson?

MR HUMPHREY DOBSON: Well, I don't wish to go over our written submission that the Christian Institute already made to the Panel except to say looking at international evidence it's arguable whether these type of casinos do bring the regeneration benefits that people think, and I haven't seen much evidence that the City Council has really taken that information into consideration. Certainly in terms of its public consultation it was presented the experience from America as a wholly positive one, and it's impossible to read things like The National Gambling Impact Study from '99 in America, commissioned by President Clinton, and come to such a comprehensive view that everything is OK over there. But I don't want to try your patience and go over that ground again.

PROF STEPHEN CROW: Thank you.

MR CHRIS COLLISON: Chairman, I've just been reminded there was just one piece of information that we were a little bit short of. We'd noticed in the Journal, local newspaper, that there is obviously some discussion occurring about the improvement of the A1, sounds as though that could be quite significant in that it's clearly an important route in from both North and South. Is there anything that we need to know about that?

MR PAUL RUBINSTEIN: We, I don't know whether the Assembly might want to say something in a moment, but the A1, you might be aware, is probably, particularly the Western By-Pass by the Metro Centre in Gateshead, is probably, it's kind of a personal view, the only area of the conurbation which suffers from the kind of congestion that the rest of the country suffers from. The rest of the, I mean you get stuck in a traffic jam every now and again, but the Western By-Pass is a major problem. We think, in discussion with the Highways Agency, the Department of Transport, Gateshead Council and Nexus that a solution is now close, which involves both expanding capacity and the funds are in place to make that happen. But also addressing issues such as Green Travel Planning and Local Network Management, because the problem is it's used as a kind of major route and a local network as well. We think now, we've got the partnership in place to move that forward.

PROF STEPHEN CROW: Well, in that case we will move on, on to the question of willingness to licence, which of course, is one our sacred criteria. How can the Panel be confident of the Council's willingness to licence in the longer term? How can we be sure that at some time the Council is going to make a resolution, under Section 166?

COUNCILLOR JOHN SHIPLEY: Chairman, I think you can be confident of that. As you'll know, the Council, like others, has tried and tested procedures to deal with licensing procedures under the, licensing issues under the Licensing Act 2003. These are administered by the Licensing Committee of the City Council which acts independently on behalf of the Council as licensing authority. Now the issue of willingness to licence has been fully debated throughout the Council and the majority group at length. Not all members agree and I wouldn't expect to them. But the majority of both I our, and I think I can safely say the opposition again, we have two political groups in the Council at the moment. They've all discussed the proposed and the need, clearly, to licence it. And the executive approved the application on March 22. It has subsequently been discussed on two occasions by the fully Licensing Committee, that is the 23rd March 2006 and the 30th August, 2006 and on both occasions the Licensing Committee was willing to license. The proposal has also been debated by the Scrutiny Management Committee, that was the 21st March, 2006 i.e. the day before the executive, so its views could be fed into the executive on the 22nd, and the provided cross party support for the application. And I would add one critical factor which is, it is important to note that the debate that we've had within the Council, and we have 78 council members has not been constrained by any form of whip, and that therefore gives greater certainly of the ability to licence.

MR CHRIS COLLISON: I think it just caught our eye that the phrase, in principle, was used quite frequently, in terms of both the Council's Executive, the leader of the opposition, the Local Strategic Partnership and the City Central Partnership. And, in principle support, isn't quite as good as support.

COUNCILLOR JOHN SHIPLEY: Well, right, but there is a reason for that which we may well come on to, which is that we don't have, yet a preferred partner and a kind of plan design. It's not actually there. And one of the reasons people will then say, in principle, is because they haven't actually seen exactly what it's going to have, and exactly what it's going to look like, so no big

design. And I think, as we'll see shortly, I suspect in terms of public view of this, that is also a potential impact on the numbers that we have.

PROF STEPHEN CROW: Thank you. Mr Froomberg?

MR JAMES FROOMBERG: Thank you, Councillor Shipley, clearly the proposal you have put to us has made it very, very clear that your desire to support the regional casino is so you can get your convention centre, and we took some comfort, I think, from Dr Graham's discussion of the finances, looked as if they could work to deliver that, and thank you for that. But if, when push came to shove, what came back to you from the market was either a much smaller spec conference centre, or something that didn't match your aspirations in that regard, is that where you think your Council might start to get a little bit less certain about your desire for the casino?

COUNCILLOR JOHN SHIPLEY: I think the, I should just say that in terms of some of questions you asked about the £143 million and so on, that our Executive actually has gone through those figures, in very great detail, just in the way that you did, to be certain that in our view they actually worked, because they have to be robust, otherwise the convention centre won't work. So I just say that, that for members ensuring that the proposal does stack up is extremely important. Now, in terms of the licence, the licence lies with the Licensing Committee, and you'll realise that that has a kind of quasi judicial function, and it stands slightly to the side of the Council as a whole, as it has to do. So in answering your question, I just have to have an eye to making it clear that there is that quasi judicial function. Do I think that, to answer your question specifically, do I think that if the market came back to us and said, well actually we believe that the convention centre needs to be this size, not the 1500 person, or that the, you know, the facilities need to be toned down in this way, clearly one would have to look at that. But I'd say two things. The first is that we don't expect that to happen, because we've made it absolutely clear to those who've expressed an interest as casino operators what our expectation is, and they have all said that they can deliver it. But the other is that I think that the tourism potential that's been demonstrated by all of the evidence that Andrew Dixon gave you on behalf of the Newcastle Gateshead Initiative demonstrates that the gain for the casino alone would be extremely important to us.

PROF STEPHEN CROW: Yes, sorry I just can't remember your name for the moment.

MR STEPHEN SAVAGE: Stephen Savage.

PROF STEPHEN CROW: Ah yes, Mr Savage, yes.

MR STEPHEN SAVAGE: Just to add to the willingness to licence, Chair, that, from an officer, the Licensing Committee of the Authority are separate and they are ferociously independent as can be seen in many liquor licensing applications they've dealt with, and at all times, when this proposal has been put to them, they've nearly been fully, there has been either 14 or 15 of the Licensing Committee actually there, which is the 10/5 split between Liberal Democrat and Labour and they are supportive. And furthermore, I think they're supportive in that they realise that if the willingness to licence turns into it being licensed, then the Authority are well placed to enforce any conditions which would be placed on the particular application, in conjunction with our partners, Northumbria Police and others, and I think it's, willingness to license is important as control following implementation. And in that respect, financially the licences fees across the board go towards implementation and regulation once the issue has been dealt with, and the casino would be up and running.

PROF STEPHEN CROW: Thank you. Mr Sagar?

MR DEEP SAGAR: Thank you, Mr Chairman. Could we move on to consultant, is that alright Mr Chairman?

PROF STEPHEN CROW: Please do, yes, yes.

MR DEEP SAGAR: What I'd like to ask the Council and others here is, the general picture on consultation with the public, I would understand from the net favourable ratings that you've mentioned that something like 56.5% were for, and 43.5% were against. Which would give you, unless there were abstainers, 13% positive rating, and you would have consulted at least 1,000 people, otherwise you would have had halves, halves of people somewhere lurking around. So I think if you gave us the complete picture as to who all have been consulted, how many times, what general level of public support is there, for this proposal, and also if organisations and faith groups and bodies like ARCH, as you mentioned, Action Against Racial Groups, Harassment, etc. have been consulted, that would be very useful.

MR PAUL RUBINSTEIN: My colleague Lisa Grabham, who's at the far end of the table, will answer in detail, Chair. And if there's anything after Lisa's spoken, I'll try and pick it up in general.

LISA GRABHAM: Hi, I'd like to begin ...

PROF STEPHEN CROW: Sorry, now, I didn't quite catch your name.

LISA GRABHAM: Yes, my name's Lisa Grabham.

PROF STEPHEN CROW: Thank you.

LISA GRABHAM: I'd like to begin with a little bit of the background before I actually come on to the facts and figures, if I may. I was charged with managing the public consultation for this Council

MR JAMES FROOMBERG: Sorry, could you just get a little bit closer to the mic, please. Thank you.

LISA GRABHAM: Is that better? I don't think it'll move any further, OK, thanks. Is that OK? Right, I was charged with managing the public consultation which I do so from March to August, 2006. During this time we consulted with over 1700. They, we did this through a multi-method approach that included a large scale survey to give us quantitative statistics. Hard facts, if you like. That survey sought the views of residents, City Centre visitors, City Centre workers, tourists, faith and specialist groups and we did that using a structured questionnaire which provided people with the, what we thought were the potential advantages and the potential drawback of a casino, a regional casino and convention centre. We also carried out a number of focus groups with which to explore through more qualitative analysis the rationale behind people's views, so in attempting to define the actual numbers, it was also very important that we sought to establish what was behind those very large percentages in some cases. And additionally, we reached out in terms of giving everybody who basically lives and breathes Newcastle, the opportunity to let us know what they thought. We did that with a dedicated e-mail address. We had a hotline telephone number and we had a road show type information event. The latest findings from the consultation are very current. They are within about 6 to 8 weeks old, so we're not talking about old data, we're talking about very new data here. They are statistically robust, I don't want to go into the ins and outs of statistical significance here, but I can tell you that the 1700 people, from their responses we can be 95% certain that the statistics that I quote in my report are within 3% either side of those that we would have generated had every single adult in Newcastle been consulted. And, I think, the easiest way of putting this is that the premise of sampling is one that effectively means that you don't have to drink the whole of the River Tyne to find out what the water tastes like, just a little sip there.

MR JAMES FROOMBERG: We're most grateful.

LISA GRABHAM: So I've told you a little bit about what we actually did. My role was to honestly, accurately and without any kind of prejudice, manipulation or spin present the findings of that research. I have worked for the City Council for over 16 years. I have a reputation for telling it like it is. There have been numerous times when I have gone to committees and offices and given them statistics that they didn't particularly like, but I give them anyway, 'cos that's my job. The overall facts of the research tell us that in terms of current usage of casinos, approximately 23% of city centre, and city centre users and residents currently use casinos in the City. With 6% doing so regularly. In terms of their views, what we know is that 51% of residents support the City Council's proposal and the concept of a regional casino and convention centre. 38% do not support this proposal or concept and 11% sit somewhere between the two, undecided. This gives us the overall net support figure of 13%. If we subtract the 38% against, from the 51% for, we're left with approximately 13% in favour. I mentioned the focus groups that we carried out, and as well as the focus groups, in the questionnaire survey we asked people, OK, you've told us whether you agree or whether you disagree with the concept, tell us why. And those who gave their support to the proposal waved very, very large banners of job creation and city regeneration. They talked about the benefits of inward investment, increased trade business, economy growth and expanded tourism and visitors to the City. And they were undoubtedly the key drivers in terms of the potential arguments for. I'd like to read out a couple of quotes from residents, because I always like residents in city centre users to speak for themselves. These are typical of the kind of views that we canvassed. One person said, "this would bring more culture to the area. It would build up the area with more nightlife and make it simply a more interesting city. It would

also bring more employment to the area". Another commented, "Newcastle over the last decade has become the cosmopolitan city it desired to be. Through this development of a casino and a convention centre, the tourist industry would have one more reason for people outside of the area, and other countries to visit our beautiful city". They were very, very typical of the many comments in support of the casino and the convention centre. It was interesting that residents envisaged a facility which was very smart, cosmopolitan and sophisticated. We didn't give them any plans to comment upon, we didn't give them any definites. We just gave them the concept and from that they drew the conclusions of a facility which was of a higher echelon than that which currently exists in the City. And they felt that a casino would certainly strength the City's reputation for nightlife, and the convention centre would improve its status as the regional capital. We also asked them about a number of possible locations within the Discovery Quarter and residents told us, those who were for, that they felt this was a central but very un-suburban location, with easy access facilitated by favourable transport links, sitting currently in place. They were the ones who said, yes, basically. The one's who said no, said we appreciate the economic arguments, we appreciate the potential advantages, but we think that they are eclipsed, quite simply by the bigger picture of potential individual and family harm addiction, and social deterioration. To give you a balanced view, I'm also going to read out a couple of quotes from the 38% of residents who were against the concept and they said, "I used to work in a casino, I've seen laws that have been greatly relaxed allowing more people into them. I've seen a lot of people addicted to gambling and they're already enough casinos in Newcastle". Another comment, and this was perhaps the most typical view of all those against, "I believe the long term negative social impact and drawbacks will simply outweigh any predicted benefits".

PROF STEPHEN CROW: Thank you. Did the leaders of the focus groups have any previous views as to the desirability of the casino and conference centre?

LISA GRABHAM: It was actually me who ran the focus groups, so no, and I put my cards very clearly and blatantly on the table when those groups began, and said that although I do work for the City Council, my role in the whole procedure was to represent their voice. And that I don't have an opinion, I'm only here to ask a very balanced set of questions to them, which I did.

PROF STEPHEN CROW: Thank you. And do you have the questionnaire, for the questionnaire survey before you?

LISA GRABHAM: I do, yes.

PROF STEPHEN CROW: Have we had a copy?

LISA GRABHAM: I think it's included as an appendix to my report.

MR CHRIS COLLISON: It was quite a bit report wasn't it?

LISA GRABHAM: Yes

PROF STEPHEN CROW: Thank you. Well, thank you for that. Do you want to go on?

MR CHRIS COLLISON: Well there was just one final question in terms of willingness, and I think Chairman, it just related whether to any preparations have been undertaking in terms of preparing for the competitive process, really.

PROF STEPHEN CROW: Yes, do you mind? Mr Froemberg has a question.

MR JAMES FROOMBERG: Just to follow up on the research findings, I also wanted to swing back to this end of the table really. Very honest, very open result which presumably was before you, and you were given a, you know 13% net in favour, and I'm just looking for whether that was sufficient for you to be confident to go forward with the proposal that you've clearly gone forward with.

COUNCILLOR JOHN SHIPLEY: The answer to that is yes, and the reason is what I tried to allude to a moment ago, which is that I think it is quite difficult to consult on a concept as opposed to consulting on a practical proposal. It is much easier when you have a design, artist's impression, clarity about what would be inside, exactly what's going to happen and so on. It's an opinion; I can't put it any more strongly than it's my opinion that had there been a preferred bidder, preferred design, the 13 would have been much bigger.

PROF STEPHEN CROW: Mr Dobson?

MR HUMPHREY DOBSON: Well, I've already alluded to the Christian Institute's view is that the Council's confidence to licence is not well placed. In terms of, I'm sure that is what they think, but that's not representative of the community. We don't see any solid support for a regional casino

in the City Council area. In terms of this consultation, we don't believe that it has fairly put the problem, the potential problems. The opening questions talk about the possible benefits, and then as an aside point is raised the possibility of problem gambling, and there has been a problem with what people knew they were being asked about. And the casino isn't here. And we accept that. However, we don't believe that the City Council's overall presentation of this has been a fair and balanced one, and that if the communities knew exactly the potential for problem gambling, the results would be very different. Just to follow up, I mean, excuse me, the City Council's local paper here is consulting presently on the new gambling legislation, and on its gambling policy. I mean, is it the case that if the consultation response comes back that local residents are against a regional casino, then the Council will accordingly amend its view, or does it maintain that view, in spite of the consultation.

PROF STEPHEN CROW: Well, there's two questions there. The first one I certainly want to follow up. Can somebody find a copy of the questionnaire please; we don't seem to find one immediately before us? Yes, Mr Dobson?

MR PAUL RUBINSTEIN: Shall I just try and answer that, Chair, if I can, while you're seeking that and having a look at it, and address that the best I can. I think the answer to the first question, which I took more to be a statement than a question, was a little unfair, if I'm honest. I mean you heard Lisa who, I think a number of the officers around the table from the Council have experience of Lisa giving one or two messages about what the public think of us. We are a Council who has come occasionally, not so much recently, from the wrath of the public for a number of controversial proposals, and that's come to us pretty plainly. I think it's a bit unfair to suggest the consultation was not objective, I think Lisa has portrayed the work she's done in a very clear light, and I don't think for one moment that there was, as it were some sort of bias in the questionnaire or otherwise. I think that's a bit unfair.

PROF STEPHEN CROW: Well is it? I mean I've got it in front of me, and it says a bit about the legislation, Newcastle's been short listed, and then it goes on to say what a wonderful thing it is, 'cos we're going to get a convention centre and all sorts of good things. And then we go on to asking the question. Well, you know, aren't people going to say, well, I mean if it had started off on saying what a lousy idea this is, do you agree, would you have got the same answer? Would you?

LISA GRABHAM: Can I come back, Chair. Certainly I think the introduction was intended just to give people a flavour of the City Council's view on this, before what we have what we call icebreaker questions, which are quite simply very innocuous questions about how often do you go to the City Centre, what's your main reason for the being there, which of the following facilities do you use, before we come to the main gist of the questionnaire which actually concretely asks them for their views. We give them a card, which gives fully potential benefits and full potential drawbacks, so we ...

PROF STEPHEN CROW: We don't get round to drawbacks until we get to page, the second page do we?

LISA GRABHAM: No, but that is before we ask them their view. We do give them a number of potential benefits, and we say, certainly on the second page, we start talking about, there are also some potential drawbacks, such as a possible increase in gambling addiction, together with moral and religious objections.

PROF STEPHEN CROW: And is it really fair to say, the building of a regional casino's had a number of very positive social and economic benefits, and then it goes on to talk about potential drawback. Well, I mean, aren't you contrasting real and so on, with potential. You know, is that balanced?

LISA GRABHAM: I believe it was balanced. The difficulty was we were asking people to talk about a concept, or visualise a concept, and to do that I had to give people some examples of things that have happened. When I did quite a comprehensive literature review, there were numerous references to very positive social and economic benefits, in America and Australia. I balanced that by saying something, a statement which everybody could possibly relate to, much more easily that you're suggesting, much more blatantly, and the fact that 38% of respondents disagreed with the concept kind of bears witness to how balanced the questionnaire was.

PROF STEPHEN CROW: Just supposing, on one view that I think is held about 10 yards from me, we're talking about potential benefits and positive drawbacks.

LISA GRABHAM: The card that we gave to people, we took them through each of what were, and this is attached as an appendix, and the title is clearly, the potential benefits and the drawbacks are clearly called, the potential drawbacks. And this is what we took people through so they were very clear about some of the arguments, for and against.

PROF STEPHEN CROW: Yes, yes I did spot that. I did also spot the other bits. Supposing you'd been, supposing Mr Dobson's organisation had asked you to do the survey, what questions would you have asked?

LISA GRABHAM: I would have asked the same questions, regardless of who the client was.

PROF STEPHEN CROW: Honest?

LISA GRABHAM: Absolutely honestly, yes.

PROF STEPHEN CROW: Mr Dobson, thank you. Yes, there's two people there, I have noticed Mr Froomberg. I was just ruminating.

MR HUMPHREY DOBSON: I didn't need to ask anything, I thought it was very fair.

PROF STEPHEN CROW: Yes well, Professor Cunningham?

PROF WILLIAM CUNNINGHAM: I think we all are beginning to see there are design weaknesses in the questionnaire itself. What really bothers me, and indeed other people in the town is this paper which the Council published, headed a Regional Convention Centre for Newcastle. And it states 50% of the residents support the bid. Now that is not correct. 50% of the sample could be said to support their bid. And from that, the City Council has extrapolated from, but it's quite wrong to say that its 50% of the residents ...

PROF STEPHEN CROW: Well, I did pick up the point about how they standardised the sample data, I mean there are recognised ways of doing it, and I take it that the interviewers used those. I mean, you'd know that yourself, but I don't know which field your chair is?

PROF WILLIAM CUNNINGHAM: It's in economics.

PROF STEPHEN CROW: Is it, interesting, good. So you'll know the processes involved?

PROF WILLIAM CUNNINGHAM: Indeed, yes, yes. But I think again, it's simply a spin, you know, and there's been enough spinning today. Really, you know, I think the least that the City Council could have done would have been to publish it as they knew it.

PROF STEPHEN CROW: Hmm, so you would have preferred something like, the sample survey suggests that, are something like that.

PROF WILLIAM CUNNINGHAM: Indeed.

PROF STEPHEN CROW: Alright, I can see that.

PROF WILLIAM CUNNINGHAM: Now, if I can turn to the survey of minority specialist and faith organisations, what amazed us was that there are so few churches here. C of E, Church of Scotland, the Methodists, the Baptists and dare I say, the Quakers, where are they? We were never consulted here.

PROF STEPHEN CROW: Yes, that's a good point, you know when one talks about faith organisation, one tends these days to talk about every faith except for the Christian faith.

Perhaps I'm being somewhat cynical, am I?

MR PAUL RUBINSTEIN: Could I just have a brief, no I don't think so, a brief answer to that and then I'll pass over to Lisa for the detail, just vaguely searching because we have a chaplain for the City Centre who may be known to you, Glynn Evans, who acts as chaplain to the gaming industry, and he's been involved, he's a member of the City Centre Panel and he's been involved in a number of these conversations. So we've talked to him, about the way in which the chaplaincy would be expanded to support the industry in the event of this licence coming to Newcastle. Now what Glynn was at pains to point out to me was, although he's clearly a Church of England minister, it's an interdenominational project, and therefore he's spoken to people across different faith group, would see the chaplaincy's remit working with different faith groups around that, that's not about consultation, that's about how we would proceed in the future, and again I'm saying we've got a mechanism. Now specifics on the faith groups, Lisa will come to.

PROF STEPHEN CROW: Have you thought of answering the question?

MR PAUL RUBINSTEIN: Given that context I was going to pass it to Lisa.

LISA GRABHAM: Yes, many of the faith groups that you mentioned were invited to respond, and chose not to. Some of them chose to respond anonymously, so I couldn't actually make reference to them in the report. We have got the views of over 155 different individuals and group representatives from a number of faith and minority ethnic groups spanning not just the City, but also the region of the North.

PROF STEPHEN CROW: Thank you.

PROF WILLIAM CUNNINGHAM: I spoke with the Methodists, the Baptists and of course, my colleagues and friends within the Religious Society of Friends. We know nothing at all about this consultation.

PROF STEPHEN CROW: Right, well I don't think we're going to get any further on this point, I've heard both views, those views. Now, Mr Dixon do you want to talk about something different?

MR ANDREW DIXON: Just, Chair, about the broader consultation. I think I believe the City Council has carried out a very thorough process, but actually this whole process has been in the public glare, and our press and media have carried out quite a considerable debate and discussion around the merits of casino licences and convention centres over the past several months. I think if you were to pick up the two main newspapers in the City today, you'd get a clear sense that their judgement is that there is a positive backing, from the public, from business and indeed from themselves for a casino and convention centre. It's very rare that you get press sticking their necks out when it's absolutely against what the public's view is, and I think that's quite telling, and I am sure that Rob McMullen can also comment on a very significant event that I certainly attended, where there was a consultation with businesses, and some of the communities in the City Centre, which again had a very positive reaction to the proposals.

PROF STEPHEN CROW: Thank you. Miss Ellis?

MISS KEHRI ELLIS: I was just going to say that I think the Local Strategic Partnership on this is in quite a unique position to comment and judge and balance the arguments for and against a casino, with representation on the partnership drawn from the public, the private, the voluntary and community sectors. And I think its been debated long and hard, and they recognised that it is a fantastic opportunity for the City, but not without its potential drawbacks, but I think on balance the Partnership as a whole was supportive of it, recognising the wider social and economic benefits that would come out of it, and like I say, that is representation, not only from the City Council, but across the public sector, the private sector through the Chamber of Commerce and the voluntary and the community sector.

PROF STEPHEN CROW: Thank you. Yes, NECA, I'm going to call you like everybody else does.

MS CYNTHIA ATKINSON: Thank you, if I could just back a step, because I did have my name up before, just to go back to the questionnaire, dare I say, part of NECA's remit was to try to plug the gaps and reach those more difficult to reach groups. We did this by issuing 230 questionnaires, of which 135 were returned. Our statistics showed 70 in favour, 53 against and 32 who didn't know. So our software allowed us to score the yes and no's, and the tick boxes but we passed over then the information to the City Council to be included in the wider questionnaire. So there was a genuine attempt to reach a wide audience. We also had the questionnaire on the website, the NECA website that is, and we offered to take telephone calls and complete questionnaires in that way. We did that, thinking that just maybe somebody would rather tell us their views, than more formally be part of the City Council. I do share a concern that people weren't always willing to say what group they represented, so it may well be that some groups are represented in there, but just did not want to disclose that, so many of them wanted to remain anonymous.

PROF STEPHEN CROW: Thank you. Mr McMullen?

MR ROB McMULLEN: Thank you, Chair. The North East Chamber of Commerce has a regional presence, but it's also very substantially present in the boroughs around all of the various sub-regions of the North East of England. I took it upon myself to consult my members in the Tyne and Wear area, given that we had two bids, one in Sunderland and one in Newcastle. Both, as you would imagine, both members of Sunderland and Newcastle backed their separate bids. However, when it came to the final selection of the 8, our members were then consulted about Newcastle's proposals in papers that I took to each Committee. And each Committee were asked to send their representatives, so far as their Chairs, and Vice Chairs, to my Tyne and Wear

Committee, which met yesterday. Overwhelmingly, the Council's proposal is supported in that regard, from the business community as represented by the North East Chamber of Commerce's Committees in this regard.

PROF STEPHEN CROW: Thank you. Mr Dixon, is it Mr Dixon, did you, oh alright, thanks. I think we can move on, can we? Mr Dobson, you do want to speak, sorry I thought you were indicating you didn't.

MR HUMPHREY DOBSON: I thought you were moving on, Mr Chairman, so I was putting it down, but just to say I'm not sure what was being said about local newspaper coverage, but picking up yesterday's Chronicle, everyone of the six people questioned were against the proposal. I'm not citing that as the basis for my case, but just to say it has not been uniformly positive.

PROF STEPHEN CROW: Alright, Mr Dixon, the Chronicle?

MR ANDREW DIXON: Yes, well the Chronicle today is supporting it, there's been many voxpox, there was one on the BBC this morning, you may have heard with people pro and people against, I think it's a mixture of voxpox and the newspaper having its ear to the ground and understanding actually, what communities and what business and other people think, and on balance our two regional newspapers with very large circulations, very significant circulation in this region, have come out in favour of the proposals.

PROF STEPHEN CROW: Yes, of course, the test might lie in the next round of elections. When are they here?

COUNCILLOR JOHN SHIPLEY: Well, if it helps you we had our last set of elections in May when this proposal

PROF STEPHEN CROW: May this year, yes, when's the next lot.

COUNCILLOR JOHN SHIPLEY: And the next lot are next May, but I should just say that this proposal was actually on the agenda prior to this May's elections, and the result came out with an increase in seats for the majority party.

PROF STEPHEN CROW: Yes, that's a place name that's in my name, Brent.

COUNCILLOR JOHN SHIPLEY: Brent?

PROF STEPHEN CROW: Yes Brent. The election caused them to change their minds.

COUNCILLOR JOHN SHIPLEY: Well there are no, it was no a big issue in the local elections at all.

PROF STEPHEN CROW: Was it not?

COUNCILLOR JOHN SHIPLEY: It has not filled my postbag, either for or against. So, you know, if it helps you it is not a kind of political party hot potato which a change of control ...

PROF STEPHEN CROW: Which is does seem to have been in Brent, am I right? I might not be.

COUNCILLOR JOHN SHIPLEY: I don't know the detail of that, I'm afraid. It may be here, but of course in Brent, as I understand it, there was a majority of the public against as well, as I, in the consultation.

PROF STEPHEN CROW: We'll have to look to see that, I mean all we know is that just when we were packing our bags to go there, we discovered that they hadn't actually withdrawn, they said they weren't pursuing it, I think, was that the word? Yes. So, we thought, thought and acted accordingly. So, OK, the situation's different. Thanks very much for that answer. Yes?

LISA GRABHAM: Just to give you some context of the Brent figures, the public support and opposition in Brent actually gave a net figure of minus 45%.

PROF STEPHEN CROW: Thanks for that piece of information. Do we want to move on?

MR JAMES FROMBERG: Yes, it was just really whether any preparations had been made for the competition?

MR PAUL RUBINSTEIN: Sorry Chair, we've begun work to identify the criteria, the proposed selection criteria that we would adopt should we be successful in being awarded the ability to licence. Many of these issues we've talked through before, the capacity of the operators, their track record as a business and their track record to deliver to time, and to budget. Their ability to deliver the convention centre which we've talked about before, their ability and their commitment to investing in the social infrastructure programmes that we've talked about previously, NECA included. Their commitment to investing in employment development and ongoing training, again which we've talked about previously. Their commitment to environment issues, and their

environment policies as organisations. Other 106 issues, such as usual development agreements, public realm, so on and so forth, and the overall nature of the partnership we would adopt, the kind of contractual relationship, the ability where we would have, what role the Council would have, what role the private developer would have. But those are at headline stages, we're working those up if you like, into what a formal proposal would look like, should we move to the public domain.

PROF STEPHEN CROW: Mr Fromberg?

MR JAMES FROMBERG: Thanks very much, Chair. A hypothesis, really, when we were out yesterday evening, I think we mentioned we saw a couple of the existing 1968 Act casinos, we didn't get to see the new Aspers, we saw Grosvenor and the Stanley. They struck me as being quite large premises for the 1968 Act casino, and the thought just occurred to me, that it, a process might have involved either of them, or any other existing casino operator applying to expand or convert their existing premise, to a regional casino, and if that was the case, would your process that you've just outlined cope with that, as long as they were able to lob you a £100 million convention centre somewhere nearby.

MR PAUL RUBINSTEIN: I think the answer to that is yes, Chair.

MR JAMES FROMBERG: Thank you.

PROF STEPHEN CROW: Thank you.

MR JAMES FROMBERG: The only issue, Chair, on the regional context was, we would just like a little bit more information on who the proposal fits within the regional tourism approach or strategy.

MR PAUL RUBINSTEIN: Could I take that, Chair?

PROF STEPHEN CROW: Regional please. This is to Mr Warburton, could I just mention that on Saturday I was just packing my bag and getting ready, the report of the Panel doing the RSS examination in public appeared, I had a quite look through it to see what it said about the casino and couldn't find anything, is there anything in it? Was it discussed at the examination?

MR TOM WARBURTON: Sorry, it wasn't actually discussed at the IP at all, not in terms of, sorry not the casinos themselves.

PROF STEPHEN CROW: What's in the draft RSS about the casino, then?

MR TOM WARBURTON: There's a policy, policy 17.

PROF STEPHEN CROW: Policy what?

MR TOM WARBURTON: Policy 17 of a draft, which I believe you will have seen in our regional submission, would you like me to read it out or are you happy to ...

PROF STEPHEN CROW: You can do, for the benefit of the public, please, I have got it.

MR TOM WARBURTON: It was devised for the submission draft RSS in June 2005, I think that was before the legislation was amended, I might be wrong on that one. But it states, the Assembly will undertake research to identify suitable locations for a regional casino, prioritising development within either the Tyne and Wear city region, or Tees valley city region, core areas of Newcastle, Sunderland, or Stockton/Middlesbrough and in addition, suitable large and small casinos in sustainable urban centres and coastal towns. That's the thrust of it in relation to this issue we're discussing today.

PROF STEPHEN CROW: Is that going to help us in any way, do you suppose?

MR PAUL RUBINSTEIN: The main point for this specific application, or proposal would be that it fits with that policy and it fits with the wider spatial strategy of the region.

PROF STEPHEN CROW: Yes, thank you. The question we really wanted to ask, actually, was how does the proposal fit in with the regions tourism strategy. I mean we have spoken about that, is there anything more you need to say?

MR PAUL RUBINSTEIN: Just that it does. If you want to take that as a brief answer?

PROF STEPHEN CROW: Alright, good. Let's go on to the community benefits. We have spoken of community benefits and I think here, in this context we want to, we're thinking about not so much the direct things, yes Professor?

PROF WILLIAM CUNNINGHAM: Before we move on, Chair, you did say this morning that we'd come back to the funding for NECA and the question of the preparation that the Council is engaged in. I just wonder how you proposed to deal with this, will it be part of the contract with the casino, and if so, how do you intend to enforce it?

MR PAUL RUBINSTEIN: I'm not sure I've got a complete answer to that, Chair, at this stage. It, the answer is partial. It will be part of the criteria for the bidders that we would expect any successful bidder to provide financial support to enhance NECA's services, along the lines that Cynthia has talked about earlier. Just as, it will be an expectation, a requirement on bidders to provide additional support to the City Centre chaplaincy to address the faith issues I talked about earlier. Those will be expectations, requirements laid out in the tender documentation. The actual device by which we ensure compliance with that, we've not got to yet, but we'll come to that in due course.

PROF STEPHEN CROW: Are you familiar with Schedule 9 of the Act?

MR PAUL RUBINSTEIN: Yes.

PROF STEPHEN CROW: Good. OK. Thank you. Mr Collison?

MR CHRIS COLLISON: Yes I think we've throughout the discussions that have taken place over the last few hours, spoken about a great many potential community benefits. Those relating to the creation of sustainable new employment opportunities in areas of deprivation, the potential to achieve a regional convention centre as a benefit, the experience, locally in deriving benefits from private sector investment, and also in terms of targeting training and I think there was some specific mention to the Aspers experience where almost all of the recruits, 98% were from Tyneside. Just one small point there, I don't know whether the information's available for not, whether there's any indication of how many of those were from deprived communities, rather than just the area generally. And I suppose really, it's just an opportunity to allow all participants to comment on the nature of community benefits that may arise from that, so we've covered them in general terms, but it's perhaps just, if there was any additional point, Chairman?

PROF STEPHEN CROW: Well, perhaps Professor Cunningham wants to make a point on the community benefits, or dis-benefits. I don't want you to repeat yourselves, I think I've quite grasped your view now, but I mean if there's anything extra you want to say.

PROF WILLIAM CUNNINGHAM: No, there's nothing else, thank you.

MR PAUL RUBINSTEIN: Could I just, directly, Chair, I think this is the figure, it relates to the question on Aspers, 98% of the recruits via the Working Links programme where for the Tyneside area, and over a third were from people who are long term unemployed, so I'm not sure I've answered the question as to where they lived in terms of areas of deprivation, but 33% were long term unemployed.

PROF STEPHEN CROW: Good thank you. Have we covered all those points do you think? Well, unless anyone wants to comment, we'll go on to our last question, which if anything, any participants want to make a particular point as to why Tyneside is unique, uniquely good in any of the respects, or uniquely bad, rather than the quite length discussions we've had.

MR PAUL RUBINSTEIN: Shall I? I'll try not to repeat myself Chair, it's been a long day for everyone I think. I think we are, it goes back to that point I made before, we're typical on the one hand, and unique on the other, if I can put it that way. I think we do provide ...

PROF STEPHEN CROW: It's a difficult line to take, as you've explained.

MR PAUL RUBINSTEIN: I think we, you're looking for a place which, as I understand it where the outcomes of a casino, where lessons can be learnt which are applicable to the rest of the country. I think that's the case here. I think that's the case here because socially and economically, you can see the impact on deprived communities. You can see the economic impact, we can measure the social impact, and I'm not sure that's quite the case elsewhere. So I think we can learn lessons here, very clearly that are replicable elsewhere in the country. I think this issue, perhaps which we haven't talked about much, of location is very important. And you hinted at something that I wanted to say in your ...

PROF STEPHEN CROW: Do you mean location in the country or location in the ...

MR PAUL RUBINSTEIN: No, I mean location in the City. You're slightly quizzical probing of what the RSS says. This combination of the location being central on the one hand, and therefore being capable of making, taking advantage of public transportation infrastructure, is important. Yet on the other hand, the location's being outside the direct large-scale footfall of a city centre location. I think that's unique to us, and I think it's extremely important. Because with a bit of luck, we'll get both. We'll get both the benefits of a city centre location in terms of transportation and sustainability terms, but we will be able to protect people, as it were from this

being right on the main drag, right in the main commercial area. So I think that's very important and perhaps unique to us. I think two other points, firstly, and I've said this before and I'll say it again. I think NECA and the infrastructure they provide are very important, and I think they're unique to this part of the world. We've benefited hugely through this process of working with them, and we will continue to work with them regardless of what happens here, but I think that's really important and enhancing what they do is a major opportunity here. And lastly this point, which perhaps I started off with really, is that, well, penultimate point I started off with.

Penultimately, the point is, in terms of the process, as far as I can see we are not far off unique in that we will be transparent, we will be upfront, we will give everyone the same opportunity, we will give very clear criteria and people will come at this with a blank sheet of paper. Now, I'm not sure that's the case, well they won't come at it with a blank sheet of paper, they'll come at it with quite a tightly drawn piece of paper, with a very clear criteria, but you know what I mean. People will be very clearly aware of what the expectation is from the public, as represented by the City Council and its partners, and we will judge it transparently and fairly, and I think that's extremely important. And in conclusion, I suppose, I don't want to underemphasise the convention centre and the benefits that go with that. This is an opportunity to make a step change in the tourism economy of the City and the region, that's a key alongside the employment potential, that's key in the regenerative impact of this facility, and it is a huge opportunity for us to continue the regeneration of the centre of Tyneside.

PROF STEPHEN CROW: Mr Dobson, this could be your last word, so make the most of it.

MR HUMPHREY DOBSON: Hopefully not my last word, ever.

MR CHRIS COLLISON: At this event.

MR HUMPHREY DOBSON: Am I going to be taken outside and shot?

PROF STEPHEN CROW: I do remember, I'm sure Mr Dobson you'll appreciate this one, I do remember one Evensong in the choir and we had a sermon about the possibility that the world might come to an end, at any time, which is a good piece of biblical exijuces I think is the word. The minister then said, and now for our final hymn.

MR HUMPHREY DOBSON: Well, I agree we must all be ready to meet our maker, but that's not what I was going to say about the Newcastle bid. Just to say, I've lived in this City 6 years, there's a great deal to commend it. I've been in the North East 9 years, I've studied up here, but the Institute does think that there's perhaps a lethal cocktail here, of having such highly deprived areas, combined with a great propensity to gamble, 50% higher as I said earlier, from Price Waterhouse Coopers, and a very easily accessible location on the edge of the City Centre. And we believe all those stack up to say that Newcastle is not the place to have this regional casino.

PROF STEPHEN CROW: Thank you, Ms Atkinson.

MS CYNTHIA ATKINSON: Most people who know me wouldn't be too surprised if I was asking to have the last word. I would just like to reaffirm NECA's commitment to deliver both a preventative and treatment service. We do remain convinced that we have the most robust range of service provision throughout the country. We further believe that we have in place appropriate mechanisms for the collection, analysis and reporting of relevant statistical information. Through the monitoring and evaluation process we would be able to move from best estimate to provide factual reporting, on the effect of a super casino convention centre. Thank you.

PROF STEPHEN CROW: Thank you. Mr McMullen?

MR ROB McMULLEN: Thank you, Chair. Just to reiterate the North East Chamber of Commerce's perspective on this. Our members are very keen to see a convention centre and a casino established in the North East of England. They're very keen to see this happening in Newcastle. We see massive business benefits coming from this, not only as a result of this convention centre and casino, but also in the supply chain around it, and also for the training opportunities that will occur from this. We see this as a way to link the West End of the City into the City footprint as has been reiterated, and our members are very much behind the City's plans for the development.

PROF STEPHEN CROW: Thank you. Professor Cunningham?

PROF WILLIAM CUNNINGHAM: Thank you, Chair. I'd just like to, for the record, repeat the penultimate paragraph of our objection, at the attempt to present these casinos as a civic virtue,

we entirely reject. The attempt to make a profit out of inevitable loss, and possible suffering of others is the very antithesis of love thy neighbour.

PROF STEPHEN CROW: Thank you. And it is of course convention to give the authority a chance to respond to the points, very briefly; if there is anything you particularly feel we've missed.

MR PAUL RUBINSTEIN: No, I don't think there's anything we've missed, Chair. I think you've made the point and we acknowledge that the whole issue of this development is controversial nationally, individuals and organisations will have ethnical positions and they'll choose to adopt those, and we entirely understand that point of view. What we're trying to do, I suppose, is our civic duty in trying to see how we can sustain and continue the economic development of the conurbation, follow the process that the government has set down, and try, in the most transparent way, and objective way we can to take this forward. I think trust is an issue, if I may say so, which is very high on the agenda around this whole subject. Cities mistrusting each other, people mistrusting the process, and you, yourself Chair have been quoted in the media regularly on these issues. I think we think trust is immensely important and that's why we've gone down the routes we have. We like to think this is a bid that is based on trust and objectivity, and a process that we are committed to follow which will do exactly the same thing. We think that's in the spirit of the task you've been given, and it's on that basis of trust that we would want to proceed.

PROF STEPHEN CROW: Thank you very much.

COUNCILLOR JOHN SHIPLEY: Chairman, can I just add to that as leader of the Council, I just want to re-emphasise that we have followed the process with a great deal of care. We've kept alongside the intentions of government and haven't gone ahead of them. And as you know, we don't have a preferred bidder which we believe the competition that we would launch, we would believe is in the public interest, will actually get us a better outcome. We believe that the case that we've made in terms of the regeneration impact for Newcastle, Newcastle Gateshead, Tyneside, the wider region is very deep and extremely important to us for all the reasons that have been explained in the course of today. And in terms of helping deprived communities, there is clearly a jobs training impact, which the convention centre and the casino would actually provide us, particularly in terms of the entry level jobs to the jobs market that we talked about earlier on. The convention centre is a prize which is extremely important to our economic development. It will compliment Science City, but irrespective of that, to have a convention centre matters very much indeed to our future tourism, and business tourism prospects. And so, I hope, Chair, in summarising, we think we have made a strong case, and we think that's because we actually have a very strong case, and I hope, very much on behalf of the City of Newcastle and the wider region, that your deliberations will take you to the conclusions that we ourselves, have reached.

PROF STEPHEN CROW: Thank you very much, Councillor Shipley. Well it only remains now for me to thank everybody that's come along, and it's very much appreciated, the very hard work you've put into it all, and the preparation, and I think I can speak on behalf of all the Panel, well we do appreciate the work that's gone, and the frankness and candidness with which, you know, you both asked questions and answered them. So, I think I must now close the proceedings. The proceedings are now closed and may God bless you all on your journey home.