Southampton City Council

Response to Further Questions - September 2006

1. Type of Area

Given that your proposal was based mainly on the opportunities and implementation for a regional casino, in what way would a large casino now be supportive of your plans?

Response

We consider that a large casino would have a similar value per square metre within a mixed use development as an office development with a pre-let to a blue chip occupier. Historically, new office development in Southampton has been limited and so a large casino would provide an alternative type of development appropriate for a city centre to bring forward the city centre potential development sites shown in the plan on page 9 of the submission. We believe this was also evidenced in the revised Deloitte Report submitted to the CAP on 28th June 2006.

2 Social Impact

What further work has been done since the original submission to examine the social impact of a large casino and to develop policies and procedures? Please describe any existing or proposed policies?

Response

Currently no detailed work has been commissioned. However, we are very conscious of the need to do so at the appropriate time. The Southampton Partnership was fully consulted on the original application in March 2006 and resolved that it wished detailed studies to be undertaken into the potential social and health impact of any casino once the position on Southampton's bid was clearer. It is the Council's full intention to involve the expert professionals who sit on the Partnership as an integral part of the development of any appropriate policies and processes to be adopted by the Council should it be successful in its bid for a large casino.

3. Need for Regeneration

On p.10 of your proposal, you quote the Deloitte Report in asserting a "direct economic impact" from a regional casino of 1260 jobs. What is the comparable estimate for a large casino, and what is its research basis?

(It should be noted that first hand information available to the Panel is as follows:

Hohensyburg, Dortmund, Germany

Employed in gambling	350, of which 235 are in skilled jobs (gaming/technicians)
Employed in the restaurant, etc	150
Total	500

Hohensyburg is said to be the third largest casino in Europe. It has a gaming area of 6729m^2, 45 games tables and 320 slots, all with no limit.

Star City Birmingham (revised)

Employed in gambling	125
Employed in catering, etc	62

Total(full time)   187, +14 not full time

Star City is said to be the largest casino in the UK licensed under the Gaming Act 1968. It has a licensed area of 3156m2, of which 2039m2 is available for gaming, 25 tables76 automated roulette positions, 70 "s.21" machines and 20 "s.31" machines).

Response

The Council submitted a revised Deloitte Report to the CAP on 28th June 2006. It addresses all the comparable estimates for a large casino. In paragraph 3.1 it quotes the number of jobs as 350 FTE. All the figures in paragraph 3.1 were either derived from DT's own research in the casino industry or provided by two significant casino operators interested in Southampton's proposals. They would appear to be consistent with the examples quoted in the question

4. Willingness to Licence

Has your proposal received the endorsement of Full Council?

Response

The matter has not been subject to a formal report to full Council as it was not considered necessary to do so. A conscious decision was made prior to submission of the original bid that as this fell to be a function of Cabinet that approval would be sought from that body. All three political parties and their group leaders were fully consulted on the proposal beforehand and due to the positive regeneration benefits that a new casino would bring to the city and region all parties supported the bid.

5. Probability of Implementation

What other aspects of the Royal Pier waterfront area would be accelerated by the development of a large casino? What is the timing for this development, the challenges and obstacles? When would a casino be developed?

Response

The area of waterfront made up of Town Quay, Royal Pier and Mayflower Park is an existing visitor attraction that is in clear need of enhancement and up grading. Royal Pier opened in the 1830's to serve the Isle of Wight ferries, a rail link ran onto the pier, and as a leisure facility for the city. The changing needs of the ferries resulted in the movement to their current site nearer to Town Quay but Royal Pier continued as a leisure facility with a very active ballroom in the 1960's and 1970's until it burnt down in the 1980's. Later the Pier was hit by shipping and closed for safety reasons.

Successive concepts for the development of the area have foundered by being either too small to be able to produce the necessary development returns to cover the facilities for the ferry or too large with substantial numbers of residential units that would have hampered the 24 hour operation of the port. The primary challenge and obstacle for the development of this area has been finding the right mix of development that could fund all the required elements

As a blue chip pre-let, a large casino could provide development funding into a mixed use scheme that would include an extension to Mayflower Park to provide a single permanent home for the Southampton International Boat Show. A further response about the Boat Show is provided in 6 below.

The Royal Pier/Mayflower Park development project programme is currently as follows:

Work Packages	Commence Work Package	Complete Work Package	Time
1) Lead period within which funding and strategy need to be resolved, including casino licence option.	January 2006	December 2008	36 months
2) Prepare Planning Application, Environmental Impact Assessment	January 2009	December 2009	12 months
3) Allow time for Call In Harbour Revision Order and Transport and Works Act	January 2010	December 2011	24 months
4) OJEU Advertisement and Construction Tender Procurement process	January 2012	December 2012	12 months
5) Reclamation works and hard landscaping	January 2013	January 2014	12 months
6) Soft landscaping establishment	January 2014	August 2014	8 months
7) September 2014 Boat Show			Sept 2014

This timetable was devised earlier this year to primarily determine how long the lead period was in order to finish in time for the 2014 Boat Show. An earlier resolution of 1) would allow an earlier start on 2).

6. Regional and Local Context

Have you had specific support for your proposal from the Regional Assembly South East?

Response

We understand that the Regional Assembly is declining to give specific support to any location within its region, relying instead on the application of the appropriate policies within the draft South East Plan. Within the Sub Regional Policy Framework, the South East Plan (Policy SH1) clearly states that Portsmouth and Southampton will be the dual focuses for investment and development as entertainment centres, amongst other uses.

What is the current status of the part of the South East Plan that includes policy TSR4? If it is still in draft, what, if anything, does RPG9 have to say about your proposal?

Response

The draft South East Plan was submitted to Government on 31st March 2006.

Policy TSR4: Tourism Attractions

"Priority should be given to improving the quality of all existing attractions to meet changing consumer demands and high environmental standards in terms of design and access.
i Local authorities and partners should:
• Encourage the enhancement and upgrade of existing visitor attractions
• Include policies in development plan documents for determining applications for all new and changes to existing visitor attractions that are likely to have a significant impact locally. In developing such policies, local authorities should incorporate the following criteria:

a Do they help reinforce the distinctiveness of a locality?
b Are they accessible by public transport?
c Do they provide wet weather facilities and help extend the season?
d Will they facilitate regeneration?
e Are they complementary to existing attractions (or will they displace existing activity)?
ii New regionally significant tourism attractions should only be developed where they will expand the overall tourism market and can be easily accessed by public transport. A sequential approach to site identification should be adopted for all new regionally significant attractions (those generating more than 250,000 visitors per annum) unless there are overriding requirements related to that site or sectoral reasons linked to cluster development. A suitable location should be sought:
• Within the sub-regions of Kent
Thames Gateway, East Kent and
Ashford, South Coast, South Hampshire and Isle of Wight Special Policy Area in the coastal belt or the Milton Keynes Aylesbury Vale Growth Area
• Only where it can be demonstrated that no suitable sites are available in the above areas should other locations be considered".

Also relevant is:

Policy TSR7 Priority Areas for Tourism

"Within the framework set by the overall vision and objectives of the Regional Spatial
Strategy, Local Development Frameworks, tourism/cultural strategies and transport plans should seek to emphasise and implement the following sub-regional priorities for tourism:
i The coastal belt and the Isle of Wight
– Seeking complementary approaches to the development and management of tourism so as to upgrade facilities, promote diversity, reduce seasonality and improve access, whilst retaining and enhancing the natural character of the area. This includes making use of the attraction of Canterbury and Brighton to encourage longer stays through linked trips to surrounding areas
ii Windsor and surrounds – Cross border working to manage the pressures associated with existing high levels of business and leisure tourism activity, through improved visitor management, enhanced public transport access, including coach travel to larger attractions, and strategic planning of visitor accommodation
iii Oxford – Joint working with neighbouring authorities to encourage longer stays and to provide improved visitor management
iv River Thames – Joint working to achieve the potential for informal recreation and sporting uses, improved management and access
v Thames Gateway – Realising the potential for growth in business, sporting, environmental and attraction based tourism as part of the wider regeneration strategy for the Gateway, adding value to the existing tourism market
vi Milton Keynes/Aylesbury Vale and Ashford
– Joint working to make appropriate provision for tourism, sport and recreation within the context of their identification as regional Growth Areas for the delivery of sustainable communities.
Local authorities, the Regional Assembly and
Tourism South East should pursue an interregional approach to the co-ordination and management in the following tourism areas:
• The Thames Gateway (London and
South Essex)
• Oxford (Cotswolds)

- New Forest (Dorset/Wiltshire)
- Windsor and surrounds (London)
- Chilterns AONB (East of England)
- Milton Keynes/Aylesbury (South Midlands)”.

There are also two relevant policies in the most recent RPG9.

Policy TSR4: Tourism Attractions

“Priority should be given to improving the quality of all existing attractions to meet changing consumer demands and high environmental standards in terms of design and access.

i Local authorities and partners should:

1 Encourage the enhancement and upgrade of existing visitor attractions.

2 Include policies in development plan documents for determining applications for all new and changes to existing visitor attractions that are likely to have a significant impact locally. In developing such policies local authorities should incorporate the following criteria:

- Do they help reinforce the distinctiveness of a locality?
- Are they accessible by public transport?
- Do they provide wet weather facilities and help extend the season?
- Will they facilitate regeneration?
- Are they complementary to existing attractions (or will they displace existing activity)?

ii New, regionally significant tourism attractions should only be developed where they will expand the overall tourism market and can be easily accessed by public transport. A sequential approach to site identification should be adopted for all new regionally significant attractions (those generating more than 250,000 visitors per annum) unless there are overriding requirements related to that site or sectoral reasons linked to cluster development. A suitable location should be sought:

1 First, within one of the PAERs or in the Thames Gateway, Milton Keynes or Ashford Growth Areas.

2 Second, in areas where it will significantly contribute to the urban renaissance of a coastal resort.

3 Only where it can be demonstrated that no suitable sites are available in the above areas should other locations be considered”.

Policy TSR7: Priority Areas for Tourism

“Within the framework set by the overall vision and objectives of the Regional Spatial Strategy for Tourism, Local Development Frameworks, tourism/cultural strategies and transport plans should seek to emphasise and implement the following sub-regional priorities:

i The Coastal Strip and the Isle of Wight – Seeking complementary approaches to the development and management of tourism so as to upgrade facilities, promote diversity, and reduce seasonality and improve access, whilst retaining and enhancing the natural character of the area. This includes making use of the attraction of Canterbury and Brighton to encourage longer stays through linked trips to surrounding areas.

ii Windsor and Surrounds – Cross border working to manage the pressures associated with existing high levels of business and leisure tourism activity, through improved visitor management, enhanced public transport access, including the coach travel to larger attractions, and strategic planning of visitor accommodation.

iii Oxford– Joint working with neighbouring authorities to encourage longer stays and to provide improved visitor management.
iv River Thames – Joint working to achieve the potential for informal recreation and sporting uses, improved management and access.
v Thames Gateway – Realising the potential for growth in business, sporting, environmental and attraction based tourism as part of the wider regeneration strategy for the Gateway, adding value to the existing tourism market.
vi Milton Keynes/Aylesbury and Ashford – Joint working to make appropriate provision for tourism, sport and recreation within the context of their identification as regional growth areas for the delivery of sustainable communities.
Local authorities, the Regional Assembly and Tourism South East should pursue an inter-regional approach to the co-ordination and management in the following tourism areas:
• The Thames Gateway (London and South Essex)
• Oxford (Cotswolds)
• New Forest (Dorset/Wiltshire)
• Windsor and Surrounds (London)
• Chilterns AONB (East of England)
• Milton Keynes/Aylesbury (South Midlands)"

Both RPG9 Policies TSR4 and TSR7 are worded almost identically to the policy of the same name in the draft SE Plan. The principal difference is to the way in which the sub-regions are identified now that the plan contains a Sub Regional Policy Framework and the way the South Coast is described. The Plan shows that Southampton is within the Coastal Belt.

Why do you consider that your proposal would "expand the overall tourism market" (TSR4) as opposed to bringing tourists to Southampton from other parts of the country?

Response

At present the most frequent tourism visit to the city is a 1 to 2 night break, including international cruise liner stopovers. It is considered by the Council's Tourism Manager that extending the range of leisure opportunities within the city by building a large casino and related leisure development would expand this market to 3 to 4 night short breaks.

You tell us that "SEEDA strongly supports the council's submission and considers it to be the best in its region". Do you have this in writing?

Response

The support we have received from SEEDA is oral, expressed at a meeting of the Southampton Partnership on 2nd March 2006 when the Council's submission was debated fully. We understand that they wrote to SEERA supporting Southampton's bid and will also be writing direct to the CAP.

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 four sites as a particular merit of the proposal. Two of these appear to be in the town centre, as recently extended by the West Quay development, and two are outside. To what extent would the location of a casino at West Quay facilitate

ambient gambling, about which we note your concern (p.6)? In respect of the other two, what is your response to the policy preference in PPS6 for casinos to be located in town centres?

Response

The city centre is the economic heart of the Southampton region. It offers a wide range of jobs, shops, leisure and cultural facilities, and housing. It is as defined in the Local Plan Review adopted in March 2006 and is considered to fall within the definition of "City" in Annex A to PPG6.

All the sites in the bid document fall within the defined city centre and are accordingly considered to comply with the locational policy preferences of PPG6. The three existing 1968 Act casinos also fall within the defined city centre.

Within the city centre there is a defined primary shopping area. This is the starting area for the sequential test for retail development in the city centre. Not only are all the identified sites within the defined city centre, they are also within 300 metres of the primary shopping area.

The attached plan shows both the city centre and the primary shopping area. We trust this is of assistance.

Even if located within the primary shopping area a large casino would still provide a controlled environment for gaming and a destination to which the cliental would make a conscious decision to visit.

How would a large casino affect the plans for a permanent home for the Boat Show? Will the latter happen anyway? What has prevented a permanent home for the Boat Show hitherto? What has changed?

Response

The Boat Show started in Mayflower Park but soon required more space, which the Council was able to make available. Due to its success the Boat Show now occupies several linked sites with bridges over intervening roads. A plan showing the current sites is attached. Many of these sites are valuable development sites within the city centre and as such have only been made available to the Boat Show for a succession of temporary periods. A single waterfront site achieved through the extension of Mayflower Park would provide a single and permanently available site every year for the duration of the Boat Show.

The extension to Mayflower Park is part of the Royal Pier development about which information is provided in 5 above.

The extension to Mayflower Park on its own would cost in the region of £17M. These costs can only be covered through a development of adjoining land at Royal Pier. As a blue chip pre-let, a large casino could provide development funding into a mixed use scheme that would include an extension to Mayflower Park.

7 Community Benefits

8 Unique characteristics