

**CASINO ADVISORY PANEL  
Formal Proposal Cover Sheet**

**Please fill in all categories below:**

**Name of Local Authority:**

Greenwich Council

**Main Contact:**

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**Name and title of Submitting Officer:**

Name: Frances Dolan

Title: Director of Strategic Planning

**Statement of basis of application:**

What exactly are you proposing? Please make clear which type of casino you **primarily** wish to be considered for.

Regional Yes

Large 0

Small 0

If this proposal is unsuccessful what if any is your fall back/ second proposal?

Large 0

Small 0

## Introduction – The Case for Greenwich

This submission sets out the case for locating the UK’s first regional casino in the London Borough of Greenwich, at the heart of the Thames Gateway and strategically placed within Europe’s largest and most ambitious regeneration programme. The scale and pace of change here is unprecedented. By 2016 an additional 120,000 homes will be built, an increase in population equivalent to a city the size of Leeds. In Greenwich alone 23,000 new dwellings will meet 8% of the government’s target for new homes in the London Thames Gateway. Providing employment opportunities for the existing and new communities is imperative, especially in Greenwich and the neighbouring Boroughs of Tower Hamlets, Newham, Hackney and Waltham Forest, which have the worst employment rates in the UK. In recognition of the scale of need, these five Olympic host Boroughs are set to become one of the Government’s new City Strategy Pilots.

The regional casino will be within The O<sub>2</sub> (formerly the Millennium Dome). The O<sub>2</sub> is being transformed into an integrated leisure and entertainment complex, which alongside the casino will include a 23,000 seater arena, exhibition space and a world-class hotel. The O<sub>2</sub> is the centrepiece of the Greenwich Peninsula development, one of the largest regeneration projects in the UK. When completed it will be a major new tourist destination and a thriving new residential and commercial quarter for London.

The development of The O<sub>2</sub> is underway. However the full scheme is dependent on the inclusion of the casino as an integral and complementary leisure activity, increasing footfall and cross-funding other elements of the scheme including the hotel, exhibitions and theatre space. The full scheme, with the regional casino, creates a high quality cluster of leisure and entertainment attractions that will draw London’s tourism eastwards and create a sustainable tourism legacy from the 2012 Olympic and Paralympic Games. The 6,000 jobs created will contribute a critical mass of economic and employment benefits of a scale needed to help address historic deprivation, unemployment, and health inequality in London’s east end and waterfront communities.

The O<sub>2</sub> development is of vital strategic importance for revitalising the economy of Greenwich, the Thames Gateway and London; a high priority for the Government and London’s Mayor. For this reason the Mayor supports Greenwich as location for the regional casino. We believe Greenwich offers a strategically significant and dynamic location for a regional casino, and because of this a unique testing bed for social impact. We are ready to deliver quickly and have mechanisms, partners and systems in place to deliver an exemplary and innovative regional casino scheme.

### I. Type of Area

**Key message: Greenwich is the ideal place to pilot a regional casino in the context of local, sub-regional and regional diversity**

The regional casino will be located on the Greenwich Peninsula, within the London Borough of Greenwich. This geographic location displays the characteristics of diversity in terms of population and tourism. It is also a priority area for regeneration.

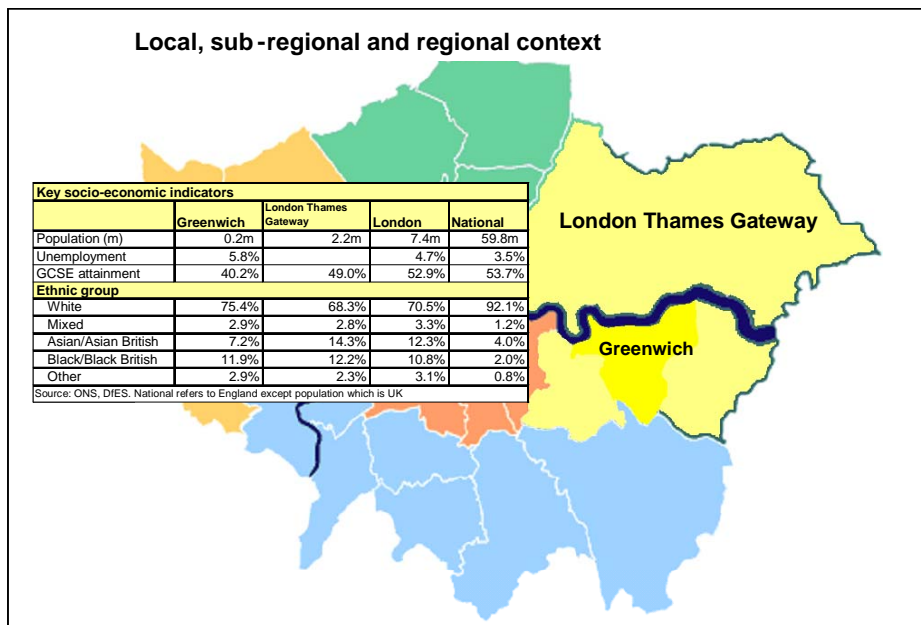
The relevant geographical areas considered are the local – the Greenwich local authority area; the sub-regional – Thames Gateway area; and the regional - London capital city and world city.

## 1.1 Population base

Greenwich has a population of 226,000, accounting for 3% of the population of Greater London.

In socio-economic terms, Greenwich shows:

- Pockets of prosperity but high levels of deprivation, ranking 41 of 354 local authorities in England.
- Above average levels of unemployment
- A diverse population, with a quarter of the resident population in non-white groups.
- Greenwich has a low higher-level GCSE attainment rate compared with national and regional averages



Looking forward, the population of Greenwich and the Thames Gateway region are forecast to grow as the focus of the capital moves east. The population of Greenwich is expected to grow by 19% over the next decade, compared with a forecast of 7% growth for London.<sup>1</sup>

## 1.2 Tourism

Tourism is vital to the London and Greenwich economy. As a major world city, London is the hub of UK tourism attracting 150m day visitors and 26m overnight visitors.<sup>2</sup> Tourism is worth £8.8 bn. to the economy, 12% of its GDP, and tourism employment accounts for 13% of the total number of jobs in London. Tourism has benefited from substantially improved transport infrastructure in and around the region, with the Jubilee Line Extension and the Docklands Light Railway dramatically improving access to the area. Greenwich is an important component of London's tourism offer and achieves a considerable share of day visitors. However overnight stays at only 8% are low compared with the 15% achieved for London as a whole. Tourism related expenditure in Greenwich is estimated to be worth £327m to the local economy per annum and supports up to 6000 jobs locally.

<sup>1</sup> LDA, growth between 2001 and 2011

<sup>2</sup> Source: VisitLondon, 2003 data

**The Mayor's Plan for Tourism in London 2002**, sets out two key objectives which relate to Greenwich:

- Dispersing tourism and its associated benefits outside the central zone, drawing tourism eastwards to drive the regeneration of the Thames Gateway economy
- Developing priority areas, of which Greenwich is one

**The Greenwich Tourism Strategy** for 2004 –2010 sets out Greenwich's vision "to gain and maintain a world reputation for Greenwich as a quality destination for visitors."<sup>3</sup> The vision for Greenwich Peninsula is to be "home to a world class arena, part of the Olympics offer attracting new visitor markets and fully integrated into the borough's visitor offer."

Central to achieving this vision is a focus on:

- **Increasing the number of overnight visitors** to the Borough through increased hotel provision, thereby increasing spend and impact for the local economy. Greenwich has around 1,000 hotel rooms, 2% of the London total. Recent hotel developments include the 162 room Holiday Inn hotel near The O<sub>2</sub>, the Novotel and the Devonport Conference Centre both in Greenwich town centre. A 350 room luxury hotel designed by Richard Rogers is planned for The O<sub>2</sub> scheme. The hotel will be an iconic building and be a significant addition to the architectural landscape of the river
- **Spreading the benefits of tourism** into the rest of the Borough and the wider sub-region, by diversifying the offer currently focussed on the Maritime Greenwich World Heritage Site which attracts 7m. visitors a year. Since the Millennium year there has been further investment in tourism in the borough. For instance the planned Cutty Sark redevelopment, and New Time and Space exhibition at the Royal Observatory in the World Heritage Site, and Firepower Museum and Heritage Centre in Woolwich. These will all benefit from increased tourism generated by The O<sub>2</sub> development.
- **Drawing in a wider visitor market** including business tourists from the adjacent Canary Wharf and conference tourists from Excel

The O<sub>2</sub> is a central component to realising this vision, offering the critical mass that will increase visitor numbers to the area and support the development of these other tourist destinations and ensure a sustainable legacy from the Olympic and Paralympic Games.

### **1.3 Principal needs of regeneration in the area**

The regeneration of East London and the Thames Gateway is a high priority for the Government and London's Mayor. The Thames Gateway is the largest growth area identified in the ODPM's Sustainable Communities Plan. By 2016 an additional 120,000 homes will be built in the Thames Gateway, an increase in population equivalent to a city the size of Leeds. The corresponding economic regeneration of Greenwich and the Thames Gateway is an equally high priority. This is essential to:

- address historic levels of poverty, economic inactivity and poor health among the highest in the UK
- replace the catastrophic loss of traditional and waterfront industries suffered throughout the last century

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<sup>3</sup> Tourism strategy for 2004-2010 "Greenwich: a place to visit",

- provide employment opportunities for new communities, preventing and reducing the potential overload of the commuter transport network
- ensure sustainable communities are created in the high growth areas of Greenwich, Newham and Tower Hamlets by creating jobs within areas of high intensity housing development.

The O<sub>2</sub> and regional casino will be located within one of the area's most prominent and strategically significant development sites. It will therefore be key to delivering this agenda. It delivers strategic regeneration objectives set out in the Borough's draft Regeneration Strategy:

- Reducing relative deprivation across communities/neighbourhoods
- Increasing the prosperity and diversity of local residents and businesses
- Securing a high quality, accessible, affordable, reliable and safe transport system
- Creating popular and sustainable neighbourhoods
- Retaining and improving the commercial viability of town centres
- Promoting and fostering quality development across the Borough

The scale of the development will be the driver for other major investment on the rest of the Peninsula, Greenwich and the wider Thames Gateway. This includes transport improvements, which will increase accessibility for both employees and visitors, especially from the south of Borough where existing links are poor.

From our experience, it is fundamental to ensure that local people and local businesses have access to the new jobs and new opportunities, if the overall objectives of reduced deprivation and increased prosperity are to be met. The Council is strongly committed to this, with the skills and experience to enable realisation.

#### **I.4 Characteristics of the area that make it a testing ground for social impact**

In summary the key characteristics of the area are:

- well-established and highly successful mechanisms in place to maximise the benefits of investment:
  - helping local people into employment and local businesses to benefit
  - Strong partnership and multi-agency working
- Significant public sector investment into regeneration, infrastructure, transport and tourism which is now ripe for cementing the investment made to date, and capturing private sector investment
- The unique location as part of London and the Thames Gateway and a priority area for development and population growth
- Diversity at borough and regional level, in terms of population and socio-economic profile

## 2. Social Impact

**Key message: We are aware of the potential impacts of this scheme and are committed to measuring and mitigating the risks, as well as maximising the benefits**

### 2.1 Potential social impact of a regional casino

The Council commissioned consultants PricewaterhouseCoopers (“PwC”) to evaluate the potential social impact of the regional casino. In addition, we conducted a survey to gauge local opinion on The O<sub>2</sub> development proposals. Potential positive impacts include:

- Jobs at the local and sub-regional level
- New leisure and cultural opportunities
- Tourism benefits and synergies with the World Heritage site

In terms of negative impacts, the PwC study found that problem gambling is the social risk with the highest potential impact and the highest level of uncertainty. The costs and social impacts of problem gambling can be substantial.

Kerzner, the proposed casino operator, demonstrated their proactive approach to this issue by:

- Contributing financially to the UK Responsibility in Gambling Trust (“RiGT”) and engagement with other national stakeholders
- Stating their commitment to comply with, and in areas going beyond, the mandatory UK social responsibility code to be developed through the Gambling Commission in 2006.
- Indicating their keenness to work within a local multi-agency approach to mitigate the risks of problem gambling in partnership with local and national stakeholders.
- Illustrating how they have addressed social responsibility issues in other countries
- Committing to an ongoing training programme in problem gambling issues for all staff

### 2.2 Measures to mitigate negative risks

We recognise that effective measures must be put in place to mitigate any negative impacts arising from the regional casino. These include:

- Recognising the significant risks
- Sharing the risk
- Developing a highly proactive multi-stakeholder approach
- Maximising the benefits

### 2.3 Addressing the concern that the effects of the proposals would have a negative impact on social cohesion and sustainability of communities

Stakeholder consultations and the review of international research suggest that the risk of problem gambling can be significantly reduced through highly pro-active public awareness campaigns focused on educating people. We would focus such public awareness campaigns on high risk groups.

### **2.3.1 Assessments of existing gambling in our area on problem gambling, social cohesion and sustainability of communities?**

The opinion survey commissioned by the Council showed that over three-quarters of respondents had participated in some form of gambling. For instance, 77% had played the lottery, 51% had used a slot machine, 36% had visited a bingo hall and 35% had visited a casino. Only 14% had no gambling experience. However, there is little direct evidence that gambling is a problem in this area. Altogether, 80% of people surveyed thought that gambling was acceptable. 87% of people thought that the proposed development would bring benefits in terms of jobs and employment, 73%, improved local leisure facilities and 77% thought it would be good for local businesses.

### **2.3.2 Procedures and policies in place or planned to counter any negative social impact and optimise any positive social cohesion**

The Council and its partners successfully managed the impacts from the Millennium Experience in 1999. The operator, the New Millennium Experience Company worked closely with the Council and other partners such as the police to identify potential negative impacts in advance of opening. Plans were put in place in terms of litter collection, refuse, recycling and traffic enforcement. They implemented agreed plans directly on site via contractors and paid the Council for off site costs such as litter collection via a £106 contribution.

Building on this experience, we will put in place a range of measures to mitigate the identified impacts and maximise the benefits, including:

- Developing cross-departmental working within the Council to implement the best approaches to manage impacts
- Developing an agreement with the operator of the casino to contribute to meeting agreed social responsibility outcomes arising from casino activities
- Ensuring that the operator has a transparent business model that demonstrates that the absolute minimum revenue is derived from problem gamblers
- Working with the operator to develop a social responsibility performance management system, to monitor such issues as problem gambling, their costs and awareness of risks in the community; incidence of crime or anti-social behaviour; job opportunities, qualifications obtained
- Creating a centre to provide support and counselling for dealing with the social impacts arising from the development, such as problem gambling, including internet gambling
- Developing and launching a local education/public awareness campaign; in particular initiatives aimed at high risk groups and at reducing the risks for children and vulnerable groups
- Vigorously implementing new gambling legislation to reduce ambient gambling opportunities available in chip shops, taxi offices and other high-street locations
- Developing joint marketing opportunities for The O<sub>2</sub> and other visitor attractions in Greenwich and the wider area to increase overall visitor numbers
- Building on existing mechanisms to ensure that local people and local enterprises maximise benefit from employment and procurement opportunities. Greenwich is firmly committed to ensuring this in all its new developments. The case study on GLLaB demonstrates Greenwich's achievements in this area and the mechanisms in place to achieve maximum skills benefits from a regional casino.

#### **CASE STUDY - GLLaB.**

Greenwich Local Labour and Business (GLLaB), was set up in 1996 by Greenwich Council to maximise opportunities for local people and businesses from major developments. GLLaB is managed by the Economic Development Unit of Greenwich Council and is a key mechanism for removing barriers to employment and linking people to new employment opportunities. GLLaB works in partnership with developers, employers in both public and private sector, Job Centre Plus, training providers and community sector organisations. Since it was set up it has helped over 3600 people into employment and trained a further 5000 in skills for work.

GLLaB was instrumental in securing tangible local benefit from the Dome and other Greenwich Peninsula developments - over 40% of the jobs on the Greenwich Peninsula went to Greenwich residents rising to nearly 50% of operational jobs at the Dome. It also helped local companies win over £30m of contracts providing further employment for local people. GLLaB have recently secured 30% of construction jobs at The O<sub>2</sub> for local people.

For the year ending March 31st 2005 GLLaB placed 1831 workless people into sustainable employment. 56% of these were from the most deprived areas of the Borough, and 53% were from disadvantaged groups.

It has a visible and accessible high street recruitment centre strategically placed in Woolwich and staffed outreach offices on major development sites such as Millennium Village, Greenwich Peninsula and Greenwich Reach.

### **2.3.3 Testing for changes in social impacts**

We will collect baseline data on problem gambling in advance of the casino opening, in line with national initiatives such as the National Prevalence Study being carried out in 2006-7. Existing systems will be used to monitor visitor profiles and trends, and local social and economic impacts. Using our experience and expertise as a Beacon Council, we will develop and share the good practice learned. The siting of the proposed regional casino, as a self-contained operation, will offer a good test of the impact of location on ambient versus non-ambient gambling.

### **2.3.4 Comparable initiatives in place to manage social impacts from other activities**

Evidence of our track record in managing social impacts includes the Operation Grape (see below) initiative implemented since the new licensing laws came into force in November 2005.

#### **CASE STUDY - OPERATION GRAPE**

OPERATION GRAPE. Patrols have been helping to keep the streets in Greenwich safer since the new licensing laws came into force last November. They have visited many of the 600-plus late night venues in the borough that sell hot food, provide entertainment or sell alcohol to make sure they are complying with the law.. Greenwich has seen a fall in reported rates of violent crime and street crime –e.g. a 25% fall in personal robbery rates, while these crimes for London as a whole went up. The initiative is now being recommended by the Government as an example for other boroughs to follow

PUBWATCH is a community based crime prevention scheme, organised by licensees to afford each other confidence, support and some form of protection. The scheme is a message-passing link between licensees and provides better communication with the police. It provides a forum for the discussion and solution of problems relating to violence on licensed premises. This means: extra patrols of pubs and clubs by Council staff and police funded by the Council; continued support for sharing information on criminal and anti-social behaviour; information for residents about the new rules and about the action they can take if they are concerned; an expanded website service, with regular updates to include lists of the premises that have applied for a licence, their hours of operation, and to make formal complaints. Police statistics have shown a significant decrease in violent offenders in pubs where Pubwatch is in operation.

### **2.3.5 Existing and planned job creation and training schemes**

**GLLaB** will continue its successful programmes for working with developers on key sites. It is currently developing a training and recruitment plan with AEG which offers a range of

core and customised training modules to meet the needs of the organisation as well as giving people a range of transferable skills for other, future, employment opportunities.

### 2.3.6 Relationships with relevant/voluntary and public organisations

We will develop a local partnership with an independent governance structure to ensure transparency. This will involve key stakeholders from public, private and community sectors and be financed through contributions from the casino operator. This will ensure a co-ordinated approach to dealing with the impacts which might arise from the development.

The Council will put such partnerships and other mechanisms in place following award of a regional casino licence, as part of discussions that will take place during the planning and licensing processes.

Greenwich has a strong track record in partnership working. It was one of the first local authorities to develop partnership working in the early 1990's with the establishment of the Greenwich Waterfront Partnership. Relevant partnerships include:

- **Greenwich Peninsula Partnership** – set up by the Government and the Council in 2001, it brings together developers, landowners and the public agencies with local communities and businesses. It also has a large consultative Forum, made up of over one hundred and fifty local organisations, which discusses new developments and proposals prior to formal planning consultation.
- **Safer Greenwich** - the statutory Crime Reduction Partnership for Greenwich works with key stakeholders delivering shared priorities targets for Crime, Drugs and Anti Social Behaviour reduction through the Safer and Stronger Communities strand of the Local Area Agreement with Government.

Other partnership structures include the Local Strategic Partnership and the Woolwich Regeneration Agency.

## 3. Need for Regeneration

**Key message: This scale of this development will enable Greenwich to achieve a step change in regeneration, building on existing achievements in terms of transport and infrastructure**

### 3.1 Supporting information

The economic impact of The O<sub>2</sub> development will be considerable, generating employment and economic outputs in both the construction and operational phases of the development both locally and sub-regionally.

- The proposed scheme with the casino would almost double the expected number of operational jobs generated, compared to what could be expected if the casino and hotel were not built.
- The number and quality of the new job opportunities for local people, as well as the opportunities for local businesses which this development offers, are crucial in tackling the high levels of worklessness in the Borough and the wider Thames Gateway.
- The tables below summarise the employment impacts at the local and sub-regional level which are dependent on the regional casino and hotel scheme going ahead

(the incremental casino scheme); and the whole (combined) O<sub>2</sub> scheme which also includes the Arena and Phase I of the Entertainment District.

### Permanent Employment Impacts (FTEs) at the Local Level (within Greenwich)

	Incremental casino scheme		Combined O <sub>2</sub> scheme	
	Total employment at local level	Jobs taken up locally	Total employment at local level	Jobs taken up locally
Construction	512	140	1,041	284
Operational	1,417	872	2,153	1,325
Tourism	417	257	417	257
<b>Total</b>	<b>2,346</b>	<b>1,268</b>	<b>3,611</b>	<b>1,866</b>

Source: PwC Estimates

These new local jobs will represent a significant contribution (around 10%) to the estimate of 25,000 new jobs to be created by 2010 in Greenwich as set in Greenwich Economic Development Strategy. The jobs created by The O<sub>2</sub> casino will fall into three of the eight industry sectors identified in the strategy as key growth sectors within the local economy: construction, tourism and leisure.

### Permanent Employment Impacts (FTEs) at the Sub-Regional Level (London Thames Gateway)

	Incremental casino scheme		Combined O <sub>2</sub> scheme	
	Total employment at sub-regional level	Jobs taken up sub-regionally	Total employment at sub-regional level	Jobs taken up sub-regionally
Construction	523	262	1,065	532
Operational	1,486	1,122	2,296	1,734
Tourism	459	347	459	347
<b>Total</b>	<b>2,468</b>	<b>1,731</b>	<b>3,820</b>	<b>2,613</b>

Source: PwC Estimates

The table below summarises the economic impact of the incremental casino scheme and the combined O<sub>2</sub> scheme at the London level. The increase in the number of jobs is mainly due to the increase of the additional tourism impact (e.g. tourists staying in hotel and with family and friends in London).

### Permanent Employment Impacts (FTEs) at the London Level

	Incremental casino scheme		Combined O <sub>2</sub> scheme	
	Total employment at regional level	Jobs taken up regionally	Total employment at regional level	Jobs taken up regionally
Construction	570	407	1,159	828
Operational	1,443	1,316	2,123	1,935
Tourism	1,341	1,222	1,341	1,222
<b>Total</b>	<b>3,354</b>	<b>2,945</b>	<b>4,623</b>	<b>3,985</b>

Source: PwC Estimates

These estimates are based on the current tourist market to Greenwich and the achievements in the borough during the Millennium Year. There is potential for tourist demand to be more significant, as explored later. The table below presents results of the upside tourism scenario based on additional tourists attracted to the scheme.

**Permanent Employment Impacts (FTEs) at the London Level (upside tourism scenario – same number of visitors extending their stay)**

	Incremental casino scheme		Combined O <sub>2</sub> scheme	
	Total employment at regional level	Jobs taken up regionally	Total employment at regional level	Jobs taken up regionally
Construction	570	407	1,159	828
Operational	1,443	1,316	2,123	1,935
Tourism	2,535	2,311	2,535	2,311
<b>Total</b>	<b>4,548</b>	<b>4,034</b>	<b>5,817</b>	<b>5,075</b>

Source: PwC Estimates

The casino operator states their commitment to using local suppliers where possible. For instance, they have indicated that they have had initial discussions with catering and design suppliers in the local area, and evidence has been provided to support their commitment to local suppliers elsewhere in their operations.

**3.2 Additional economic value of the proposal**

We estimate the casino will generate a £95m Gross Value Added (“GVA”) contribution at a local level, and a £100m GVA contribution at the sub regional level as outlined below.

**Contribution to GVA (in million £)**

	Incremental casino scheme	Combined O <sub>2</sub> scheme
Local level	95	146
Sub-regional level	100	155
London level	135	187
London level – tourism upside	184	236

Source: PwC Estimates

It is anticipated that the casino will have an additional positive impact on the arena in terms of increased number of events and visitors.

**3.3 Locations which would particularly benefit from the proposal**

One of the principal objectives for regeneration in the area is to increase economic activity rates and reduce the level of worklessness amongst local residents. Reducing unemployment, particularly amongst disadvantaged groups and in the most deprived areas is a key target identified in local, sub-regional and regional strategies, and is now embedded in Greenwich’s Local Area Agreement. The areas of Greenwich with the highest levels of benefit claimants, particularly those claiming Lone Parent or Incapacity Benefit, will be the focus of targeted action as part of the LAA. These include the Neighbourhood Renewal Priority Renewal Areas of Greater Woolwich, Eynsham, West, Coldharbour and Avery Hill which still have areas of severe deprivation. Surrounding areas in the Thames Gateway also suffer from high levels of deprivation and will benefit from the opportunities arising from the development.

**3.4 Additionality versus leakages**

The economic impact model undertaken by PwC takes into account potential leakages which condition the indirect and induced employment effects within the local economy.

### 3.5 Other regeneration outputs and outcomes

In addition to the economic and tourist benefits explored previously, there are a range of intangible benefits that could be achieved for Greenwich and London by the development of a casino, hotel and integrated leisure and entertainment scheme on the Greenwich Peninsula. These will include:

- Creating Europe's largest leisure and entertainment complex, with an integrated, sustainable tourism offer, with day/evening/weekend appeal
- A viable solution for the Dome site
- Local pride and interest in the Thames Gateway area and an enhanced reputation of Greenwich and the Peninsula as a place to live, work and visit and play
- A step change and stimulus for additional investment, with public sector funding stimulating private sector investment
- Complementary transport solutions, which will service tourists in off peak hours and commuters during the day
- Iconic structure which will put Greenwich on the London map and contribute to the development of the area for tourism

## 4. Willingness to License

**Key message: there is momentum for the scheme to go ahead and support at the local, sub-regional and regional level.**

### 4.1 Council resolution

The Council unanimously resolved at its Cabinet meeting on 21st March 2006 that, given the overall context of the development, to make a submission to the Casino Advisory Panel to locate a regional casino in the Borough.

### 4.2 Details of polling or market research

#### Opinion survey

The Council commissioned a local opinion survey in March 2006 about the development of Greenwich Peninsula and the plans for The O<sub>2</sub>. This showed that 72% of 501 respondents surveyed supported the plans, with only 10% opposing them. Of those opposing the plans, the main concern expressed was that it would increase traffic (21%), followed by those fearing an increase in problem gambling (19%). Crime was a concern for only 6%.

### 4.3 Local consultations

#### Greenwich Peninsula Partnership – Public Meetings

Three public meetings were organised by the Greenwich Peninsula Partnership in February and March 2006 in Greenwich, Woolwich and Eltham. The plans for The O<sub>2</sub> and the regional casino and hotel were presented by the developer, Anschutz Entertainment Group, and the proposed operator, Kerzner. The proposals were well-received, with the key issues raised relating to: accessing the opportunities for local people and businesses; the viability of the development without the casino; community benefits that would be secured for the area, emphasising that these need to benefit the whole of the Borough; repetitive gambling; the effect on local retail; transport issues - the capacity of the current infrastructure to cope with visitor numbers, and linkages between the Peninsula and the south of the Borough; environmental issues.

## **East Greenwich Traders Association**

A presentation of the plans for The O<sub>2</sub> was also made to a meeting of the Traders Association in March 2006 . Key issues of concern were related to transport and the capacity of the local infrastructure to cope with visitor numbers; the viability of the scheme without the casino and hotel; the benefits for the community which could be secured through a planning agreement; and policing.

## **Ecumenical Borough Deans**

The Ecumenical Borough Deans have received a briefing on the proposals for The O<sub>2</sub> and have been generally supportive, welcoming the multi-agency approach. They are keen to have a presence on site to provide chaplaincy and counselling services that a multi-faith centre be developed, and the operator has responded positively to this. This will form part of the integrated support service proposed to deal with the social impacts arising from the development. There is already a Chaplain providing support on the construction site.

### **4.4 Resolutions of support by Greenwich Partnership (LSP)**

The O<sub>2</sub> development was discussed at the Greenwich Partnership meeting held on 23<sup>rd</sup> March 2006. The Partnership, including the local authority, the local Chamber of Commerce, businesses, and the voluntary and community sectors, resolved to support the plans for The O<sub>2</sub> development which includes the regional casino.

### **4.5 Details and issues raised in correspondence by any supporters or dissenters**

No letters of objection have been received to date. Nine letters of support have been received from key local and sub-regional organisations. The letters strongly support the regional casino and hotel development, recognising the role that they play in driving the regeneration of the area. Contact details and specific issues raised are as follows:

1. **Visit London** – James Bidwell, Chief Executive, 6<sup>th</sup> Floor, 2 More London Riverside, London SE1 2RR. T: 020 7234 5801 E: [jbidwell@visitlondon.com](mailto:jbidwell@visitlondon.com) **Key points:** will attract longer stay visitors; the casino, plus The O<sub>2</sub> as an Olympic venue gives it a strategic advantage and position in helping drive regeneration and promotional opportunities still further.
2. **Greenwich Community College** - Geoff Pine, Principal, 95, Plumstead Road, London SE18 7DQ. T: 020 8488 4809, E: [geoffp@gcc.ac.uk](mailto:geoffp@gcc.ac.uk) **Key points:** emphasises the importance of the training and job opportunities for local people.
3. **TourEast London** – Bob Harris, Chair, Docklands Business Centre, 10-16, Tillier Road, London E14 8PX. T: 020 7345 5144 E: [info@visiteastlondon.co.uk](mailto:info@visiteastlondon.co.uk) **Key points:** concerned that without the casino, the much needed additional hotel accommodation will not proceed; believes the development will complement the existing offer and add value to it; welcomes the high quality training and job and business opportunities the development will bring to the hospitality sector.
4. **University Of Greenwich** Marc Hume, Director of Enterprise, Woolwich Campus, Riverside House, Beresford Street, London SE18 6BU. T: 020 8331 9549 E: [M.S.Hume@gre.ac.uk](mailto:M.S.Hume@gre.ac.uk) **Key points:** emphasises the importance of the training and employment opportunities on offer for both local people and for students
5. **Trinity Laban** – Gavin Henderson CBE, Principal, King Charles Court, Old Royal Naval College, London SE10 9JF. T: 020 8305 4354 E: [ghenderson@tcm.ac.uk](mailto:ghenderson@tcm.ac.uk) **Key points:** welcomes the opportunity the development offers to build on the existing activity of the Lewisham/Greenwich Creative Hub; sees the bigger leisure, tourism and

media potential as being crucial to the dynamic mix of the area; recognises the importance of the community benefits that will accrue from the development for arts, culture and creative activity.

6. **Greenwich Society** – Tim Barnes, Chairman, The White House, Crooms Hill, London SE10 8HH. T: 020 8858 1185 E: [tim@ttbarnes.com](mailto:tim@ttbarnes.com) **Key points:** welcomes the casino as a major draw for the area, particularly the iconic, landmark hotel; would wish to have public access to a viewing platform.
7. **South London Business** – David Main, Chief Executive, Cygnet House, 12-14 Sydenham Road, Croydon CR9 2ET. T: 020 8666 0221 E: [info@southlondonbusiness.co.uk](mailto:info@southlondonbusiness.co.uk) **Key points:** supports Greenwich as a location because of its good transport links and local labour availability; with Greenwich being part of the City Growth Strategy initiative, the casino increases the potential of establishing a sustainable business cluster for the tourism sector.
8. **Ravensbourne College of Design and Communication** – Professor Robin Baker, OBE, Director, Walden Road, Chislehurst Kent BR7 5SN. T: 020 8289 4900, E: [info@rave.ac.uk](mailto:info@rave.ac.uk) **Key points:** planning to move to the Peninsula to exploit the synergies arising from being located next to the development. They will benefit significantly from the broadcast and media activity that will take place within the Arena and elsewhere, with linkages around work experience, skills development and business start up.
9. **Greenwich Peninsula Partnership** – Sir Bob Scott, Chairman, c/o Lovell House, Pelton Road, London SE10 9PQ. T: 020 8921 8557. E: [gpp@Greenwich.gov.uk](mailto:gpp@Greenwich.gov.uk) **Key points:** The O<sub>2</sub> represents a major investment that will develop the tourism offer in Greenwich and build on the heritage experience of the Maritime Greenwich World Heritage Site; the development requires the extra injection of investment from a Regional Casino to truly flourish and reach its potential to secure its viability.
10. **Thames Gateway London Partnership** – Eric Sorenson, Chief Executive, Anchorage House, 2 Clove Crescent, East India Dock, London E14 2BE. T: 020 7673 4578; E: [mail@thames-gateway.org.uk](mailto:mail@thames-gateway.org.uk) **Key points:** regional casino will bring benefits by improving job market conditions for the wider area north and south of the Thames; it will help create a tourism hub in the Thames Gateway; with other leisure and cultural attractions, The O<sub>2</sub> proposals are an important strategic link in promoting the tourism offer in the east of London.
11. **World Heritage Site Executive Group** – Duncan Wilson, Chair, The Greenwich Foundation, Pepys House 2 Cutty Sark Gardens, London SE10 9LW. T: 0208269 4750 E: [dwilson@greenwichfoundation.org.uk](mailto:dwilson@greenwichfoundation.org.uk) **Key points:** the hotel will enhance the Borough's capacity for overnight and long stay visitors; importance of developing links between the WHS and The O<sub>2</sub>.
12. **Firepower Museum** – have indicated their support for the proposal.

In addition, Nick Raynsford M.P., the local MP for the area, spoke in support of the proposal at the Parliamentary Debate on Regional Casinos held in Westminster Hall on 1<sup>st</sup> March 2006. He stated: “I have no doubt about the potential benefits of a regional casino as an element in the regeneration of the area that I represent in south-east London.... The project is ambitious, and one element that would make it far more successful would be a regional casino which would help cross-subsidise other components” .

## 5. Probability of Implementation

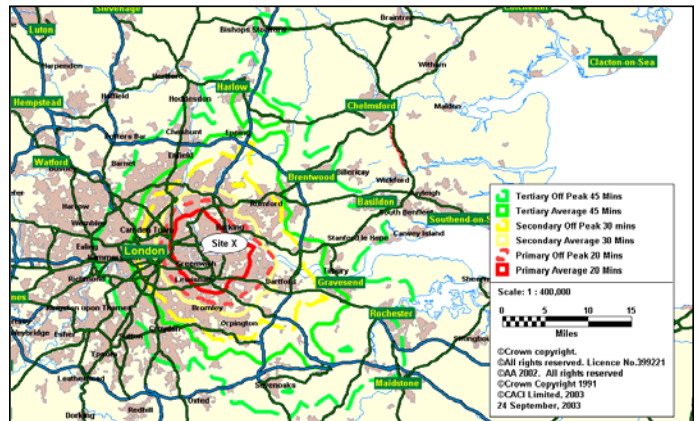
**Key message: The O<sub>2</sub> scheme is underway and the UK's first regional casino can be delivered quickly. The inclusion of the casino in The O<sub>2</sub> scheme will lead to critical mass benefits**

### 5.1 Introduction

The casino is part of The O<sub>2</sub> leisure and entertainment quarter. It will comprise 300,000 sq. m. of space, larger than Soho, with a range, scale and quality of attractions that will make it Europe's largest leisure and entertainment complex.

The Masterplan for the Peninsula, received planning permission in 2004, and the construction of The O<sub>2</sub> Arena, and parts of the Entertainment District are well underway and due to open in July 2007.

- Without the casino development The O<sub>2</sub> will be developed to a lesser extent, with an arena music club and a range of supporting food and beverage outlets – resulting in an events-based attraction
- The elements of the scheme dependent on the casino are the hotel, a wider range of outlets, the Tutankhamen exhibit and a theatre housing a resident show similar to those operated around the world by Cirque du Soleil. This complete scheme results in an integrated leisure destination with day long appeal



Most arenas in the UK have been developed with funding from the public sector, because they do not tend to be viable as a stand alone leisure facility. In this particular case, the National Audit Office report on the Dome development noted that income from the arena alone would not generate a fully commercial return for the operator, AEG.<sup>4</sup>

### 5.2 Market demand analysis

PwC was commissioned to prepare estimates for potential attendance and spend at The O<sub>2</sub> casino. These are based on analysis of the catchment market, including day visit, and tourist market to London and Greenwich, together with estimates for participation following deregulation and lessons from overseas markets. The analysis results in the following estimates:

- Total attendance: 1.7m visits, of which 1.4 visits come from a 45 minute off-peak drive time catchment, an area from Dartford in the east, Bromley in the south, the City and West End in the west and Walthamstow in the north; and 0.3m visits are made by tourists
- Total gaming spend: £103m, of which £82m is from the 45 minute drive-time catchment, as above, with the remaining £21m from tourists (overnight visitors)
- Greenwich residents could account for 6% of total visits (109,000) and 5% of total spend (£5m.) in The O<sub>2</sub> casino

<sup>4</sup> English Partnerships, Regeneration of the Millennium Dome and associated land, 2005 (references a study by Deloitte and Touche undertaken for English Partnerships)

The estimates of visitor are based on the resident market and tourists to Greenwich. The map shows the relevant off-peak drive time catchment. This illustrates the point that The O<sub>2</sub> casino will be the casino for London.

It is estimated that 11% of the overnight visitors to The O<sub>2</sub> casino will stay in the borough of Greenwich. This suggests over 30,000 visitors, and 80,000 visitor nights.

However tourism demand could be increased, based on targeted marketing by the operator; viewing the casino as the only regional casino in London and in the UK; comparing the performance of casinos in London versus the provinces. London casinos achieve higher levels of attendance and spend.

### **5.3 Criteria used to identify appropriate localities for the casino**

The O<sub>2</sub> scheme, including the casino, forms an integral part of the development of the Greenwich Peninsula. As explored earlier, the choice of location is based on:

- Local and sub-regional priority areas
- Contributing to the long-term legacy use of the former Dome site

### **5.4 Existing and proposed transport infrastructure**

The Greenwich Peninsula development has been planned to minimise the use of car-based transport. Evidence from the Millennium Exhibition showed that visitors overwhelmingly travelled to the site by public transport and the infrastructure coped successfully with the numbers. Only 2,200 parking spaces will be provided for The O<sub>2</sub> Arena, plus 400 for the hotel.

The O<sub>2</sub> is well-served by a range of transport, notably public transport, for instance:

- Jubilee Line: the capacity of the trains has recently been increased, work on improving the escalators is underway, and planned improvements in signalling should further improve capacity by 2012 for the Olympics and Paralympic Games.
- Bus services linking the northern part of Greenwich and adjoining boroughs, with further services planned to increase access to and from other parts of the Borough.
- Airport: -12 minutes to London City Airport via the DLR
- Eurostar: new Channel Tunnel station at Stratford with links to Europe
- Road: The site is close to the A102 and the Blackwall Tunnel providing a road link across the river, and strategic routes such as the A2 and A205, A206 which serve south-east London and Kent.
- River: with existing services to and from the city.

Looking forward, the development will maximise the potential of the River Thames for transporting visitors. This links well with the plans for using the river for the Olympics, linking the venues across the five London Boroughs, north and south of the river, which are hosting the Games. A new pier is proposed for the west side of the Peninsula to serve The O<sub>2</sub> with provision to run services to and from Greenwich, Woolwich, as well as 'park and sail' services from further down river at Dartford.

In addition, proposals are well advanced for the Waterfront Transit System, a new express bus service to the Peninsula from Woolwich, Thamesmead and Abbey Wood in the east of

the Borough, and a future link to Greenwich Town Centre. Further road capacity could be added with the proposed Silvertown Link.

## **5.5 Current gambling provision**

There are fairly limited opportunities for gambling in licensed premises in the local area. There are no casinos in the Borough at present, the nearest ones being found in Westminster. Other gambling opportunities available in Greenwich include about fifty bookmakers, two bingo halls and five arcades, as well as c.150 slot machines in pubs, clubs and other premises. In addition, the opinion survey commissioned by the Council showed that 77% played the lottery and 7% had gambled online.

## **5.6 Impact of competition on existing casinos and other leisure based activities**

The new regional casino is unlikely to impact on existing comparable gaming. There are no casinos in the borough at present, and the casinos in the West End of London are aimed very much at a niche market. There may be some impact on other forms of betting, although we note that the product is considerably different. A new regional casino may compete to an extent with existing casinos in London but these are in the outer catchment isochrone.

Regional casinos are expected to appeal to a wider audience than existing casinos and may therefore compete with existing leisure offers. However there is evidence that the creation of a critical mass leisure attraction will grow the market rather than split the existing demand, as explored in the case study below.

### **Case study – South Bank**

London's South Bank is a useful case study for a tourism and leisure led regeneration. In the early 1990's the area was considered to be a 'wasteland' with little tourism offer. The South Bank is now a major draw for tourists, with Visit London reporting that 71% of overseas visitors to London had either visited or intended to visit the area. The key lessons from this case study are:

- The development of new attractions appears to have boosted the existing attractions, rather than taking market share. For instance Southwark Cathedral has seen attendance grow by 70% between 1998 and 2004
- The 'big hitters' of the London Eye and the Tate Modern have been the key catalyst for change, with around £200m capital investment in total. Both are iconic structures on the Thames which are now considered symbols of London and its skyline.
- Transport improvements are key and the South Bank has also benefited from, the development of the Millennium Bridge, the Tate to Tate river service and the extension of the Jubilee Line.

## **5.8 Estimated overall investment potential**

The developer for the site, Anschutz Entertainment Group, with Kerzner International will invest over £600m in The O<sub>2</sub> development. The casino and hotel will contribute some £320m of this.

## **5.9 Current level of investor interest**

The operator of The O<sub>2</sub> Arena and the casino and hotel are already in place.

### 5.10 Anticipated change in gambling spend

As explored earlier, participation in casino gambling is expected to increase, following the introduction of a regional casino.

## 6. Regional and Local Context

**Key message: The introduction of a casino will fulfil the planning/policy objectives at the local, sub-regional and regional level – and achieve a step change in terms of the development of the area**

### 6.1 Any relevant development strategies, policies and initiatives, inward investment proposals and regional economic strategies

- In the **London Plan**, the Regional Spatial Strategy, one of the major strategic priorities is the regeneration of East London, especially the Thames Gateway area. The current Review of the London Plan is expected to support the development of a regional casino in two locations in the capital, the Greenwich Peninsula and Wembley. The Mayor has stated that, in the event of there being only one regional casino licence, he would support Greenwich, because of its location in the priority area of the Thames Gateway.
- London's successful bid to host the 2012 **Olympic and Paralympic** Games will help drive the regeneration of the area, providing new sports facilities, open space, new housing and business space, as well as opportunities for employment. Nine of the events will take place in Greenwich including at The O<sub>2</sub> and Greenwich Park. The O<sub>2</sub> will have legacy value as a high profile sports arena after the Games.
- The **Draft Sub-Regional Development Framework for East London**, published for consultation in 2005, identified two key issues for the Peninsula. The first is to ensure that the future use of the Dome contributes to London's world city role and attractions, as well as providing local employment opportunities. The second is the need to ensure that the whole leisure offer "contributes to, and supports, a viable and strategically attractive cluster of such activities which will support a broader mix of leisure, culture and heritage attractions which help define the offer and brand of the stretch of riverside to Deptford"
- The Greenwich Peninsula is identified as a Mixed Use Area in the draft **Unitary Development Plan**, allowing large scale mixed development as detailed in the approved Master Plan. The UDP also supports the development and diversification of tourism, in particular major tourism development including hotels within Mixed Use Areas, and the use of the river for transport.

### 6.2 To what extent would identification of your area assist in achieving regional economic objectives for employment, skills and regeneration?

The **Economic Development Strategy for London**, published in 2005, sets out a number of key objectives relating to employment, skills and regeneration which this development will help to deliver. These include tackling barriers to employment; reducing disparities in the labour market outcome between groups, such as black and minority ethnic groups, disabled people, women with children, and older people; addressing the impacts of concentrations of disadvantage; improving the skills of the workforce; maintaining and developing London as a top international destination and principal UK gateway for visitors, tourism and investment

### 6.3 Policy position and attitude of the Regional Planning Body

A letter from the Mayor's Office was submitted to the Casino Advisory Panel in December 2005. Casino development in London was identified as being of real importance to economic development in London, providing employment; contributing to development of skills and training. The Mayor's Spatial Development Strategy (The London Plan) identifies the Dome as a "potential leisure attraction of international significance". The letter goes on to say: "A regional casino at the Dome would play a vital role in sustaining the proposals for an arena and leisure-based complex there, which would in turn play a vital part in anchoring the development of the western part of the Thames Gateway". The Mayor has also expressed the view that "if a choice had to be made (in London), priority should be given to the Greenwich Peninsula".

## 7. Community Benefits

**In general terms, what community benefits does the authority expect to accrue from the licensing and town planning processes?**

**Key message: Greenwich has a track record in getting the best for its community from development initiatives**

We will seek a wide range of community benefits through the planning and licensing processes. It is acknowledged that the Council has a successful record in securing tangible community benefits through its imaginative negotiation of legal agreements. Greenwich has led the way amongst local authorities in maximising benefits. Over £131m in total has been secured to date. Nearly £14.5m has been secured for training and employment initiatives and £32m for public transport. 6,500 affordable homes have been secured. The planning agreement for the wider Greenwich Peninsula development has secured £104m of community benefits.

### 7.1.1 Planning

Further community benefits would be anticipated when a planning application is submitted for the casino element of the development. These would include improved public transport facilities; improved links to education providers; involvement of the local community; off-site community provision; sustainability measures to include waste management and air quality; health and social welfare provision; support for training and employment initiatives, business support and affordable childcare; promotion of tourism, including delivery of hotel; support for arts and heritage; use of the river in terms of post- and pre-development; Construction Charter; adherence to Equal Opportunities

### 7.1.2 Licensing

The Council, as the licensing authority, will impose conditions on the premises licence which are proportionate and relevant to the circumstances which they seek to address. These conditions will help to put in place the measures outlined in Section 2 to mitigate the social and other impacts of a regional casino. We will ensure that we act in accordance with guidance that is in force at the time of award of the licence

## 8. Unique Characteristics

**Key message: Greenwich, as part of Thames Gateway and London is the best place for a pilot regional casino. The O<sub>2</sub> integrated leisure scheme represents a unique opportunity to build on the successes achieved in the Dome; fulfil a step change in private sector investment in a strategic site; and create a model of sustainable tourism in a priority area contributing to the long-term economic legacy of the Olympics and Paralympic games for the regeneration of this area of London.**

There are two facets of this scheme which make it unique:

- Its contribution to enhancing London as a world city
- The creation of a world class leisure destination which will contribute to a sustainable tourism product in Greenwich

### 8.1 Contribution to London as a world city

London is a major world city and the hub of UK tourism attracting 47% of all overseas visits to the UK, with 11.7m overseas visits to London and 24.7m overseas visits to the UK (2003). Following a period of decline, the capital's market share is growing and the city is expected to benefit in the future from new transport developments, the Olympics in 2012, and future investment in tourism.

London's reversal of fortunes has been partly attributed to significant investment in the tourism offer as well as marketing. New product is critical to attracting both new tourists and in particular repeat visitors. Repeat visitors are important as they appear more likely to travel beyond the central zone and contribute to the dispersal of tourism. The major tourist attractions are concentrated in the centre of London, as illustrated below. There is a drive to disperse tourism to the outer boroughs, as expressed in the Mayor's Plan for Tourism in London. Investment in the tourism product in terms of attractions and hotels is necessary to achieve this.

### 8.2 Tourism and regeneration

The development of a regional casino at The O<sub>2</sub> is the catalyst for sustainable tourism in Greenwich and the wider Thames Gateway. This is based on the following principles:

- Continuation of public sector investment in transport/infrastructure made to date, in order to capture private sector investment and continuing development in the region
- Further transport improvements to facilitate access to and within the sub-region
- Integrated marketing, drawing on the expertise of Tour East, Visit London, Greenwich tourism, AEG, Kerzner and other private partners
- The presence of The O<sub>2</sub> as a 'big hitter' attraction cluster to act as a focal point for tourists alongside Canary Wharf, Excel, the Royal Docks to the north. Coupled with the World Heritage Site to the west and the Royal Arsenal to the East, The O<sub>2</sub> provides the 'missing link' for the development of significant cluster.

The vision for sustainable vision is illustrated in the map below. It shows how The O<sub>2</sub> development is strategically based to build on:

- A unique catchment of potential day visitors, local residents, overseas and domestic tourists; business tourists, and those visiting friends and relatives
- An network of high capacity transport options

- A diverse range of accommodation options
- A tourism offer that continues the London theme of old versus new, with the World Heritage Site and Royal Arsenal attractions complemented by the modern and iconic O<sub>2</sub> development.

For these reasons Greenwich offers a prime location for the UK's first regional casino and will put the Borough firmly on the map. It will be part of a strategically important new leisure and entertainment destination at the heart of East London and the Thames Gateway. It will be uniquely positioned to demonstrate the potential of such schemes to increase tourism and create an exciting new world class quarter on the river in south London. With this will come sustainable economic and regeneration benefits for current and future generations.

