

Solihull MBC – Responses to Casino Advisory Panel Questions

Our responses are based on a leisure and entertainment complex, including a large casino, at the National Exhibition Centre (NEC). Whilst a rigorous, competitive selection and licensing process would need to be undertaken, it is clear that the NEC has tremendous strengths as a location and a casino in Solihull – located at the NEC – would be a truly unique proposal. The geographical location, public ownership of the venue and support of two local authorities would enable the scheme to provide significant and sustainable regeneration, impacting in particular on the communities of the East Birmingham North Solihull Regeneration Zone and generating revenue for Birmingham City Council to fund regeneration programmes and activity in some of the most deprived, multi-ethnic communities in the UK.

Need for Regeneration

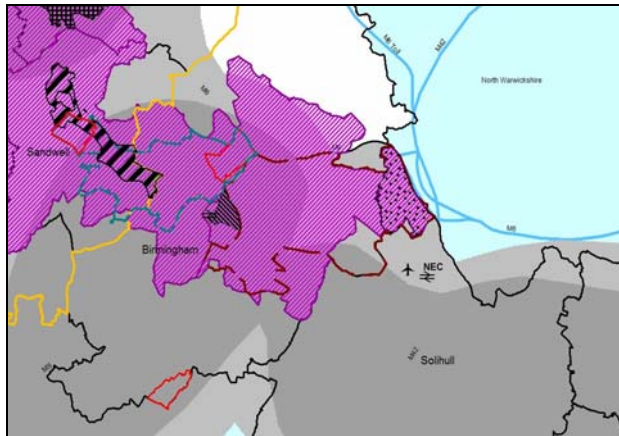
As your proposal was focussed on a regional casino, will you please confirm your assessment of the beneficial impact on regeneration of a large casino in your area?





A large casino and entertainment complex at the NEC will play a key role in delivering sustainable regeneration by: -

- Creating and safeguarding jobs: at the casino itself; at the NEC; in tourism and leisure; in the supply chain and in construction;
- Generating new opportunities for local businesses and increasing the attractiveness of the area as a location for business investment;
- Sustaining and growing the NEC as a successful driver of regeneration and economic development in the region;
- Generating resources to support local employability and community initiatives; and
- Contributing to the wider programme of regeneration and urban renaissance across East Birmingham and North Solihull, being taken forward through a number of initiatives.

East Birmingham North Solihull Regeneration Zone (RZ). 49.2% of the RZ's population live in neighbourhoods amongst the 10% most deprived (IOD 2004), with 74% in the 20% most deprived (Respondents to WM Regional Lifestyle Survey Report 2005, East Birmingham North Solihull Regeneration Zone Annex). The Zone Board, made up of private, public and third sector representatives, has identified the reduction of worklessness as the most important outcome, with a major focus on connecting people to social and economic opportunities, particularly from major capital developments in and close to the Zone.

North Solihull Regeneration. This 15 year, £1.8bn scheme will deliver holistic physical, social and economic regeneration across an area including some of the most deprived communities in England - jobs are a vital component of this.



	Regeneration Zone
	New Deal for Communities
	Eastern Corridor
	Eastside
	North Solihull Regeneration

Enterprising Communities. Supporting some of the most deprived wards in East Birmingham – whose residents would benefit directly from employment opportunities in Solihull – this 2005/08 programme is focused on increasing wealth and improving skills and employment opportunities

Eastside. A £6 billion regeneration project in Birmingham City Centre, the new Bullring development is a high profile element of this major scheme.

Eastern Corridor (East Birmingham/North Solihull) Housing Market Restructuring and Growth. Interventions are being developed to meet the needs of current residents, retain economically mobile residents and attract higher income households. This will include addressing deprivation, low incomes and low skills and educational attainment.

As well as creating jobs, the casino/entertainment complex would not only draw on a very large existing visitor base, particularly business visitors, but would attract new visitors, generating additional income for the area's economy. Because of its accessible location and track record in attracting national and international visitors, the NEC (the UK's largest exhibition and conference centre) is uniquely well placed to attract these new visitors, particularly those from out of the region – maximising the economic impact for the West Midlands and the country as a whole.

A large casino at the NEC would also have a unique additional regeneration impact, due to Birmingham City Council's ownership of the NEC Group. It would generate additional revenue for Birmingham City Council to invest in regeneration programmes and activity, providing a further boost for Birmingham's deprived communities and for residents of the RZ.

Given the lower deprivation and employment/unemployment rankings in comparison with other competitors, why do you believe that regeneration is so important to your area?

Contrary to some widely held perceptions, there are areas of very significant deprivation in Solihull, with major concentrations of worklessness and economic inactivity. This pattern is repeated across East Birmingham and North Solihull and it is relevant to look at the diverse sub-region when assessing the need for regeneration and the impact of the casino, reflecting this shared regeneration agenda as well as Birmingham's ownership of the NEC Group.

The need for regeneration in Birmingham and Solihull remains acute, with high levels of deprivation and worklessness. Unemployment in Birmingham and Solihull rose from August 2005 to August 2006, with a claimant rate of 9.1% in Birmingham in August 2006 (unadjusted total) for example – the highest rate in any of the English core cities (other than Liverpool). Rates are particularly high in the most deprived wards of East Birmingham – 21.3% in Sparkbrook, 22.1% in Nechells and 24.2% in Washwood Heath for example¹.

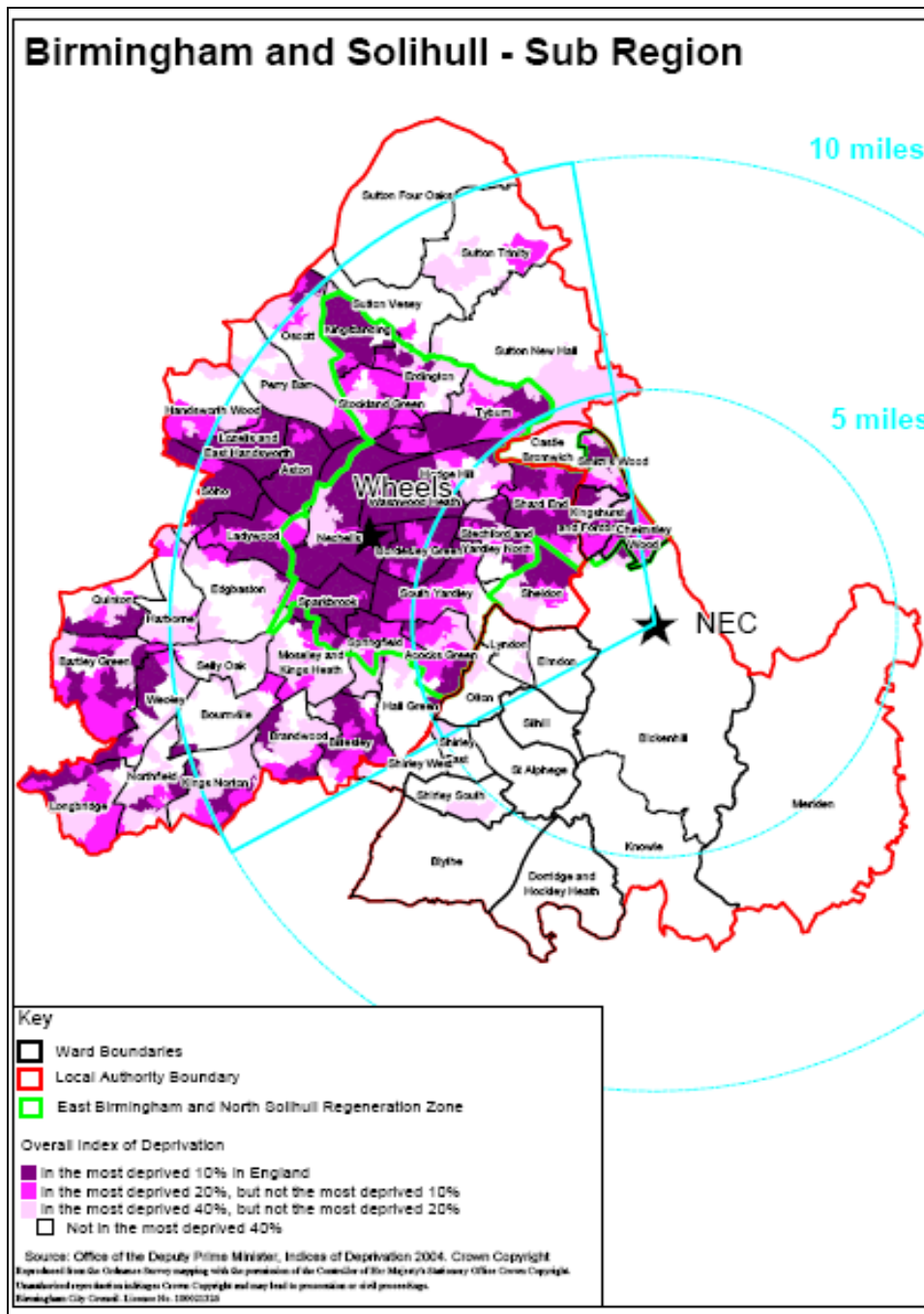
10 wards in Birmingham have worklessness rates of over 20% (Working Age Population in receipt of Workless Benefits, 2001 Census, DWP and NOMIS) and 27 wards in Birmingham and Solihull have rates of over 15%.

As highlighted in our original proposal, 253 neighbourhoods in Birmingham and Solihull are amongst the 10% most deprived and as stated above, 49.2% of the population of the RZ live in neighbourhoods amongst the 10% most deprived, with 74% in the 20% most deprived.

Birmingham is the 15th most deprived local authority district in England (by Rank of Average Score), with 38% of its neighbourhoods amongst the 10% most deprived (2004 Index of Multiple Deprivation – 243 SOAs in First Decile). It is the most deprived local authority for employment and income.

The map below illustrates the extent of deprivation within the communities falling within the primary labour catchment area for the casino – up to 10 miles from the NEC site.

¹ Unemployment Briefing September 2006, Birmingham Economic Information Centre, unadjusted rates



Why are you so sure that developing a casino is the best way of achieving regeneration?

The casino will be an essential element in achieving regeneration as it offers a wide range of accessible employment, entry level jobs and opportunities for progression; it will also secure a unique regeneration benefit due to the public ownership of the NEC and because it is uniquely able to support and drive the further growth of a critical sector in the sub-regional and regional economy.

The tourism and leisure sector is increasingly vital to the West Midlands and to UK plc as a whole. The NEC has played a critical role in its growth, creating a new and distinct niche economy, and attracting some 4.5m visitors in 2005/06. There were c.19.8m visitors to Birmingham in 2004 (2004 Tourism Economic Impact Assessment

for Birmingham), spending £1.09bn and supporting an estimated 30,600 jobs. There is clear demand for additional leisure and entertainment facilities in the area to serve these visitor markets and to ensure that visitor numbers are sustained and increased, continuing to drive competitiveness and growth in tourism and leisure.

Created and developed with massive public sector investment to drive regeneration in the West Midlands, the NEC has been a major building block in regional economic diversification and development - of vital importance at a time of major economic restructuring. The NEC Group now supports some 22,000 jobs and generates an estimated £1.3bn p.a. for the regional economy and has, as intended, played a key role in the regeneration and diversification of the West Midlands economy, driving the growth of the tourism and leisure sector in the conurbation. A major national as well as regional asset, it also plays a vital role as an international gateway and meeting point for the West Midlands – the urban area in particular. It hosts international events and attracts national and international visitors, giving Birmingham, Solihull and the West Midlands a global profile it would otherwise lack, and overturns negative perceptions of the region, positioning it as a modern destination and an attractive location in which to live, work, visit and invest. As such it enables the West Midlands to make a much greater contribution to national competitiveness and growth.

The NEC faces increasingly aggressive competition in a global market, with major challenges from established locations such as Dubai and new exhibition centre developments in city locations such as Milan. It must diversify and enhance the quality of its offer, providing a more comprehensive visitor experience, to remain competitive and maintain and grow its current economic impact. The development of a casino will assist the NEC in remaining competitive by forming part of a broader programme of investment to create a genuine “Destination NEC” offering “work, rest and play” to its visitors, enhancing its ability to secure major national and international conferences and exhibitions.

Delivering “Destination NEC” will drive the further growth and success of the region's tourism and visitor economy, helping the further diversification of the regional economy. It will also play a vital part in enhancing Birmingham and the City Region's visitor offer, providing a range of facilities to support the international conference market centred on the International Convention Centre in Birmingham; it will cater to the growing night time economy and will support the move into the valuable weekend city break market, which is increasingly being exploited. This will complement the business visitor market, which tends to operate Monday-Thursday, ensuring sustainable growth, and is a priority for the tourism and leisure sector. “Destination NEC” will also be a major element of the regional package enabling the West Midlands to benefit from London 2012, attracting both tourists and athletes

The casino will help to deliver “Destination NEC”, supporting competitiveness and growth. If we fail to deliver “Destination NEC” effectively, we run the risk that the NEC become uncompetitive, potentially jeopardising thousands of jobs and the millions of pounds spent in the West Midlands. A “worst-case” scenario – highly damaging to the region and to UK plc - this must be taken into account alongside the potential for jobs and growth.

On p.5 and p.10 of your proposal, you give your estimates of the job creation of a regional casino. Please give your estimates for a large casino, and indicate the source of assumptions made.

We estimate that if a large casino and entertainment complex were to be 30%² of the size of the regional casino development proposal produced by the NEC and MGM MIRAGE, it would create around 900 jobs in total (including construction, indirect and induced employment as well as direct operational employment). This estimate is based on a gaming area of 2,950 m², accounting for some 38% of the total area of the development (based on the proportions of the NEC/MGM MIRAGE proposal for a regional casino). This model differs significantly from the Star City development, where 64% of the total area is for gaming. If employment densities for Star City are applied to a development with the same gaming and non-gaming areas and proportions as the model we have used, it results in an almost identical total employment estimate of about 900 in total (again including construction, indirect and induced employment as well as direct operational employment). If the ratio of gaming to non-gaming space were to differ (depending on the particular scheme brought forward) this would impact on job numbers, as employment densities are higher in non-gaming space. For example a development 30% of the size of that proposed by NEC/MGM MIRAGE, but with a ratio of gaming to non-gaming space closer to Star City, would have a total employment impact of around 600-650.

You already have nine casinos nearby. What makes you feel that a tenth, larger casino would actually have incremental positive impact?

As stated in our original submission, there are no casinos in Solihull itself, and limited leisure facilities despite the large number of business visitors (4.5m visitors to the NEC in 2005/06) who come to the area each year. A large casino, as part of a broader programme to create "Destination NEC" would cater to this business visitor market, and attract new visitors, particularly given the NEC's central location and outstanding connectivity. The casino would therefore have a very distinct offer reaching new and under-developed markets, complementing existing leisure and entertainment provision and securing a positive regeneration impact.

Willingness to Licence

Is your fallback proposal for a large casino fully supported by both Solihull Council and its partnership with Birmingham City Council, as was the case for your regional casino proposal?

Solihull MBC's Cabinet and Full Council both supported the fall back proposal. At its meeting on 20th February 2006, Cabinet resolved "That Council be recommended to approve the development and submission of a proposal to the Casino Advisory Panel for a Regional or large Casino to be located in Solihull" as this resolution was similarly passed by Council at its meeting on 6th March 2006.

Birmingham City Council has also confirmed its full support for the fallback proposal

Probability of Implementation

Is there any further market research available in support of your proposal? If so please provide a summary.

No additional market research has been undertaken.

Is there any evidence from your earlier operator competition on the NEC site for a regional casino, that there would be similar interest for a large casino?

² As a large casino has a minimum gaming area 30% of the size of the regional casino gaming area

The operator competition on the NEC site provides clear evidence of the extent of interest in Solihull. In addition, a number of major international operators have approached the Council following publication of the provisional shortlist to express their interest in a large casino in the Borough and we are very confident that there would be strong competition for a large casino licence. Combined with the Council's stated support, this translates into a very high probability of implementation.

Regional and Local Context

Is there anything more in draft RSS that would support or otherwise affect your proposal?

The development of a Large Casino at NEC would not only accord with but directly implement the policies of an up to date development plan (Solihull UDP 2006 – Policy E5) and Regional Spatial Strategy (2004) Policy PA10 – Tourism & Culture.

While the remit of the Panel is to consider local authority areas rather than specific sites, you choose in your proposal to advance a proposal for a casino in the NEC" as a particular merit of the proposal. What is your response to the policy preference in PPS6 for casinos to be located in town centres?

PPS 6 does not exclude out of town development but sets a series of policy tests that must be met, including whether the scale of the proposed development could relate to and fit well within an existing centre (paragraph 2.41). Applying these tests may exclude in town development of a Large Casino within the centres of the Borough but no exhaustive study of potential options has been carried out and certainly no conclusions reached. This would be a matter for the competition that SMBC would run if it were successful in its bid.

Community Benefits

In this context what benefits are likely to accrue in the case of a large casino? Please give examples of instances where your Council has successfully secured benefits as part of the planning or a licensing process.

Whilst the benefits from a large casino will be less than from a regional casino, they will still be significant.

The casino development would secure and create employment and business opportunities and help to safeguard and grow the regions tourism and leisure sector.

Section 106 contributions would support activity as outlined in the original proposal, including employment support and additional resources for debt counselling. An extensive local employment and training scheme would be put in place to enable local people to access jobs, which could include outreach activity and the provision of specific recruitment and training facilities. As set out in our original submission, partners have an enviable track record of delivering major employability initiatives that link local people to local jobs: we would work with the chosen developer and operator to develop this model for the casino.

The provision of suitable, high quality childcare for employees is also essential to enable local people to have the fullest opportunities to access jobs, and Solihull would require an operator to address this need.

Solihull has a track record of success in implementing innovative approaches to secure local benefits from developments. As part of the development of the Touchwood retail and leisure complex in Solihull, Solihull Council worked with the

developer, Jobcentre Plus, the Learning & Skills Council and Solihull College to set up customised recruitment and training programmes (for both construction and retail and leisure jobs), with a dedicated facility being opened in Solihull town centre and outreach activity being undertaken, particularly focussed on deprived communities in East Birmingham and North Solihull. In addition, a permanent job shop, training and community facility has been set up in Touchwood, which serves the whole of Solihull town centre.

Funding is regularly secured from s106 agreements to support improving transport access and Solihull has also used planning gain agreements to secure resources to contribute to wider economic regeneration activity – supporting business investment, business liaison and promoting corporate social responsibility.

Unique characteristics

What could you do that would make Solihull be more uniquely positioned vis-à-vis other towns wanting a casino?

Our proposal has several unique characteristics that, together, clearly set it apart from other short-listed proposals:

- A strong partnership between local authorities,
- A publicly owned venue (NEC) which is also a major regional and national asset,
- A central location;
- Outstanding regional, national and international connectivity (including an international airport directly adjacent to the NEC);
- A site that is easily accessible to residents of the East Birmingham North Solihull Regeneration Zone seeking employment opportunities; and
- A self-contained site that would enable the risk a negative social impact to be minimised): no other location can match this offer.