

TO THE CASINO ADVISORY PANEL

‘A REGIONAL CASINO IN SHEFFIELD’

SUBMISSION BY CHURCH ACTION ON POVERTY IN SHEFFIELD

Introduction

1. Church Action on Poverty in Sheffield was set up in 2001 following a Poverty Hearing to act as a voice for the poor, to draw poverty issues to public attention and to work for the elimination of poverty. It is affiliated to the national charity Church Action on Poverty and works under the auspices of Churches Together in South Yorkshire (CTSY).
2. This submission, which is endorsed by local church leaders, discusses Sheffield City Council’s bid for a regional casino and its implications for poverty in the surrounding area.

Summary

3. Our conclusions are:
 - Sheffield City Region’s high levels of poverty will limit the income of a regional casino and increase its adverse social impact;
 - The economic benefits appear illusory, while the social costs could be exorbitant;
 - The casino would transfer wealth from our region to overseas shareholders and the Treasury;
 - It does not offer a way out of the region’s unemployment problems;
 - It would increase problem gambling affecting mental health and family life; efforts at mitigation are commendable but could only achieve limited success;
 - High pollution levels in parts of the Lower Don Valley cast doubt on whether a regional casino would be permissible under EU air quality regulations;
 - Consultation has been inadequate and public opinion is split, risking continuing dissension.

Poverty in the Sheffield City Region

4. A regional casino will impact not just on Sheffield, but on all of South Yorkshire and North East Derbyshire. This is one of the poorest areas in Western Europe. The Council’s bid sees this as an argument for a regional casino. We argue the opposite. Surely, there comes a point where the level of poverty is too high. The Advisory Panel should not choose Sheffield for the following reasons.
5. The relative poverty of the City Region will set limits to the income a regional casino can generate. Moreover, it will increase the adverse social impact because the carefully designed lure of the casino and its machines will attract many people who live on such low incomes that they cannot afford to gamble in this way. Their families have the most to lose. The bid document argues curiously that ‘ambient gamblers’ will be put off by a location ‘away from residential areas.’ But the casino will be quite near residential areas with ample access by public transport.
6. The bid document claims that a regional casino would bring ‘potentially transformational economic and regeneration benefits’ to Sheffield. We would question this. The Ernst and Young Report for Yorkshire Forward warns of displacement and economic dislocation in the night time economy of Sheffield. The Hall Aitken Report draws attention to the failure to realise economic benefits from a similar project in Atlantic City – a run-down large-scale seaside resort where the retail sector has continued to decline despite the presence of gambling. Moreover, our City Region would have to

bear huge social costs. Drawing on a variety of previous studies, Hall Aitken estimates the *additional* annual costs of dealing with problem gambling by 2010 in the area within 30 minutes drive of a Sheffield regional casino at £34 million. (This estimate would be much higher if, as in the Council's bid document, we assumed an hour's drive instead of 30 minutes.)

7. Given the fragility of the City Region's economy, the Council's bid is a huge gamble. There is a major risk that it will bring impoverishment rather than prosperity and transfer wealth from Sheffield City Region to overseas shareholders and the Treasury. Consider the State of Victoria in Australia, where the world's biggest casino complex – Crown Casino- has been installed. An Australian expert reckons that Victoria residents will lose more than \$2.5 billion playing poker machines in 2006 alone. The tax take is \$1.3 billion. The key risk of 'leakage' is acknowledged in the bid document on page 14:

'The extent to which any regional casino development within Sheffield has the effect of generating additional value to the local economy rather than resulting in a net leakage of money from the economy will be a critical evaluation criterion in any competition run by the City Council in connection with the granting of a regional casino license in the city.'

8. The Council expects its evaluation process to do the impossible. Whatever the conditions, leakage will still occur because casino operators (and the Treasury) will be desperate to make money and casinos are inherently parasitic and non-productive. Gambling machines are designed to induce people to part with their money, rather than spend it elsewhere.

A cure for labour market deficiencies?

9. The bid document tells us that the casino development 'offers an unrivalled opportunity for the city to address its labour market deficiencies.' Given Sheffield's proud history, it is depressing to find such faith placed in low paid and relatively low skill jobs with anti-social hours. The jobs will be a poor match for at least two numerous groups of unemployed. - those currently on incapacity benefit, often for mental health problems, and Muslims, who are prohibited by the Koran from gambling. Hall Aitken concluded that the jobs created would not necessarily match the needs of the local population.

Social Impact

10. Our greatest concern is the effect on those with a potential gambling addiction. The regional casino will provide the most alluring gambling environment ever available in this country. In 2004, Sheffield's East End Quality of Life Initiative sponsored a Literature Review on 'Gambling, Health and Economic Regeneration'. It quotes a USA study which concluded that: 'The availability of a casino within 50 miles was associated with double the prevalence of problem gamblers'. 'The perception among community leaders was that indebtedness, youth crime, forgery, credit card theft, domestic violence, child neglect, problem gambling, alcohol and drug offences rose.' In Victoria State in Australia, 2.3% of adults are problem gamblers, but for every person with a gambling problem approximately seven other people are negatively impacted. Negative impacts include rising divorce rates, child neglect, bankruptcy, crime and suicide.
11. The bid document sets the goal that 'nobody gets into trouble with gambling through ignorance and that anybody who does get into trouble is able to access expert and effective help.' This is commendable but unrealistic. Punters will come to the casino from far and wide. No one could 'inform' or 'educate' all of them. It will not be in the casino operator's interest to monitor addictive behaviour too closely. Counselling programmes only suit some people and cannot undo damage to

family life or recoup financial losses.

12. We commend the work being done by the Bishop of Sheffield's Task Group to 'mitigate' the adverse effects of a regional casino. But there is only one foolproof form of 'mitigation' and that is for Sheffield not to have a regional casino.

Traffic and pollution

13. Among the disadvantages faced by people living around the Lower Don Valley is pollution. Currently nitrogen dioxide and particulate matter levels are above 2010 EU Directive levels in Tinsley and are above or near those levels on the outer ring road in Firvale and Darnall. In these circumstances, can the authorities allow a huge increase in traffic? The bid document assumes massive car access: 'an estimated catchment population of 6.2m people *within a one-hour drive.*' Public transport cannot fill this gap. On this ground alone, the Lower Don Valley seems an unacceptable location.

Consultation and support

14. The bid document states that 'A large body of consultation and support has ...been amassed over a sustained time period since the first operator interest.' We would question this. Certainly, there has been intense activity by the casino operators, but not democratic consultation. In December 2004, the Bishop of Sheffield said that this was a strategic issue which needed thorough debate by the wider community. But such debate did not take place. The obvious forum was Sheffield First Partnership, but the Partnership was told that Councillors had already made the decision. Despite the impression given the bid document (4.4), there has never been a 'Resolution of support by the local strategic partnership'. Instead of being consulted on the strategic decision, Sheffield First was asked to engage in a worthy but secondary exercise on maximising the benefits and minimising the adverse effects of a regional casino.
15. Nor is it clear that Sheffield public favours a regional casino. Two surveys have been financed by the casino operators themselves. One found that only 57% of residents had even heard about proposals for a regional casino in Sheffield, illustrating the lack of vigorous local debate. This survey also found that overall 42% were in favour of a regional casino, 29% against and 29% were 'don't knows' - not a ringing endorsement. The truth is that the debate is only just beginning and that public opinion is split. A regional casino would cause ongoing dissension in the city.

Church Action on Poverty in Sheffield
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