

# CASINO ADVISORY PANEL

## Formal Proposal Cover Sheet

# THAMES GATEWAY REGIONAL CASINO AND ENTERTAINMENT CENTRE

### NAME OF LOCAL AUTHORITY:

London Borough of Havering

### MAIN CONTACT:

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### NAME AND TITLE OF SUBMITTING OFFICER:

name:

**Stephen Evans**

title:

**Chief Executive**

### 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 – none

small none

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

**none**



# The Proposal

The Thames Gateway is the largest regeneration project in western Europe. It is central to the Government's strategy for economic growth and creating sustainable communities in the UK. The aim is to spread prosperity eastwards and to create a new sub-region of national and European significance which is economically viable, socially inclusive, environmentally sustainable, and culturally vibrant. (Speech by Rt Hon David Miliband MP, 23 November 2005).

In many parts of the Thames Gateway – from Stratford and Greenwich to Ebbsfleet and Chatham – the regeneration process is under way. There is however a crucial, central area of the Gateway where economic decline, social deprivation, environmental degradation, and a continuing lack of investment combine to threaten any prospect of renewal.

The London Borough of Havering is therefore proposing the development of a large scale, integrated Regional Casino and Entertainment Centre at Rainham in the Thames Gateway, as the catalyst for regeneration which is so vital to this area's future.

The regional casino will be the cornerstone of a multi-faceted entertainment complex which is planned to include high quality hotel and conference facilities, a range of restaurants, nightspots, and family entertainment, Olympic size ice rink, multi-screen cinema, health/sports club, complementary retail, and a large multi-purpose venue (capacity 3 – 5,000). The casino will be the vehicle to create a completely new leisure destination of a world class, international standard for London and the Thames Gateway, attracting over three million visitors per year.

The development will be on industrial land south of Rainham town centre, with good access by rail and road transport. The proposal will occupy about 10 hectares, with the remaining land (15 ha) redeveloped for modern business and industrial uses. This will replace low grade uses which are seriously damaging the environment and image of the area, in a highly prominent location when entering London from the east. It will be an architectural landmark development, and a model of sustainable construction, symbolising the renaissance of the Thames Gateway in an iconic location.

The regional casino and entertainment centre will be a private sector investment of c. £250 million, providing 2,500 direct jobs, injecting new life into a mainly industrial area with a long history of dereliction and under-investment, where there is currently minimal private sector activity or public funding available for regeneration. It will benefit an extensive area of the Gateway, revitalising the economy, expanding employment and business opportunities, transforming the environment, improving transport, making important new cultural and community provision, and stimulating further investment and development in the surrounding area.

The proposal will give a new and much-needed impetus to plans for the adjacent Rainham Marshes and Conservation Park, one of the most important projects for “Greening the Gateway” – over 400 hectares of SSSI managed as a nature reserve, and a further 200 hectares of new public open space beside the Thames, which with the right kind of investment will become an environmental and tourism asset of national importance. The regional casino and entertainment centre will provide shared visitor infrastructure, and funding for development and ongoing management, to turn the vision for this area into a reality.

The Regional Context map shows the extent of regeneration committed or underway in other parts of the Thames Gateway, in contrast to Rainham. It also shows the excellent strategic road and rail links to the site, and the extensive and varied catchment area that will be served by the proposal.

This submission is for a Regional Casino only. Neither a Large Casino nor a Small Casino would deliver the required economic stimulus to transform the location and act as a magnet for further initiatives within its area of influence, to bring about the regeneration the area both needs and deserves.

The location of the Thames Gateway regional casino and entertainment centre in a national priority area for regeneration, where there is minimal existing development activity, very limited existing leisure provision, and where it will be separate from town centre or residential areas, though well served by transport, ensures the regeneration benefits from a regional casino will be maximised and the risk of adverse social impact minimised. This location will also make the effects of the development crystal clear, both positive and negative, so it will provide the best possible test of social impact.

The Council is wholeheartedly in favour of the proposal, and it has widespread support within Havering and the Thames Gateway. The London market in the catchment area generates demand well in excess of that required for commercial success, and there is very strong development interest and commitment from investors of the highest calibre and standing, assuring successful delivery of the project and its exceptional benefits for the community.

This submission and the available supporting documentation sets out the compelling evidence that the Thames Gateway Regional Casino and Entertainment Centre is the best choice to test the development and impact of a regional casino in the UK.



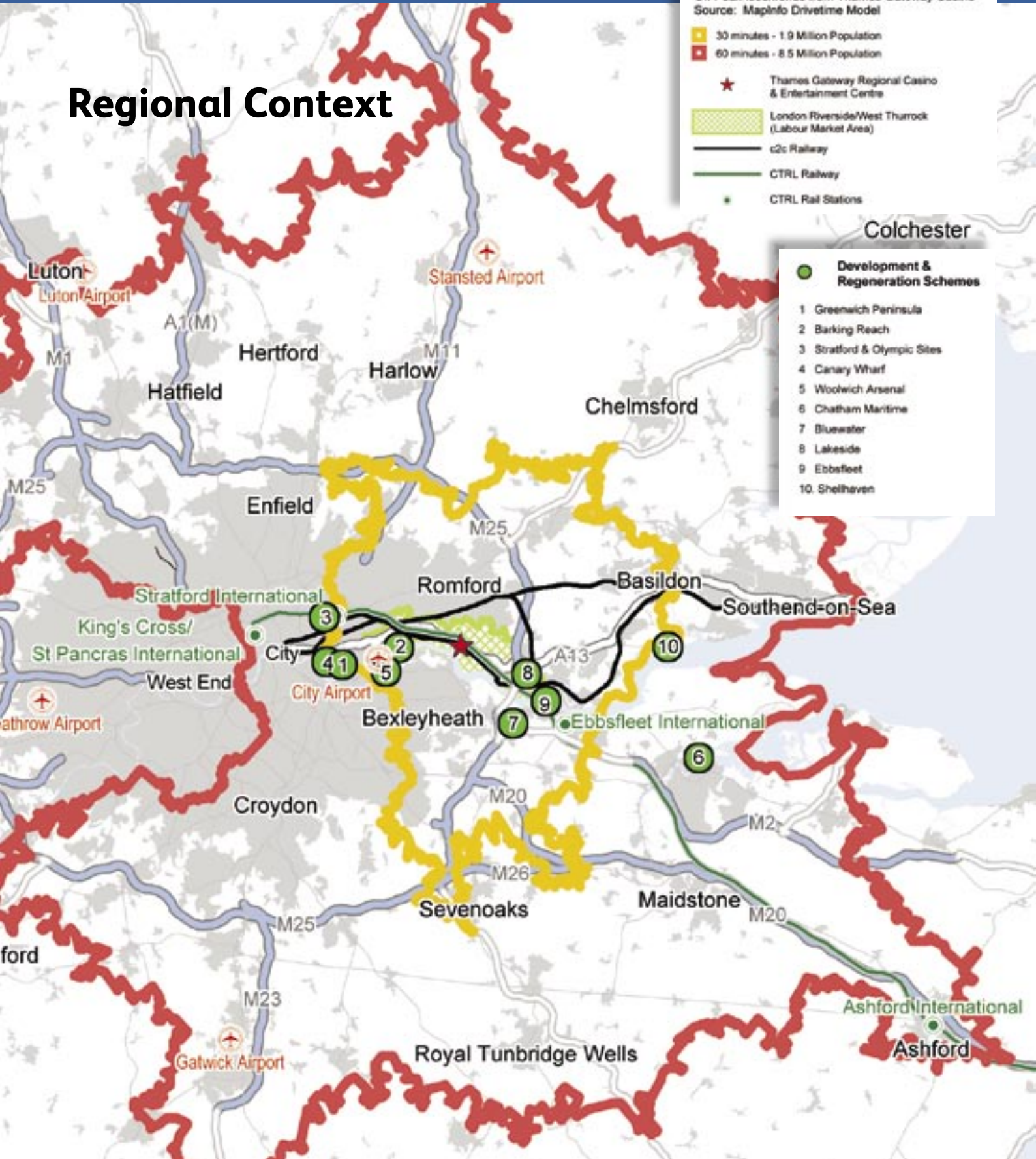
# Regional Context

Off Peak Isochrones from Thames Gateway Casino  
Source: MapInfo Drivetime Model

- 30 minutes - 1.9 Million Population
- 60 minutes - 8.5 Million Population
- ★ Thames Gateway Regional Casino & Entertainment Centre
- London Riverside/West Thurrock (Labour Market Area)
- c2c Railway
- CTRL Railway
- CTRL Rail Stations

**Development & Regeneration Schemes**

- 1 Greenwich Peninsula
- 2 Barking Reach
- 3 Stratford & Olympic Sites
- 4 Canary Wharf
- 5 Woolwich Arsenal
- 6 Chatham Maritime
- 7 Bluewater
- 8 Lakeside
- 9 Ebbsfleet
- 10 Shellhaven



# Type of Area

**01** The regional casino and entertainment centre will be located at the heart of the Thames Gateway in the London Riverside opportunity area, a priority area for development and investment for the London Thames Gateway Development Corporation. Within the Thames Gateway, London Riverside is the area demonstrably most in need of this kind of catalyst to bring about economic, social and environmental regeneration.

**02** The Thames Gateway communities are some of the most socially and economically deprived in the UK. This submission demonstrates that the positive effect of the regional casino will be directed across the Thames Gateway to maximise its impact.

In the immediate area, Havering itself is a diverse borough, with extensive areas of typical London suburbs, but also areas in need of regeneration in Harold Hill, parts of Romford, and especially Rainham within the Thames Gateway. Borough statistics do not adequately show this diversity. In the 2001 Census, Havering had a population of 224,257, relatively low unemployment (3.9% cf G London 6.5%), and a low BME population (6% cf 36% in G London), but high levels of low skills (52% with no qualification or NVQ Level 1 only, cf 37% in G London) and low representation of higher socio-economic groups (37% in groups 1-3, cf 51% in G London). It has among the lowest wage levels of the London boroughs (ranked 31 out of 33 in 2005, Source NOMIS).



## The Site

- legacy of low grade industrial development
- high profile gateway location



# Local Regeneration Plans

**03** Much more relevant, for this submission, is Rainham's role in the Thames Gateway and London Riverside. The Thames Gateway has suffered from multiple and interrelated problems, which have been well documented: long term industrial decline, and consistent failure to develop alternative sources of employment; a disproportionate volume of waste, energy, utility, and polluting industries; extensive derelict and/or contaminated land, dominating overhead pylons, and a degraded environment and image; concentrations of people with low incomes, suffering multiple forms of deprivation, including housing, health, employment and education needs; inadequate or non-existent transport, cultural, or community provision; social exclusion and alienation on a depressing scale; a virtual absence of private investment, and only a fraction of the public funding required.

**04** In much of the Gateway, this picture is changing: regeneration is already committed or under way, for example, in the Isle of Dogs, Greenwich Peninsula, Stratford City, the Olympics, Lower Lea, and the Royals to the west; and Ebbsfleet, the Medway Towns, Shellhaven, and other regeneration initiatives to the east.

**05** Little has changed, however, in London Riverside, which runs along the north side of the Thames from East Beckton through the riverside areas of Barking, Dagenham and Rainham to West Thurrock. There is no firm programme for the key developments to be implemented, and there is a compelling need for a catalytic intervention which will create the momentum for new development and investment, and get a comprehensive regeneration process going. This is the principal need for regeneration.

**06** Looking at the socio-economic characteristics of this area (wards wholly or partly within the Development Corporation's London Riverside area, plus adjoining wards in West Thurrock) reveals the extent of the deprivation (2001 Census).

- A population of 134,000, slightly younger than the London average (22 % aged 0-15 cf G London 20 %).
- A diverse BME population, although still below the Greater London average (22 % cf G London 36 %).
- A very low level of qualifications: 55 % having no qualification or only NVQ Level 1, (cf G London 37 %).

- Low representation of higher socio-economic groups (29 % in Groups 1-3, cf G London 51 %) and high representation of lower groups (33 % in Groups 7-9, cf G London 21 %).
- Above average unemployment at 7.4 % (cf G London 6.5 %).
- 35 Census areas (SOA's) (49,400 people and 39 % of all SOA's in the area) in the worst two deciles of the Index of Multiple Deprivation in England (Source IMD)

**07** In London Riverside there are high levels of deprivation, especially in employment and education, with a high proportion from lower socio-economic groups; and there is a widespread need for skills upgrading. Recruitment, training and procurement programmes will be targeted towards this core labour market area, and towards disadvantaged groups in a wider but nevertheless accessible area of the Thames Gateway.

**08** This location is also ideally suited to testing the social impact of a regional casino. The absence of a substantial leisure or gambling industry locally, and of existing development activity, together with the separation of the proposed location from Rainham centre and residential areas, will make both positive and negative impacts clearly identifiable, avoiding the distortions which would be caused by other new developments, displacement, or impulse gambling. The diversity of the population and wide distribution of socio-economic groups will enable the impact on different sections of the community to be assessed. The single management of the regional casino and entertainment centre will facilitate effective monitoring and reporting processes.

# Tourism and Entertainment

**09** Havering’s proposal will use the regional casino as the means of creating a completely new leisure destination in a completely new location, attracting over three million new visitors annually, using the regenerative potential of the casino to the full.

**10** Current volumes of tourists and tourism spending are modest in Havering and neighbouring boroughs. Existing gambling facilities in the area are limited to the betting shops and bingo halls found in many communities, plus the Romford dog-racing stadium. The Council’s strategy is not to promote the expansion of gambling facilities elsewhere in the Borough nor to encourage the growth of existing gambling facilities.

**11** The Council has demonstrated its commitment to improving the visitor offer in Havering. For example, Romford has a thriving evening economy, attracting over 10,000 people on weekend evenings, primarily to pubs and clubs. The Council has taken important steps to manage the influx of visitors, and to diversify the offer, notably through the Brewery redevelopment where the Council secured a new entertainment complex containing a multi-screen cinema, health club, restaurants, bowling alley, children’s play facility and museum space as well as retail and housing on a large town centre site.

**12** Existing local tourist facilities would be complementary to the entertainment and recreation facilities proposed in the regional casino and entertainment centre:

- Parks, countryside, and wildlife sites, especially Rainham Marshes, an SSSI extending over 400 hectares. The RSPB, on the part of the Marshes it has acquired, is creating a large nature reserve and education facility.
- Historic buildings such as Rainham Hall, Eastbury Manor in Barking, and Valence House, Dagenham; and military heritage in Thurrock, for example Tilbury Fort, and Purfleet Heritage and Military Centre.
- A very active arts community, for example The Queen’s Theatre and Fairkytes Arts Centre in Hornchurch, and the Broadway Gallery, Barking.

**13** The most important plans for new tourist development are for Rainham Marshes and Conservation Park, in the regeneration strategy for London Riverside. It is proposed to manage the whole of the SSSI as a nature reserve, to develop a new visitor centre, to use the landfill site next to the Thames when restored as a large public open space for informal recreation, and to develop a range of outdoor leisure attractions such as a large children’s play park and an events arena. If successful, this could attract up to a million visitors a year in the long term (LDA London Riverside Conservation Park Study 2005). However, there is a capital and revenue funding gap at both investment and operational levels which must be bridged if these plans are to be realised.

**14** The regional casino and entertainment centre will therefore hugely expand the leisure and hospitality sector, producing major economic and social benefits. It will underpin the development of Rainham Marshes and Conservation Park. Because local tourist attractions are complementary rather than competitive, little or no spending will be diverted from existing attractions – the displacement effect will be minimal.

**15** The development will be self-sufficient in meeting all the needs of visitors, including overnight accommodation. It has excellent road access, direct from a grade-separated junction on the A13, for cars, coaches and taxis. It will provide a transport service to the station which will also serve the Rainham Marshes and Conservation Park. By increasing passenger demand it will enable the improvement of public transport, including the capacity and frequency of rail services, and the extension of East London Transit to Rainham: the developer will be required to provide support for bus services south of the railway, safe routes for cyclists and pedestrians, and a contribution to funding for strategic infrastructure.

**16** A regional casino and entertainment centre in the Thames Gateway will significantly diversify London’s tourism offer, being developed to the best international standards and catering for the demand for gambling from visitors to the capital. The proposed facility will be of sufficient scale and quality to encourage visitors from elsewhere in the UK and from overseas to extend their stay in London and to increase their expenditure.

# Need for Regeneration

**17** The principal need for regeneration has been identified as being for a catalytic intervention which will reverse decades of decline and neglect, and produce the comprehensive economic, social, and environmental regeneration of that part of the Thames Gateway which faces the most intractable problems on all three fronts (see Type of Area).

**18** Furthermore, with the scale of investment, growth and development planned in the Thames Gateway, there are also huge and unique opportunities to deliver real and long-lasting improvements for local communities.

**19** The immediate area of greatest benefit would be Rainham, together with the rest of London Riverside from East Beckton through to West Thurrock. It has been shown that this area suffers high levels of deprivation, especially in employment and education, with a high proportion from lower socio-economic groups, and a widespread need for skills upgrading.

**20** There has been a steep decline in the traditional manufacturing industry of the area. Ford Dagenham has ceased vehicle production, although it remains an important factory for diesel engines. A 35 ha strategic employment site created by the London Development Agency at Beam Reach has been marketed extensively without any development yet taking place. In Ferry Lane industrial area, the only new development has been for B8 uses. Ferry Lane North, where the regional casino and entertainment centre is proposed, is dominated by high stacks of stored containers, transport yards, car breakers, waste transfer stations, scrap metal and similar uses. Two lines of high voltage overhead pylons complete the picture.

**21** Although road access from the A13 is excellent, public transport needs significant improvement. The C2C rail services from Rainham into London Fenchurch Street need upgrading in capacity and frequency. There are no bus services to the industrial area south of the railway, and access from Rainham centre is difficult for pedestrians, needing to cross both the C2C and Channel Tunnel Rail Link (CTRL) via level crossing and bridge.

**22** London Riverside is identified as a regeneration priority area for the Thames Gateway in Sustainable Communities: building for the future (ODPM 2003), and The London Plan (GLA 2004). Proposals for its regeneration are set out in the Urban Strategy for London Riverside (Heart of Thames Gateway Partnership 2002), which are explicitly endorsed in The London Plan, and have been incorporated in the Development Corporation's draft Regeneration Framework for London Riverside. The strategy combines housing growth opportunities in Rainham, South Dagenham, and Barking Riverside; employment development in Rainham, Dagenham Dock, and Barking; the unique environmental opportunities of Rainham Marshes and Conservation Park; and very important transport and environmental improvements.

**23** The Council, with the London Development Agency (LDA), other regeneration partners, and now the Development Corporation, has undertaken a range of projects to pave the way for regeneration, mainly skills and training, business development, local access, and environmental. The scale, complexity and cost of the challenges in delivering the main elements of the London Riverside strategy are however well beyond the resources of the public sector acting in isolation. Private sector participation is essential, but has so far been almost non-existent, despite all efforts to secure it, and without the casino it is unclear when development might take place. That is why the Thames Gateway regional casino and entertainment centre will transform the prospects for successful regeneration.

**24** Sun International, the leading South African casino and resort operator, has formed a partnership with Development Securities plc to develop a proposal for a regional casino and entertainment centre at Rainham of the type described in this submission. The Council has no agreement whatsoever with Sun International, and if the Council is able to award a regional casino premises licence it will follow a transparent selection process open to all operators. Nevertheless the very strong interest of Sun International / Development Securities demonstrates that the proposal is realistic and deliverable.

**25** The University of Cape Town has developed an internationally acknowledged economic impact model which provides reliable estimates of the additional impact a development such as this will have. The construction phase will generate an investment of some £250m in the complex itself, producing a total of some £504m net additional investment through multiplier effects. There will be some 2000 person years of work in the construction of the development; this will start at around 400 jobs, peak at around 1000 and then fall back to 400 jobs in the third and final phase of construction.

**26** The operational phase will create some 2500 new jobs in the regional casino and entertainment centre, of which about 500 are likely to be part-time. The net additional employment in year one of operation will be some 3200 jobs where many of these would be taken in the London area (this allows for a 15% displacement effect.) Subsequent economic growth could see this figure increase to more than 5000 jobs. The GVA (taken as the gross turnover of the complex) is expected to be some £147 million.

**27** The location and nature of the proposal is inherently supportive of very high net GVA at the local level. Expenditure will be drawn from a very large regional, national and international market within which, in contrast to London Riverside, there are many affluent residents and visitors – 38% of the 30-minute catchment population is within the top three socio-economic groups (cf 29% in London Riverside) and 27% in the three lowest groups (cf 33% in London Riverside). The locality is largely devoid of competing facilities, from which expenditure (and therefore jobs) might be drawn. The lack of development or investment activity in the area at present also means that the scope for spin-off development stimulated by the regional casino and entertainment centre is very significant.

**28** The net GVA (measured in jobs) includes employment in industries supplying goods and services both to the casino (indirect effects) and to the people working in the casino (induced effects). The casino will have an annual procurement budget of some £56m, and the operator will be required by the licence agreement/conditions to implement a dedicated programme to promote local sourcing of goods and services within the Thames Gateway, which will maximise the indirect benefits within the local economy.

**29** A typical regional casino will employ about 850 staff: employment in the rest of the entertainment centre will increase this to about 2,500 staff in total, with a wide range of skills as illustrated in the Table on page 10. (It is important to note that the non-casino jobs cannot be realised without a regional casino.) These will cater for diverse employment needs, including those seeking entry-level jobs, part-time, or more local employment, as well as those making their career in the leisure and hospitality sector.

**30** Many of the new skills needed for the Thames Gateway regional casino and entertainment centre are transferable to other industries, and will thus support economic growth in the surrounding area by making it more attractive as a result of its improved workforce, for example:

- Slot machine technicians in electronics related businesses;
- Surveillance specialists in the wider security industry;
- Casino guest relations officers in the hospitality industry.

**31** The Council attaches a very high importance to employment and workforce development, and will require whichever operator is selected for the Rainham casino to implement a recruitment and training programme, capitalising on links with the Centre of Engineering and Manufacturing Excellence (CEME), University of East London (UEL), and the local Thames Gateway colleges, which is targeted towards the more deprived parts of the labour market area, and towards excluded groups which may include women, BME groups, long term unemployed, people with disabilities, and those receiving incapacity benefits. Flexible childcare provision will improve access to these jobs.

Function	Executive Management	Senior Management	Middle Management	Supervisory	Admin	Front Line	Total
<b>Casino/Hotel</b>							
Tables	2	2	14	41	1	134	194
Slots	2	3	12	27	1	70	115
Surveillance	1	1	5	5	1	33	46
Gaming Technical		1	5			23	29
Hotel (excl F & B)		1	1			30	32
Food and Beverage	1	1	38	15	14	360	429
Operations	2	2		3	4	19	30
Finance	1	4	8	21	37	69	140
Information Systems	1	1	2	4	1	8	17
Human Resources	1	1	12		3		17
Marketing	1	1	5	5	2	46	60
Engineering	1	2	3	3	4	28	41
Security	1	1	22		1	89	114
Cleaning		1	4	10		147	162
Laundry		1	1	4		12	18
Part Time			30	40	40	390	500
<b>SUB TOTAL</b>	<b>14</b>	<b>23</b>	<b>162</b>	<b>178</b>	<b>109</b>	<b>1458</b>	<b>1944</b>
<b>Cinema</b>			3	24			27
<b>Family Entertainment</b>		1		8		50	59
<b>Food Court</b>		20		20		150	190
<b>Grounds and Gardens</b>		1	1	1	1	17	21
<b>Ice Rink</b>		1				20	21
<b>Parking</b>		1	5		1	20	27
<b>Restaurants</b>		12	30			140	182
<b>Retail</b>		5		5		35	45
<b>TOTAL</b>	<b>14</b>	<b>64</b>	<b>201</b>	<b>236</b>	<b>111</b>	<b>1890</b>	<b>2516</b>

Source: Sun International

**32** In addition to these direct economic, employment and training impacts, the proposal will advance many crucial objectives of the regeneration strategy for the area.

- Securing for the London Thames Gateway the maximum potential regeneration benefits from a regional casino and its associated development.
- Delivering world class leisure, entertainment and tourism facilities, and direct support for the delivery of strategic proposals for Rainham Marshes and the Conservation Park, to create a nationally important tourist destination and environmental asset for the Thames Gateway.
- Providing the catalyst for regeneration, bringing forward the environmental, economic, and social regeneration of London Riverside much sooner and better than would otherwise be possible.
- Bringing into the area over three million people annually (Source Sun International) who would not otherwise come to the Thames Gateway or Rainham, showcasing the opportunities to live, work and invest here.
- Overcoming existing demand deficiency by bringing in spending power from much wider regional, national and international markets.
- Securing a £250m private investment and creating development confidence, stimulating further development over an extensive area within the Thames Gateway.
- Delivering comprehensive redevelopment of a seriously degraded industrial area needing major investment, but currently devoid of market interest.
- Replacing unsightly and inappropriate uses, which are seriously damaging the image of the Thames Gateway in a very conspicuous location, with a landmark development of high environmental and architectural quality.
- Providing a model of sustainable construction and operation, including exceeding current standards for energy efficient buildings, exploiting the potential for on-site renewable energy generation, and implementing sustainable urban drainage.
- Strengthening the business infrastructure by providing a high quality hotel, restaurants, conference centre, and entertainment venues, suitable for entertaining national and international clients and project partners.
- Boosting the sub-regional economy by providing opportunities to develop new skills, receive training, and access jobs for people from Thames Gateway

boroughs, particularly those who experience deprivation, and by deliberately using local suppliers, in both construction and operational phases.

- Diversifying the economy, creating a leisure and tourism sector where it does not presently exist, and increasing the level of business and industrial activity both directly and indirectly.
- Radically improving the viability of public transport improvements, notably C2C services, DLR extension to Dagenham Dock, and East London Transit to Rainham; and funding an improved station interchange, bus services, and local accessibility, enhancing development prospects over a wide area.
- Contributing to the funding of priority community facilities, particularly for deprived communities in this part of Thames Gateway, including access to the entertainment centre facilities for community events and activities.

**33** In Rainham itself, the land value uplift and business confidence engendered by the regional casino and entertainment centre will lead to the redevelopment of Ferry Lane and nearby sites such as Beam Reach for good quality employment uses. These sites are ideally located to become a cluster to supply goods and services to the cultural and entertainment industries. The regional casino and entertainment centre can stimulate this cluster and focus its procurement on those businesses that operate in the cluster. The cluster will be further supported by the capabilities of CEME and UEL.

**34** Through the licence agreement/conditions, the operator will be required to provide funding to support both the development and ongoing management of Rainham Marshes and Conservation Park, which is a key proposal of the regeneration strategy. Visitor facilities will be shared between both attractions, including facilities at Rainham station, a transport service to the regional casino and entertainment centre and the Conservation Park visitor centre, and shared car parking and security arrangements. Other opportunities to enhance the nature reserve include support for the RSPB's schools' access and educational programmes, provision of facilities in the entertainment centre to showcase the nature reserve and its programmes, and use of the conference facilities for RSPB events and courses.

**35** The developer will be required to contribute to improvements to Rainham station, which will be developed as an interchange with the planned East London Transit; to support bus services south of the railway; to provide a much improved pedestrian bridge crossing the CTRL and also the C2C railway; and good walking and cycling links from the station. This will make the whole riverside area more attractive to investors.

**36** There will be good connections between the regional casino and entertainment centre and the centre of Rainham, where the historic core of the village includes the Grade 1 listed church, and Rainham Hall and its grounds (National Trust). This will assist

the development of tourism within the village, creating new commercial opportunities for local shops and businesses whose trade has fallen sharply in recent years. This will complement plans for more intensive residential development within Rainham as part of the regeneration strategy.

**37** The regional casino and entertainment centre will therefore open up unprecedented regeneration opportunities, regionally and locally. The Development Corporation has been established to ensure that these opportunities are seized, working in close co-operation with the LDA, the Council, and other regeneration agencies, which will ensure that these exceptional regeneration benefits are delivered.

## Social Impact

**38** The regional casino and entertainment centre will greatly enhance the quality of life of people living in the Thames Gateway. For example, they will see major improvements to the quality of their environment; new leisure and entertainment facilities that they can use (in addition to the casino); better training and job opportunities; and improvements to transport and community facilities. These benefits are described more fully in the Need for Regeneration above, and Community Benefits below.

**39** The Council has a good track record in providing appropriate job creation and training programmes for local people, and it will build on this experience to capitalise on the new opportunities created by the regional casino and entertainment centre and spin-off developments. For example, working in partnership with the LDA and other agencies, Havering has benefited from the development of the flagship CEME project in Rainham; the Gateway to Industry and Learning Village programmes in London Riverside; the Training and Employment Network in Harold Hill; the borough-wide Jobnet job brokerage service; advice to small businesses including self-employed from the East London Small Business Centre; the Building East programme to enable local firms to benefit from construction procurement; Havering's Social Enterprise

Support Unit which is widely regarded as best practice across London; as well as a wide range of skills for life, vocational, and community learning programmes provided by Havering College and the Council's Adult College.

**40** As indicated in the Tourism and Entertainment section above, there are only limited existing gambling facilities in Havering and managing the impact of gambling has not been a significant issue here in the past.

**41** The Council is aware of the often misplaced concerns expressed in the national debate that development of a regional casino could lead to an increase in problem gambling or loss of amenity, with consequences for social cohesion and the sustainability of communities. Havering is confident that its proposals will not produce significant negative social impacts, based on the location of the facility, insistence on a responsible gambling programme, careful licensing control, and rigorous monitoring and accountability.

**42** The Council does have experience of addressing the challenge of managing Romford's evening economy, and the issues which arise with over 10,000 young people visiting pubs and clubs in the town centre, including drug and alcohol abuse, crime including assaults, and anti-social behaviour. Working through the Town Centre Partnership and the

Community Safety Partnership, the Council has established close working relationships with the police and licensees, and has introduced the successful Romford Safe and Sound programme. This includes regular meetings of a Licensees Group, which brings together the operators of all pubs and clubs with the police and Council officers; training for bar staff; an award for best practice in bar management; periodic visits by the drug dogs team; a taxi stewarding scheme; and further planned campaigns on rape risks and sexual health. The Council has also introduced byelaws to ban street drinking.

**43** Some of the most in depth international research into problem gambling has been summarised in unpublished papers by Professor Peter Collins of the University of Salford, which can be made available if required. This suggests, firstly, that the risk of problem gambling is increased if facilities are located so as to provide opportunities for impulse gambling, for example on a high street, and conversely that the risk decreases where the facilities are developed as a separate destination requiring a consciously planned visit. The Thames Gateway regional casino and entertainment centre will be separated from the nearby Rainham town centre, and both existing and proposed residential areas, by the C2C and CTRL railways at a distance of about 500 metres, which is considered a safe location in respect of avoiding impulse gambling. Combined with its proposed location adjacent to a major grade separated road junction, this will also prevent disturbance to local residential areas during the day and late at night from those travelling to and from the site by road or public transport, as well as ensuring no such areas will be disturbed by noise or other activities arising from the complex itself.

**44** Secondly, Professor Collins' research indicates that where a major new casino is introduced without any form of public education or awareness programme, problem gambling predictably increases, whereas if it is accompanied by such a programme, even pre-existing levels of problem gambling may reduce. Without going into details, the key aim is to educate the public to enjoy gambling as a reasonably-priced leisure activity like any other, rather than as a serious opportunity to win money, since they will inevitably

(over time at least) lose money. People who understand this are less likely to get into difficulties by gambling excessively in relation to their means.

**45** Even so, some casino visitors will gamble irresponsibly, including a small proportion with a strong propensity towards addictive behaviour who will always be at risk. It is essential that the operator is experienced in responsible gambling procedures and can demonstrate a track record in preventing problem behaviour, including being able to monitor the behaviour of casino customers, identify those experiencing problems, and provide them with high quality, confidential and free specialist counselling and therapeutic services. The Council intends that such services should be supplied by independent expert agencies, away from the casino but funded by the operator.

**46** Havering hopes that these measures will become the norm through implementation of a UK National Responsible Gambling Programme, funded by the industry, of the kind pioneered in South Africa, where very large casinos were successfully introduced without the damaging consequences experienced in parts of North America and Australia. If so, the Council will require its selected operator to fund such a programme. In any event, it will ensure through the premises licensing process that these measures are in place for visitors to the Thames Gateway regional casino. The Council expects to work with the national Gamcare charity to create a dedicated facility for the Thames Gateway, funded by the operator. The Council has also held preliminary discussions with the local mental health care trust. It will want to see a general advice and information centre within the entertainment complex, which would also signpost the services provided by the Primary Care Trust (PCT) and the Citizens Advice Bureau, for example.

**47** The Council will require a prevalence study to benchmark the level of problem gambling within the catchment area during the construction period of the regional casino and entertainment centre. Thereafter an open and transparent annual report on the impact of the casino operation within its catchment area will be published, including the incidence of problem gambling, which will be independently audited, though funded by the operator. This will monitor the experiences of casino customers, care agencies, and residents in local communities.

**48** The licensing process will also enable the Council to select an operator with a good track record in managing large, multi-use entertainment and leisure complexes without significant adverse effects on the locality in terms of environmental disturbance or safety issues. Licence applicants will need to demonstrate how they will manage visitors effectively on and off the premises, including deployment of CCTV and security personnel.

**49** The Council will establish a partnership structure to manage the relationship between the regional casino and entertainment centre and the community, of the kind it has already developed in town centres and regeneration areas, and to encourage strong links with the community, for example through corporate sponsorship and volunteering. The Council will invite the selected operator, police, PCT, and representatives of the voluntary and community sector to collaborate through this partnership, and to address any concerns about the social impact the development may have.

## Willingness to Licence

**50** Havering Council is totally committed to developing a regional casino and entertainment centre for the Thames Gateway in the borough. At the Full Council meeting on 7 December 2005, a motion in the name of all the Group Leaders was unanimously approved, to make this submission highlighting the very great regeneration and social advantages of the proposal (see item 3, minute 58 at [www.havering.gov.uk/media/pdf/c/3/060208final\\_1.PDF](http://www.havering.gov.uk/media/pdf/c/3/060208final_1.PDF)).

**51** The regional casino and entertainment centre is included as a firm proposal in Havering's Draft Local Development Framework (Preferred Options 2005), and in the London Thames Gateway Development Corporation's Draft Regeneration Framework.

**52** The Council has provided a full report on the proposal to a wide range of organisations and individuals within Havering and the Thames Gateway, and it has received widespread support (for which documentation is available if required) because of the great benefits to regeneration, and the efforts to minimise the risk of adverse social impacts. It has been supported by Havering Local Strategic Partnership; London Thames Gateway Development Corporation; Think London, and Gateway to London, the inward investment agencies respectively for London and for London Thames Gateway; Havering Chamber of Commerce and Industry; the MPs for Hornchurch (the constituency where the proposal is situated) and Upminster; the Greater London Assembly member for Havering and Redbridge; the Metropolitan Police; the Black Londoners Forum; Havering College;

CEME; South West Essex Branch of the Federation of Small Businesses; Adamsgate Action Group, a large and very active community group for Rainham and South Hornchurch (plus 61 individual letters received from its members); Rainham and Wennington Community Association; Wennington Village Association; Time FM the local radio station; and the Romford Recorder newspaper.

**53** In addition, the London Development Agency considers that the proposal would produce exceptional regeneration benefits for Havering and the Thames Gateway, whilst noting that the Mayor has yet to decide what view to express on the London options for a regional casino. The Thames Gateway London Partnership considers that the proposal would result in major regeneration benefits for the Gateway: since there may be other casino proposals within their area, their position is one of strong support for a major casino project grounded in wider regeneration initiatives and improving job markets in the London Thames Gateway. Havering PCT recognises that the proposal would result in substantial regeneration benefits, and requests that the Council works closely with the PCT to undertake a health impact assessment to ensure that any identified risks are fully addressed and that funding is in place to provide appropriate health services free of charge to those who need them. The RSPB affirms its full support for the regeneration of Havering and the Thames Gateway, including Rainham Marshes and Conservation Park, and is keen to work with the Council to secure the potential benefits from the regional casino and entertainment centre.

**54** The Council has received only two written representations against the proposal. Havering's Director of Public Health is personally opposed in principle to any significant expansion of gambling facilities in the belief that it will increase the numbers of gamblers and their families experiencing health problems. The Council does not accept that these problems will occur if the casino is developed in line with best international practice (see Social Impact). London Container Services, one of the businesses in Ferry Lane, has objected to the proposal because it will involve the relocation of existing businesses. Given the extensive available employment areas within the wider Thames Gateway, including Dagenham and Thurrock as well as Rainham, the Council is confident that more suitable locations could be found for these businesses, where they will not impact so severely on the environment and prospects of a strategic opportunity area.

**55** Local consultation in Rainham by the Council included a week-long exhibition, publicity in local newspapers and radio, and distribution of an explanatory brochure. There were 880 written

responses to the consultation, with an overwhelming majority (95%) in support. Very strong support was expressed at two meetings of the local Adamsgate community group.

**56** The University of East London (UEL) carried out an independent questionnaire survey of a random sample of 253 respondents in Rainham in March 2006. 64% were in favour of the proposal for a regional casino and entertainment centre: 76% wanted more entertainment facilities in Rainham. 78% thought it would improve job prospects, and 68% thought it would be positive for business. 65% expected to use facilities in the development, but only 33% expected to gamble.

**57** UEL also conducted two focus groups with a cross section of local Rainham people. There was good support for the proposal, not primarily because of the casino itself, but because of the perceived benefits it would bring: jobs, tourism, improved amenity, support for community aspirations including through planning gain, countering the present bad image and putting Rainham on the map.

## Probability of Implementation

**58** The Panel can have complete confidence that, if selected, the Havering proposal will be implemented and the regeneration benefits delivered.

**59** The key characteristics of the catchment area(s) from which customers for the casino facilities will be drawn (market area) are as follows.

- A sub-regional catchment (30 minutes isochrone) of 1.9m people with a socio-economic mix broadly comparable to that of Great Britain.
- A much larger regional catchment area (60 minutes isochrone) with a population of some 8.5m. weighted towards higher socio-economic groups (46% in the top three groups cf. 40% in Great Britain).
- The regional casino and entertainment centre will also be well placed to attract UK and overseas visitors on day (or evening/overnight) trips from London, by analogy with trips from London to Canterbury and Cambridge.

**60** GVA Grimley have carried out a market demand analysis for Sun International. Combining Experian's breakdown of per capita gambling expenditure, and Mintel's estimates of the casino market, and applying this to the Rainham 30 minute catchment area, they have estimated present day casino expenditure as £28m in 2005 rising to £32m by 2010, assuming no deregulation of gambling.

**61** Sourced data on the UK gambling market from Pion Economics' Gambling Deregulation Impact Study and CACI has established that the propensity to gamble and average gambling spend per household throughout the UK will grow after deregulation by 40%, and anticipates that UK casinos will earn a significant portion of the future gambling market (still well below levels across the US). These projections are in line with a wide range of published market growth forecasts. Average annual visits to casinos will increase from 9 to 12 per person (for those who participate); and average spend per casino visit will fall from £55 to £45.

**62** Applying this model indicates that following the introduction of new casino regulations, anticipated casino expenditure in the Rainham 30 minute catchment area would increase to £250m by 2010. This may be regarded as a conservative estimate of the potential expenditure draw. Although competing facilities within the Thames Gateway (i.e. Southend) will benefit from deregulation, visitors to the Rainham regional casino would be expected to come from well beyond the 30 minute isochrone.

**63** Comparing this estimate with the anticipated £120m gaming revenues of a regional casino, it is clear that there will be more than sufficient demand to support the regional casino at Rainham, alongside existing facilities and perhaps one of the smaller new casinos if desired. One of the key constraints to realising the full potential of the available casino expenditure is the imposed limit of 1250 slot machines and 50 tables. This is expected to limit gross gambling revenues to about half of the actual potential.

**64** The earlier section on Tourism and Entertainment explained that there are no casinos and very limited competing facilities within the catchment area, so that there will be minimum impact on existing leisure based activities, dispersed over a wide area. That section also highlighted the excellent road access for cars, coaches, and taxis to the regional casino and entertainment centre: in conjunction with and as a consequence of the development, public transport services to Rainham station and the centre of Rainham would be substantially upgraded and linked effectively to the site, together with much improved routes for pedestrians and cyclists.

**65** The section on the Need for Regeneration described the critical mass effect of developing a cluster of leisure based activities within a Thames Gateway regional casino and entertainment centre, and the exceptional economic, social and environmental regeneration benefits that would result.

**66** There is very strong investor interest from the partnership of Sun International and Development Securities plc, who have already incurred major expenditure on the development of proposals for a regional casino and entertainment centre at Rainham, entirely at their own risk. The development would be funded 100 % by the private sector and would involve an investment of c. £250 million.

**67** Havering's Draft Local Development Framework has identified a location for the regional casino and entertainment centre in Ferry Lane North, Rainham, based on the following criteria:

- A run-down industrial area which is blighting the image of London's Thames Gateway when approached from the east, badly in need of regeneration.
- Large enough to accommodate the development and to capture the full regeneration potential of such a proposal for the Thames Gateway.
- Separate from town centres, everyday shopping areas and residential areas, so as to become a clearly defined leisure/entertainment destination, in order to minimise impulse gambling opportunities and environmental disturbance.
- Good regional and local accessibility by all forms of transport following the improvements which would be secured from the regional casino and entertainment centre development.
- Sufficiently distant from major town centres and competing facilities to minimise displacement effects.
- Adjacent to the Rainham Marshes and proposed Conservation Park, providing a unique opportunity to create a combined tourism and environmental asset for London and the Thames Gateway of national importance.

**68** Much of this land is in a single private ownership, and it is probable that it can be acquired through negotiation by the selected operator: however, both the Development Corporation and the Council have compulsory purchase powers if necessary to bring forward a regeneration project of this magnitude and importance.

# Regional Context

**69 Sustainable Communities: building for the future (ODPM 2003) sets out the need for 200,000 additional homes and related employment and infrastructure in the South East and East. It identifies the Thames Gateway as the largest and most significant of four major growth areas. Development in the Thames Gateway addresses key Government priorities: economic growth, meeting the need for additional housing, and the regeneration of the area, which contains one of the largest concentrations of brownfield land in the country and where there are large concentrations of social and economic deprivation. Within the Gateway, London Riverside is designated as one of the most important zones of change with potential to deliver growth.**

**70** The role of the regional casino and entertainment centre in stimulating development and regeneration in a context of little or no other private investment is fundamental to the timely delivery of the Government's plans for the growth and regeneration of the Thames Gateway.

**71** The ODPM and DEFRA have identified greening as a key component of improving the quality of life and attracting investment to the regeneration of the Gateway. Greening the Gateway (2004) featured Rainham Marshes and Conservation Park as an exemplar case study. However, realisation of the plans for the Nature Reserve and Conservation Park is critically dependent on the provision of visitor facilities including transport to the site, and additional capital and revenue funding, which will be greatly assisted by the regional casino and entertainment centre development.

**72** The Thames Gateway in London forms part of the East London sub-region which The London Plan (GLA 2004) says in para. 5.50 is the Mayor's priority area for development, regeneration and infrastructure improvement. In para.5.74 it proposes that the planning framework for London Riverside should reflect the Urban Strategy for London Riverside (July 2002). "It should plan for compact, mixed urban communities at South Dagenham, along the A1306 East, and at Rainham.

The core employment areas should be developed as a leading centre for innovation and high-tech manufacturing, for industries that serve London, and for the growth sector of environmental technology. The adjacent Rainham Marshes and riverside open space should be planned to provide a regionally important environmental and leisure asset for East London. Improved transport will be needed, building on plans for a DLR extension and east London transit schemes to serve London Riverside, looking at the potential for improved services and additional stations along the existing rail corridor, and extended bus services."

**73** The London Plan pre-dated the Gambling Act 2005 and does not provide policy guidance on regional casinos. It is clear however that the proposed Thames Gateway regional casino and entertainment centre would provide a huge boost to the regeneration of East London and the achievement of the policy objectives for London Riverside: indeed without that development there are no realistic prospects for delivering the level of economic, environmental, and transport improvements sought by the London Plan in the foreseeable future.

**74** Recognising that new regional casinos raised distinct planning issues requiring specific policy guidance, members of the Greater London Assembly conducted a scrutiny investigation. In their report (On the Cards, GLA 2005) they made a series of recommendations including the following locational criteria for a regional casino:

- offer significant benefits to an area in demonstrable need of regeneration, including new and sustainable employment opportunities;
- demonstrate high accessibility, particularly by public transport;
- be located away from residential development and from everyday high street shopping, as part of a clearly defined and separate leisure/entertainment destination, to minimise loss of amenity and to minimise ambient or impulse gambling opportunities.

Havering's proposal is in full accordance with these recommendations.

**75** The East London Sub-Regional Tourism Development Strategy and Action Plan (Mayor of London, LDA and Tour East London 2004-6) advocates the development of tourism in East London, identifies Rainham Marshes as having brand potential, and calls for the identification of key attractors that can work together to create the critical mass of destinations. The Thames Gateway regional casino and entertainment centre will be the pre-eminent visitor attraction in East London, and directly linked with Rainham Marshes.

**76** Planning policy guidance in PPS6, PPS13 and the London Plan requires a sequential approach to the location of leisure and entertainment developments. According to the national policy statement on casinos, the Government expects that a regional casino will be a major development, offering clear potential for regeneration, including a critical mass of leisure and complementary uses as well as gambling facilities: this in turn requires a large site that is available and can be economically developed for these purposes. Moreover, a town centre location is unsuitable for a regional casino as it would increase the risk of problem gambling. As a result, there are no suitable, viable, and available sites of sufficient size for a regional casino and entertainment centre in town centre or edge-of-centre locations in the Thames Gateway in London. Havering's proposal is therefore consistent with the sequential approach, being an out-of-centre site which will be accessible and well served by a choice of means of transport, with good links to the nearby Rainham centre.

**77** Historically the site has been in industrial use, and it is designated as employment land in both the Havering Unitary Development Plan (1993) and the London Plan. The development scenario for Ferry Lane in the Urban Strategy for London Riverside is better road access and new public transport services, which will be the catalyst for the revitalisation of the industrial area, and its progressive redevelopment for higher quality predominantly employment uses.

Although the regional casino and entertainment centre will involve the use of some industrial land for leisure purposes, it will generate much higher employment levels than from an equivalent industrial redevelopment, deliver the required transport infrastructure improvements, and stimulate the redevelopment of employment land in the surrounding area. In view of the surplus of industrial land in the area, evident from the lack of demand referred to earlier in this submission, the alternative use of approximately 10 hectares for the regional casino and entertainment centre is fully justified.

**78** Taking account of the crucial role which the proposal will have in achieving the national and regional strategies for the Thames Gateway and London Riverside, and its importance in attracting inward investment and delivering regeneration; and being satisfied that the proposal complies fully with relevant national and strategic planning policies, including those relating to the sequential approach and to employment land; the Council has included the regional casino and entertainment centre at Rainham as a firm proposal within Havering's Local Development Framework (Preferred Options).

**79** The Mayor of London has not expressed a view on the proposal at this stage: the Council has been advised that he will consider all the proposals put forward later in the year, when he is formally asked for his views by the Panel in his capacity as the regional planning body for London.

# Community Benefits

**80 The Council is determined to ensure that maximum community benefits are achieved, and is committed to putting in place a rigorous assessment process for potential operators. The principal community benefits were identified in describing the Need for Regeneration above:**

- The development of the regional casino and entertainment centre, bringing entertainment and leisure facilities of an international standard to an area where they are severely lacking.
- The business, employment and training opportunities resulting directly and indirectly from the proposal.
- The major contribution the proposal will make to achieving the economic, social, and environmental regeneration of London Riverside, for the benefit of the people who live and work in the Thames Gateway.

**81 The precise requirements of the licence conditions/agreement and the planning permission will be negotiated by the Council (licensing authority), Development Corporation (development control authority), and the Mayor (strategic planning authority), and are expected to include:**

- The provision of agreed training and recruitment programmes in both the construction and operational phases, targeted towards more deprived parts of the labour market area and excluded groups.
- Provision of flexible childcare for employees.
- The adoption of local purchasing programmes to maximise the opportunities for Thames Gateway firms, including businesses run by BME entrepreneurs.

- A contribution to the funding of priority community facilities, particularly for deprived communities in this part of Thames Gateway, including access to the entertainment centre facilities for community events and activities.
- Funding to support the development and ongoing management of Rainham Marshes and Conservation Park, provision of shared car parking and visitor facilities, support for RSPB education programmes and events, and promotion of the nature reserve.
- The provision of a new bus route from Rainham Station to the entertainment centre and on to the Conservation Park Visitor Centre, and revenue support for an agreed period.
- A contribution to the Development Corporation's infrastructure fund.
- Revenue support for an agreed period for the extension of bus services south of the railway.
- Improvements to the crossing of the C2C and CTRL railways for cyclists and pedestrians, including provision of viewing facilities.
- A financial contribution to the plans for improving Rainham Station and for the adjoining development of a new public square and transport interchange.
- A contribution to the improvement of Ferry Lane, and development of suitable pedestrian and cycle routes between the entertainment centre site and the station.
- Implementation of a green travel plan.
- Environmental improvements to Rainham Creek from the site to the railway.
- Provision of the ice rink and an undertaking to operate the rink for a minimum agreed period.

# Unique Characteristics

**82 In conclusion, these are the unique and special characteristics which differentiate Havering’s proposal and make it the best possible test of a regional casino in the UK.**

- It will make a vital contribution to economic growth and regeneration in Thames Gateway, which is a national and regional priority. It will transform the part of the Gateway which is demonstrably most in need of a major catalyst to produce the kind of large scale regeneration which is already happening in places like Stratford and Greenwich.
- Havering’s proposal will use the regional casino as the means of creating a completely new leisure destination in a completely new location, attracting over three million visitors annually: this will be the ultimate test of the regenerative potential of a regional casino.
- The net additionality of the regional casino and entertainment centre in Havering will therefore be very high, and it will cause minimum displacement. The casino is not being used, as in some other proposals, simply as a bolt-on device to improve the economics of a poorly related development project; nor of a project which is already committed, or even under construction. Nor is Havering’s proposal an optional extra in an area where regeneration is already under way, as it would be in some places.
- Because the regional casino and entertainment centre will be in a location where there is no existing leisure activity, and specifically no existing gambling, its social impact and regeneration impact will not be masked by the displacement of existing leisure or gambling expenditure or behaviour – providing the best possible test.
- Similarly, the social and regeneration impacts of Havering’s proposal will not be obscured by the effects of other major development taking place over the same time period in the locality. The comparison with the “no scheme” scenario will be very clear, again making for the best possible test. It is precisely because of the lack of significant development activity in Rainham that the Thames Gateway regional casino and entertainment centre is so vital to the area’s future.
- Havering’s proposal will be located away from town centres, everyday shopping areas and residential areas, as part of a clearly defined and separate leisure/entertainment destination, which is best practice in order to minimise impulse gambling opportunities and environmental disturbance. These are the ideal circumstances in which to test whether it is possible to introduce a regional casino to an area and gain the unquestionable regeneration benefits without causing unacceptable social harm, and in particular avoiding an increase in problem gambling.
- Unlike some other casino proposals, the location in Rainham will not be immediately accessible from residential or working environments with a high proportion of vulnerable, deprived, and low income groups, who would be particularly at risk of being harmed by gambling more than they can afford.
- Havering’s proposal offers an exceptional opportunity to realise the vision for Rainham Marshes and Conservation Park, creating a unique combined tourism and environmental asset for London and the Thames Gateway which will be a major addition to their leisure offer and a very important contribution to the strategy for “greening the Gateway”.
- Because it is in London, available casino expenditure far exceeds what is required by the regional casino and entertainment centre, which will be 100 % privately funded. Estimates of economic impact, employment, and visitor numbers for the Havering proposal are based on UK and international experience, and are robust and reliable. There is very strong interest from a leading operator and developer, which demonstrates that the proposal is realistic and deliverable.
- **There is overwhelming support for Havering’s proposal, including longstanding and unanimous all-party support on Havering Council, and support from the Local Strategic Partnership, Development Corporation, key inward investment and regeneration organisations, elected representatives, local media, the police, businesses, education providers, local organisations, and the community.**

