

**CASINO ADVISORY PANEL
Formal Proposal Cover Sheet**

Please fill in all categories below:

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London Borough of Newham Council

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Statement of basis of application:

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

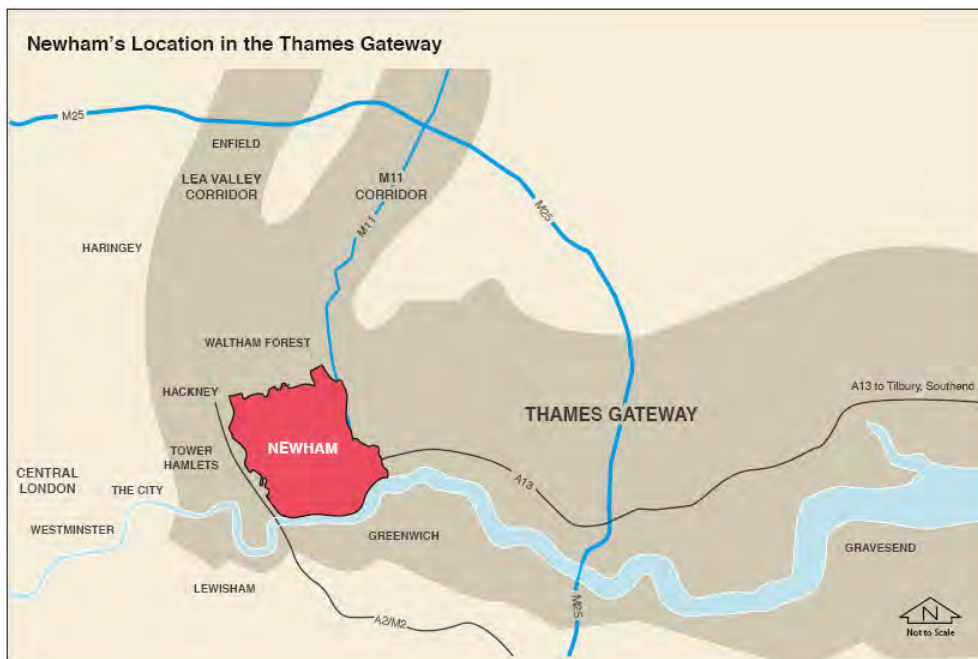
One Large Casino.

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

There is no fall back proposal being considered at present.

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STATEMENT OF THE BASIS OF THE APPLICATION

A large casino in the London Borough of Newham (LBN) would contribute to the delivery of Newham's objectives to diversify and enhance the leisure offer and underpin the Borough's regeneration and economic development. Newham offers the Casino Advisory Panel an excellent location for a pilot as an area in need of significant regeneration and identified for major housing growth.

1. UNIQUE CHARACTERISTICS OF NEWHAM

Newham is a key regeneration area:

Newham is one of the most deprived Boroughs in England and sits within the Thames Gateway which is identified as a national priority area for regeneration. The Mayor of London's Plan identifies most of Newham as an area for regeneration with three 'Opportunity Areas' identified as Stratford, Lower Lea Valley and the Royal Docks.

A Large Casino as part of an enhanced leisure and entertainment facility offers access to jobs and economic independence as well as improved choice about where leisure time is spent. The provision of high quality destinations in Newham will contribute to the prosperity of London through enhancement of economic growth, skills and enterprise of local people.

Significant untapped visitor potential:

Current and planned infrastructure provides for a large number of visitors to Newham from and for the likes of City Airport, ExCeL Centre, West Ham United Football Club and proposed developments of Stratford City and CTRL. A Large Casino would be a catalyst for expanding Newham's tourist/visitor and leisure and entertainment offer.

Excellent transport links:

Newham has excellent transport links in terms of public transport and the highway network. This will be augmented by the CTRL terminal at Stratford, Crossrail proposals and future expansion of the DLR network. Access to Central London and the home counties is well served by existing road, rail and underground services whilst National and International connections exist via City Airport and Stansted Airports and by 2007 via the international rail terminal at Stratford.

Major catchment area within 40 minutes:

A Casino development in Newham would have a significant residential catchment area with more than 3.5million people living within 40 minutes drive time of central Newham. Additionally, 2.5million people work within 40 minutes drive time.

An excellent and measurable Testing Ground for a Large Casino:

As a Borough with no existing casinos, Newham ideally lends itself as a good testing ground of social and economic impact for the duration of the planned trial period proposed by DCMS. Newham as a case study would:

- enable the measurement of changes in gambling behaviour and the incidence of problem gambling, if any;
- enable the measurement of actual economic value from the introduction of a casino;
- test the hypothesis that giving people greater freedom to gamble will result in a large increase in gambling;
- act as a catalyst for the development of associated uses. Such as hotels, bars and restaurants
- enable the measurement of the size of the sub-regional market.
- enable assessment of the impacts in an area designated for regeneration and undergoing significant population growth and redevelopment
- enable assessment of the relationship with business exhibition and conferencing whether located at ExCeL or elsewhere within the Borough.
- test the relationship with a football club, whether located at West Ham or elsewhere in the Borough.

Established competition for a Large Casino License within Newham:

There are already three serious candidates for a Large Casino License within Newham. There are likely to be other developers/operators whom would emerge should a License be approved for Newham. Thus, there is significant market demand and a clear ability for Newham to hold an open competition for a Casino License.

Ability to deliver a Large Casino Development:

There is established market interest in bringing a Large Casino to Newham. There is also sufficient brownfield development land within Newham to ensure that a site would come forward for such a development or for a cluster of entertainment facilities within a suitable location. The availability of land for development provides the

opportunity for such a Casino development to be facilitated in a controlled and secure site thus limiting the potential impacts (e.g. traffic/parking/noise) on potentially sensitive residential communities.

Opportunity to release contaminated sites for redevelopment:

There are significant areas of contaminated former industrial sites within Newham. Without subsidisation, it is often only high value residential development which can unlock the redevelopment of these sites, this form of development does not necessarily bring significant economic benefits for the existing community. A Large Casino development which has the potential for high profit yield may afford the opportunity to redevelop one of these sites for a landuse which would produce positive outcomes in the shape of job creation and training opportunities as well as the leisure and entertainment business spin-offs.

2. TYPE OF AREA

The London Borough of Newham is in the Thames Gateway and is a national and regional priority area for regeneration and growth. Newham covers 3,858.03 hectares and takes in much of London's revitalised docklands including City Airport, the ExCeL international exhibition centre and luxury homes overlooking the Thames. Stratford is one of the Mayor of London's Major Opportunity Areas and will see the Channel Tunnel Rail Link (Eurostar) Terminal open in 2007. Newham is home to West Ham United Football Club and the Borough is at the centre of London's plans for the 2012 Olympic and Paralympic games.

Newham is a rapidly emerging centre of commerce and culture with the most cosmopolitan population of any borough in the UK and a total population of 250,600¹.

Table 1 – Percentage of people in ethnic groups

White:	39.4%	Black or Black British:	21.5%
Mixed:	3.3%	Chinese or other ethnic group:	3.1%
Asian or Asian British:	32.5%		

Source: Census, 2001

Table 2 – Employment and economic activity

		Numbers	Newham (%)	London (%)	GB (%)
All people:	Economically Active	94,900	60.7	74.3	78.3
	In employment	86,100	55.0	69.1	74.5
	Unemployed	8,900	9.4	7.0	4.8
	Economically Inactive	61,500	39.3	25.7	21.7
Men:	Economically Active	59,800	74.1	81.2	83.3
	In employment	54,700	67.9	75.5	79.1
	Unemployed	5,000	8.4	7.0	5.1
	Economically Inactive	20,900	25.9	18.8	16.7
Women:	Economically Active	35,200	46.4	66.9	72.9
	In employment	31,300	41.3	62.3	69.7
	Unemployed	3,900	11.0	6.9	4.4
	Economically Inactive	40,600	53.6	33.1	27.1

Source: Annual Population Survey (April 2004 - March 2005)

There is clear evidence that Newham is disadvantaged in terms of the employment and economic activity rates of its resident working-age population. This supports the case that there is a need to generate opportunities for local residents to access jobs. In particular, we would highlight that:

- Only 55% of Newham's working-age residents are in employment. This is much lower than 69% for London.
- The unemployment rate in Newham is 9.4%, almost double the national average.
- The employment rate for working-age women in Newham is as low as 41%. This is the lowest employment rate among women for any local area district in the whole of Great Britain.
- The unemployment rate for women in Newham is 11%.

Educational Attainment

In Newham, the percentage of pupils achieving 5 or more GCSE Grades A*-C, whilst improving, has been consistently lower than that of the national average (presently Newham 51.0%; England 57.1%²).

¹ ONS, mid-year estimate (2003)

² DfES Achievement and Attainment tables, Department for Education and Skills (2005)

Newham has the 2nd highest proportion of working age population with no qualifications in London – 23.2%. Newham has a lower proportion (15.5%) of working age population with NVO4 equivalent and above compared with London (30.8%). However, the percentage of those with NVO3 equivalent in Newham is now on a par with those in London.

Tourism

London is a world city and one of the world's leading tourist destinations. Expected to attract 26.6 million visitors in 2006³, it is also the UK's most populous city with a population of 7.4 million. Newham is within easy travelling distance of central London and is accessible within 20 minutes of many of London's leading tourist attractions⁴.

Tourist/Visitor Infrastructure

There are approximately 7,500 hotel rooms ranging from budget to luxury within a 20 minute catchment of Newham – estimates suggest that these operate at circa 65-70% occupancy⁵. There are currently proposals for 2,000 additional bed spaces as part of the Stratford City development and there are several new hotels proposed as components of new developments in and around Canary Wharf and Docklands.

ExCeL London, situated in Newham's Royal Docks, is the capital's premiere business exhibition and conference centre hosting more than 50 major international conferences annually, it will be an Olympic venue for 2012. ExCeL had approximately 820,000 visitors in 2004, its popularity is growing year on year. There are major attractions such as the Motor Show (scheduled for July 2006) with an estimated attendance forecast of 500,000 visitors.

West Ham United Football Club is a leading professional football club and member of the FA Premier League. The Club is based at the Boleyn Ground situated in central Newham. Average matchday attendance is in excess of 30,000 and the Club offers the additional attractions of a major retail store, football museum, conference and banqueting centre and a 72 bed hotel.

Green Street is a cultural centre for Asian food, jewellery and clothing. The area hosts several festivals and attracts many visitors each year.

London City Airport is used by 2 million passengers per year⁶. The Government has identified it as having the capacity to increase this to 5 million by 2030 whilst the airport considers it will be capable of handling 8 million passengers in the same timescale⁷. Its accessibility has recently been greatly enhanced by the completion of the Docklands Light Railway (DLR) extension.

The Stratford Eurostar Terminal and CTRL will open in 2007, connecting Newham directly with mainland Europe by high-speed rail. Newham will be within a few hours travel of Paris and Brussels. Eurostar carries 7.5 million passengers per year⁸. Crossrail is also proposed.

A major mixed-use development planned for Silvertown Quays will include **the Biota Aquarium** designed by Terry Farrell & Partners, which will be an exceptional international visitor attraction for the area and is due to open in 2009/10.

Other leisure and entertainment facilities include:

- Theatre Royal, Stratford
- Three cinemas
- Two Bingo Halls
- Hollywood Bowl, Beckton
- 150 pubs and clubs
- 25 private members' clubs
- Leyton Orient Football Club, Leyton
- Six sports/leisure centres situated
- 200 restaurants

Newham will be the focus of the **Olympic and Paralympic Games in 2012**. The Athletes' Village, main stadium and other Games infrastructure will be located in Stratford. The Games are expected to attract 500,000 people per day and more than 10 million ticketed spectators. Newham requires significant investment in its visitor infrastructure to cater for the needs of these visitors.

Transport Access

Newham has excellent public transport links providing easy access to the centre of London by road, rail and tube. City Airport, in Silvertown, has regular flights to domestic and European destinations and the award-winning Stratford International Station will be completed by 2007 and be fully accessible by 2010, with a fast link from St. Pancras via the Channel Tunnel to Europe. Stratford Regional, West Ham, Canning Town stations and the International Rail Links provide direct access to a total of 309 stations. The A13 runs through the centre of Newham providing quick access to both the centre of London and the M25.

³ Visit London (January 2006)

⁴ Experian, Newham Study (March 2006)

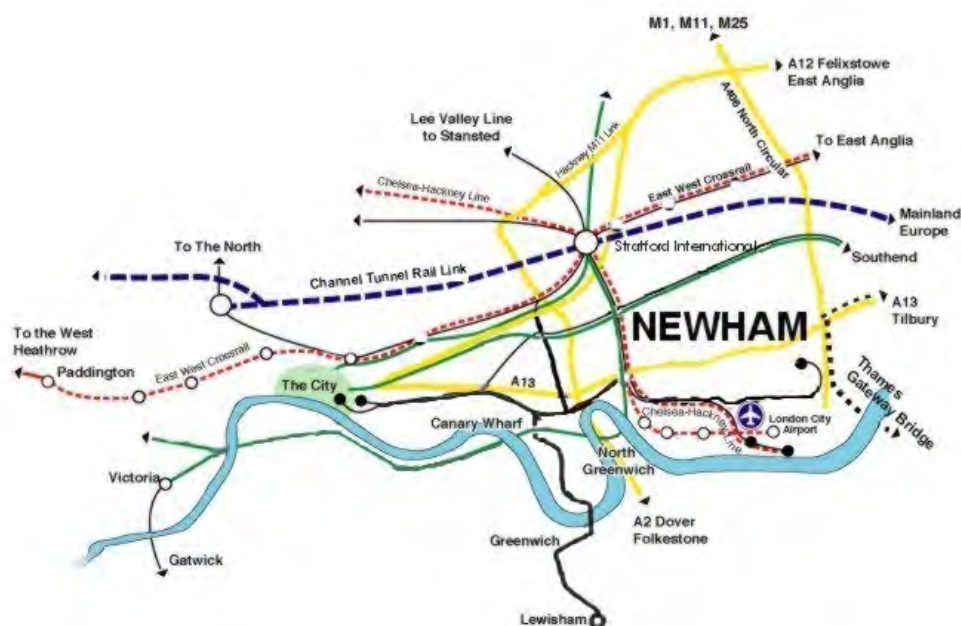
⁵ CBRE, Hotel Capacity Study (2005)

⁶ Civil Aviation Authority (December 2005)

⁷ London City Airport, Evidence to Thames Gateway Bridge Inquiry (2004)

⁸ Eurostar (March 2006)

Map 1 – Newham's Transport Links



Strategies for tourism

It is envisaged that a large casino will improve Newham's offer for tourism and act as a catalyst for further tourist related activities. Newham's visitor strategy⁹ has the following aim

"To be a high quality, sustainable urban destination, welcoming both leisure and business visitors, and working in partnership with key stakeholders of the Borough and the region."

The Strategy sets out five Strategic Priorities as follows:

<i>Visitor Attractions</i>	to create an exciting and accessible range of quality visitor experiences for the leisure and business visitor;
<i>Visitor Accommodation</i>	to support and improve the quality, range and availability of visitor accommodation;
<i>Marketing</i>	to market Newham as a quality visitor destination based on the borough's attractions;
<i>Sustainability</i>	to ensure that the visitor industry is planned, developed and managed in a sustainable manner, with effective monitoring, in order to ensure maximum benefits and minimum negative impacts on the environment and local population; and
<i>Partnership</i>	to ensure that stakeholders in Newham's visitor industry are co-ordinated in developing and supporting the tourism industry locally.

Newham's local tourism strategies accord with The East London Tourism Development Strategy and Action Plan 2004-2006 and the emerging London Tourism Vision 2006-16 & Tourism Action Plan 2006-9.

The Council's planning objectives for tourism are set out in the Borough Unitary Development Plan as follows:

- a) to encourage the development of tourism that will contribute directly to the Borough's regeneration;
- b) to encourage development that will support tourism projects in appropriate locations; and
- c) to ensure tourist facilities and their use make a positive contribution to the environment, and are accessible to local people as well as visitors to the Borough.

Principal needs for regeneration

Newham's Corporate Strategy 2005-06 lists six aims which set out to make Newham a place:

- which is attractive, clean and well maintained
- which is safer and where people feel safer
- where young people are healthy, educated, safe, have high aspirations for employment and good self esteem

⁹ London Borough of Newham, Past Present Future: Visitor Strategy (2001)

- where the diversity of its people is celebrated, where people live harmoniously, respect each other and play a full part in the life of their community
- which is thriving economically and socially and where all people share in the growing prosperity
- where health and well being and the quality of housing continues to improve, where people are active, have greater independence and where the most vulnerable are supported.

3. SOCIAL IMPACT

In considering social impacts we are really referring to consequences to society. There can be social benefits and social costs resultant from the introduction of a casino. The following social impacts have been considered by Newham:

- Employment and skills
- Leisure and culture
- Environment and regeneration
- Health and problem gambling
- Criminal activity

Employment and skills

The investment in a new casino will **create new jobs and earnings**. A higher income allows people to **spend more on their own well-being** such as their homes, health, education, their families and children and so have a range of social benefits. Similarly, by being in employment, these workers are becoming **better trained and adding to their skills**, therefore improving their future career prospects and earnings.

Job creation is particularly relevant for Newham due to the relatively low levels of employment alongside a relatively high share of residents who are unemployed or economically inactive (see Table 2). Newham seeks to ensure that disadvantaged residents are able to access the additional job opportunities created by new development and has an established track record in identifying and responding to employers' needs and equipping local people with relevant skills in order to access or improve their position within the labour market. The casino jobs created and shift patterns offered may enable those unable to work traditional shifts to gain employment. Newham's Access to Jobs Team currently works in partnership with employment and business organisations, initiatives include:

- brokering pre-recruitment training schemes to ensure Newham residents have the relevant skills to apply for forthcoming vacancies;
- provision of workforce development in the form of free, on-site training through Jobcentre Plus and employer liaison; and
- the creation of networks and stakeholder groups, with the aim of bringing together training organisations and employers.

Leisure and culture

The addition of a casino would diversify the range of leisure activities in the area. A casino may also market itself to customers with a broader cultural offer of music and entertainment. Poor current leisure provision in Newham means that expenditure on leisure is lost from the Borough. Improving leisure provision will help reverse this leakage. An Inquiry Report in Australia¹⁰ reported that the consumer benefits of increased leisure and leisure choice are the key benefit of gambling. People *"enjoy the (usually safe) environment of risk, the venue, the dream or actual thrill of winning, the social activity or the event being gambled on."*

Through Planning and Licensing Committees and the Local Strategic Partnership, community leaders would be consulted on any casino proposals to ensure that the siting and operation of a large casino in Newham would be sensitive to the needs of the Borough's cosmopolitan community. It is important to note that Newham has a high Muslim population who are culturally opposed to gambling.

Environment and physical regeneration

There is a high concentration of brownfield sites in Newham, the required landscaping and construction of new casino buildings may bring this land into use with a higher value. This environmental improvement would be a catalyst for further new development in leisure, retail and housing, so contributing to the regeneration of the local area to the benefit of social well-being and quality of life. There are potential costs to the environment, for example people may travel to a casino in their cars and so bring further traffic, congestion and pollution. Any negative impacts will be addressed through mitigation measures developed through the Transport Assessment.

¹⁰ Australian Government Productivity Commission (1999), Australia's Gambling Industries Inquiry Report; <http://www.pc.gov.au/inquiry/gambling/finalreport/>

Health and problem gambling

Whilst higher employment, improved incomes and an improved local environment in turn generate better health outcomes, there will be concerns raised about casinos being a threat to health through problem gambling and addiction, these possibly leading to further problems of debt, depression and poor health.

The relationship between casinos and gambling is highly contentious. There are existing opportunities to gamble in Newham (i.e. bookmakers, fruit machines and bingo halls). However, there is no evidence to suggest that there is a higher than average propensity to gamble in Newham. Newham also has a higher than average penetration of broadband internet and arguably on-line gambling is more of a risk than the controlled environment of a casino.

It is a contentious but important point that problem gambling may be much more attributable to personal characteristics than to the existence of a casino. In this respect LBN would ensure that a casino operator works in partnership with the local Primary Care Trust to ensure that there is a full commitment to treating addiction and other associated health problems.

Criminal activity

LBN is conscious that there is a perceived link between casinos and crime but is satisfied that the issue is more of perception than substance and can be dealt with through proactive partnership between the operator, police and local authority. Indeed, gambling within a controlled and well managed casino environment will be far 'safer' than any other less controlled gambling environments.

Testing for changes in Social Impact

Employment and skills

- Monitoring employment directly related to the casino i.e. those employed by the casino or contracted to other companies servicing the casino.
- Monitoring the nature of these jobs, the mix of occupations, the levels of earnings and whether they are part-time or full-time.
- Economic modelling of the wider employment effects on the local economy and the multiplier effect.

Leisure and culture

- Measure the leisure impact through the numbers of visitors who actually go there, the times of day they visit and how much they spend.
- Survey where visitors come from, how often they visit and possibly ask what they would have been doing if not visiting the casino?

Environment and physical regeneration

- Measuring area of brownfield land brought forward for redevelopment.
- Measuring the amount of new commercial floorspace created.
- Measuring area of landscaping created as a component of the casino development.
- Monitoring traffic volumes, air pollution and noise in the vicinity.
- Monitoring the number of people moving into/out of the area.
- Monitoring neighbourhood housing and property values.
- Surveys of residents and visitors on their perception of how the environment has changed.

Health and problem gambling

- Monitoring the most frequent and high-spending visitors to the casino.
- Recording the numbers of people in the area being treated for gambling addiction.

Criminal activity

- Recording the number of crimes reported to the police in an area.
- Increase in recorded crime in the casino area must be set against the increased number of visitors (i.e. more visitors increases the volume of crime but reduces the overall risk to the individual).

Comparable initiatives for managing social impacts

As there are currently no casinos in Newham, there are no obvious comparable initiatives to consider. LBN would establish a partnership between casino operator; Local Authority; Police; Primary Care Trust; and local Community Groups. This partnership would work together to ensure that social benefits are properly harnessed and social costs are minimised. This would initially be advanced through the Local Strategic Partnership, Community Forums and through the Influential Councillor Scheme.

The following programmes are currently operated within Newham and could be expanded to consider the specific implications of a casino in Newham:

- Coordinated employment services, job training and education so that local people can develop their skills and have access to opportunities;

- A Crime and Anti-Social Behaviour Service committed to working with residents to stop all forms of anti-social behaviour including violence, harassment, graffiti, vandalism, flytipping, noise nuisance and abandoned vehicles;
- Domestic Violence Team in partnership with Women's Aid and Refuge providing specialist help such as health services, housing and the police;
- Newham Citizens' Advice providing advice on welfare benefits, tax credits or other issues such as debt or housing problems.
- Crime and Disorder Reduction Partnership (CDRP) exists.
- Mental Health Services combined with resources with the East London and City Mental Health Trust; and
- Youth Offending Team working with every young person in Newham who commits an offence in partnership with the police, Probation Service, social services, health and education services.

Other potential arrangements which would be considered are:

- Establishing casino related training courses in partnership with the University of East London and Newham College.

In response to those who claim a casino will have a negative effect on '*social cohesion*', the counter arguments may be that a large casino:

- Is a facility that provides new recreational and social opportunities.
- May be used as an anchor for a range of other leisure and entertainment activities.
- Must respect the diversity of the local population – local residents are both potential customers and potential employees. As such, it would be advisable to actively promote initiatives such as equal opportunities in recruitment, sponsorship of local events and engagement with the local community.
- Will be required to work in partnership with local Community Leaders, the Police Force, the Primary Care Trust and the Local Authority to ensure that social costs are properly addressed.

In response to those who claim a casino will have a negative effect on '*sustainable communities*', the counter arguments may be that a large casino development would:

- Improve opportunities for economic well-being.
- Strengthen and diversify the local economy.
- Improve Newham's offer as a place to visit and spend leisure time, so supporting jobs and growth.
- Be in accordance with LBN and London Plan policies and sustainability criteria. To this end a Large Casino development would be expected to make efficient use of natural resources and utilise sustainable development techniques. A sustainable transport strategy would be a prerequisite.

4. NEED FOR REGENERATION

Newham is an established priority area for regeneration, identified as such at national, regional and local levels. Newham was quick to seize the early opportunities for physical regeneration offered by the major brownfield sites of the "Arc" running along the Lea Valley and around to the Royal Docks. These sites have changed from peripheral to strategic locations following the recognition that London's development should occur eastwards and be enabled by new and improved transport links to Central London and later to Kent and the Continent. Newham lobbied long and hard to secure support for the new rail routes and this has been a major success, making Newham the "portal" to the Thames Gateway. Much has since been achieved as a result of higher subsequent land values, particularly in Stratford and the Royal Docks areas. This initial regeneration phase, together with the associated improvements in public transport, have drawn the attention of the Government, developers, and investors to the real potential of 'Metropolitan' Newham as a new place to live and work.

Without doubt, Metropolitan Newham (comprising the Lower Lea, City East and East Beckton) will be the main focus for physical regeneration in London for most of the next decade. Transformational change will take place through:

- The building of Stratford City of over 5,000 new homes and 30,000 jobs (£4.5billion)
- The creation of the Olympic Park before 2012 (£2.4billion)
- The regeneration of the Brooks Estate, Canning Town (£1.8billion), Silvertown Quays (£1billion), East Beckton and other parts of the Lower Lea and the Royal Docks
- Increased housing target will treble to 3,510 new homes per year (11% of London's new housing supply)
- The opening of the Channel Tunnel Rail Link and International Rail Station (£4.4billion) in 2007 and the extensions to the DLR from the end of 2005 through to 2009 (£185million).
- The likelihood of further new 'transport links' for Newham in the future such as the Thames Gateway Bridge (£383million) and Crossrail (£10billion)

These projects are vital drivers for Newham's future economic prosperity as they will significantly increase the population base in these areas and bring in more spending power to support and stimulate local businesses.

Some of the projects, in particular Canning Town and the Brooks Estate, will be exemplars for Mixed tenure, more affordable, sustainable neighbourhoods as opposed to the predominantly single tenure, affluent developments of the early years of regeneration in East London's docklands.

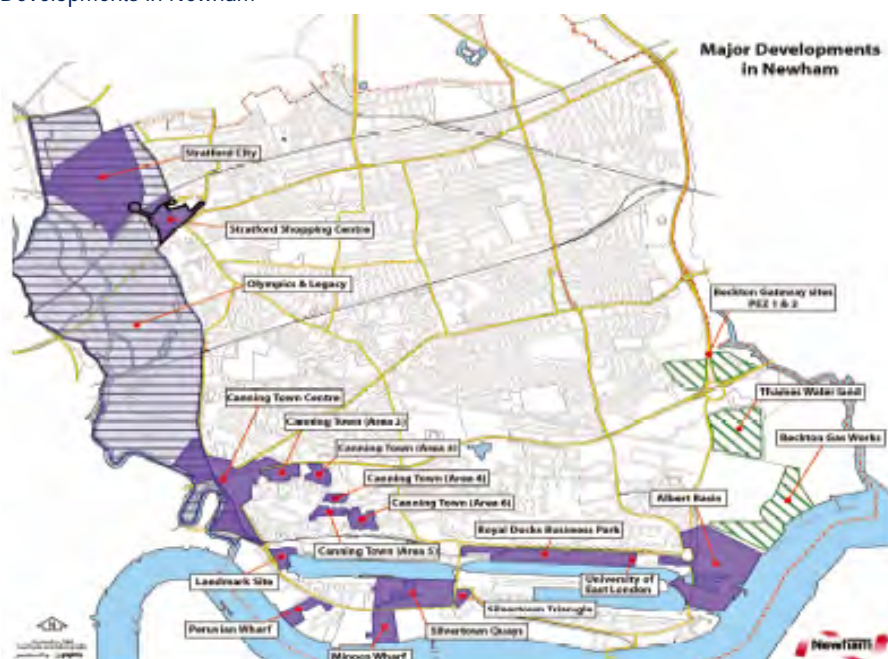
However, these new regeneration projects are not enough on their own to create sustainable communities right across Newham and to close the severe "gap" of deprivation and improve the limited lifechances still experienced by too many of Newham's residents.

- The borough stands as the 11th most deprived of England's 354 districts
- The borough is the 3rd most deprived of London's 33 districts

By 2020 around 200 hectares of employment land will have been released for new development with 50,000 new homes built and associated high quality employment, shopping, schools and health facilities.

LBN would not be realising these major regeneration success stories if it were not for our excellent partnership relations with many organisations from the community and voluntary sector and with private and public partners. We work particularly closely with key public sector agencies including the London Development Agency, Greater London Authority, Transport for London, London Thames Gateway Development Corporation and the Thames Gateway London Partnership as well as ODPM and DCMS.

Map 2 - Major Developments in Newham



Measuring additional economic value

LBN commissioned Experian Ltd to measure additional economic value. Advice was also provided by The Gambling Consultancy to give a better understanding of operator requirements. Experian have developed bespoke economic modelling to forecast this information. The following is a summary of this advice, the full justification and evidence is contained in a separate report which LBN would be pleased to share with the CAP if required.

The employment impact of a casino of 1,500 square metres is positive for Newham. As a conservative calculation, the casino generates over 300 jobs. Even allowing for possible displacement of other activities, we believe the impact will be over 230 net additional jobs in Newham. A large casino could result in an additional £11.1 million GVA based on job creation and London productivity rates.

Summary of economic outputs

A large casino as is proposed for Newham, with 150 slot machines would typically expect to have an accompanying 30 tables of games. From the research undertaken by Experian Ltd. a casino of this scale would:

- generate 212 casino-specific jobs and up to 33 support jobs
- promote flexible working with family-friendly and part-time jobs
- create significant employment opportunities for women¹¹

¹¹ GLA Economics (2003), Spending Time: London's Leisure Economy

- take annual profit of around £10 million
- create 118 to 147 construction jobs
- foster 7.8 indirect jobs elsewhere in Newham
- foster 15.5 induced jobs elsewhere in Newham

The inclusion of the effect of displacement recognises that the increase in activity as a result of the casino may decrease activity in other aspects of Newham's economy i.e. other leisure and entertainment venues, Bingo Halls and Bookmakers.

The quoted job creation projections are based upon the minimum floorspace for a large casino. Whilst the gaming floorspace would be restricted to 1,500sqm, it is likely that the casino will provide other facilities such as restaurants and bars. Table 3 provides an indication of the job numbers associated with a casino development with greater floorspace to allow for other facilities within the casino 'complex'. Thus, as the casino becomes proportionately larger, the numbers of jobs increases. A casino of over 2,000 square metres would generate over 400 jobs in Newham, remaining over 300 if including displacement.

Table 3 – Gross and net casino jobs under each scenario

Scenario	Direct Jobs	With Indirect Jobs	With Induced Jobs	Total with indirect and induced jobs	With Displacement
Casino 1,500 sq m	245	264	283	302	236
Casino 1,750 sq m	286	308	331	353	275
Casino 2,000 sq. m	327	352	378	403	314

Source: Experian Business Strategies

5. WILLINGNESS TO LICENSE

Newham is committed to the delivery of a large casino in the Borough in line with its core policy objectives and supporting strategies as outlined in the 'Regional and Local Context' chapter of this submission.

This proposal has **Mayoral support** – Newham's desire to receive an operating licence is supported by its elected Mayor, Sir Robin Wales, who is also the Chair of the Local Strategic Partnership. The Mayor is responsible for all executive decisions and provides strategic leadership, welcoming proposals that contribute to the achievement of the Council's Vision to make Newham a major business location and a place where people will choose to live and work.

Newham's submission of a proposal to the CAP for a large casino licence was considered and supported by the **Council's Planning and Land Panel** on the 17th March, 2006. This submission was subsequently approved by Newham's **Chief Executive** on the 27th March, 2006.

The time scale between the Casino Advisory Panel's call for proposals and submission deadline has not been of a sufficient length to enable the Council to carry out the desired public consultation. Allied to that, the forthcoming local elections preclude the Council from engaging in sufficient consultation before May 4th 2006. After that date, the Council would be able to engage in local consultation, initially through its Influential Councillor Scheme.

The **Greater London Authority have advised that they are supportive** in principle to Newham accommodating a large casino within the Borough subject to the development of appropriate Planning and Licensing criteria to assess the merits of area specific proposals as and when they emerge. The Mayor of London's commitment to the regeneration of Newham and the Thames Gateway is set out in the London Plan and casino development would be an important component for improving the tourism, entertainment and leisure offer in this part of the Capital, generating important economic gains for the local economy.

The London Thames Gateway Development Corporation has considered the issue of casinos. With regard to casinos in general the Board concluded that it was in support of casinos of any of the three sizes on regeneration grounds and that the Casino Advisory Panel be advised accordingly. Whilst there is no certainty as to whether a casino within LB Newham would be within the LTGDC area, the same support would apply given that any potential sites outside of the LTGDC area would be close to it and would still have regeneration potential for that area.

Market Research

Research highlights the lost expenditure due to the current limited leisure offer. A survey of 3,000 Boat Show exhibitors and visitors undertaken by ExCeL in March 2006 found:

- 25% of visitors stayed at least one night
- Of those that stayed overnight only 20% stayed in the area: 8% at ExCeL and 12% locally
- Of those that stayed overnight 90% spent the evening outside the local area. Only 6% spent the evening at ExCeL

- 27 % said that they would be more likely to visit again if there was a wider entertainment offer
- 52% might visit new a entertainment venue at ExCeL
- 30% would consider extending their stay if there was an enhanced leisure entertainment offer at ExCeL
- 16% of respondents said they might visit a casino at ExCeL, 660% higher than current adult casino visitation rates of 2.5%

These statistics indicate a demand for casino facilities, certainly amongst the business tourist clientele attracted to ExCeL. They also demonstrate the fact that there are currently not enough leisure and entertainment facilities within the Borough to retain these visitors in the area and encourage them to spend their “entertainment” money in the Newham economy.

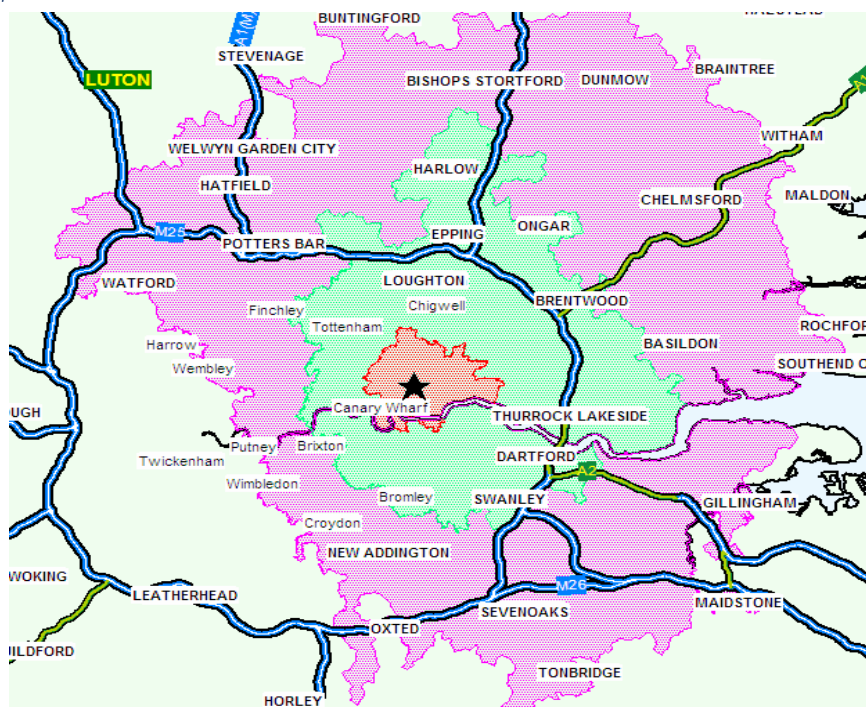
6. PROBABILITY OF IMPLEMENTATION

LBN is confident that a large casino can be delivered within the borough. Whilst there is currently no commitment to any developer or operator, there are currently three firm proposals for a casino at three separate locations within the borough. This section aims to demonstrate the demand and viability for a casino development within Newham.

Catchment area and customer base

We can think about the catchment population for the casino in three ways: 1) Resident catchment 2) Workplace catchment 3) Tourism catchment. Newham is planning for significant growth in each of these categories. Figure 5.1 shows a range of potential catchment areas for the casino based on 20 to 60 minute night drive times.¹²

Map 3 - 20, 40 and 60 minutes drive time catchment areas around central Newham



Resident catchment

A brief profiling of the various possible catchment areas in terms of gender and age groups is presented below:

¹² These drive-times assume night time travel, and are built around the population weighted centroid of Newham Borough.

Table 4 – Catchment area populations by age and gender ('000s) – 6 million adults will live within an hour's drive-time of the casino

	20 minutes	40 minutes	60 minutes
Gender			
Males	324	1,783	3,728
Females	338	1,897	3,968
Age			
Under 18	176	894	1,776
18-30	149	757	1,556
31-44	149	847	1,778
45-64	118	732	1,607
65 and over	69	466	1,008
Total 18+ pop	486	2,801	5,949
Total population	662	3,695	7,725

Source: Experian, 2006

The Greater London Authority¹³ projects that the population of Greater London is projected to grow by some 617,000 people between 2004 and 2016. Over half of this, 330,000, is projected to be within East London and the Thames Gateway. **Newham expects a 34% increase in population by 2016** compared with 8% for London within the same period. An even higher rate of population growth is expected in neighbouring Tower Hamlets. We cannot know all the characteristics of this growing population but **it indicates a significant growing potential market for a Newham casino.**

Workplace catchment

The **workplace population catchment is also growing**. Interim employment projections from the Greater London Authority imply high growth in those areas which will provide a key workplace catchment for a casino in Newham.

Table 5 – Number of workers within a 20, 40 and 60 minute drive-time of central Newham

Off peak drive time catchment	Working population ('000s)
20 minutes	250
40 minutes	2,577
60 minutes	4,619

Source: Experian 2006

A 20 minute drive-time includes the largest centre of employment in East London – Canary Wharf and the Isle of Dogs – which has over 57,000 employees¹⁴. Within 20 minutes is a workforce of 250,000 people. A 40 minute drive-time includes London's main employment centres of the City of London and Westminster. There are almost 2.6 million workers, nearly 10% of the British workforce, within a 40 minute drive-time.¹⁵

The GLA considers that the workforce of Greater London is projected to grow by 541,000 people between 2002 and 2016. Within Newham itself, employment is projected to increase from 78,000 to 100,000 in 2016, an increase of 12%.

Visitor catchment

In addition to the residents and workers previously described, there are four other types of visitors that are also likely to be attracted to Newham and its surrounding areas. These are: transport users, tourists and visitors to day-time attractions, business visitors, and visitors to night-time attractions.

We have already noted that:

- London City Airport has 2 million passengers each year.
- The new Stratford Eurostar Terminal will carry 7.5 million passengers a year.
- Crossrail forecasts 160,000 passengers during the busiest three hours in the morning.
- The ExCeL exhibition and conference centre attracts 820,000 business tourists each year.
- West Ham Football Club attracts more than 30,000 fans on match days.
- Green Street is a specialist shopping area and attracts many visitors regularly

¹³ GLA 2005 Round Interim Ward Population Projections <http://www.london.gov.uk/gla/publications/factsandfigures/dmag-briefing-2005-40.pdf>

¹⁴ GLA Economics (2005), Our London Our Future, Planning for London's Growth II

¹⁵ This table assumes that the casino will be located at the precise centre of the Borough.

- The 2012 Olympic and Paralympic Games will attract upwards of 10 million visitors.
- There are 161 hotels within a 20 minute catchment of Newham.
- There are some 200 restaurants operating in Newham¹⁶.

Criteria for identifying appropriate and sustainable locations for the new casino

LBN would look for casino proposals to demonstrate the following:

- Accordance with LDF and London Plan policies
- Ability to contribute to LBN regeneration objectives
- Good public transport accessibility
- Adequate highways access and provision of car parking
- Availability of land for development
- Consideration of complimentary uses/development
- Ability to deliver a high quality development
- Contribution to social cohesion and sustainable community
- Contribution to environmental enhancement
- BREEAM assessment for building design
- Partnership arrangements (i.e. PCT, Police, Local Auth)
- Association with employment/training organisations
- Local labour agreement
- Commitment to addressing problem gambling
- Excellent track record of casino management
- Ability operate securely and safely

Existing and Proposed Transport Infrastructure

Newham has excellent public transport links to all of the key opportunity areas (see Map 1). Stratford Regional Station, West Ham, Canning Town and Stratford International Station will provide direct connections to 309 stations. London City Airport is also situated within the Borough providing Nationwide and European air links. The A13 is a main arterial route through the Borough and provides access into Central London and to the M25.

Proposed transport infrastructure includes Channel Tunnel Rail Link and International Passenger Terminal at Stratford; Crossrail Route 1 via Stratford and Crossrail Route 2 via Canary Wharf and the Royal Docks; Docklands Light Railway connection from Canning Town to Stratford; Thames Gateway Bridge.

Current provision of gambling in Newham

Presently there are no casinos in Newham, nor are there any within a 20 minute drive time. The closest are situated within London's West End. There are two Gala Bingo Halls located in Newham at Stratford and at East Ham employing 63 and 48 staff respectively. There are two more within the 20 minute catchment at Leyton and Dagenham. There are 110 bookmakers within a 20 minute drive time catchment.

Impact on other casinos

Demand for casino gambling in this part of London is substantial, and the risks of casino jobs being displaced in the west end of London as a result of the Newham development are therefore minimal.

Impact on other gambling

Although there could be some degree of displacement from other providers, it is our view that due to the different type of gambling casino's offer, and due to the different demographic groups casinos tend to attract, the level of displacement caused will be low. In particular there is a very low percentage of Bingo users who also play table games (5%). Bookmaker users who also play table games is higher (22%)¹⁷.

Impact on other leisure activities

In addition to the risk of displacement of employment in gambling related activities in Newham, there may also be a risk for other sport and leisure activities in the area (see list at p3) also experiencing displacement. The relationship between these leisure facilities and the casinos is likely to be more indirect than the gambling providers previously mentioned, the level of displacement in these businesses is likely to be lower than for the gambling providers.

In Newham, the challenge is not that existing leisure services will be threatened - it is that Newham's leisure offer needs to expand. The Research by the GLA on London's leisure economy¹⁸ found that Newham had less than 1.2% of all leisure related jobs in London. Given that Newham is home to 3.3% of London's people this indicates how residents are underserved in the number of leisure opportunities. A casino can add to and stimulate the growth of leisure in Newham.

¹⁷ National Centre for Social Research, 2001

¹⁸ GLA Economics (2003), Spending Time, London's Leisure Economy

Impact on National Lottery outlets

In addition to the gambling and leisure providers previously identified, national lottery outlets, such as newsagents and supermarkets, may also face a loss of business as a consequence of the casino development. In a recent report¹⁹, Siegal and Anders found that, based on evidence from the state of Arizona, a 10% increase in slot machines will have the effect of reducing lottery sales by a seasonally adjusted 3.7%.

Potential critical mass effect of casino and leisure activities

It is likely that for a casino to be successful it needs to be set among a cluster with other complementary leisure and entertainment activities. A casino in Newham would be viewed as an anchor - a key tenant and potential catalyst for a wider range of other leisure and retail activities. The presence of a casino can help attract other leisure and retail providers to the area.

The three proposals in Newham which we are currently aware of would be part of a wider cluster of development i.e. at ExCeL the casino would complement existing exhibition and conferencing facilities and the various hotels and restaurants; at West Ham the casino would complement the Football Club operations and the associated hotel; and, in Stratford City the casino would be part of much larger development with a variety of leisure, entertainment, retail and hotel developments.

Potential investment

Newham have received three expressions of interest from developers/operators, those being, Stratford City Development Partnership, West Ham United Football Club and ExCeL London. Whilst the Council does not commit to any of these proposals, we have invited those developers/operators to provide the following three statements of case in support of this Proposal. This information is provided totally without prejudice to a future competition for a premises licence.

ABILITY TO DELIVER - THE STRATFORD CITY PROPOSAL

Stratford City Development Partnership

Stratford City Development Partnership (SCDP) is a consortium comprising London Continental Railways (LCR), The Westfield Group, Stanhope PLC and Multiplex / Reubens.

LCR is the consortium responsible for delivering the Channel Tunnel Rail link and as part of this arrangement has control over the 170 acres of brownfield site known as Stratford City.

The Westfield Group is the largest retail property group in the world with circa £12bn market capitalisation and is established in the UK. It operates across the development chain from land acquisition, to design, delivery and management. It has experience of Casino development.

Stanhope PLC specialises in large and complex developments. It has a strong reputation in mixed use developments and is responsible for some of the notable developments in London over the last 20 years,

Multiplex is a quoted Australian developer with an established presence in the UK. It has been responsible for developments such as the 2000 Sydney Olympic Stadium and is working with Reuben's on a number of UK joint ventures such as Paddington Basin.

Stratford City

Stratford City is a high density mixed use development which will create a new metropolitan centre for London and will be a catalyst for the regeneration of East London. It comprises 1.4m sqm of development including 5,000 homes, a 2,000 sqm retail and leisure centre, 500,000 sq m of offices, 2,000 hotel rooms and an array of community facilities including schools, health centres.

Casino development at Stratford City

A casino would support the ambition of SCDP to create a vibrant mixed use development of metropolitan scale and would create much needed new jobs in one of the most deprived areas in the UK. The casino could form part of the first phase of Stratford City and would compliment its hotel and office clusters and the retail / leisure core. Furthermore, Stratford City is situated at the heart of the Olympic site and will be within close proximity to the Olympic legacy stadiums and related facilities; the casino along with the Olympic sporting facilities and other leisure uses within Stratford City, will provide a strong leisure nucleus for London.

¹⁹ *The Impact of Indian Casinos on State Lotteries: A Case Study of Arizona*, Public Finance Review, Vol. 29, No 2, March 2001, pp 139-147, as cited in Prof. Leighton Vaughan Williams's memorandum to the Joint Committee on the Draft Gambling Bill, 2004.



Stratford City Indicative Image

The development has planning permission and detail design has commenced the first phase is to be completed in 2010, and therefore could be open during the Olympic Games. *SCDP is a committed, willing and able party to deliver a casino at Stratford City.*

Summary of Strengths of Stratford City for a Casino development.

- Readily available land
- Strong and experienced developers
- Complimentary land uses – hotels, offices, retail and leisure
- Complimentary to the Olympic legacy
- Excellent local and regional public transport – 4 main rail lines, 2 tube lines, 2 DLR lines, 2 bus stations, Stansted connections probable
- Excellent international accessibility - CTRL station, connections to Stansted, and City airport; potential for crossrail to Heathrow
- Good road connections via the M11, M25 and A11
- Appropriate metropolitan environment
- Very large market catchment - local, regional and international; a key factor for casino viability
- Early timetable for delivery - 2010
- Existing planning permission for large leisure
- Large available workforce supply

ABILITY TO DELIVER - THE WEST HAM UNITED PROPOSAL

West Ham United is a leading professional football club and current member of the FA Premier League. It has been part of the Newham community for 111 years, and has one of the largest football fanbases in London and the United Kingdom. Its heritage reaches back to the Thames Ironworks in 1895, including a significant contribution to England's World Cup winning team in 1966, and it is known universally as The Academy of Football, with a reputation for continually developing young English talent.

The Club is eager to incorporate a Casino within the stadium's leisure complex in order to add further value to our supporters and the local community. West Ham United has established an excellent reputation as a provider of entertainment, for which the Boleyn Ground has been famous for over 100 years. The Casino development would also include the development of additional leisure facilities, including a Sports Bar, Restaurant, which would add value for visitors and generate additional employment opportunities for the local community.

In addition to the provision of Premiership football, the Club already operates a number of other successful ventures including a major retail store, football museum, conference and banqueting centre, 72 room hotel and a study support centre for adults and children. The Casino would perfectly compliment these existing facilities.



The strengths of West Ham United's proposal can be summarised as:

- Site with excellent access for a large population, with superb transport links via road, rail and air;
- More than sufficient land to accommodate a large casino on two levels and car parking facilities;
- Landmark venue at one of the world's leading football clubs, with a proven long-term supporter base;
- Ability to use Premiership football to market the casino domestically and internationally on television;
- Proven hospitality provider with a track record in delivering leisure services;
- Commitment to employing local people to work in the casino and leisure facilities, creating new jobs;
- Full support to use the project to add to the economic regeneration of Newham Borough;
- Involvement of local education establishments to provide training for casino employees;

West Ham United is fully committed to developing a successful casino development which provides a legacy for the Borough of Newham, the City of London and its community. The Club is confident in its ability to deliver a venture of the highest quality in every aspect, and is willing to provide any further information or support that is necessary.

ABILITY TO DELIVER - THE ExCeL PROPOSAL

ExCeL London is the capital's premiere business tourism destination generating quality, sustainable revenue for the UK. A £100 million extension of the exhibition halls and facilities by 35,000m² to 100,000 m² has been proposed to enhance the existing offer. There is a need to complete ExCeL London's leisure and entertainment offer with additional bars, restaurants and hotels. A carefully planned casino would fit well with other new entertainment facilities and bring an added vibrancy to ExCeL London. Extensive research into the development options open to ExCeL London identified a casino as being critical to the creation of a vibrant night time economy building on ExCeL London's destination credentials.

ExCeL London hosts more than 50 major exhibitions every year, along with 300 other events like the recent EADV conference, which brought 8,000 medical professionals to London from around the world. In July the Motor Show will debut at ExCeL London with up to 500,000 visitors.

In a recent survey of 3,000 boat show exhibitors and visitors, 27% said that they would be more likely to visit again if there was a wider entertainment offer and 30% considered that a casino might add to ExCeL London's appeal. 30% would consider extending their stay if there was an enhanced leisure entertainment offer at ExCeL London. 16% of respondents said they might visit a casino at ExCeL London: seven times higher than current adult casino visitation rates of 2.5%.



We believe ExCeL London would make an excellent location for a pilot large casino because:

- It has **excellent public transport access** (3 DLR stations, Silverlink and buses) and parking provision (3,500 spaces) which will be further enhanced by Crossrail and the DLR extension to Stratford International, providing a direct connection to the Channel Tunnel Rail Link from Custom House. ExCeL London is also close to London City Airport.
- It provides a **managed and secure environment** away from residential areas where it would be possible to monitor who enters the casino as well as limit opportunities for unplanned gaming by vulnerable groups.
- It can provide part of the **Olympic legacy** taking advantage of the expected increase in exhibitions and conferences experienced by past host cities after the Games.
- It meets **Newham's objectives** and vision in its planning, culture and tourism strategies and would broaden and enhance the visitor offer and **capture expenditure** within Newham.
- ExCeL London is **experienced** at managing events throughout the day and evening, minimising the impact on the surrounding area with the right infrastructure in place already to do this efficiently.

The casino would be high quality to complement ExCeL London's existing business profile, broadening the Newham and ExCeL London offer. ExCeL London is drafting an operating plan for the proposed casino with Genting International. Genting has a strong track record of developing modern, integrated, well regulated casino resorts across three continents. In Great Britain they own and operate Maxims Casino Club, a prestigious members-only club in the Royal Borough of Kensington and Chelsea.

ExCeL London is committed to developing one of the new large casinos. Planning discussions have been initiated and development will be started at the earliest opportunity. ExCeL London is a major landowner and investor in Newham, as well as a significant employer. Continued commitment to local recruitment and training is fundamental to the proposed casino at ExCeL London.

Anticipated spend on gambling

The British Gambling Prevalence Survey²⁰ of 2000 remains a comprehensive and relatively recent source of gambling expenditure in Britain. An update will be published in 2006. We accept it may be becoming dated, for example the year 2000 predates the rise in internet gambling but it still provides a helpful starting point in anticipating how gambling spend may change:

Table 6 – Propensity to gamble of UK residents

Activity	% of all people in past year	% of all people in past week	Mean "stake" per player in past week £
National Lottery	65	47	2.80
Scratch cards	22	8	
Fruit machines	14	6	
Horse race betting	13	3	
Football pools	9	6	3.30
Other lotteries	8	4	3.30
Bingo	7	4	5.10
Dog race betting	4	1	
Other betting	3	1	
Casino	3	-	
Any form of gambling	72	53	

Source: *Gambling Behaviour in Britain, 2000*

At present, within Britain, casino gambling is a tiny share of the overall gambling market. Most gambling spend is through the National Lottery. Analysis for the draft Gambling Bill²¹ highlighted evidence of substitution between gambling choices rather than an increase in gambling as a result of greater choice in the market.

Using bespoke economic modelling commissioned by Newham for this proposal, Experian have modelled the 2005 survey data to show total spending per legal gambler in 20, 40 and 60 minute catchments of central Newham, and across the UK as a whole. The results show that the National Lottery is by far the most popular form of gambling, both in Newham and nationally. The figures also show that gambling expenditure in Newham is currently below the national average:

Table 7 – Total gambling expenditure per 1,000 legal gamblers²²

	20 minutes	40 minutes	60 minutes	UK
Pools	£27	£38	£34	£43
Bingo	£170	£208	£177	£219
Lottery	£919	£991	£950	£1,165
Bookmakers	£296	£378	£391	£527
Total	£1,413	£1,615	£1,552	£1,954

Source: *ONS 2005, Experian*

Market assessment

In order to determine the likely market demand for a casino in Newham, it is important to reach a view on the following:

- The likely socio-demographic characteristics of casino users
- The likely spending levels of different types of users
- The likely market penetration rate of the casino

Experian's newly developed *Public Sector Mosaic* segmentation tool makes it possible to break down the adult population of a location into 11 distinct groups, each with its own unique characteristics. Based on our discussions

²⁰ Gambling Behaviour in Britain: Results from the British Gambling Prevalence Survey, June 2000, National Centre for Social Research. Currently being updated though the results are still not available

²¹ Memorandum from Professor Leighton Vaughan-Williams, The consequences of gambling deregulation in the UK: A critical review of some theory and evidence

²² Legal gamblers defined as individuals aged 16 and over for the National Lottery, and individuals aged 18 and over for all other forms of gambling

with casino operatives, we have concluded that these 11 groups can be reclassified into four broader gambling groups. These are:

- High frequency users –We have assumed that these people make 30 visits per year, and generate £50 worth of casino revenue per visit²³.
- Medium frequency users –We have assumed that these people make 15 visits per year, and generate £35 worth of casino revenue per visit.
- Low frequency users –We have assumed that these people make 5 visits per year, and generate £20 worth of casino revenue per visit.
- Non users – Unlikely to gamble

Table 8 - Public Sector Mosaic Groups and adult population catchment

Mosaic Group	Description	20 minute catchment	40 minute catchment	60 minute catchment
High Frequency Gamblers		148,100	768,000	1,223,900
F	People living in social housing with uncertain employment in deprived areas	108,500	492,200	740,700
H	Upwardly mobile families living in homes bought from social landlords	39,600	275,800	483,200
Medium Frequency Gamblers		58,200	502,800	1,245,400
E	Educated, young, single people living in areas of transient populations	58,200	502,800	1,245,400
Low Frequency Gamblers		101,800	867,700	2,332,900
A	Career professionals living in sought after locations	10,300	183,100	873,200
B	Younger families living in newer homes	7,900	151,700	368,000
C	Older families living in suburbia	83,600	532,900	1,091,700
Non Gamblers		199,000	739,500	1,289,900
D	Close-knit, inner city and manufacturing town communities	177,000	559,100	865,700
G	Low income families living in estate based social housing	7,900	29,100	54,700
I	Older people living in social housing with high care needs	8,100	66,900	121,100
J	Independent older people with relatively active lifestyles	6,000	76,000	204,800
K	People living in rural areas far from urbanisation	0	8,400	43,600

Source: Experian, 2006

Table 9 shows our projections for total annual casino revenue based on penetration rates of 3% and 9% ratios. They show that, assuming that the casino attracts every potential casino user that lives within a 20 minute catchment area, the total customer spend will be between £8 million on a low penetration rate and up to £24 million, on a more likely 9% penetration rate. Should the casino succeed in attracting every potential casino user living within a 1 hour catchment area, the casino's annual customer spend could be significantly higher, between £85.2 million to £255.6 million range, depending on the penetration rate. Table 9 - Total casino revenue under 3% and 9% penetration rate scenarios (£m)

	3% Penetration Rate	9% Penetration Rate
0 – 20 minutes	8.0	24.1
21– 40 minutes	38.3	115.0
41 – 60 minutes	38.8	116.4
Total	85.2	255.6

Source: Experian, 2006

²³ For these purposes, casino revenue has been defined as the sum of betting losses, and other expenditure.

7. REGIONAL AND LOCAL CONTEXT

Regional – The London Plan²⁴ is the Spatial Development Strategy for Greater London. It provides policies on leisure development, seeking to concentrate facilities in the most accessible places including town centres and opportunity areas in the Thames Gateway. The Plan recognises that out of centre major leisure activities have in the past compromised the vitality and viability of some town centres. Policies 3D.1 and 2 are the most relevant in relation to major leisure activities, promoting a sequential approach with town centres first.

Newham works closely with the London Development Agency, industry, the public and voluntary sectors to create opportunities in line with the Regional Economic Development Strategy entitled, Sustaining Success²⁵, which focuses on four major investment themes as follows:

- Places and infrastructure
- People
- Enterprise
- Marketing and promoting London Borough of Newham

Identification of Newham as a recipient of a casino operating licence would assist the Borough in meeting regional and local aspirations of building upon the existing strengths of the local economy and the skills and enterprise of local people, whilst fully exploiting new opportunities for investment and business activity. In line with the investment themes set out in Sustaining Success, a casino would assist Newham's vision of the creation of an integrated, urban and dynamic business location which will attract higher productivity businesses which have long term growth potential.

Local – Newham's Unitary Development Plan makes no specific mention of casinos, but does provide that the Council will promote development of entertainment activities in Stratford Town Centre, Three Mills, The Royal Docks District and Major Opportunity Zones generally. The UDP acknowledges a demand for new leisure facilities across the Borough with a policy stating that the Council will seek opportunities for new leisure facilities in conjunction with the private and voluntary sectors in order to address leisure, sports and recreation deficiencies.

In considering new facilities the Government's sequential test will be applied, generally favouring town centre locations well served by public transport, accessible to disabled people and flexible in use. Leisure facilities are also to be encouraged as part of mixed use developments.

Other local strategies

- Visitor Strategy
- Procurement Strategy
- Employment Strategy (draft document)
- Education Strategy & Development Plan
- Regeneration Strategy (under review)
- Community Strategy
- Funding Strategy Statement (being prepared)

Newham's emerging Local Development Framework (LDF) will set out the core policies that will determine the acceptability of development proposals in Newham. It will carry forward the Council's Vision that "by the year 2020 Newham will be a major business location and a place where people will choose to live and work". It contains no specific mention of casinos as it outlines the principles of development in all categories. That said, the draft LDF does encourage provision of new high quality leisure and tourism development in Stratford, the Royal Docks, Green Street and Three Mills, as the four showcase areas in the Borough. All such development would need to be located in close proximity to good transport networks and should not have an adverse impact on the local environment or its communities. Specific forms of development and acceptable land uses will be considered as part of the emerging Area Action Plans, which are being developed as components of the LDF.

Community Benefits

This section discusses the community benefits that are expected to be generated from the presence of a casino in Newham under the following headings:

- Site Development
- Training & Skills
- Cluster Development
- Taxation Benefits
- Responsible Gambling

Community Funding Instrument

The potential licensing of a casino provides the Borough with an opportunity to generate revenues for the benefit of the community as a whole. Planning obligations may arise in order to mitigate the impact of proposed new

²⁴ http://www.london.gov.uk/mayor/strategies/sds/london_plan/lon_plan_all.pdf

²⁵ http://www.london.gov.uk/mayor/strategies/economic_development/docs/sustaining_success_full.pdf

casino development and it is understood that the potential for licensing gain is being explored by government – that is the extent to which licensing authorities can stipulate what casino operators must do for the local community in order to obtain a licence. There are two potential opportunities – the community benefits from the presence of an asset that is a casino licence in the Borough.

In relation to the former, there is a precedent in the renewable energy sector. As this sector has expanded, to accelerate projects through the planning process, developers are creating a series of 'community funds' whereby they contribute an annual amount that is then disbursed by the local community to support and fund a number of community projects. In the casino sector, there may be an opportunity for the Borough to engage with a casino operator to create a similar funding mechanism in Newham.

Training and Skills

Economic activity rates in the Borough are amongst the lowest in London and the UK. Development of a casino will provide an opportunity to improve skills and training locally. These skills would not be restricted to just a casino development, but also the important tourism, hospitality and leisure sectors.

A training, skills and recruitment programme could lead to NVQs and guaranteed interviews with the casino operator and/ or other leisure-based services (depending on how a casino is developed). This can build upon the existing training and education infrastructure in the local area, namely the University of East London and Newham's colleges. In addition a local labour clause may be included in a legal agreement under section 106 of the Town and Country Planning Act.

Similar training initiatives and agreements have been part of other casino developments worldwide, but the benefit here would be on improving employability and progression routes within employment, as well as responding to demand from a casino operator for labour. They could also be applied to opportunities emanating from the construction and security sectors.

Cluster Development

There is opportunity to optimise the benefits from a casino developed as part of a larger offer, potentially building on existing facilities and clusters. There are some clear advantages to this business approach being adopted in Newham:

- Benefits of co-locating 'nighttime economy' activities in a specific spatial area and formalising entertainment;
- Benefits of a casino being part of a wider leisure mix/ cluster and opportunity to improve the quality of an existing offer as a casino combines with retail, hotel, food and drink, and adult entertainment uses;
- Benefits from formalising existing provision and licensing of gambling and adult entertainment and improving control and safety;
- Long-term economic benefits from developing a quality leisure-based cluster in the Borough and raising its profile as a place people wish to spend their leisure time.

Within such a cluster, although it would be expected that a casino would source a proportion of its products/ services from existing suppliers, there is still an opportunity to engage with local SME businesses. Supply chain development activities would increase the impact of a casino on Newham's economy, and the Borough could have a role in stipulating that a casino operator engages with local business through a 'Meet the Buyer' event.

Taxation Benefits

A substantial proportion of economic benefit will accrue to the public sector, in the form of taxation collected by the exchequer and local authority. These include:

- Corporation tax
- Gambling tax
- Income tax
- Value Added Tax
- Business rates

This research focuses on the benefits at a Borough level, and in this sense is concerned with business rates. It is assumed at this point that there are no additional residential units coming forward and therefore no additional effect in terms of Council Tax accruing to the Borough.

The national non-domestic rates (NNDR) liability of a casino will depend upon the rateable value of the premises developed. The analysis assumes that the rateable value will be 10% of construction costs. Given a NNDR poundage of £0.433 (LB Newham), the total NNDR paid could be £390,000 per annum.

Responsible Gambling

The Gambling Commission recognises the effect of so called 'problem gambling', albeit on small percentages of the population. In the UK, there has been an increase in gambling particularly in internet casinos. In turn this

would be expected to be resulting in an increase in problem gambling, but given the medium, or 'point of sale' it is almost impossible for authorities to track this behaviour.

However, it is worth underlining that people that have a high propensity to gamble and could be more likely to develop a problem, are probably more likely to be gambling already, and there is no evidence that suggests the presence of a large casino in Newham will actually accentuate problem gambling in the Borough.

It is more likely that the physical presence of a casino, is actually going to attract a 'leisure gambler' or a person that has a low propensity to gamble, but who may become more likely to visit a casino on an occasional basis, and then gamble no more than a fixed budget. There is no evidence that suggests these people will develop a gambling problem as a result of improved physical access to a casino.

However, the Commission still recognises that the new legislation will need to ensure that casino operators raise awareness of potential problems as a result of gambling (and not just casino gambling). Based on experience abroad, there are examples of how casino operators are accepting their responsibilities in relation to problem gambling²⁶.

Although the Borough, as licensor, will not directly lead on strategies to address potential problem gambling, there will be scope for it to ensure that a Newham Gambling Behaviour Strategy is developed and adopted as part of an operator's code of practice²⁷. This could consider:

- Controls – more windows and clocks than in current casinos in permitted areas, encouraging people to leave the premises;
- Availability of a helpdesk onsite where users can speak to someone 'live';
- Given the concern over slot machine gambling, introduction of 'player tracker cards' that would prevent use of slots without such a card. For the gambling regulator, this system can help monitor frequency of slot gambling;
- Available literature on gambling and helpline number;
- Intervention – trained staff that recognise a gambling problem;
- Self-exclusion – recognising that problem gamblers 'binge and regret', encourage problem gamblers during the 'regret phase' to be self-barred;
- Third-party exclusion – friends/ relatives of the problem gambler bar them from the casino.

8. CONCLUSION

This report demonstrates the following key considerations which promote Newham's case as an appropriate and positive location for a large casino:

- Established need as a priority area for regeneration
- Requirement for economic diversification
- Excellent and measurable testing ground
- Growing numbers of resident and workforce population within the catchment area
- Excellent infrastructure capable of sustaining a large casino within the Borough
- Available sites for new development
- Established developer/operator interest
- Commitment to delivering a casino within the Borough

To build upon its leisure and entertainment offer, Newham must maximise the potential from factors including the Olympic and Paralympic Games in 2012; the relatively untapped visitor potential of travellers through City Airport and CTRL Stratford; and the growing number of business visitors attracted to ExCeL. A large casino developed in Newham would clearly act as a catalyst for further growth in the leisure sector within Newham, encouraging greater levels of business and commerce into the local economy to the benefit of local communities.

²⁶ In particular, Harrahs Entertainment Inc. has a series of well-established programmes to train employees on recognising 'problem gambling' and also works closely with the National Center on Problem Gambling and local authorities

²⁷ For example, adherence to GamCare Certification awarded to operators that can demonstrate social responsibility and player protection