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## 1. Introduction

- 1.1 Milton Keynes Council has carefully reviewed the number and type of licences available and the criteria the Casino Advisory Panel is seeking to apply in its assessment of proposals. On this basis, Milton Keynes is seeking to apply for a **large casino licence** and a **small casino licence**. Should the number of licences or criteria change following submission of this proposal, Milton Keynes Council would like reserve its right to reconsider its application.
- 1.2 Milton Keynes has embarked on a process of ambitious growth and regeneration. New extensions to the City are planned and radical policies have been developed to transform Central Milton Keynes and regenerate the pockets of significant deprivation in the City.
- 1.3 This growth and regeneration will consolidate and expand the regional role of Milton Keynes, which presently lacks the diversity of activities, buildings and spaces of cultural, leisure, residential and employment opportunities that were envisaged at the time of its establishment and which can be found in many other European cities. At the same time, it is also driven by the need to regenerate those parts of the district suffering from significant deprivation. The combination of these two elements, regeneration of the City and need to address the pockets of acute deprivation underpin this bid to the Casino Advisory Panel for a large and a small casino licence.
- 1.4 Milton Keynes is considered an ideal location to test the social and regeneration impact of the new casino licences owing to a unique balance between the City's regional function, existing deprivation and the absence of existing casinos that would conflict and dilute the testing process. Our proposal demonstrates this having regard to the criteria set out by the Casino Advisory Panel in its Call for Proposal dated 31 January 2006.



## 2. Type of Area

- 2.1 Milton Keynes is a forty-year-old 'New' Town with significantly high levels of population growth, but with significant pockets of deprivation co-existing alongside relative general prosperity. Milton Keynes has been identified by the Government as a major Growth Area within the Sustainable Communities Plan and is required to meet very challenging aspirations in terms of employment and population growth. **This is a challenge which sets it apart from many other parts of the United Kingdom.**
- 2.2 Between 1981 and 2003 Milton Keynes has been the fastest growing city in England according to ODPM's *State of the English Cities* report <sup>1</sup>. Over a period when the population of many English cities has fallen, the population of Milton Keynes has grown substantially. From a base of 60,000 in 1967, population reached an estimated 216,700 in 2004, an increase of 360%. The population continues to grow at around 2% per annum and is expected to reach over 350,000 by 2031. Meanwhile the growth of the employment and business base of the City has continued to grow in tandem with population and, as well as growing in terms of population and employment, Milton Keynes has continued to acquire new facilities and functions commensurate with its growing size and status.
- 2.3 The growth agenda for Milton Keynes has received additional impetus following the designation of the Milton Keynes South Midlands (MKSM) Growth Area as part of regional planning guidance for the South East and East Midlands regions. A core aim of the MKSM sub-regional strategy (adopted in March 2005) is for Milton Keynes to become a major regional centre. This will require substantial additional investment in infrastructure and facilities, including retail, leisure and cultural assets.
- 2.4 However, alongside the strong economic and demographic growth experienced by the City there are also pronounced levels of deprivation present in the urban area. The characteristics of deprivation in Milton Keynes include the following:
- Although a relatively prosperous area, Milton Keynes has significant pockets of deprivation, principally affecting the wards of Woughton and Eaton Manor. Around 10% of SOAs in Milton Keynes fall within the 20% most deprived in England with six SOAs falling within the ten per cent most deprived <sup>2</sup>
  - Milton Keynes is within the 30% most deprived districts in the country in terms of employment deprivation and within the 25% most deprived in terms of income. Unemployment in some of the most deprived wards is one and a half times greater than the average in Great Britain
  - These pockets of deprivation also suffer from lower than national economic activity rates and a high proportion of economically inactive people at over 30%
  - Nearly one quarter of people in Milton Keynes have poor literacy and numeracy skills, although in wards such as Eaton, Fenny Stratford and Woughton the figure is much higher than this (as high as 46% for literacy and 54% for numeracy). Those most likely to have low or no qualifications (and hence basic skills) are women, over 50 year olds, and people working in low-skill occupations <sup>3</sup>
  - A quarter of the population in Milton Keynes have no qualifications and a further 44% have low qualifications <sup>4</sup>. A particular concern is the high proportion of 16-24 year olds with low or no qualifications in Milton Keynes, nearly 30% compared to the South East which is just over 20% <sup>5</sup>

<sup>1</sup> ODPM, *State of the English Cities*, March 2006

<sup>2</sup> Source: *Indices of Deprivation* (2004)

<sup>3</sup> Milton Keynes Skills and Economic Assessment, Learning and Skills Council Milton Keynes, Oxfordshire and Buckinghamshire, December 2004

<sup>4</sup> Census 2001

<sup>5</sup> Milton Keynes Skills and Economic Assessment, Learning and Skills Council Milton Keynes, Oxfordshire and Buckinghamshire, December 2004.

- Milton Keynes has a lower proportion of people with high qualifications. 21.6% of the working age population have an NVQ Level 4+ which is lower than the national (25.2%) and the regional average (28.5%). In some of the most deprived wards (including Eaton Manor and Waughton), this falls to less than half the national average. The issue of low qualifications stems from school level (as there is a lower than national and regional average number of pupils achieving 5 or more GCSE grades A\*-C) and follows through to the core key stage qualifications

2.5 It is the juxtaposition of strong city-wide economic and demographic growth alongside significant incidences of deprivation at a localized level that provides a unique environment in Milton Keynes.

### Strategy for Tourism and Leisure

2.6 Milton Keynes has developed a strategic approach that seeks to attract business tourists to the City to experience its unique nature, so that a positive experience will gradually change image and perception of the location. This strategic approach also seeks to improve and diversify the leisure and recreational offer in general. A casino development is seen as an important piece of the jigsaw that will contribute to both aims.

2.7 Recreational and leisure infrastructure meshes with traditional employment growth drivers, providing vital complementary activities, particularly as a conferencing centre. The City's strategic location between London and Birmingham, and Oxford and Cambridge, has strengthened its conferencing role. With new hotels and conferencing facilities currently under construction or in the development pipeline, 'Business Tourism' is increasing within the City.

2.8 Currently, Milton Keynes tourism offer is centred around a younger audience given its perception as a place for adventure sports built on the back of Xscape and its recognition as a Skate Board destination. Its recognition amongst an older

audience within the target sectors is less well developed and there is concern that a perception exists that the City lacks the cultural facilities and diversity that might be associated with an older location that had grown in a more traditional and organic way. Other than the theatre and art gallery, the entertainment opportunities for an older more sophisticated audience are limited. If the City is to appeal to a broader market, it must offer a complete suite of facilities that would be associated with a city not only of its current size but also a city identified as having substantial growth potential.

2.9 In implementing the City's strategic approach to tourism and leisure, Destination Milton Keynes has just been established as a not for profit company to co-ordinate conference and visitor activities. The organisation funded by private sector partners (hotels and visitor attractions) and public sector match will be operational from April this year designed to increase visitor numbers and enhance the visitor experience.

2.10 The provision of casinos and associated activities within Milton Keynes will be a major contribution to the development of the City's recreational and leisure infrastructure for those working and doing business within a designated regional growth centre.

2.11 Casino operations overseas appeal to a diverse range of age groups, sexes and cultures. Milton Keynes Council considers that establishment of such facilities within the City would broaden and deepen its existing leisure infrastructure, enhancing choice for those living within or adjacent to a growing regional centre and increasing the appeal of the City to newcomers who will be vital in delivering Sub-Regional growth plans.

### Milton Keynes: a good ground for the testing of social impact

- 2.12 We consider there are three factors which make Milton Keynes an ideal pilot for testing the social impact of a large and a small casino.
- 2.13 Firstly, Milton Keynes has been identified by the Government as a major **Growth Area** within the Sustainable Communities Plan. As such, it is expected to deliver substantial growth in employment and population. For example, such growth will see the City grow from having a population of around 216,000 currently to over 350,000 by 2031, with a planned 70,000 new homes being created in this period. A key factor in this will be for the City to grow leisure and cultural facilities commensurate with its size and status. Milton Keynes needs to be a place where people choose to live, bringing with them skills, entrepreneurship, investment and jobs. This can only be achieved by providing a diverse leisure and entertainment offer similar to other large cities. At present the City is the largest urban area in Great Britain that lacks a casino facility. Development of modern casino facilities as part of a broad and sophisticated portfolio of leisure
- and cultural facilities will form part of the City's offer to business investors, the local workforce and visitors.
- 2.14 Secondly, Milton Keynes has a particular issue with renewal of poorer and disadvantaged areas. These areas suffer from significant deprivation both in terms of employment and income. Providing employment opportunities **and** the opportunity for people living in disadvantaged areas to access them will be considered by Milton Keynes Council as essential when assessing bids from casino operators.
- 2.15 Thirdly, the granting of a casino licence(s) provides a good ground for testing impact in a Regional Centre faced with the challenges of addressing deprivation and growth potential at the same time and keen to avoid a two-speed economy. Granting casino licences within this context where no current casino provision is also an excellent opportunity for assessing the impact of introducing such a facility where none has previously existed.



### 3. Social Impact

- 3.1 Milton Keynes Council considers that there are two main impacts from their proposal to bid for one large and one small casino licence. Firstly, the **creation of good quality employment opportunities** which will be targeted at the communities living in the 13 Super Output Areas (SOA) in Milton Keynes which fall within the 20% most deprived in England. These communities are part of the Milton Keynes Area Programme created by SEEDA to address acute levels of exclusion, made all the starker by close proximity to relative wealth. The aim is to alleviate the deprivation and realise the potential for residents to join the economic success of their towns and cities. In order to maximise the benefits of casino development in Milton Keynes, operators bidding for the licence would be encouraged to make a commitment to recruit the majority of their employees locally and specifically from these deprived areas.
- 3.2 Secondly, a casino would increase **leisure and recreational facilities** in Milton Keynes catering for a more mature market as well as business tourism. Currently the leisure offer in Milton Keynes is polarised and a considerable section of the population is not being catered for other than by the theatre and art gallery. Given the size of Milton Keynes and its planned population growth, the entertainment opportunities for an older more sophisticated audience are limited and they need to be addressed. Increasing the level of business tourism is a particular ambition of partners in Milton Keynes and forms part of the strategy to regenerate and revitalise Milton Keynes. As the government itself has recognised, a casino will make a positive contribution to the success of the tourism and leisure sectors. It will therefore be a key component of plans to make Milton Keynes into a modern and attractive city.
- 3.3 There are also a number of additional impacts which would be beneficial to Milton Keynes and its residents. These include **enhanced skills** for those accessing jobs at the casino as well as **enhanced external perceptions** in terms of profile of the City and attraction of visitors to area. A large casino in particular would attract visitors to Milton Keynes which may not otherwise have visited the City. There are a number of ways in which the opportunities described could be maximised. One of these is through positive marketing and promotion of a large casino to potential visitors. Milton Keynes council expects the successful operator to work with Destination Milton Keynes to encourage visitors to increase their stay in the area through going to other visitor attractions whilst they are visiting the casino.
- 3.4 Low skills levels have been shown to be a particular problem in Milton Keynes and quite an acute one in significant parts of the district. Milton Keynes Council will seek to ensure that any casino operator seeking a licence in Milton Keynes work with agencies such as the Milton Keynes Economy and Learning Partnership<sup>6</sup> during the recruitment process to ensure that people have the necessary skills for employment. Whilst a specific policy has not been developed as yet, it is expected that a target group would be the significant group of young men, in particular, who are low skilled and engage in periods of short-term contract employment (largely in the distribution sector), alternated with unemployment, who might be upskilled and offer a career in the casino industry. The experience of these type of employment schemes in other parts of the country has shown that they are successful at helping the unemployed/ underemployed in deprived communities back into the labour market.
- 3.5 Milton Keynes Council recognises that there may be some negative impacts from the introduction of casinos. These have traditionally been considered to revolve around issues of crime, problem gambling and disturbance from increased visitor numbers. In the case of Milton Keynes, these are considered to be minimal for a number of reasons:
- i. The Council will seek to minimise any potential negative impacts by ensuring that the successful operator(s) has in place suitable corporate social responsibility practices including policies to minimise the problem by identifying, preventing and addressing gambling issues.
  - ii. The Council will review the Corporate Social Responsibility initiatives of all potential operators, ensuring that they are fit for purpose and

<sup>6</sup> The Milton Keynes Economy and Learning Partnership is the lead agency and accountable body for the MK Area Programme tasked with reducing the number of individuals suffering economic exclusion in Milton Keynes and to concertedly address localised deprivation

represent best practice. Proposed links between operators and support groups such as the Samaritans, Gemcare the Gambling Trust and other local organisations will also be examined.

iii. Milton Keynes Council will work with the Milton Keynes Community Safety Partnership who have a remit to work with other local agencies and organisations to develop and implement strategies to tackle crime and disorder and misuse of drugs in Milton Keynes. As a key member of this partnership, MK Council will seek to ensure that any negative potential impacts are minimized. The successful operator(s) will also be required to be part of this process. Indeed, this arrangement is already in place in Milton Keynes where multi-agency working has been instrumental in the success of the night-time and early morning economy.

iv. Milton Keynes is well placed to accommodate increased visitor numbers. On the one hand, the council will ensure that the location and design of a new casino will minimize any negative impact on residential areas. Already, Milton Keynes grid road infrastructure has permitted the spatial planning of residential and commercial developments so that any adverse impact on residential areas is minimised as far as possible. This innovative approach for example has permitted the Central Milton Keynes grid square particularly to benefit from unrestricted opening hours throughout the year. On the other hand, there are already planned infrastructure and transport improvements as part of the Growth Area initiative and flagship schemes designed to regenerate Milton Keynes. This means that increased visitor numbers will easily be accommodated within the current and planned transport arrangements.

3.6 Milton Keynes Council actively engages with a broad range of organisations both in the public and voluntary sectors. As part of the casino development process, Milton Keynes Council will engage with all of these organisation to ensure that there is a coherent approach and support for the social policies highlighted above. These include:

- The Milton Keynes Economy and Learning Partnership
- Milton Keynes Community Safety Partnership which includes Thames Valley Police, Milton Keynes Council, Bucks Fire & Rescue, Thames Valley Police Authority and MK Primary Care Trust
- Job Centre Plus
- Milton Keynes Community Foundation
- Destination Milton Keynes
- Invest Milton Keynes
- Milton Keynes and North Buckinghamshire Chamber of Commerce
- City Counselling Centre
- Primary Care Trust
- Milton Keynes Partnership
- English Partnership

3.7 Milton Keynes Council expects to test the social impacts of the introduction of the casino in conjunction with the organisations mentioned above. The methodology for testing social impacts is still under development with the following being considered:

- Monitoring of survey evidence. In particular, surveys of households both before and after the introduction of the casino facility to assess changes in gambling and other behaviour that may be brought about by the presence of the facility
- Consultations with social and community organisations involved in advising and counselling individuals with problem behaviours associated with gambling
- Dialogue with other key stakeholders including the police and faith groups.

#### 4. Need for Regeneration

4.1 Milton Keynes is a unique place which should be identified separately within the context of growth and urban regeneration. As a key Growth Area, it needs to make sure that adequate provision in terms of housing, employment and leisure infrastructure is in place to meet the ambitious government plans. Alongside this, Milton Keynes is faced with the particular issue of renewal of poorer areas, some of which are within the 10% most deprived in the country and which suffer from a range of economic, social and health inequalities. Addressing this is fundamental to prevent the development of a two-speed economy and maintain social inclusion and cohesion.

4.2 The regeneration of Milton Keynes both in terms of the challenge to meet the Government's Growth Agenda and the need to address significant pockets of deprivation will be assisted by being selected as one the locations to test the impact of a large and/or small casino. In particular casino development will help assist this regeneration agenda in Milton Keynes by:

- **Benefiting deprived areas of Milton Keynes.**  
Milton Keynes Council is working with partners to develop policies that will ensure that residents in the most deprived wards in Milton Keynes are assisted to access employment opportunities created by the casino. In particular, policies will be developed to target residents in the most deprived SOAs with training and employment advice, tapping into the work being carried out

by the Milton Keynes Economy and Learning Partnership and the SEEDA Area programme. These particularly deprived areas suffer from economic inactivity reaching 30%, as well as low numeracy and literacy skills. Unemployment is also high at more than 1.5 times the national average. Casino development will help improving the skills and employability of residents in the deprived areas of Milton Keynes with the development of employment initiatives.

- **Adding economic value in terms of job creation and contribution to the local economy.**

Gross permanent employment creation is likely to be significant, and based on the minimum floorspace indicated by the Government, is likely to range from around 375 full time equivalent jobs if licences are awarded for a large and a small casino to 250 for a large casino to 125 FTEs positions if a small casino licence is awarded. This is based on English Partnerships and RDAs' Employment Densities Guidance 2001, which found that casinos tend to have employment densities of 1 job per 6 sq m of floorspace.

The level of indirect employment creation is also likely to be significant from further economic activity associated with additional local income and local supplier purchases. Given the level of casino development proposed by the Government is untested in the UK as yet, hence the need for pilots, we have used estimates of the likely

	Small Casino	Large Casino	Large & Small Casino
Direct Casino Employment	125	250	375
Indirect and Induced Employment	48	95	143
Total Gross Direct and Indirect Employment	173	345	518
Leakage	9	17	52
Displacement	8	33	70
<b>Total net direct, indirect and induced employment</b>	<b>156</b>	<b>295</b>	<b>396</b>

multiplier effect from additional income and impacts on the supply chain on the leisure and recreational sector <sup>7</sup>. Based on a composite multiplier of 1.38, indirect employment creation is likely to range between 48 and 143 indirect jobs depending on the casino licence awarded. The size of any indirect effects will be greater if facility purchases come from within the local economy rather than outside and if visitor spending is focused on goods and services produced in the local economy since expenditure will be retained in, rather than bypass, the local economy. Milton Keynes Council will work with prospective casino operators to ensure that linkages with local businesses are maximized wherever possible. Gross direct, indirect and induced employment impacts are considered to range between 173 for a small casino to 518 if both licences are awarded.

The net employment impact once leakage and displacement has been taken into account is also considerable ranging from 156 jobs if a small casino licence is awarded to 396 if licences are awarded for both a small and a large casino. Overall, it is considered that leakage and displacement would be low ranging between 5% and 15% depending on the number of licences awarded. This is because there is currently no casino provision in Milton Keynes and people travel outside the area to visit casinos. As such, leakage of leisure expenditure away from Milton Keynes will be minimized. Similarly, part of the regeneration strategy in Milton Keynes is to increase and diversify leisure provision as it is limited at the moment. As a result, displacement of leisure activity is not considered likely. For these reasons, the multiplier effect will far outweigh any leakage of money away from Milton Keynes.

Casino development whether a large or small casino will also bring additional economic value through contribution to Milton Keynes' Gross Value Added (GVA). Based on the estimated GVA for the recreational industries in Milton Keynes<sup>8</sup> in 2003 of £38,082, casino development will bring an additional £6.6million to £19.7million per annum in gross GVA and £5.9million to £15million in net

GVA per annum depending on the type and number of licences awarded.

There will also be of course the creation of temporary employment, for instance employment within the construction industry when the casino is being built. Based on initial discussions with interested operators, construction of a shell to house a large casino is likely to represent an investment of between £12-13million with internal fit-out totaling between £15-17million. A small casino is likely to be up to two thirds of these costs, potentially delivering over £20million of investment in construction and over £25million in later stages of the project. This will deliver many new construction and related jobs, setting aside employment generated by the future operational aspects of these facilities.

Milton Keynes Council will seek to maximise the additional economic value brought by casino development by putting in place initiatives that will link the employment opportunities created with unemployed or under skilled people living in deprived areas. The experience of casinos in the UK and further afield is that they offer entry to a career with well-paid advancement potential where on-the-job training is a key element leading to upskilling.

- 4.3 A further and important regeneration effect of casino development will be the [contribution to the Growth Area agenda](#). Milton Keynes has been earmarked by government as the major focus for expansion in the Milton Keynes/South Midlands Growth Area, identified in the Government's Sustainable Communities Plan. This involves substantial population and employment growth. However, the ambitious growth will not take place without meeting the aspirations and expectations that residents and businesses have of major cities. Diversification of Milton Keynes' leisure and recreational offer is a key ingredient to ensure appeal to a broad range of people. This diversification is part of Milton Keynes strategy for the regeneration of the area and casino development is part and parcel of the process.

<sup>7</sup> English Partnerships' Additionality Guidance 2004

<sup>8</sup> This has been calculated based on the GVA for the recreational sector at the national level in 2003 and apportion it to Milton Keynes based on its share of overall GVA per head

- 4.4 Moreover, the important role that ‘soft factors’ – such as improving environmental quality, amenity, cultural and educational facilities – play in creating competitive advantage is increasingly recognised by economic development and regeneration experts. The presence of sophisticated leisure facilities such as a casino plays an important part in helping locations attract and retain talented people and highly productive business establishments. Consequently, the quality of civic facilities and resources becomes ever more important in terms of allowing growing urban centres such as Milton Keynes to retain existing and attract new business operations and functions. It is also crucial in attracting and retaining the highly skilled people upon which these business operations increasingly depend.
- 4.5 The last point is very important. In order to pass on and advance knowledge, organisations in urban areas must be able to attract, develop and retain talent. In addition to challenging and rewarding career opportunities and stimulating work environments, successful locations – such as Milton Keynes – must be able to offer high quality living environments for the families of highly skilled and productive people. This implies that urban areas must be able to offer a high quality selection of cultural, leisure and entertainment facilities and assets – including international standard casino facilities – if they are to compete successfully with rival locations in the international marketplace.
- 4.6 Milton Keynes Council and its partners consider business tourism and its associated infrastructure to be key in supporting economic growth. To develop business tourism successfully and to remain competitive, Milton Keynes must provide a good balance of high quality facilities and services. Work is already underway to develop a conference centre and three hotels are in development with five more in the pipeline. Research by the Business Tourism Partnership<sup>9</sup> has found that an important consideration of the business tourism market is the availability of attractions in close proximity and quality entertainment. The provision of casino facilities is considered an important component of the City’s leisure offer to business tourism.

<sup>9</sup> Business Tourism Briefing, An overview of the UK’s Business Tourism Industry, 2003



## 5. Willingness to Licence

### Council Resolutions and Strategic Support

- 5.1 Milton Keynes Council is committed to bringing a large and a small casino to the City. This commitment sprung from a wide ranging study into deregulation and how it would impact upon the City if a casino were to be developed within the town.
- 5.2 Following dissemination of the Study's findings throughout the Council in early 2006, the Licensing Committee on the 22nd February 2006 declared that they would not be issuing a statement under Section 166 of the Gambling Act 2005. Moreover, they declared support for further work to be undertaken by the Cabinet in seeking to bring a casino to the City.
- 5.3 These resolutions were enforced by a meeting of Full Council on the 14th March with full Cabinet approval being given for the strategy highlighted within this submission on the 21st March.
- 5.4 Complementing these decisions is the support of key strategic bodies involved in the growth and development of Milton Keynes, such as Invest Milton Keynes, Business Link, and the Association of Milton Keynes Hoteliers.



### Consultation

- 5.5 Milton Keynes Council has engaged in a process of consultation both with the local community and a number of organisations to ascertain the level of support for a casino. This consultation process has involved a public opinion survey to a representative sample of 200 respondents as well as an organisation survey to more than 100 bodies including local councils, faith groups, potential operators, the voluntary sector and business development agencies<sup>10</sup>. The two surveys have shown that support for bringing a casino to Milton Keynes is significant, in particular:
- Over half the residents of Milton Keynes are supportive of the idea of a casino in the City with over two thirds of consulted organisations wanting a casino to open in Milton Keynes
  - The large majority of residents and organisations consulted believe a casino would:
    - Bring additional employment to Milton Keynes
    - Help boost tourism
    - Be good for the local economy
    - Be in keeping with Milton Keynes reputation as a modern city
  - Most residents and organisations do not believe a casino will lead to a rise in anti-social behaviour but there are some concerns that it may encourage problem gambling.
  - Over a quarter of residents would use a casino themselves, and a similar proportion indicated other family members would also be likely to use it.
- 5.6 Milton Keynes Council is therefore fully committed to delivering and testing casinos within its area, not only enjoying the support of the public, but also the support of strategic partners who will be able to maximise benefits and minimise any potential negative impacts.

<sup>10</sup> Detailed survey results can be made available upon request.

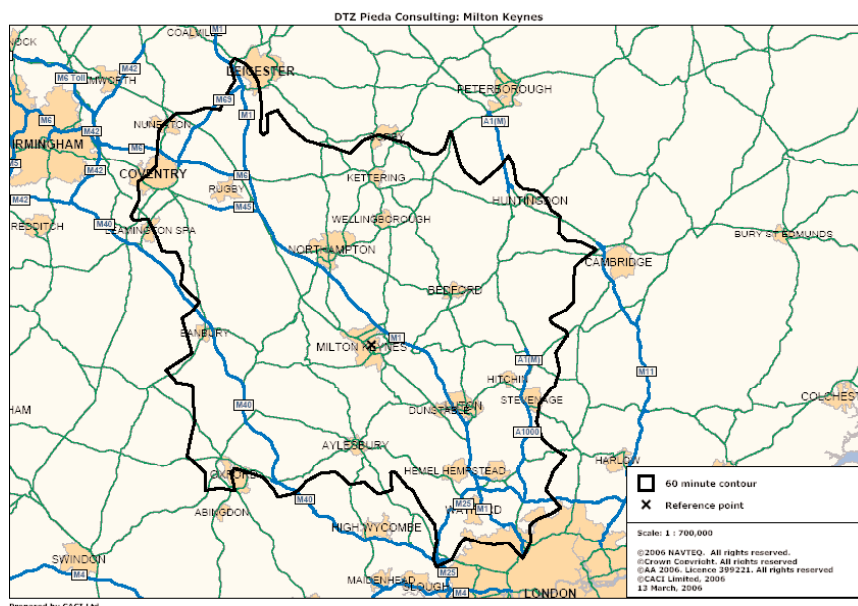
## 6. Probability of Implementation

### Market Demand Analysis

- 6.1 A number of new products have been introduced to the UK leisure market over the last thirty years. The vast majority of these products have successfully operated in the UK market for many years but are updated, refocused versions usually from the US. Such products include multiplex cinemas, health clubs and ten-pin bowling. However, the new products offer a wider leisure experience often including food and beverage as a key element of the experience. These new products also tend to be of a high quality.
- 6.2 Both health clubs and Multiplex cinemas both offer evidence to suggest that new products can stimulate new demand. The introduction of the National Lottery led to spending of £2.5 billion in two years. Whilst some of this spending was transferred from existing forms of gambling, a significant proportion of previously untapped revenue was generated. Indeed, there will be significant revenue from new markets, particularly the professional classes and women.
- 6.3 The introduction of new gaming venues has resulted in much of the growth in casino gaming in the US. Moreover, experienced operators within

the UK and overseas regard Milton Keynes as possessing the appropriate demographics necessary to deliver a successful and viable operation. This underpins the City's potential role as an ideal testing ground for casino impacts.

- 6.4 Initial analysis of the likely catchment area for a large casino has indicated that this could be quite wide, especially given the excellent transport links available in Milton Keynes. Looking at a 60 minute drive time, the catchment area and potential customer base stretches as far as Leicester, Cambridge and the north of London. The participation profile of the likely catchment area indicates that compared to the national average, participation on gaming and gambling activities especially horseracing and greyhound racing is high with up to 136,000 people taking part<sup>11</sup>. Other gambling activities such as bingo attract lower participation rates but still have a high number of people taking part at over 50,000. The customer catchment for a large or a small casino is therefore considered sufficiently large to support casino development. This is based on current participation rates on gaming and gambling activities which do not include casino visits.



6.5 Importantly, initial market research in Milton Keynes has indicated that 14% of residents already visit casinos in other parts of the UK and that around a third of residents would be likely to use a casino if there was one in Milton Keynes. The catchment area together with the underlying demand in Milton Keynes itself represents a good customer base for a casino in Milton Keynes. Moreover, these do not include demand from business tourism which is expected to contribute towards overall market demand.

### Selection Criteria

6.6 Milton Keynes Council's Licensing Sub-Committee intends to appraise each operator proposal in terms of how it will assist in delivering the vision of Milton Keynes as a key regional centre and how it can contribute to wards sustainable growth and regeneration objectives.

6.7 To assist their deliberations, the Licensing Committee will assess and weight each proposal against criteria designed to measure how each proposal might contribute towards these objectives. The criteria may include aspects of the following:

#### Employment and Regeneration

6.8 The quality of employment will be key, particularly the benefits that could accrue to those in the more deprived areas of Milton Keynes. Therefore, the extent to which an operator will target these areas in recruitment terms will be assessed.

6.9 The use of accredited training courses for new employees/returners, demonstration of the company's social responsibility towards its employees through their terms and conditions employment package, and equality for all employees regarding pay and service conditions will also be examined.

6.10 The extent of supporting or related development will be critical in assessing the multiplier regeneration benefits of casino development in employment and physical terms.

6.11 Meeting standards of design, innovation, and sustainability as set out in the statutory development plan will also be a priority, including the extent to which the operator has engaged key partners such as: Police, Fire and Rescue, Ambulance, Voluntary first aid sector, MK's CCTV, MKC waste management.

### Economic and Social Impacts

6.12 The initial injection of financial resources into Milton Keynes Council sponsored or approved community projects will of course be fundamental in this regard, along with the operator's commitment/contribution to sustainable growth objectives.

6.13 The extent and permanency of support to a Milton Keynes Council nominated voluntary organisation dedicated to supporting those vulnerable individuals who are adversely affected by gambling will also be considered.

6.14 Finally, the level of assistance a proposed operator can make towards the work of the Council in monitoring the social and economic impacts of a casino will also be assessed.

### Transport Infrastructure

6.15 The Investment marketing strategy for Milton Keynes is targeted at HQ finance and IT companies within London and Technology based business within Oxford and Cambridge. Milton Keynes' offer is founded upon the clean efficient and planned structure of the physical fabric. Although some major projects are planned or under consideration, transport infrastructure is well developed as would be expected for a New Town.

6.16 Therefore, the Sub-Regional Strategy in relation to transport infrastructure is more directed at encouraging the use of more sustainable forms of movement, with a particular emphasis on the development of new public transport nodes and interchanges (Paragraph 100).

6.17 Although new gaming facilities within the City will be able to be satisfactorily accommodated by existing or modified infrastructure, they would be expected to demonstrate how they would comply with, and contribute to, sustainable transport objectives.

#### Gambling in Milton Keynes: Current Provision and Likely Impact

6.18 There are no existing casinos within Milton Keynes as the City is not a Permitted Area under the 1968 legislation. However, existing gambling provision is as follows:

- Bingo Hall –1
- Family Amusement centres (arcades/shops) – 8
- Food premises (pubs/takeaways) having amusement with prizes machines – 42
- Betting shops – 22
- Dog Track (currently being relocated) –1

6.19 New casino development is likely to consolidate the role of Milton Keynes as a regional centre, offering a form of major leisure activity not currently available.

6.20 Existing leisure facilities within Milton Keynes may experience a fall in demand as a new leisure concept makes its presence felt within the regional leisure offer. Notwithstanding this, existing retail and leisure markets have been robust in responding to new concepts (out-of-town leisure/retail parks and shopping centres for example).

6.21 The market has been less robust when confronted with a new facility that replicates existing provision (such as out-of-town multiplex cinemas replacing town centre cinemas or new out-of-town shopping centres in saturated catchment areas). This is clearly not the case in respect of Milton Keynes where there is no similar provision. Indeed, given the current lack of a casino and the aim of broadening the leisure offer to cater to a more mature market, the impact of a casino on other leisure attractions is considered to be positive.

6.22 Moreover, the removal of casinos from Use Class D2 will effectively prevent the distortion of land values for all existing leisure uses within Milton Keynes.

#### Investor Interest and Demand

6.23 The relationship between the emergence of new products (in this case casinos) and resulting demand for that product has generated significant interest amongst strategic landowners and operators alike. **The Council has so far been approached by three different developers in addition to a number of UK and/or overseas operators, including:**

Las Vegas Sands  
Gala Group  
Luminar Leisure  
Stanley Casinos  
London Clubs International

6.24 The consultation exercise has shown that these developers and operators have confidence in Milton Keynes delivering viable and attractive facilities under the 2005 Act, particularly when the City's track record is examined.

6.25 Milton Keynes has so far piloted the UK's first multiplex cinema, indoor ski slope and even indoor sky diving centre. These leisure and recreational assets have subsequently been rolled out elsewhere in the UK.

6.26 Therefore, gambling spend and indeed support for casinos, will increase, with additional funds being drawn into the City by the quality and range of facilities provided.

## 7. Regional and Local Context

7.1 The spatial strategy for Milton Keynes and its role within the Sub-region is set out within the following documents:

Planning Policy Guidance for Consideration	Level	Date/Status
Regional Planning Guidance for the South East (RPG 9)	Regional	Amendments to RPG 9 Adopted in 2004
South East Plan	Regional	Draft, March 2006
Milton Keynes & South Midlands Sub-Regional Strategy	Sub-Regional	Adopted, March 2005
Milton Keynes Local Development Framework	Local	Under Preparation

7.2 The broad principles of the Sub-Regional Strategy now supersede those of RPG9. The Sub-Regional Strategy recognises that it lies at the heart of two key corridors, London-Birmingham and the 'oxford2cambridge arc' and is therefore well placed to build its economic prosperity (Paragraph 33).

7.3 The Sub-Regional Strategy recognises that Milton Keynes will emerge as the dominant centre within this Sub-Region with a target of over 37,000 homes planned for Milton Keynes in the next 15 years with a similar number of jobs:

*"Milton Keynes...will embrace its growth potential to mature as a major regional centre, particularly through the substantial development of its central area, supported by a significantly enhanced public transport system to facilitate and support growth in major development areas."* (Paragraph 15).

7.4 Consequently, RPG9 and the Draft South East Plan identify Milton Keynes as a **Growth Area** and this is confirmed within the Governments Sustainable Communities Plan. Key Policies for leisure and tourism within RPG9 and the South East Plan seek to locate significant new development within Milton Keynes in accordance with sustainable growth objectives. For instance, Policy TSR 7 within RPG9 (Paragraph 14.51) and the South East Plan (Section D2) specifically identifies Milton Keynes as a Priority Area in terms of tourism and recreation development.

7.5 Although a small or large casino would not be considered regional tourism developments owing to their size, their context within a defined leisure strategy aimed at underpinning economic growth in business tourism and providing vital social leisure infrastructure within the City reflects the need to locate these facilities within the principle sub-regional centre.

7.6 Although Milton Keynes has the strategic support of the Regional Assembly and the Regional Development Agency as principle growth area, the Adopted development plan and the emerging Local Development Framework will be key in continuing to guide and deliver important leisure, cultural and recreational assets within the City.

7.7 Complementing this framework, the Council has already set up joint working with Sport England and English Partnerships to examine recreation and leisure within Milton Keynes. The output of these partnerships will inform the emerging Local Development Framework, responding to the Priority Area status of the City.

## 8. Community Benefits

- 8.1 Milton Keynes Council expects that a number of community benefits will accrue from the granting of casino licence(s). These would be realised through the S106 and/or licensing process. The Council is committed to developing its leisure, cultural and recreational infrastructure to support the City as it grows as it successfully demonstrated through the relocation and upgrade of the Dog Track through the S106 process.
- 8.2 The Council expects that the casinos would co-locate with other entertainment uses and contribute to the development of other leisure, cultural and recreational facilities in the locality.
- 8.3 Other benefits for the local community will also be explored and maximised as possible including:
- Initial injection of financial resources into Milton Keynes Council sponsored or approved community projects;
  - Possibility of an annual donation to local charities;
  - Financial contribution to ensure a cleaner, greener and safe environment in the locality in which the casino is situated,
  - Compliance with BREEAM (Building Research Establishment Environmental Assessment Method) standard to Very Good as minimum
  - Contribution to sustainable transport initiatives.



## 9. Unique Characteristics

- 9.1 There are a number of unique characteristics in Milton Keynes making it an ideal location to test the social impact of new casino development as proposed by the Government. These unique characteristics are summarised as follows:
- Milton Keynes is destined to become a major regional centre and is already performing the role of sub-regional centre. It attracts substantial numbers of workers, shoppers and cultural visitors. However the leisure offer is still polarised with few facilities for the more mature and sophisticated market. Diversification of the leisure offer is vital for the future of Milton Keynes
  - Milton Keynes is at the cornerstone of one of the government's four Growth Areas with the project population growth reaching 350,000 by 2031 (250,000 by 2011, a growth of around 35,000 people in just 6 years). For this to be achievable in a sustainable way, the leisure infrastructure needs to be developed with facilities which appeal to as wide a range a market as possible
  - Moreover, in order to achieve the target growth rates for employment and population that have been set for Milton Keynes by Government it will be increasingly important for the City to offer a full set of cultural and recreation facilities attractive to business leaders and knowledge industry workers. A casino is a key missing component from the City's current offer and this is a gap that needs to be addressed
- There is currently no casino provision in Milton Keynes. This is an anomaly compared to other areas of Great Britain where smaller population centres do have casino provision. Milton Keynes is the largest population centre in Great Britain without a casino and is therefore missing an important ingredient in the overall leisure offer
  - The combination of growth and deprivation coexisting side to side makes Milton Keynes an excellent place to test the impact of new casino licensing. Milton Keynes is unique given the context of strong growth coupled with significant symptoms of deprivation. It is also unique in not currently having a casino facility.
- 9.2 In summary, Milton Keynes Council considers Milton Keynes to be a good test bed to assess the social impacts of a large and/or small casino. It will provide the government with a clear "before and after" picture of what can be achieved with the granting of the licence in terms of economic development and regeneration. The current lack of a casino in a city such as Milton Keynes with population of 216,000, and projected to reach around 350,000 by 2031 makes it a unique pilot for the Government to help decide whether more casinos may be licensed. Indeed, this is an anomaly whereby the recognised sub-regional centre does not have a casino whilst nearby towns with smaller populations, currently enjoy a more diversified recreational offer including a casino. No other city in Great Britain offers this combination of a large and growing population juxtaposed with areas of acute deprivation but without any current casino provision.