



# South Tyneside Council

Regeneration and Resources

Nick Crowther  
The Casino Advisory Panel Secretariat  
C/o DCMS  
2-4 Cockspur Street  
London SW1Y 5DH

Date: 28 September 2006  
Our Ref: ROF  
Your Ref:

Dear Mr Crowther

As requested please find enclosed our response to questions raised by the Advisory Panel.

If you require any further information please do not hesitate to contact me.

Yours sincerely

Rick O'Farrell  
Head of Enterprise and Regeneration

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**Executive Director**

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## Responses to CAP Questions August 2006

### 2. Social Impact

As in South Tyneside there is much poverty, is it a good idea to offer people in economic distress an attraction –a quick fix- which could make their position worse?

South Tyneside Council has a track record of considering very seriously any development that may impact on deprivation and poverty, both from the point of view of the effect on the image of the Borough, but more importantly on the quality of life of South Tyneside residents. For example, the Council has a well-developed anti-poverty strategy, involving support for the Citizens' Advice Bureau, the South Tyneside Credit Union, Welfare Rights Advice Services, MAST (Money Answers South Tyneside) and NECA (the North East Council on Addictions). The Council is also aware from ONS data that expenditure on gambling in this region is high by comparison with other UK regions.

Discussions have been opened with Gamcare to ascertain the likely additional impact on problem gambling in South Tyneside of a small/large casino. A meeting was held with Gamcare on 14 September 2006 at which the best mechanism for providing an improved counselling service in the Borough was discussed.

Discussions with potential casino operators – and experience from elsewhere – suggests that the Borough's most disadvantaged residents are more likely to use the internet, the National Lottery and locally based amusement arcades or bookmakers rather than a well-managed, much larger casino. Children will certainly not be able to access the new casino. The new Licensing regulations, and planning and land ownership controls, will all be used to maximise the extent to which the new casino is designed and operated in such a way as to minimise additional problems for the Borough's most disadvantaged residents, and so as to attract wealthier customers from throughout the metropolitan area and beyond.

Ultimately, the Council accepts that the impact of "new-style" casinos is to a large

	<p>extent uncharted territory in the UK, and it would be happy to take part in any centrally managed research project which charted the effects of new developments, and assessed the success of alternative ways of combating any problems which might arise.</p>
<p><b>3. Need for Regeneration</b>  Would you please tell us how you think a casino would match up with your Tourism and Cultural Strategies, which appear to be based at least partly on local literary and historical associations.</p>	<p>Literary and historical associations, whilst important, only form part of the Borough's tourism strategy. Other key aspects, to which the casino could contribute, include extending the visitor season, increasing the number of overnight visitors, increasing average spend per head, and generating more employment opportunities in the tourism sector. This requires a wider range of attractions, particularly those that retain their appeal in poor weather, and operate outside the core summer season.</p> <p>The Borough's research also shows that many visitors to the Borough associate their stay in South Tyneside with visits to the wider region. Part of the strategy is also to encourage a higher percentage of visitors to the wider region to include South Tyneside within their itinerary, a strand which would definitely benefit from the development of a casino in the Borough (particularly if no other "new-style" casino is developed in this part of the region).</p>
<p><b>4. Willingness to Licence</b>  Has your proposal yet been endorsed by the Full Council?   Why were you not able to show greater acceptance than just cabinet meeting approval within the authority?</p>	<p>No, but Lead Members of the Council have been briefed and are fully supportive of the bid. Moreover the view was taken that the submission of a bid was not in itself an executive decision which needed to be considered formally by the full Council. The contract for the Economic Impact Analysis commissioned by the Council from Hall Aitken had not been let at the time of bid submission. Findings from this analysis will inform the Council's final decision, as will the further work</p>

<p>What steps have you taken to ascertain local opinion on your proposal?</p>	<p>of the Casino Advisory Panel.</p> <p>In order that the Council can provide robust information about the economic impact of a casino development in answer to any queries, and to ensure accurate responses in the face of any misconceptions about small/large casinos (as opposed to super casinos which are high in the public consciousness) a relatively low-key approach has been taken to consultation and publicity at this stage. When the results of our economic impact study are received, the EiPs have ended for the super casinos, and the Council begins to consider specific proposals on particular sites, the Council will be in a stronger position to publicise and proactively seek public opinion about a potential casino development in an informed manner.</p> <p>The Council is very conscious of not raising expectations by too much publicity being generated before a definite summation of the proposed benefits has been provided by a third party. This will furnish the Council with extra credibility for its proposition that a casino will be a major benefit to the economy. It is also the Council's experience that detailed consultation with the public at too early a stage can arouse excessive public expectations about the timing of any future development. That said, the Council's bid for a casino has received a modest level of publicity in the local press, with relatively little debate either way, at this early stage. Overall, the Borough's drive to regenerate the Borough receives strong public support.</p>
<p><b>5. Probability of Implementation</b> What makes you believe that the catchment area of South Tyneside could support a viable casino?</p>	<p>As stated in our additional information, the interim report of Hall Aitken (the consultants who are carrying out our Economic Impact Analysis) states that the catchment for the casino in South Shields would cover the Tyne and Wear area but would probably not extend to Teesside – this would give the casino access to a resident population of over a million. South Tyneside's catchment area would</p>

also include its current and additional visitors. Strategic destination marketing to an increasingly diverse range of demographic and geographic targets will take place.

The Borough's draft Tourism Strategy states that tourism in South Tyneside is already worth £85.3 million and employs 1,725 people. From December 2006 South Tyneside will be part of Tourism Tyne and Wear, the emerging Area Tourism Partnership, supported by One NorthEast, which will ensure that tourism destinations throughout the area are promoted effectively to all audiences, putting attractions in South Tyneside within the same frame as NewcastleGateshead and Sunderland. The Council's consultants estimate that the casino may attract between 30 – 60,000 additional tourist visits to the Borough, giving additional direct tourist spend of £1.93 - £3.85 million for the area.

What is the recent track record of South Tyneside in attracting inward leisure investment?

There has been a good response to the marketing of other sites on the Foreshore, such as for an hotel development at South Foreshore and the disposal to the private sector of two coastal caravan parks.

Have you evidence from casino operators that would demonstrate probability of implementation?

Several Casino operators had displayed an interest in South Tyneside's bid and all of them have indicated that they think that South Tyneside would be a good business prospect in the interesting context of a small casino in a seaside town, within a metropolitan area.

What would be the expected timescale for the proposed casino development, so as to fit within the regeneration plans? What hurdles and challenges have to be overcome first?

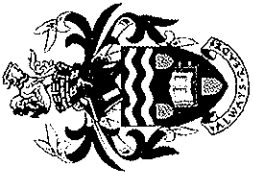
Regeneration plans for all of our proposed sites are at relatively early stages – a master plan is currently being tendered for the Riverside Development Area and the brief asks respondents to take a potential casino licence into account. A brief for another key site, on the foreshore, is due to be issued to this market during the coming winter.

<p>Do you expect that your proposal would attract more tourists from overseas, notably from Scandinavia?</p>	<p>Certainly a casino would be a major fillip to the South Tyneside tourism offer. If included in overseas destination marketing of South Tyneside it would result in more visitors to South Tyneside from existing visitors from Scandinavia to the North East and an increase in the number of additional visitors. Tyne and Wear enjoys traditional strong links with Scandinavia, as a result both of historical tradition and the ferries to North Shields, and existing research shows that Scandinavia is already the principal overseas market for visitors to South Tyneside.</p>
<p><b>6. Regional and Local Context</b></p> <p>In what way does the RSS for the North East “fit very well with the locations described in this proposal”? Please support your answer with relevant extracts from the RSS.</p> <p>What is the current status of RSS in the Region?</p> <p>In what way does the recently proposed South Tyneside tourism strategy indicate the need or opportunity for a casino?</p> <p>What other projects have already emerged from</p>	<p>The RSS states that it will be looking at suitable locations for large and small casinos in sustainable urban centres and coastal towns. The 3 sites identified (although not an exclusive list) are all adjacent to South Shields town centre, fitting both these criteria, and are on “brownfield” sites. Please see attached map detailing the sites and their proximity to the town centre – all within walking distance and all with good access by a range of transport modes particularly public transport, cycling and walking as stated in the RSS.</p> <p>The report of the EIP panel is available on <a href="http://www.northeastejp.co.uk">www.northeastejp.co.uk</a>. It is expected that the final version of the RSS will be available in Spring 2007.</p> <p>The primary aim of the draft tourism strategy is to maximise the economic benefits of tourism by developing, promoting and managing South Tyneside as a quality, exciting and sustainable visitor destination. The strategy proposes to encourage investment in new or improved attractions and events which will contribute to this aim. At a more detailed level, the strategy aims to support the development of the pier parade site (on the Foreshore) as a development site.</p> <p>The tourism strategy does not focus principally on the provision of a casino, but</p>

<p>these strategies that would support/augment the casino development? What is the programme for these projects and what is their status? What other projects are planned as a result of these strategies that would support/augment the casino development?</p> <p>While the remit of the Panel is to consider local authority areas rather than specific sites, you choose in your proposal to advance a selection of three broad areas as a particular merit of the proposal. All of these appear to be outside a town centre. In respect of these locations, do you wish to respond further (than at paragraph 28) to the policy preference in PPS6 for casinos to be located in town centres?</p>	<p>on a wider range of attractions which will attract more visitors, spending more, and staying for a longer time. This includes the provision of additional hotel and overnight accommodation, additional cafes and restaurants, an extended events programme, further development at additional attractions such as the Customs House arts centre and Arbeia Roman Fort. There is a particular need for "wet weather", covered facilities.</p> <p>Regeneration of the Riverside area is taking place and regeneration plans are in place for the whole of the Foreshore area.</p> <p>The specific sites mentioned in the South Tyneside proposal are all close to the town centre as is demonstrated on the attached map. We feel that a site adjacent to a town centre is preferable to a prominent site actually within the town centre; partly to avoid possible problems caused by drinkers at town centre pubs seeking to include the Casino is a town centre "circuit".</p>
<p><b>7. Community Benefits</b></p> <p>Have you developed your policy for community benefits since the submission of your proposal? What plans do you have to optimise community benefits from the proposal?</p>	<p>Optimisation of community benefits is at the heart of all our regeneration plans and we see any potential Casino development as being integral to the regeneration of the Borough. The main community benefits are expected to be additional jobs, and encouragement for wider mixed-use regeneration. The Council's consultants have suggested a range of 200 – 400 new jobs directly related to the new casino, depending on its size, roughly half gambling related (such as skilled work as gaming operatives or technicians), 40% hospitality related (chefs, cooks, waiting staff, etc) and 10% management and administration. Given that an estimated 72% of the economically inactive population want a job, the consultants conclude that there is a real opportunity to use the casino development to help local people back to work. The employment</p>

	<p>benefits will increase substantially if the casino can be used to “anchor” a larger leisure/commercial development, as the Council intend.</p> <p>South Tyneside Council is aware of the importance of ensuring that a casino gives the right impression for the Borough and achieves the right fit with the culture of the area. The results of the Economic impact study will help the Council to assess this further. It is important to balance the timing of getting a licence with the raising of expectations for the area.</p> <p>The Council is key to use its powers as a major land owner in the main regeneration areas to reach agreements with future casino developer/operators which result in a long-term contribution to the wider regeneration of the area. The Council’s consultants are advising it on the best ways of achieving this.</p> <p>As mentioned in earlier documentation, the Council is experienced in negotiating training and support packages which will maximise the opportunities for local unemployed people to benefit from the available jobs, whether these are related to the construction period, specialist casino operation, or general hospitality/catering opportunities.</p>
<p><b>8. Unique Characteristics</b></p> <p>What could you do that would make South Tyneside be more uniquely positioned vis-à-vis other town locations wanting a casino</p>	<p>South Tyneside is physically uniquely positioned on a river and on the coast with stunning views from the town centre and environs. It is also unusual in being a traditional seaside resort that is located within a metropolitan City Region. Unfortunately it has in the past been noted for the severity and extent of its unemployment and deprivation, but this has given it particular expertise in coping with economic restructuring. The establishment of the Area Tourism Partnership will give opportunities both to maximise the benefits of the casino, and to spread its economic impact over a wider area.</p>

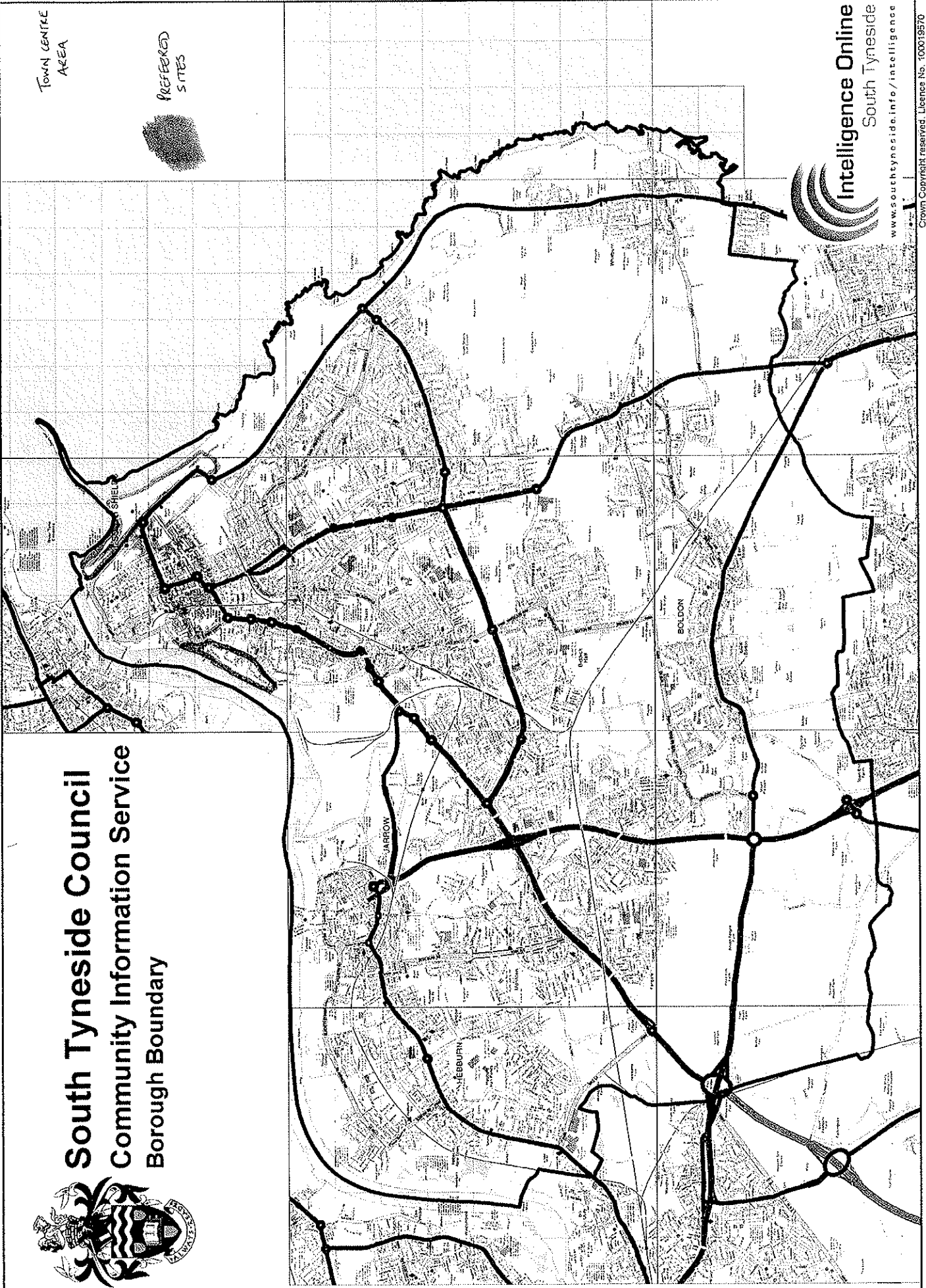
	<p>The Council has not yet entered into detailed discussions with any particular casino operator or developer, which will also give it the opportunity to maximise the benefits to the area of the final "deal" negotiated.</p> <p>The recently approved LEGI programme gives the Borough a unique opportunity to track the effect of the casino on local enterprise development and entrepreneurialism. The LEGI is one example of the strong local partnerships and multi-agency approach, which will prove vital to the successful implementation of the casino, and to dealing effectively with any problems which do arise.</p>
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