

Nick Crowther  
Deputy Head  
The Casino Advisory Panel Secretariat  
Department for Culture, Media and Sport  
2-4 Cockspur Street,  
London SW1Y 5DH



28 September 2006

Dear Mr Crowther,

### **Leicester City Council's Response to Additional Questions**

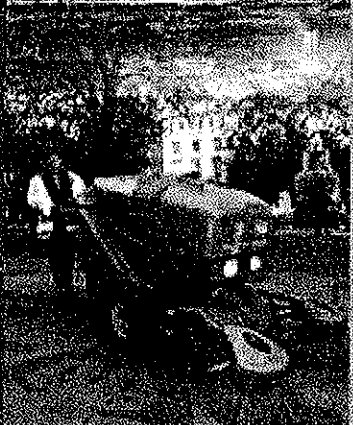
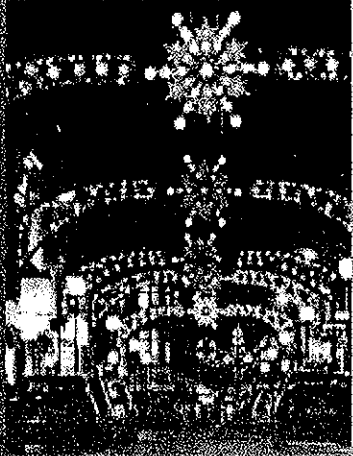
The Panel invited Leicester City Council to reply to its Additional Questions about our bid for a Large (alternative: Small) casino under the 2005 Act. I am delighted to take this opportunity to develop our submission further.

Please find attached to this letter a comprehensive reply to the Questions the Panel has raised. It has been prepared in a Question-and-Answer format and we have respected the limit given of approximately 3,000 words in total, although with some difficulty.

Should you seek further clarification please do not hesitate to contact me. We would, of course, welcome the Panel collectively or individually to Leicester.

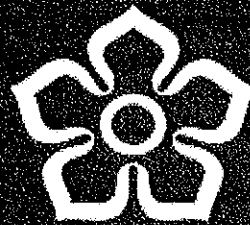
Yours sincerely,

**Cllr Roman Scuplak,**  
**Cabinet Lead for Regeneration & Deputy Leader of the Council**



# Leicester City Council's Reply to Additional Questions from the CAP

September 2006



Leicester  
City Council

## 2 Social Impact

**Q1** *Given the substantial population of Asian origin, to what extent do you think that people in many of the deprived areas of the City will directly benefit from a casino in their area?*

Leicester has a long standing and very prosperous middle class of Asian origin; but deprivation is found in the newly arrived communities and in the unskilled white working class on the outer estates.

The Census shows that people defined as Indian and White compare well in the distribution of occupational categories, whereas a gap is evident with the smaller Bangladeshi, and to a lesser extent Pakistani, groups.

Our regeneration work is sensitive to the different positions of all our communities and also to the locations where they live and work. We work on a neighbourhood level to bring prosperity and stability to our city. See Q3.

**Q2** *Have you reviewed the social impact of a large casino since you submitted your proposal? If so may we have sight of the findings and any policies you have or are developing? In particular, has the Safer Leicester Partnership produced any further information on the social impact of the proposal? If so may we have sight of the main findings?*

Gambling is not new to Leicester, and the Safer Leicester Partnership has reported no crime and disorder problems with the existing casinos nor the streets outside.

The Safer Leicester Partnership has reviewed the Night Time Economy in the City Centre, which highlights the need to diversify the early evening economy and have a greater appeal to a wider section of people. While most of their initiatives are aimed at reducing offences in the pubs and clubs circuit, the Safer Routes scheme is about to be extended to Humberstone Gate and other parts of the city.

**Q3** *How would benefits arising from casino development be directed to help alleviate concentrations of deprivation?*

We will continue our targeted programmes of support for the most deprived communities. We have already made substantial progress through innovative schemes like the Job Service Partnership, and are now setting up a DWP Cities Strategy consortium to help people get off benefits and into work.

We know where our most deprived communities are, and define them at Lower Super Output Area level. There are six priority areas immediately surrounding Humberstone Gate East.

The Council and its economic partners have extensive experience of working in those areas and engaging with its communities. We already have a number of projects (e.g. Hammerson's Charter, Skylink bus service) taking people from these areas and helping them prepare themselves for sustainable employment.

Other than the gain secured through planning and licensing conditions, there is direct benefit to deprived communities of employment opportunities in the construction and operation. This is likely to extend to a few hundred jobs, but will be extended into the higher skilled sector by running a pre-recruitment programme for job-ready people from deprived communities.

### 3. Need for Regeneration

**Q4 What do you consider are the main benefits to regeneration that could be achieved by a large casino in your area?**

- The Humberstone Gate East area suffers from a large number of redundant and derelict buildings as well as some cleared sites which are presently unviable to develop. A Large Casino would create the necessary uplift in interest, demand, and therefore value in the area to improve the viability of development projects.
- The St George's area is proving difficult to regenerate, being particularly "raw", and perceived as unsafe, especially for women and after dark. Table 1 (below) shows the extent of recorded crime in Humberstone Gate:

**Table 1: Humberstone Gate Offences**

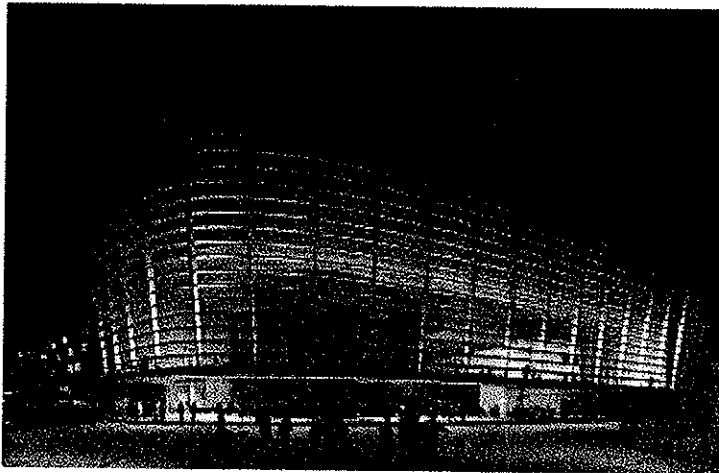
|                          | 2003-2004  | 2004-2005  | 2005-2006  | 2003-2006<br>Total |
|--------------------------|------------|------------|------------|--------------------|
| Assault & Harassment     | 89         | 86         | 98         | 273                |
| Theft from Person        | 14         | 12         | 16         | 42                 |
| Theft from Motor Vehicle | 11         | 7          | 10         | 28                 |
| Robbery                  | 9          | 11         | 7          | 27                 |
| Public Order             | 7          | 5          | 13         | 25                 |
| Indecency                | 3          | 3          | 3          | 9                  |
| Theft of Motor Vehicle   | 4          | 1          |            | 5                  |
| Damage to Motor Vehicle  | 2          |            | 2          | 4                  |
| Vehicle Interference     |            | 1          |            | 1                  |
| <b>Total</b>             | <b>139</b> | <b>126</b> | <b>149</b> | <b>414</b>         |

- A Large Casino would be critical in consolidating existing projects within the St George's area and form the focal point for attracting new and alternative development, establishing not only the attraction of the area, but its long term sustainability by the critical mass of investment required. The Large Casino and associated uses would greatly broaden the appeal of central Leicester to residents and visitors alike.
- A Large Casino will ensure the delivery of street and urban improvements, funded from not only the public sector but significantly by Section 106 contributions from the developers.
- Direct and indirect creation of jobs (see Qs 6 & 7)

**Q5** *The proposal includes a belief that a substantial uplift in investment value in excess of £100m will result. Could this be explained in more detail?*

A Large Casino will be as powerful a catalyst for surrounding development as the Council's Performing Arts Centre (PAC) has been.

The PAC (Figure 1) is a £50 million project; we have invested another £1.6m in the surrounding area, and used our £3m Liveability Fund to support public realm improvements in the St. Georges' Quarter.



**Figure 1: Artist's impression of our PAC, currently under construction.**

Figure 2 shows the PAC site on Rutland Street and the planning applications that have been received since our intention was announced and later confirmed. We calculate the value of these applications to date as being in excess of £160 million, approximately 3 times the initial capital investment.

We therefore have strong evidence that the same effect will be produced in the vicinity of a quality Large Casino and hotel/leisure development, which will attract young affluent professionals to live nearby. This is a conservative assessment and the increased momentum of urban renaissance might offer more investment opportunities.

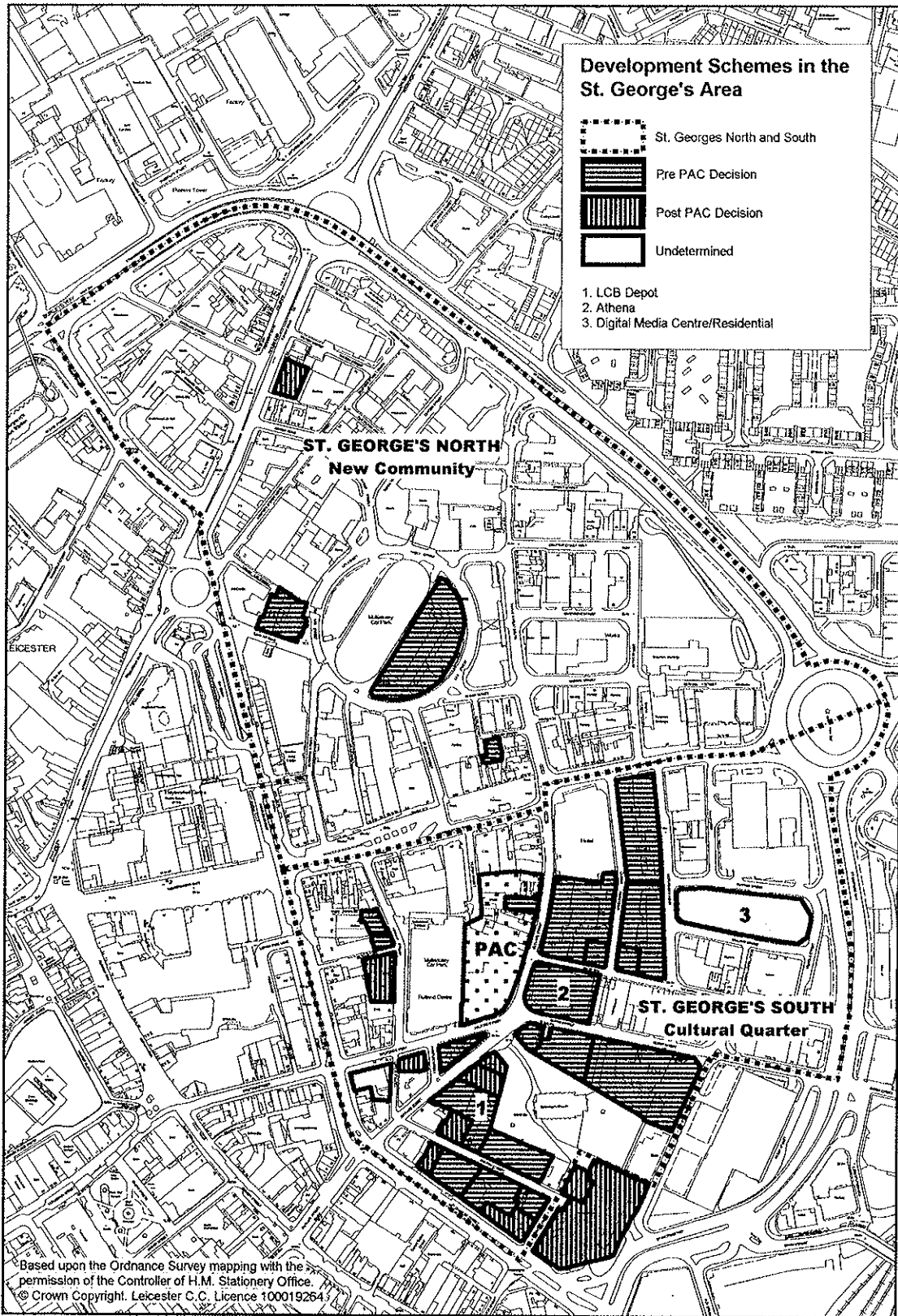


Figure 2: Development around the PAC

**Q6** *You appear to expect a large casino with hotel (p.7 of your proposal) “to assist in the creation of 1450 new jobs. Is this correct? On p.12 you refer to 200 posts on the gaming floor of the casino itself and 1000 more (ft and pt) in an hotel and in casino catering. On p.13 you refer to “up to 500 jobs”. What is the basis of these figures?*

The figure of 1,450 new jobs in the Leicestershire tourism industry comes from the Leicester Shire Promotions Business Plan, and it is not implied that all 1,450 jobs would come from the Large Casino and its associated development alone.

In our reply to Q18 we identify an existing casino of 488m<sup>2</sup> with 8 tables and no entertainment that employs 80 staff. We can extrapolate this up to 200 gaming floor posts for a Large Casino, which accords with information from prospective operators.

Data from local partners, including the recently opened Marriott Leicester Hotel (227 rooms and 150 new jobs) suggests that a related four-star hotel and catering operations within the complex would provide a further 250-300 jobs, making a total of some 450-500 jobs directly related to a Large Casino with associated hotel.

**Q7** *What is meant by the other employment figures under table 7?*

These figures come from the same Business Plan and show how a Large Casino forms part of an overall growth in tourism in Leicestershire.

**Q8** *How would a large casino “accelerate the provision of supporting facilities necessary to promote the continued growth of ... the grade ‘A’ office market” (p.12)?*

Leicester suffers from an acute imbalance of service/traditional manufacturing jobs compared to the rest of the UK. Fundamental to the Leicester Regeneration Company (LRC) intervention is to create in the order of 6,000 new highly skilled jobs between the proposals at the Science Park and the New Business Quarter (NBQ).

The majority of existing office stock within Leicester city centre is substandard. Leicester is perceived as offering neither the appropriate Grade A office accommodation nor an attractive environment for companies/bodies seeking to relocate and wanting to attract the best staff.

Organisations relocating from London tell us that Leicester lacks the quality of work, living space and lifestyle offer compared to other competing cities. One agency concluded that whilst Leicester had much in its favour, it would be at least 5 years before it could compete with other locations. We need to accelerate the provision of the lifestyle required to attract such bodies, and the Large Casino will provide a sophisticated leisure attraction for relocations, elevating Leicester within the list of candidate cities.

#### 4.Willingness to Licence

**Q9** *Has the Full Council yet made a resolution to support a large casino in your area?*

The Executive Body of the Council, its Cabinet, has resolved to support a Large Casino in Leicester.

The Cabinet Lead Member for Regeneration considers that it is not yet appropriate to raise the matter before full Council because recent experience of other major issues shows that for local reasons this issue would be not be accorded the serious consideration it deserves, and would be treated as a political football.

**Q10** *Given the principled opposition to gambling referred to in p.9 that led to your not proposing a regional casino, why should a proposal for a large casino be any different? Have there been any further developments in this respect since the time of submission of the proposal?*

During the national debate about the Gambling Bill, Leicester, like many other places, had grave concerns about the number of Regional Casinos originally proposed, and in that context there was opposition to a Regional Casino for Leicester.

Now that Humberstone Gate East is identified as the preferred location of a Large Casino, the regeneration benefits for Leicester are more clearly understood.



**Figure 3:**  
Humberstone  
Gate East –  
ready for  
development

We have now passed a pragmatic test of public opinion: local business and the local press acknowledge the regeneration benefits, and we do not have the opposition to the proposal shown in other candidate authorities.

## 5. Probability of Implementation

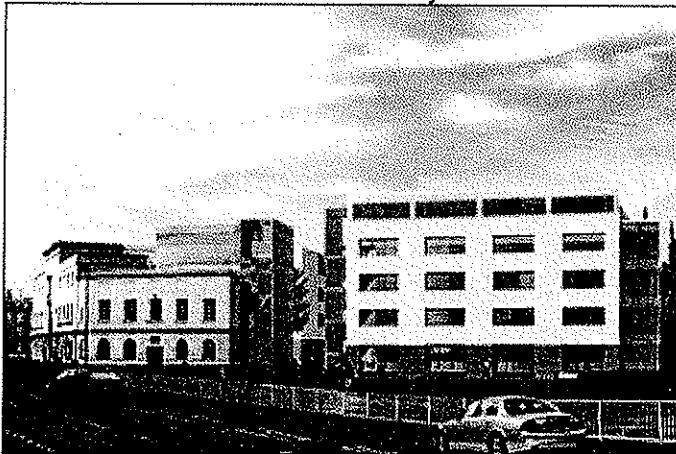
***Please provide further specific evidence to support the probability of implementation of a large casino. In particular:***

***Q11 What is the current status of the City's proposed "New Business Quarter? What are the prospects of the "second, much larger phase" (p.12)?***

Rental levels within Leicester are at the margins of viable development of quality office space. Early improvement is required to increase demand, and enable rents to grow sufficiently to make new development a viable position. The New Business Quarter is designed to provide in the order of 50,000 m<sup>2</sup> of new Grade A office accommodation in a first class environment, suitable for 21<sup>st</sup> century business.

Phase 1 comprises 10,000 m<sup>2</sup> of office accommodation, which provides space for up to 900 employees, a restaurant, a new public square and 40 apartments. Available for occupation from spring 2007, it is the first speculative office development in Leicester for 20 years.

Work started on site in January 2006 and the construction is proceeding well.



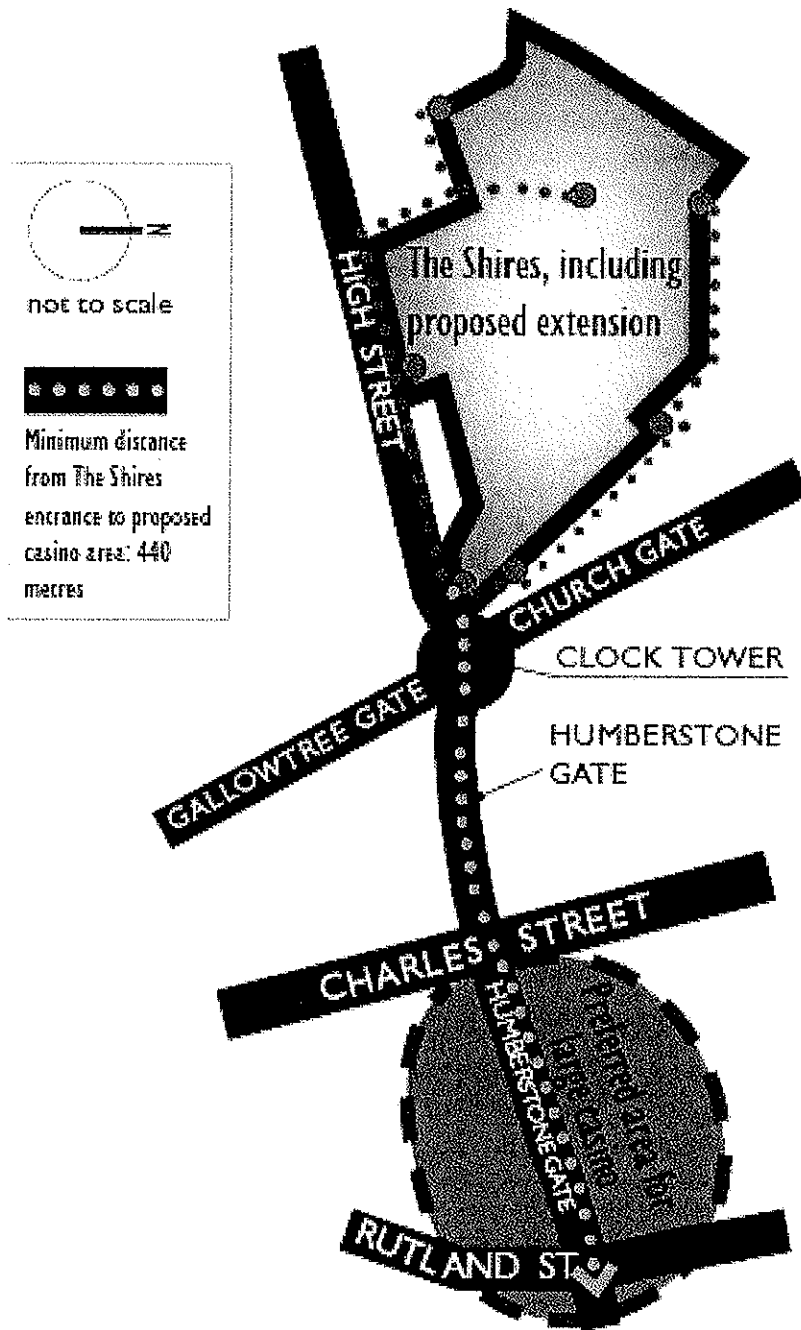
Abeler's proposed offices on police station site

**Figure 4: Phase 1 of the NBQ**

Phase 2 will deliver a further 35,000 m<sup>2</sup> of Grade A office accommodation, with space for almost 3,000 office staff. The success of Phase 1 will ensure that Phase 2 will start on site in 2008 or 2009.

**Q12 What is the connection, if any, of your casino proposal with the Shire-West Development referred to on p.20?**

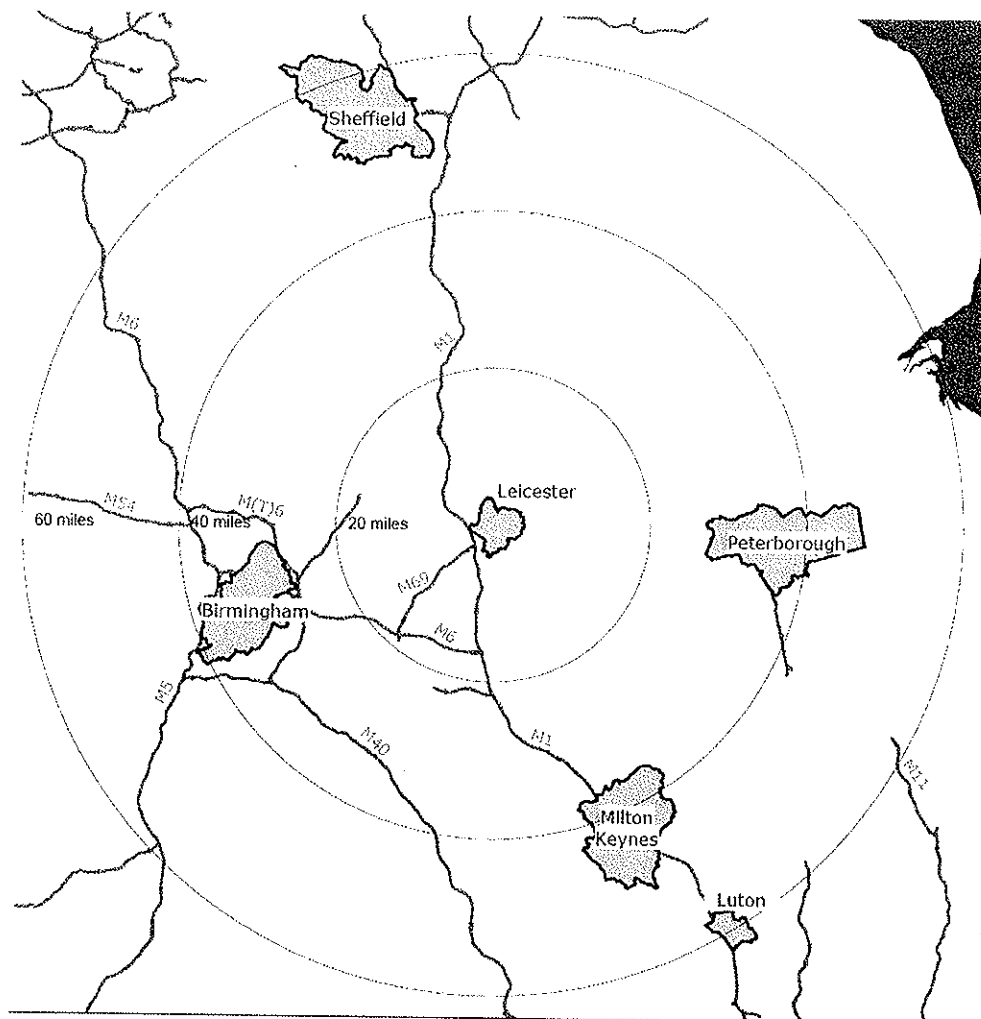
There is no physical or other direct connection. The proposed area for the Large Casino is a destination in its own right, but within the Centre.



**Figure 5: Relative positions of Shires West and the Preferred Area for a Large Casino**

We referred to Shires West because its development transforms Leicester's retail and entertainment footprint. The flagship John Lewis store will capture shoppers new to Leicester who want a pleasant day out including a trip to the shops. The Shires multiplex cinema also brings mainstream cinema back into the city centre, and improves the entertainment offer.

**Q13** *You refer (p.15) to a bid for a greater share of the regional entertainment market. Do you have good reason for confidence in this aim? Have you good reason to expect more international visitors?*



**Figure 6: To ignore Leicester would be to ignore the whole of Middle England**

Leicester's catchment is huge – Nottingham East Midlands Airport identifies 10.6m potential customers within 90 minutes drive, and expects to carry 5m people to 100 destinations in 2006. The DfT forecast for airport growth is 9.2m passengers per annum by 2016, and 14m by 2030. The planned expansion of the Airport and the continued introduction of scheduled passenger flights will mean more international visitors.

Figure 6 shows that Leicester is, literally, in the Heart of England: ***to ignore Leicester would be to ignore the whole of Middle England.***

Within our work to develop Leicester's Retail economy, we commissioned CACI Ltd to model potential casino users locally. Their response was:

There are 752,128 Adults (18+) within 30 minutes drive of Leicester. Based upon published statistics from Mintel (Leisure Intelligence, Casinos, Mintel, November 2004), which quote a market penetration of 5%, CACI estimate 37,606 participants with 30 minutes. Based on our professional opinion we feel that Mintel may well have underestimated levels of participation and would advise that a greater participation, including 30,000 regular participants (at least once a year) and 40,000 occasional participants (less than once a year) live within 30 minutes drive of Leicester.

These figures are close to the membership figures disclosed to us by two of the existing casinos in Leicester of 30,822 and 27,750. Allowing for duplication, we conclude there is already a hard core membership of casinos of around 35,000 to 40,000, before the attractions of a Large Casino become evident. This implies that we already attract the market within a 30 minute drive time.

**Q14 Please provide the evidence to support the view expressed that there is a considerable potential evening market for visitors.**

At "The Future of Betting and Gaming" conference held by the Institute of Economic Affairs, Gala Casinos described the current casino market population as 2,350,000 with an estimated potential of 5,882,000. This population contained a male bias, aged 18-44 and occupational class C1C2D. We have calculated the distribution of this population within drive times to central Leicester:

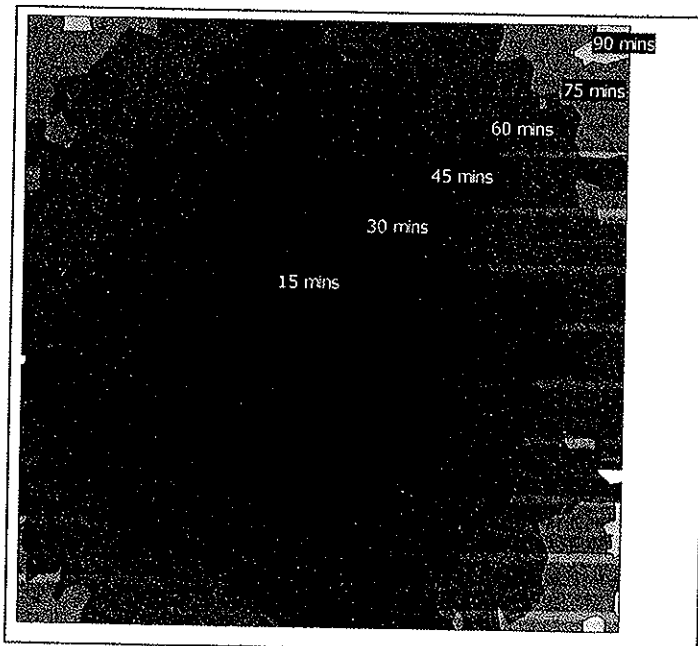


Figure 7: drive time bands from Central Leicester

Within these bands we have calculated from Census data the target population expressed by Gala casinos (Table 2):

| Age     | Social Class | 0 -< 0.5 hrs | 0.5 -< 1 hrs |
|---------|--------------|--------------|--------------|
| 18 - 24 | AB           | 16491        | 35123        |
| 25 - 34 | AB           | 33876        | 72361        |
| 35 - 44 | AB           | 40622        | 84202        |
| 18 - 24 | C1           | 23081        | 41466        |
| 25 - 34 | C1           | 37049        | 80247        |
| 35 - 44 | C1           | 37313        | 79161        |
| 18 - 24 | C2           | 16291        | 35493        |
| 25 - 34 | C2           | 27691        | 59775        |
| 35 - 44 | C2           | 31194        | 66119        |
| 18 - 24 | D            | 22196        | 46782        |
| 25 - 34 | D            | 28275        | 60725        |
| 35 - 44 | D            | 27992        | 58719        |

**Table 2: Males 18-44 within selected drive times from Leicester City Centre (2001 Census).**

We presently attract over 30,000 casino members (Q13), which equates to a 30-minute drive time. Table 2 shows that the target population is significantly increased within a one-hour drive time. This is a “chicken-and-egg” – the increased market is out there and we believe a Large Casino will bring it to the City Centre; equally, the market will already be attracted to the City Centre by our improved retail and entertainment offer and will sustain a Large Casino.

The new STEAM analysis shows that between 2004 and 2005 “tourist numbers in serviced accommodation” increased by 7%, compared with otherwise stagnant tourism indicators. Evidently, there is increasing interest for the weekend stay that a large casino, with hotels, retail and theatre, could offer.

**Q15 *What further evidence have you gathered since preparing your proposal to support the probability of implementation?***

Section four of our 11th August response demonstrated:

- The pace of private sector investment in the city centre physical renaissance is increasing, with the LRC reporting a further £300m worth of construction projects starting on site since April
- The funding package for another major attraction in the Cultural Quarter, the Digital Media Centre, is now almost complete
- Major casino operators, agents and hotel operators have written to express interest.

## 6. Regional and Local Context

**Q16** *Are we to gather from the discussion on p.11 that a City Centre location is in your mind? If so, have you considered the potential of such an accessible location for exacerbating problem gambling?*

The City Centre is the appropriate place for a Large Casino:

- *Only a city centre location will bring an uplift in property values enabling further regeneration – this cannot be achieved on a greenfield site.*
- The Humberstone Gate East area will bring in these regeneration benefits.

We addressed the issue of problem gambling in our August 11<sup>th</sup> response. Humberstone Gate East is a destination in itself, away from the existing pub and club circuit, but near the Cultural Quarter and its new more prosperous theatre clientele.

## 7 Community Benefits

**Q17** *Has any further thought been given (since your original submission) to the question of community benefits?*

We will be both reasonable and rigorous in our negotiations with the developer of a Large Casino and associated complex. See Q20.

We are currently negotiating with Gamcare to agree a core programme of counselling support and outreach work within Leicester and, possibly, Leicestershire. We envisage that the successful operator will be required to fund, support and promote a substantial service that should set an exemplary standard for England.

**Q18** *To what extent do the benefits claimed for a large casino in your area extend to a small one?*

A small casino does not offer developers the critical mass of scale and turnover which will bring the full regeneration we seek.

The three existing casinos in Leicester city centre do provide some employment and investment, and contribute to the local economy; but it is on a small scale: 176 staff and 27,750 members for one casino (which also offers dining and entertainment); and 80 / 30,822 for another (which just been refurbished having been operating in Leicester since 1972).

**Q19** *Will people who have religious and cultural objections to gambling be happy to accept money for community development that is derived from that source (p.9)?*

The Big Lottery Fund list of Leicester beneficiaries contains many groups where the casual observer might expect cultural objections, and includes:

- The Shama Womens' Centre
- Highfields Community Association
- Sikh Community Centre
- Leicester Volunteer Centre
- LAMP
- Belgrave Adventure Playground
- Voluntary Action Leicester
- Womens' Aid Leicestershire
- Guru Nanak Community Centre
- Asian Counselling Services
- Shree Girnara Soni Samaj
- Blessed Sacrament Church
- Bhagini Centre Ltd
- Polish Benevolent Fund
- Naari LETS
- Saharaa Help Line
- Bangladesh Youth And Cultural Shomiti
- Leicester Lesbian, Gay And Bisexual Centre
- Belgrave Baheno Peepul Centre
- African Caribbean Citizens Forum
- Pakistan Youth and Community Association
- Leicester and Leicestershire Racial Equality Council
- Muslim Khatri Association, and
- Nupur Arts.

**Q20 What is your assessment of the community benefits of a large casino? Please give any previous examples of the Council securing benefits through the planning or a licensing process.**

The Council's arrangements for optimising developer contributions are under review. The proposed priorities are:

- physical infrastructure needed to deliver the project (including public realm, archaeological investigation and landscaping);
- essential community needs (e.g. local employment and training schemes, affordable housing, crime prevention measures, public art); and
- the provision of other planning obligations.

An audit of Section 106 agreements shows that the Council has secured developer contributions totalling £11.36m in the last few years.

The Council carries out financial viability appraisal to check developers' submissions and will appoint a Developer Contributions Officer shortly to further improve the process.

As an example, the Council has secured from Shires West:

- Local labour and local procurement commitments (the Hammersons' 'Leicester Charter for Employment and Training')
- A £3.6m archaeological investigation of one-tenth of the Roman walled city, which has resulted in the recovery of:
  - the remains of a large Roman townhouse, built around a courtyard and complete with the remains of hypocausts and mosaics

- 1,340 skeletons from the lost St. Peters Church and medieval graveyard, which will produce internationally significant information on living conditions in mediaeval Leicester
- important remains on Highcross Street which will help us make more of the little understood period between the departure of the Romans and the development of the Saxon and mediaeval town
- The refurbishment of the Grade II\* listed Old Grammar School of 1573 and its use as Hammersons' site office and marketing suite, before its eventual use as a restaurant
- A contribution to affordable housing provision to help deprived communities elsewhere in the City, plus on site provision within Hammerson's first housing development
- A 2,000-space car park which will benchmark ACPO standards of safety and security, with a comprehensive CCTV network which will share data with the Council's operation
- A seven-figure cash contribution to public realm works and the pedestrianisation of Leicester's High Street, plus the creation of two new squares and three streets within the development, new public transport infrastructure and the developers transformation of all the surrounding public realm – total value to Leicester of around £4m
- The setting up of a strategic Shires employment and training group, with sub-groups for community engagement, construction jobs and retail jobs, which involve the Council, JobCentre Plus and the Learning & Skills Council

## **8 Unique characteristics**

### ***Q21 What could you do that would make your area more uniquely positioned vis-à-vis other similar areas wanting a casino?***

A Large Casino complements our existing schemes in physical infrastructure, cultural renewal and retail, leisure and entertainment offer.

Leicester is the ideal test site for assessing the effect of a large casino on:

- Opportunity
- Diversity
- Cohesion
- Social responsibility

**Q22 How do you consider that the development of a large or small casino will help reinforce the distinctiveness of the area?**

A Large Casino and leisure facility brings the investor confidence for us to rediscover the Humberstone Gate East area as a cosmopolitan, vibrant yet historical part of the city.

We want a landmark building that respects the character of the St George's Conservation Area and the many Listed Buildings in its vicinity; but connects them with the best contemporary architecture of the city, as exemplified by Rafael Vinoly and Ian Simpson.

Its influence over the surrounding streets, together with the PAC, will create a quality restaurant quarter which will showcase Leicester's international cuisine, and enhance the market for Leicestershire's unique local food and drink.

As with the developments near the PAC, the neighbouring historic textile mills and factories of Leicester's industrial heyday will be sympathetically restored to their former glory, and find new uses for city centre living and specialist retail.

The safe, welcoming environment will bring people back to use exciting but neglected buildings; for example Leicester Secular Hall (Grade II), the scene of addresses by George Bernard Shaw and William Morris; in the same way that the PAC has brought the reopening of the Odeon Theatre in the form of the Athena conference centre.

Andy Thomas  
Head of City Centre Development  
Leicester City Council