FOREWORD

Sheffield has been formulating its detailed proposals for the delivery of a regional casino for a considerable time. In December 2004, the City Council formally resolved to promote Sheffield as a location for such a facility.

To reach this decision we researched carefully the potential dangers and benefits that are likely to result from a regional casino, as well as assessing local community and stakeholder support for such a project. We decided to proceed once we became convinced that, with careful planning and regulation, it will be possible for a regional casino to deliver significant economic benefits for the people of Sheffield and the city region as a whole while at the same time ensuring that problem gambling numbers and other negative social impacts do not increase as a result.

For the reasons set out below and elaborated upon within the remainder of this submission, we believe Sheffield's credentials to be regional casino "pilot" are impeccable.

- The market fundamentals underpinning the development of a regional casino in Sheffield are exceptionally strong. With a population of 516,000, Sheffield is the fourth largest city in England. It sits at the centre of a city region which is home to over 1.7 million people.

- Sheffield's geographical advantages, excellent transport connectivity and immediate accessibility to substantial markets has led to an unprecedented level of operator interest in the city: Three full planning applications for regional casinos have already been received from separate operators.

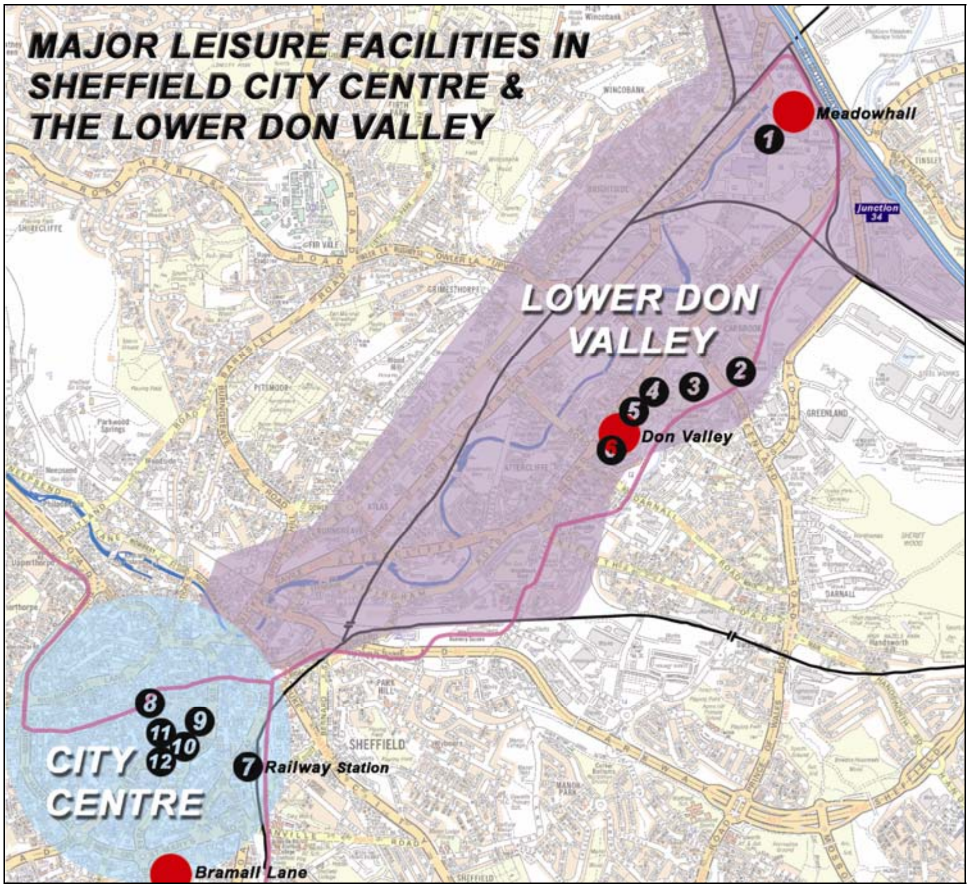
- Work carried out for Yorkshire Forward Regional Development Agency by Ernst and Young has identified Sheffield ahead of other competing cities including Leeds as the single location within the Yorkshire region that could make a compelling case for a regional casino. The case for a regional casino in Sheffield is entirely consistent with Sheffield City Strategy (2005-2010), the draft Yorkshire and Humber Plan, the Regional Economic Strategy, and the Objective 1 Single Programming Document.

- Measuring, evaluating and putting in place the necessary policies to alleviate or minimise the potential harmful social impacts of any new regional casino development in the city is a fundamental part of our delivery strategy. Sheffield is uniquely placed in this respect having already established the exemplar Sheffield Neighbourhoods Information System (SNIS). The information system provides a comprehensive analysis of the health of the city's neighbourhoods and monitors the impacts of key policy interventions. SNIS will be an invaluable tool for us in establishing baselines and testing the impact of a regional casino in the city over time and makes Sheffield an excellent pilot location. Interestingly the lessons learnt in Sheffield will be directly relevant to the rest of the UK since, broadly speaking, the socio-economic profile of city's population reflects that of the UK as a whole.

- Given the current limit of one regional casino, the market dynamics to assure commercial success are likely to exist in almost any location. The strength of local measures that maximise wider regeneration benefit and manage and test the social impact of a regional casino (in ways that not only address issues attributable to the regional casino but positively impact upon wider priorities), are therefore of critical importance. To this end, Sheffield has already put in place a strong, multi-agency team under the direction of the Sheffield First Local Strategic Partnership to identify the practical steps that the city needs to take in order to maximise the benefits and mitigate the potential negative impacts of a regional casino. The issues raised by the Sheffield First Partnership Casino Task Group in respect of social impact will form an important part of the selection and evaluation criteria to be adopted by the City Council in any competition to award a regional casino premises license.

- Sheffield recognises the importance of a strong cultural offer and quality sporting, leisure and entertainment facilities as essential ingredients in increasing tourism, improving economic competitiveness and facilitating social and environmental renewal. Indeed Sheffield has a demonstrable track record as one of the first UK cities to successfully harness sport and leisure to catalyse wider regeneration. In 2005, the City Council published a new Masterplan for the Lower Don Valley, a key strategic economic zone and regeneration priority area of the city and the region. The Lower Don Valley Masterplan specifically maps out how integrated destination leisure facilities with a regional and national "pull" such as a regional casino will complement existing leisure assets to help the city reach critical mass as a unique leisure, sporting and recreation destination for the region.

- Sheffield has undergone significant economic revival in recent years with large falls in unemployment, a revitalised city centre and renewed investor confidence. But this revival comes from a low base (as evidenced by its European Objective 1 status) and does not yet constitute genuine transformation. Sheffield has not yet closed the gap with comparator cities, as referenced by any regional, national or European analysis and the success of the city centre is yet to be replicated in the city's neighbourhoods and strategic economic zones outside the city centre. A regional casino will bring potentially transformational economic development and regeneration benefits for both the city and the city region.



KEY

1.	Meadowhall Shopping Centre
2.	Valley Centertainment
3.	Ice Sheffield
4.	English Institute of Sport
5.	Sheffield Arena
6.	Don Valley Stadium
7.	Railway Station
8.	City Hall
9.	Crucible and Lyceum Theatres
10.	Millennium Galleries
11.	Winter Gardens
12.	Peace Gardens
	Existing Regional Casino Proposal
	SupertTram
	Heavy rail line
	River Don
	M1 Motorway

The delivery of a successful regional casino in Sheffield, particularly in the Lower Don Valley, will achieve a radical step change in the city's economic prospects. However the substantial benefits that a regional casino can deliver must be directed with maximum efficiency to meet locally agreed regeneration priorities. Securing sustainable long-term benefits from a regional casino means getting the right scheme in the right place: impacts (economic and social, positive and negative) must be robustly identified, managed and evaluated. In particular the issues arising from problem gambling and its effects on the people and communities of Sheffield must be mitigated in a coordinated, city-wide response.

I very much look forward to engaging further with the Casino Advisory Panel over the coming weeks to expand upon the detailed issues set out within this submission.

Sir Robert Kerslake
Chief Executive
Sheffield City Council

1.0 TYPE OF AREA

1.1 Population base of the Sheffield local authority area

The city of Sheffield has a population of approximately 516,000 making it England's fourth largest city. Sheffield is one of the most densely populated areas of the Yorkshire and Humber region with a population of 1,393 people per sq km. It is the region's second largest employment base housing 10.8% (264,000) of its jobs[1]. Sheffield sits as part of the South Yorkshire sub region (with Barnsley, Rotherham and Doncaster) and at the heart of the Sheffield City Region, (which also includes Bolsover, Bassetlaw, Chesterfield, North East Derbyshire and Derbyshire Dales) and is home to over 1.7m people.

Figure 1 identifies the key socio-economic characteristics of the city, benchmarked against the United Kingdom as a whole. The table illustrates that Sheffield has broadly the same profile as the UK averages in terms of working age population, unemployment, educational attainment and ethnicity, making it an excellent location for a pilot regional casino. The table however also illustrates the compelling regeneration case for Sheffield in terms of pockets of deprivation, GVA per head, average weekly earnings and employment and inactivity rates.

Figure 1 [2]	**Sheffield**	**UK**
Population	**516,100**	
Working Age Population	319,600	
% working age	62%	62%
Gross Value Added (per head indices)	90	100
Economically Active	235,200	
Activity Rate	74%	78%
Employed - working age	219,200	
Employment Rate	**69%**	**74%**
% full-time	72%	76%
% part-time	28%	24%
Gross Weekly Pay	389.50	433.10
Unemployed – working age	15,900	
Unemployment Rate	**5%**	**4%**
Economically Inactive	84,500	
Inactivity Rate	26%	22%
% of working age economically inactive who want a job	26%	24%
Education & Qualifications		
NVQ4 and above	24%	25%
NVQ3 and above	44%	43%
NVQ2 and above	63%	62%
NVQ1 and above	79%	76%
No Qualifications	14%	15%
Deprivation – Scale 1-354 (1=most deprived)		
Rank in Overall Index of Multiple Deprivation	60	
Rank in Income Scale	6	
Rank in Employment Scale	5	
Ethnic Origin		
White	91%	91%
Mixed	1.6%	1.3%
Asian or Asian British	4.6%	4.6%
• *Indian*	*0.6%*	2.1%
• *Pakistani*	*3.1%*	1.4%
Black or Black British	1.8%	2.3%
Chinese or other	0.8%	0.9%

[1] Source: The Yorkshire and Humber Plan (Regional Spatial Strategy), Draft for Consultation Dec. 2005.
[2] Source: Office for National Statistics, 2005

Sheffield has an estimated catchment population of 6.2m people within a one-hour drive time. Consequently the city has attracted a great deal of interest from operators keen to access this substantial marketplace and establish a regional casino facility within the city.

1.2 Current tourism provision and trends in Sheffield

Tourism is a key component of the Yorkshire and Humber region's economic activity. However whilst some areas, for example Leeds and North Yorkshire, have an established and successful tourism offer, the South Yorkshire sub region, including Sheffield, is currently under-performing in terms of its tourism potential. For example, according to the United Kingdom Tourism Survey, of the 13.1 million UK residents visiting the region in 2003 only 2.6 million visits were made to South Yorkshire. Reflecting this under-performance, the new Regional Spatial Strategy, The Yorkshire and Humber Plan (December 2005 draft for consultation) specifically calls for increased tourism growth and expansion across South Yorkshire.

Despite historically suffering from an under investment in the tourism sector Sheffield is now reaching a turning point and has clearly established aspirations to become a tourism and leisure destination to rival its English and European competitors. The city is now beginning to recognise its full potential and exploit its natural locational advantages through the development of its tourism strategy. A regional casino, particularly in the Lower Don Valley, will dramatically assist the realisation of these ambitions by providing a quality, integrated leisure facility that complements existing leisure assets to make Sheffield a regional and national destination choice.

The city is now a lead partner in the South Yorkshire Destination Management Partnership which aims to grow the value of the visitor economy across the city region by 6% per annum. The city has made significant investment in tourism facilities and infrastructure in recent years in order to redress its comparative underperformance. It has successfully delivered a number of high profile regeneration schemes, for example, the £130 million Heart of the City project (including restoration of City Hall, renovation of Sheffield Station and new Millennium Square projects) and secured the rapid expansion of numerous world class sport and entertainment venues including the Sheffield Arena, the English Institute of Sport, Ice Sheffield and the Don Valley Stadium.

Despite these advances, Sheffield still has weaknesses when measured against other cities in terms of its tourism offer. The lack of high quality hotel accommodation, dedicated conference/exhibition facilities and depth of national and regional destination appeal are all holding back the city's tourism potential and aspirations, particularly in the short-stay market. A regional casino offers a unique opportunity to address these remaining weaknesses, directed through stipulations at any license competition.

1.3 Local strategies for the development of tourism in Sheffield

The Sheffield Tourism Strategy (2003-2008) sets out the city's plans to compete effectively in the key tourism sectors of business & conferences, leisure/city breaks, sports events and the youth market. To reposition Sheffield as a sustainable tourism destination the strategy recognises that it is necessary to broaden the city's visitor destination appeal, develop new markets, offer new products, and provide new leisure and entertainment attractions that attract more domestic and foreign visits. The tourism strategy aims to position Sheffield as one of the country's:

- Top ten conference destinations
- Top ten domestic short break destinations
- Top ten urban destination for foreign visitors
- Top three locations for sporting events

The city has undoubted latent tourism potential; Sheffield is extremely well placed to develop a competitive presence in the rapidly growing and under-developed UK City Break market. One third of the local authority boundary actually lies within the Peak District National Park and Sheffield enjoys excellent transport connectivity. It can be easily reached via the national rail and motorway network and, since 2005, is readily accessible from a growing number of European regions through Robin Hood Airport Doncaster-Sheffield. Furthermore Sheffield benefits from excellent public transport provision within and between its existing visitor attractions which are primarily grouped in the city centre or close to, within the Lower Don Valley, along the line of the SuperTram. A regional casino would add further critical mass to Sheffield's existing assets and provide additional opportunities necessary to take the city's overall offer to a new level of competitiveness.

Sheffield recognises the importance of a strong cultural offer and high quality sporting, leisure and entertainment facilities as essential ingredients in increasing its tourism offer, improving economic competitiveness, facilitating social and environmental renewal, and in the achievement of its over-riding ambition to become a diverse and vibrant city of European distinction. The city has a proven track record in attracting people from a wide catchment to major events held at, for example, the Don Valley Stadium, Hallam FM Sheffield Arena and the Crucible Theatre (home to the World Snooker Championships). As a consequence it is now among the top five cities in the UK for major international and national sporting events. Furthermore Sheffield is designated as the 'Sports Hub' in the region's major events strategy developed by Yorkshire Forward RDA.

To deliver its regeneration, tourism and other city-wide strategies, Sheffield has developed individual area masterplans which seek to concentrate resources and investment in areas where they will achieve the greatest overall impact. The Lower Don Valley Masterplan, which was agreed and published by Sheffield City Council in 2005 specifically maps out how integrated destination leisure facilities such as a regional casino, will stimulate wider regeneration and leisure activity within one of the key regeneration priority areas of the city and the region. The Masterplan demonstrates how new investment in leisure and entertainment facilities with a regional and national pull will help the city reach critical mass as a unique leisure, sporting and recreation destination for the region.

A regional casino in Sheffield will directly underpin the city's tourism strategy and offer the opportunity to introduce a distinctive new product to the city's leisure offer - a product that will complement and enhance, rather than compete with its existing visitor attractions. In turn this will allow the city and the city region to develop its tourism brand and address its historic under-performance in the tourism field.

1.4 The principal regeneration needs of the City

Over the last forty years Sheffield has seen a profound economic restructuring, with a move away from the heavy industry and mining upon which it traditionally depended. From 1979 the Gross Domestic Product (GDP) per head across the city region fell year on year until 1995 when it reached 74.4% of the EU average, qualifying Sheffield for European Objective 1 assisted area status.

Sheffield is characterised by high concentrations of deprivation, and overall is ranked in the bottom 20% of the 2004 Index of Multiple Deprivation. In terms of 'local concentrations' of deprivation, Sheffield is ranked in the bottom 10% most deprived local authorities. Sheffield is also a highly polarised city. Analysis of any socio-economic indicator reveals the same broad pattern; an affluent South and West and a more deprived North and East. For example, the wards which constitute the Lower Don Valley (including Darnall, Burngreave, Tinsley and Manor Park) display significant social disadvantage and are rated amongst the 10% most deprived wards in the country. The wards of Manor, Burngreave and Castle are in the bottom 2% most deprived nationally.[3]

The scale of the regeneration challenge facing Sheffield and South Yorkshire is substantial by reference to any regional, national or European analysis (as outlined in the Objective 1 Single Programme Document, the Regional Economic Strategy, and the draft Yorkshire and Humber Plan). These documents highlight the difficult set of economic challenges faced by the Sheffield City Region and endorse a highly pro-active integrated programme of measures to achieve a radical step change in the sub region's economic prospects and by association, economic performance.

There is, however evidence to suggest that Sheffield has undergone recent economic revival: unemployment rates have fallen faster than the national average and levels of educational attainment have shown a steady improvement over recent years. But this revival is from a low base and does not yet constitute transformation: Sheffield has not closed the gap with comparator cities and the recent successes of the city centre are yet to be replicated across the city's neighbourhoods and strategic economic zones outside the city centre. In marked contrast to the potential private sector led regeneration benefit to be derived from a regional casino, the public sector is still heavily involved in facilitating and part-financing much of the regeneration activity taking place across the Sheffield city region.

Sheffield's principal regeneration objectives can be summarised as the need to:

- Increase competitiveness, create more and better jobs to bring GVA and salaries to the national average
- Significantly improve overall skill levels
- Reduce the gap between the most and least affluent parts of the city and tackle entrenched concentrations of multiple disadvantage

As outlined in this submission, the development of a regional casino in Sheffield will offer a significant opportunity, without precedent in recent years, to positively impact upon these regeneration needs

1.5 Any factors making Sheffield a good ground for the testing of social impact

With the exception of its high levels of deprivation and economic inactivity/unemployment rates, Sheffield has a socio-economic profile which broadly speaking reflects that of the UK as a whole: The population's ethnic origin, percentage of people of working age and levels of education and qualifications are all in line with UK averages. This makes the city a particularly good

[3] Index of Multiple Deprivation 2004, Office of the Deputy Prime Minister, 2005

environment in which to pilot a regional casino (the social and economic implications of which will be relevant to the UK population as a whole).

Sheffield has already developed a robust system for measuring the impacts of its key policy interventions. Measuring, evaluating and putting in place the necessary programmes and policies to alleviate or minimise the potential harmful social impacts of any new regional casino development at the neighbourhood and city wide level must be a major feature in establishing the credibility of any location as a testing ground for a regional casino pilot. To be effective any test of social impact must be based on robust baseline information.

Sheffield is uniquely placed to deliver against this challenging agenda through its exemplar Sheffield Neighbourhoods Information System (SNIS). SNIS is a multiple domain, indicator-based index used to monitor changes in the city's 100 local neighbourhoods over time (neighbourhoods are defined as having between 500 and 4,000 residents). The first complete data run for SNIS was completed in late 2004, providing up-to-date profiles for all of Sheffield's neighbourhoods. SNIS brings together data from many sources, grouped under domains or themes. It provides a comprehensive analysis of the "health" of the city's neighbourhoods and the extent to which they function as successful and sustainable communities. The system is designed to evolve over time to allow more fine-grained and sophisticated analysis and currently reports on 44 indicators, grouped under 7 domains (economic activity, education, housing, environment, access to services, health & social care and community safety). With adjustment the system has the clear potential to become an extremely valuable tool in measuring accurately at the local neighbourhood level the impacts – social and economic, positive and negative – of a regional casino in Sheffield, allowing the lessons learnt from pilot status to be disseminated nationally in an appropriate manner.

2.0 SOCIAL IMPACT

2.1 What are the anticipated social impacts of a regional casino in Sheffield?

Sheffield currently has three regional casino proposals at planning application stage. We do not within this submission seek to set out the relative impacts of each individual proposal since each is located within a different part of the city, is promoted by a different operator and contains a different product mix. The City Council is in receipt of the economic and planning justifications in support of each proposal and these can be made available to the Casino Advisory Panel on request. Ultimately the precise level of benefits and dis-benefits to be derived from a regional casino in Sheffield will depend upon a variety of factors that are yet to be determined - including, location, site specific characteristics, the nature and mix of gaming and non gaming activities and an individual operators' approach to corporate responsibility and social impact issues. It is our belief that the right time to undertake a detailed analysis of the relative social impacts between schemes will be when the city has been granted the right to issue a premises license, evaluation criteria for a license competition have been determined with local stakeholders and detailed proposals have been received from all interested operators. We deal with this issue in further detail in Section 5.2 below.

Accepting that the nature of the product (particularly gaming content) will be broadly similar wherever the regional casino is sited and whoever operates it, we are acutely aware that the development of a regional casino in Sheffield is likely to result in a broad range of social impacts, both positive and negative, across the city and the wider city region. In many respects the social impact issues facing Sheffield will be similar to the issues facing locations elsewhere within the UK. What will differentiate one location from another in terms of its suitability to be a regional casino pilot will be the depth of its understanding of the potential impacts of such a facility and the robustness of its advanced preparations for mitigating any negative impacts and maximising positive ones.

Sheffield is well placed in this respect having begun work some time ago to identify the potential social impacts of a regional casino in the city. Our social impact policies have been developed under the auspices of the Sheffield First Local Strategic Partnership, which brings together the public, private, voluntary, community and faith sectors across the city in a collaborative forum. We have undertaken detailed analysis of available international research data dealing with social impact issues. Notwithstanding the contradictory nature of some of this evidence and the limited direct relevance to the UK market place, this intelligence has informed our local response.

In order to apply this learning to a local context and understand better the local issues, a Sheffield First Partnership Casino Task Group, has been commissioned, chaired by the Bishop of Sheffield, to identify the practical steps that the city needs to take to maximise the benefits, and mitigate the potential negative impacts of a regional casino in the city. The Task Group is meeting monthly and addresses a range of issues and concerns raised by its members by applying sustainability appraisal techniques to identify and assess the potential social (including health), environmental and economic impacts of a regional casino. The function and remit of this group will change over time reflecting the very fluid nature of the issues raised by a prospective regional casino within the city, the likelihood of the city being successful in securing a regional casino license and estimates as to the potential delivery timetable for any such facility.

Work carried out to date by the City Council and the Task Group has identified the following potential positive and negative impacts. Neither analysis is exhaustive and we are working constantly with local and regional partner agencies to understand and gauge the extent of social and economic impact issues in greater detail.

Anticipated Positive Impacts

Employment Creation - There is a wide body of evidence to suggest that regional casino developments will deliver substantial economic benefits for the localities within which they are sited. It is likely that the direct employment impact of a regional casino in Sheffield will be considerable (in the region of 1,000-1,500 full time equivalents) and that in addition there will be significant indirect employment (created as a direct result of supply chain impacts) and induced employment (created as a result of the increased wages provided by the employment flowing through the regional economy). Analysis of the proposals already submitted by prospective operators in Sheffield indicate that annual spend in the local economy will be in the region of £40-£50 million.

In addition, as with any large scale development, there will be a short term boost to employment through construction activity. Given that the capital costs of a regional casino facility is likely to be in the region of £150-£200 million, this will be substantial. The ability of the City Council, and its partner agencies, to capture these employment opportunities and directly match them to communities in most need will be a critical factor in securing the maximum additional beneficial impact from a regional casino in the city. Sheffield has a strong track record in this area – see JOBMatch and Construction JOBMatch (Section 2.8).

Skills, Education and Training - The regulatory environment within which regional casinos will operate will ensure that operators adhere to a high standard of employment procedures and training. The large employment needs of regional casinos, often in specialised areas, will create numerous opportunities for local agencies to work together, and with the chosen operator, to put into place bespoke educational, training and capacity building initiatives for local people, targeting the unemployed and those in most need and providing pathways to higher value jobs for local residents. This will mean gearing up training and skills agencies, including the further and higher education sectors, to work with a selected operator to fully exploit the opportunities that will be created. Again, Sheffield has a strong track record in this regard – see The Source, section 2.8 – and much activity has already taken place by individual operators. The Casino Task Group has started the process of reviewing anticipated skills needs and provision across the city to identify likely gaps. Ensuring that the employment and other benefits of a regional casino are focused on local communities in most need is central to Sheffield's evolving policy proposals.

Catalysing Wider Regeneration - The potentially significant regeneration benefits of a regional casino first came to prominence in the Budd Report, 2003. Subsequent government guidance strongly re-enforces regeneration impact as a key determinant in deciding the location of regional casinos. With the right product mix, in the right location and with the right operator partner, a regional casino in Sheffield can be expected to make a significant contribution to delivering the regeneration priorities for the city set out in 1.4 above. However we are convinced that any plans for a regional casino in the city must be embedded firmly within an existing local regeneration strategy if substantive and sustainable wider regeneration benefits are to be realised. A regional casino that is merely a 'bolt on' to other unconnected activity within the city will not deliver the same degree of additionally. We set out later within this submission how the City Council's regeneration plans for the Lower Don Valley area, a regionally significant priority for investment, would particularly benefit from the economic momentum and investment that a regional casino would bring.

Enhancing Sheffield's Tourism and Destination Offer - Regional casinos offer the potential to deliver many functions and activities across the wide range of the entertainment spectrum in addition to their core gaming areas to meet locally defined need (see section 1.3). This is evident from the three schemes already submitted for planning consideration in Sheffield. We expect that any regional casino in the city will deliver, as a minimum, new opportunities for housing world-class sports events as well as additional conferencing/exhibition opportunities. We would expect any facility to set new international standards in hotel and hospitality provision in the city, providing the facilities for the city to be showcased on the national and international stage. Harnessing the profile and revenue generation of a regional casino facility in Sheffield as a means of increasing short stay leisure travel will be crucial to ensuring that Sheffield's tourism under-performance is overcome delivering maximum net gain to the regional economy. We expect that the Sheffield city region will be able to achieve a step change in its tourism offer as a result of the investment made in a regional casino. This view is endorsed by the South Yorkshire Destination Management Partnership who have written to Sheffield City Council expressing their strong support for a regional casino in the city.

Anticipated Negative Impacts

Problem Gambling - Sheffield City Council has spent considerable time reviewing the developing body of knowledge that relates to problem gambling although even internationally relatively little is known about this issue, especially its causes. There is, for example, an apparent lack of consensus about what constitutes problem gambling and precisely how it impacts on local communities. Furthermore there is often contradictory evidence in respect of whether harm minimisation measures have any significant impact and indeed whether regulatory responses designed to address the issue are effective. It is clear, however, that whilst for the majority gambling is a safe leisure activity, a proportion of gamblers, those close to them and others within their communities do suffer from the harmful consequences of problem gambling. This is explored in more detail in Section 2.5. An out of town location such as the Lower Don Valley will help to address problem gambling by reducing opportunities for ambient gambling since the casino will be located away from residential areas. Indeed, under the new gaming legislation, the City Council is able to reduce ambient gambling in existing locations such as chip shops and taxi offices by taking away licenses for slot machines at the same time as potentially licensing a regional casino.

Break down in Social Cohesion - While international evidence is often difficult to usefully extrapolate and notwithstanding the fact that there is already gambling activity in Sheffield and the UK, the potential exists for a regional casino to have a negative impact on levels of social and community cohesion, particularly within the neighbourhood within which it is sited. Given that people on lower incomes spend proportionately more of their income on gambling, the potential negative impacts of a regional casino are likely to be felt more acutely within deprived and vulnerable communities across the city. Similarly, locating a regional casino in an area with large Muslim populations has the potential to affect local community cohesion. The work of the Sheffield First Partnership Casino Task Group has already identified some local concerns in this respect. They range from issues such as potential increases in personal indebtedness, to worries over increased anti-social behaviour, drink related crime and increased mental health, alcohol, drug and domestic violence problems. Proactive measures to address each of these aspects (real or perceived) will form an essential element of any licensing competition.

Transport Congestion - It is expected that regional casinos, wherever they are located, will be significant generators of vehicular traffic. Notwithstanding the fact that patronage of such facilities falls largely outside peak times of daily road use (i.e. rush hour) the potential impact on local transport networks and public transport systems must be a key consideration in determining the appropriateness of a regional casino within any locality in the city. It is our belief that any regional casino facility in Sheffield must assist in improving local transport infrastructure capacity (including public transport) both within the location in which it is sited and further afield, thereby unlocking further economic regeneration investment potential. Combined with other leisure and business developments a well-located casino could spread peak traffic flows and increase productivity of existing assets rather than overload them. The opportunity to achieve this exists in parts of the city such as the Lower Don Valley, we expand upon this later.

Potential Displacement of Existing Activities - Work carried out for Yorkshire Forward Regional Development Agency by Ernst & Young[4] indicates that a regional casino facility within the Yorkshire and Humber region will have the potential to provide a turnover of £73-£130 million, equating to 2-3 million visitors per annum. The Ernst & Young report indicates that given the wide population draw of such a facility it would be unlikely to have a regionally significant displacement effect on wider leisure activities. The issue for Sheffield will relate to the potential local and city region displacement effects. The very nature and scale of the product dictates that the potential exists for a regional casino to include a range of facilities that serve to displace economic activity and investment from other areas of the city or the city region, particularly the city centre. Sheffield City Council and its public and private sector partners have expended considerable resources over recent years in securing the renaissance of the city centre and this investment must be protected.

Sheffield City Council will ensure that a regional casino does not negatively impact upon the progress made in the city centre (or any other urban centre) through a mixture of development controls, such as the emerging Sheffield Development Framework policies for the Lower Don Valley, and differentiated product. Sheffield city centre functions primarily as a retail offer whereas a regional casino will be a predominately leisure-based facility. We may in fact determine in conjunction with partners, to restrict retail activity at a regional casino as a matter of policy. This would immediately minimise any significant potential impact on the city centre retail offer. The Lower Don Valley is already identified as a key location for regional level leisure activity, being home to Sheffield Arena, Ice Sheffield, Don Valley Stadium and the English Institute of Sport. All of these are well served by public transport, in an urban location in the heart of a regeneration priority area. As far as leisure activities are concerned, the Regional casino will be highly differentiated from anything that exists in the UK at present. It will draw from a very wide catchment, itself mitigating the potential impact on any one city centre location or facility. The regional casino would offer additional facilities, according to stipulation at competition stage that would be designed to complement the existing city centre offer and not detract from it. Again this is an issue that will need appropriate consideration at the competition stage (see Section 5.2).

2.2 If some criteria are negative and some positive how will Sheffield resolve this?

Sheffield City Council will seek to evolve a detailed policy in conjunction with its partners in each of the areas set out above over the coming months. This coordinated, multi-agency response will inform and guide any competition process for the granting of a regional casino premises license in the city during 2007 (See Section 5.2). Policies adopted locally will build on, and apply in a local context, the Gambling Commission's own work in this area, itself informed by the new National Prevalence Study and other research programmes such as those operated by the Responsibility in Gambling Trust, The Centre for Social Research (on

[4] Ernst and Young, 'Casino Report.' June 2005

behalf of Gamcare) and the Department for Culture Media and Sport. Please also see our response in Section 2.1 above for further details of the work of the Sheffield First Partnership in this area.

2.3 What do you say to those who claim that the effect of your proposals would have a negative impact on social cohesion and the sustainability of your communities?

The potentially negative social impacts of a regional casino within the city are of real and genuine importance to the City Council and developing a strong, local, multi-agency response that will help negate these impacts is a critical component of our strategy in promoting the city as an appropriate location for a regional casino pilot. The issues raised by the Sheffield First Partnership Casino Task Group in respect of social impact - both concerns and opportunities - will form an important part of the selection and evaluation criteria to be adopted by the City Council in any competition to award a regional casino premises license in the city. Individual operators will be judged against their specific responses to the issues raised and the extent of local consultation and support. It is worth noting that individual operators have already conducted extensive programmes of community consultations including local residents, faith groups and voluntary groups and these have not revealed any substantive social cohesion concerns.

2.4 Any recent assessments of the impact of existing gambling in Sheffield.

There is currently a very limited casino gambling offer available within Sheffield, indeed the city currently has only three operating casino premises. Consequently the City Council has not undertaken any recent assessments of the impacts of problem gambling within the city or its effect on social cohesion and sustainability of communities.

We have however reviewed nationally available data on this issue and are able to apply the most relevant elements. The most recent comprehensive assessment of problem gambling in the UK is the Gambling Prevalence Study carried out by the National Centre for Social Research in 2000. (This is about to be updated by work carried out on behalf of the new Gambling Commission). Although the report did not publish statistics by region or city, it suggests that the rate of problem gambling in the UK stands at 0.8% of the adult population. The study further substantiated the fact that gambling is a substantial industry already in the UK, with 72% of Britons participating in one or other form of gambling each year, including just under one fifth who play slot machines, over 60% who play the lottery regularly and more than 12% who wager on horse racing, among other types of gambling, such as widespread gambling on foreign-based, often unregulated internet sites. Whilst is felt likely that these rates will have increased due to the increase in internet gambling and new innovations such as fixed odds betting terminals (FOBTs), it is still likely to provide the most accurate baseline position. The Henley Centre estimates an increase in the rate of problem gambling from 0.8% to 1.5% in 2010 when the new gambling regime will have bedded in [5]. Research from elsewhere suggests that areas closer to casinos and particularly deprived communities are at greater risk from problem gambling.

In the absence of a national effort to address the question of problem gambling (in particular public education, prevention and treatment), and reliable local research, it is almost certainly true that there are a number of compulsive and problem gamblers in Sheffield who are largely invisible, and for whom insufficient education and treatment strategies are presently available. The evidence available, and the nature of the trend towards an increase in the rate of problem gambling confirms that Sheffield must put into place a robust framework for assessing the potentially negative impacts of gambling and should consider the need for this regardless of whether or not Sheffield is successful in being able to license a new regional casino.

We consider that with careful refinement, the existing Sheffield Neighbourhoods Information System (SNIS) can be expanded to accurately capture a robust baseline assessment of the city's current gambling trends and provide a suitable baseline against which to measure the impacts of an increased gaming offer in the city and any consequent impacts on quality of life in Sheffield's neighbourhoods. Policies put into place to mitigate the potential negative impacts of a regional casino (as identified earlier) will be constantly monitored and updated to reflect any actual negative impacts measured.

2.5 Any policies or procedures in place, or planned, to counter any potential negative social impacts of gambling

Given the lack of reliable current UK baseline information, the City Council intends to develop new procedures to counter any potential negative social impacts of a regional casino in the city. These procedures will be informed by the work of the Sheffield First Partnership Casino Task Group as outlined above. Our analysis of jurisdictions elsewhere leads us to conclude that a significant amount of work in this area can be carried out in collaboration with the chosen casino operator and be informed by the specific dynamics of the regional casino scheme that ultimately comes forward following a premise licensing competition. It is Sheffield's intention to work with the Gambling Commission, and other stakeholders such as Gamcare, RIGT and public education specialists to ensure that measures to address the issue of problem gambling are in place before a regional casino commences operations. To date the City Council has not identified particular budgets to fund this work. The requirement for such

[5] 'Economic and Social Impact Study of the Proposed Gambling Bill', Henley Centre. November 2004

funds will be assessed on an ongoing basis however in our view private sector operators have an obligation to fund such services. International evidence generally recognises three different forms of gambling:

- Recreational gamblers on social occasions with friends and families – by and large the gambling activities of this group causes little harm. For these gamblers the availability of good quality information and education on gambling behaviour is required in order to encourage them to make sensible spending decisions.
- Gamblers who spend too much time and money on gambling – the behaviour of this group causes harm both to themselves and others. These gamblers require active intervention and treatment to prevent long term problems.
- Compulsive and pathological gamblers – this group have a psychiatric disorder of impulse control. Such gamblers have an inability to control their gambling with consequent significant damage to themselves and others. Whilst international experiences suggest that this group constitutes a very small minority of gamblers they are very difficult to treat.

The issue of problem gambling needs to be addressed directly at the local level if the negative social impacts of a regional casino in the city are to be minimised. The Gambling Commission will introduce a range of measures to control entry into the industry, combat corruption, tackle criminal activity and enforce operating license provisions. It will issue formal Codes of Practice governing amongst other things corporate social responsibility and controls over children's access to casino facilities. However Sheffield will develop additional local policies, along the lines identified below, to supplement national ones, with the specific intention of providing a direct response to problem gambling issues as they affect Sheffield's communities.

Sheffield City Council has reviewed the evidence available and believes that the essence of a good local policy to control the potential negative impacts of gambling will need to include measures to ensure that:

- Access to continuous forms of gambling, especially big prize machines and table gaming such as those available within regional casinos, should be possible only after the customer has made a conscious decision to visit a casino destination. For this reason, the prospect of 'drop in' or ambient gambling opportunities should be avoided.
- A comprehensive programme of public information and education is available at all times within any regional casino. Actual and potential gamblers need to be continually educated to the fact that those who gamble excessively can ruin their own lives and the lives of others. Gamblers and those working in the gambling industry need to be made aware of the danger signs which reflect when a gambler moves from a recreational experience to a damaging one.
- Those promoting a regional casino within the city must provide high quality, confidential and free specialist advice and counselling services, made available on site, via telephone and the internet. These services must support problem gamblers, potential problem gamblers and their families and be fully integrated with local community support agency networks in whatever neighbourhood the regional casino is located.

It is our assertion that the best way of dealing with the problem of excessive gambling is not to limit the enjoyment of the vast majority of people who gamble harmlessly, but rather to ensure that nobody gets into trouble with gambling through ignorance and that anybody who does get into trouble is able to access expert and effective help.

2.6 How will Sheffield test for changes in social impacts if a new regional casino was to be licensed.

We believe that Sheffield is unique in being able to successfully monitor the social health of its neighbourhoods utilising the SNIS tool. Please see our response to Section 1.5 for more detail. The existing system will need to be appropriately modified to allow for it to accurately measure the social impacts arising from a new regional casino in the city.

2.7 Comparable initiatives already in place in Sheffield to manage social impacts from other activities.

This will be a key consideration in the ultimate ability of any pilot location to manage the potentially sizeable economic, social and community impacts of a new regional casino within their jurisdiction and provide meaningful lessons that can be carried forward elsewhere. Sheffield already has a strong track record in managing social impacts across a wide range of initiatives and policy areas. Three examples illustrate this well in the context of the potential negative social impacts of a regional casino set out earlier:

Doorstep Debt. Sheffield has recently launched the innovative Sheffield Investment Bond as a means of tackling rising levels of "doorstep" lending. Across the UK doorstep lending is rising with over three million people borrowing from over 1,200 doorstep lending businesses at interest rates of as much as 2,000% [6]. The money raised through private donations/investment in the Sheffield Investment Bond is used to support Sheffield's residents caught in the debt trap in a variety of ways including face to face advice, affordable loans, help with debt re-structuring, teaching financial literacy, help with access to credit unions etc. The Bond represents Sheffield's frontline action against doorstep lending which is proven to lead a range of problems from illness to

[6] 'The Sheffield Investment Bond', Sheffield City Council.

family breakdown. The Bond has cross party support within the City Council and an increasing awareness within the business community where most of the funds are raised.

Reform of Licensing Laws. Sheffield has successfully managed the impact of new licensing laws to both mitigate against the potentially negative consequences of longer drinking hours and harness the economic potential that a safe and vibrant night time economy can provide. This has been achieved by anticipating the impacts of changed legislation and delivering appropriate local responses. In conjunction with local stakeholders such as residents, businesses and the police, Sheffield has introduced new Licensing Zones across the city that provide the tools with which to respond to inappropriate activity in zones close to local residents whilst retaining the freedom for people to enjoy longer licensing hours responsibly in areas of the city more appropriate for that activity.

Anti Social behaviour. Sheffield is leading the way to address the issues and impacts of anti social behavior across the city through a multi-pronged response that is responsive, proportionate and cost effective. New legislative tools provide a sliding scale of punitive interventions married with significantly enhanced programmes of alternative activities and events. Underpinning this is a reframed role for Sheffield Future's (commonly known as Youth Services) that achieves a greater focus on target areas and activities.

Further details are available in respect of these and other initiatives across the city already in place to manage social impacts from other similar activities. These experiences will be carried forward by the city in establishing and monitoring the long term social impacts of any new regional casino, at both the neighbourhood and city wide level.

2.8 Existing and planned job creation and training programmes, which improve the skills of and benefit local people.

As discussed earlier within this submission, the quantum of employment benefits to be derived from a regional casino will be broadly similar wherever it is located. However, the amount of additional benefits that can be generated locally and the extent to which a regional casino will contribute to local regeneration priorities will vary markedly from one local authority to another according to the strength of local mechanisms put into place to add value to the core employment driver.

Sheffield's Employment and Skills Strategy (2005 – 2010) provides a strategic framework for developing Sheffield's labour market, removing barriers to growth and creating more jobs. The key challenges facing Sheffield's labour market are:

- The current employment rate of 69.6% falls well below the UK average
- Skills need improving across the board to make Sheffield more competitive
- Specific areas of the city have high levels of unemployment and deprivation
- High levels of economic inactivity persist

The Employment and Skills Strategy sets out Sheffield's priorities, to:

- Increase the employment rate to at least 75% (supporting the Government's 80% UK target)
- Increase participation and achievement in education/ learning among young people/ adults
- Narrow the gap between areas with the lowest and highest employment rates
- Significantly increase employment rates of those city residents who lag behind in jobs or skills
- Provide high quality support to help employers recruit effectively and train their workforce

In order to meet these challenges Sheffield First Partnership is establishing the Sheffield Work and Skills Board. The Board is employer-led and will develop an firmly integrated approach to work and skills by coordinating the employment and skills-related activities of the local authority, local Learning & Skills Council, Jobcentre Plus, Yorkshire Forward RDA, the European Objective 1 Directorate, the provider network and the voluntary, community and faith sector. The Sheffield Work and Skills Board will be composed of key employers drawn from sectors and businesses of local and national importance and executive officers from the relevant public and third sector stakeholders. It will be charged with delivering a three-year implementation plan, 'Skilled in Sheffield', which aims to open up labour market opportunities to those currently failing to access work and securing sustainable employment for both labour market entrants and those in fragile, low paid, low skilled work. A dedicated multi-agency delivery team will be responsible for delivery.

The Sheffield Work and Skills Board will provide the local framework through which the impact of a regional casino on the skills and training of local residents will be maximised and directed. The development of a regional casino within the city offers an unrivalled opportunity for the city to address its labour market deficiencies. Sheffield Work & Skills Board direct the existing and successful 'JobNet', 'JobMatch' and "Construction JobMatch" services to improve the skills of local people and target the employment opportunities generated by a new regional casino in the city to those residents that are in most need.

JobNet was the first community-based recruitment service in the UK, linking local residents with city-wide job opportunities. Through its location in local community centres, shops and training centres, JobNet is able to assist individuals who do not have the confidence to visit other recruitment services. Individuals are offered support including producing CV's, filling in application forms, help to develop skills and confidence required for interviews, and also access to a city-wide database to help find jobs in areas where they wish to work. In their first year, JobNet helped 500 local people into employment.

JobMatch is a unique HR consultancy service that has been providing a bespoke service to inward investors and expanding indigenous companies across South Yorkshire since 2001. JobMatch provides a single point of access in relation to recruitment and development support through a unique brokerage service based upon established local networks. Recent successes include the major relocation of the Polestar printing facility and the new Macdonalds hotel.

Construction JobMatch acts as a single point of contact for construction, recruitment and training needs. There is an unprecedented amount of construction activity happening across Sheffield and this is leading to skills shortages within the construction sector. Construction JobMatch has launched the Building for the Future initiative to ensure that the city develops and maintains a skilled and motivated construction workforce, benefiting the industry, local people and the local economy. Of the 100 new jobs created so far through the initiative 51% of people have come from the most deprived wards in the city. 400 further jobs are planned with a similar sourcing of residents expected.

As testimony to its innovation in this area, Sheffield has constructed a unique joint public and privately funded learning and skills centre at the Meadowhall Centre in the Lower Don Valley. “The Source” has been developed in close partnership with regional education providers. The centre is a flagship centre for the city offering a broad cross section of training at all levels for young people as part of their school curriculum, jobseekers, local companies with workforce development needs and on-line learners. The Source provides an exemplar of how the city is able to capitalise on the large scale employment opportunities generated by the retail sector at the Meadowhall Shopping Centre to deliver maximum local benefit. Opportunities will be taken, at the licensing competition stage, to investigate the delivery of a similar facility within a regional casino in the city to capitalise on the employment opportunities the development will create and deliver local people with the appropriate skills necessary to become a direct beneficiary of the facility.

2.9 Details of existing and planned relationships with relevant voluntary and public organisations which would support your social impact policies and activities

Our emerging social impact policies in respect of a regional casino are being devised under the auspices of the Sheffield First Partnership’s Casino Task Group. Please see our detailed response to Section 2.1 above for further details.

3.0. NEED FOR REGENERATION

3.1 How do you expect your proposal to assist in the regeneration of Sheffield and the wider area?

A regional casino would bring potentially transformational economic development and regeneration benefits to Sheffield, the Sheffield city region, the Yorkshire and the Humber Region, and further afield. As outlined within 1.4 the regeneration needs of Sheffield and South Yorkshire are substantial, hence its Objective 1 status. A momentum for growth has been building up in Sheffield and key areas of the former South Yorkshire Coalfields over recent years through a range of economic development and regeneration initiatives (e.g. the redevelopment of the Lower Don and Dearne Valleys). However this momentum has yet to reach a point of critical mass, and is unlikely to do so without the injection of major investment in strategic development opportunities such as that offered by a regional casino. The precise location of any regional casino will, in turn, impact on the level of regeneration achieved, we address this further in Section 3.3 below.

The regeneration of Sheffield is critical to the wider economic competitiveness of the Yorkshire and the Humber region. Sheffield is one of England’s “Core Cities” and is in the vanguard of the Government’s major urban policy priority to increase the competitiveness of cities and their regions through promoting the city region concept. The city is a key catalyst for broader sub regional economic growth and regeneration. The South Yorkshire sub-region is capable of making a greater contribution to regional GVA and a greater contribution to increasing competitiveness and economic performance is needed from existing ‘engines of growth’ such as Sheffield if this is to be successfully redressed.

To achieve its regeneration objectives Sheffield has recently established a new city-wide regeneration company. “Creative Sheffield” will focus future regeneration activity in the city in four key priority areas:

- The acceleration of the growth of knowledge based businesses within the city
- The securing of transformational development in the city’s four strategic economic zones - the city centre, Upper and Lower

Don Valley and Central Riverside
- The marketing of the city and development of its role as a visitor destination, building on its many cultural, sporting and environmental assets
- Securing inward investment

The development of a regional casino within the city will underpin this regeneration agenda as described further below.

3.2 Supporting details of the level of additional economic value that your proposal would create, including the anticipated incremental increase in GVA (Gross Value Added) and employment.

Attempts to estimate the potential anticipated economic value of a regional casino in Sheffield have been made by the operators interested in securing a license to operate such a facility in the city. However, in each case the prospective operator's assumptions in respect of anticipated casino revenues and likely employment/economic impacts vary considerably. For example estimates of anticipated visitor numbers vary from 1.5 million per annum to 3.5 million per annum. Extrapolating the data in order to allow for any robust comparison is difficult, particularly so as each proposal has emerged in isolation and none has been submitted in response to a competition brief.

By way of an indication, work carried out by Pricewaterhouse Coopers on behalf of MGM MIRAGE suggests that additional economic added value will be generated in two key areas; net job creation and economic wealth creation. In terms of net job creation MGM estimates that it will create 1,500 direct operational jobs on site. After taking account of displacement, additionality and deadweight it is suggested by PwC that the net jobs created locally will be in the region of 1,000. In estimating total employment impacts it is necessary to add the indirect and induced jobs to the direct employment estimate. Applying this "multiplier" PwC estimate that MGM's proposals will deliver 1,300 net new jobs in Sheffield and 1,800 new jobs in the city region area. In terms of economic wealth creation the operator estimates a boost to sub region GVA of around £56 million per annum based on a estimate of procurement expenditure of around £40-£50 million per annum.

At the time the three Sheffield planning applications were made there was no proposed limit set on the maximum number of regional casinos to be developed within the UK. Under the circumstances of the granting of a single regional casino license in the UK it is likely that the market penetration, revenues generated, and by implication, the economic value generated by such a facility may be considerably higher than original estimates indicate. Until such time as a competition has been held for the single regional casino license in the UK, or for that matter an increased number of licenses – if indeed an increased number of licenses is to be endorsed by the government – it is extremely difficult to assess with any degree of robustness the anticipated incremental increase in GVA a regional casino in Sheffield (or elsewhere) will create. For this reason we have not placed undue emphasis on the financial or market penetration estimates made by any of the prospective Sheffield operators at this stage although this will be a key consideration at licensing competition stage.

3.3 Are there parts of your area, the regeneration of which would particularly benefit from your proposal, and how would this come about?

As previously outlined, regional casinos have the potential to generate significant economic benefits and to drive forward regeneration programmes in areas of acute need. For this reason, in the Sheffield context, the Lower Don Valley has a particularly strong case as the area is an established regeneration priority for the city, the sub region and region as a whole.

For almost 200 years the Lower Don area formed the hub of Sheffield's world renowned steel industry. However, over the last 30 years the area has undergone dramatic restructuring referred to in Section 1.4. The wards that make up the area are rated amongst the most 10% deprived wards in the country, indeed the wards of Burngreave, Castle and Manor are rated in the 2% most deprived [7]. Residents in nine out of the ten local wards are amongst the bottom 5% in the country in terms of educational attainment. The proportion of working age people with no qualifications is almost 50% higher than the national average. Most of the 75,000 manufacturing jobs lost in Sheffield between 1971 and 1998 were in the Lower Don Valley. Employment in the area is now around only 12,500. Aside from retail related jobs (5,700) the remainder of the employment base is concentrated in the manufacturing, transport and utilities sectors. [8]. Many of these employment opportunities are in low grade, low paid and unsustainable activities. Unemployment levels are high and there is a mismatch of skills to employment opportunities. The area continues to suffer from negative perceptions and a poor image and a large part of it is still characterised by a poor quality industrial environment.

In 2005, following extensive consultation, Sheffield City Council approved a new masterplanning framework for the Lower Don Valley. The new framework seeks to set the foundations for sustained and positive transformation throughout this important

[7] Index of Multiple Deprivation 2004, Office of the Deputy Prime Minister, 2005
[8] The Lower Don Valley Masterplan. Sheffield City Council, 2005

gateway to the city, returning it to the economic powerhouse it once was and reviving the economic and social fortunes of the area's residents. The Masterplan builds on the regionally and nationally recognised sporting and leisure facilities already located within the Lower Don Valley as investment anchors to attracting higher value development proposals on adjacent sites. In this way the area will be able to develop as a "leisure and sports corridor" of international significance. The regional casino concept has been identified as an appropriate end use for the Lower Don Valley since work in evolving the masterplan began over two years ago.

The Lower Don Valley is well located for public and private transport users, stretching north east from the city centre to the M1 and linked directly to the city centre by SuperTram. It already houses many of the city's key visitor and sporting facilities, including Meadowhall Shopping centre, the Hallam FM Arena, Ice Sheffield and the English Institute of Sport. It has the sites required to accommodate development of the scale of a regional casino. A regional casino within the Lower Don Valley will drive forward the regeneration of the area for many years to come creating new employment opportunities - ones that are more diverse, higher paid and more sustainable. We recognise that it the Lower Don Valley is to become a successful international focus for sport and entertainment the simple delivery of new venues and facilities to complement and add value to existing ones is not enough. Any new regional casino facility in the area will be delivered as part of a comprehensive package of interventions as outlined within the masterplan, indeed we expect that a casino facility will be the key driver in delivering a number of those interventions, for example public realm and public transportation improvements.

3.4 How and why do you expect that the "multiplier effect" of the additional economic activity to be created by your proposal would outweigh the potential leakage of money from the local economy?

The analysis set out in Section 3.2 above suggests that the economic and employment impacts of a regional casino in Sheffield are likely to be substantial. However the work carried out by Ernst & Young for Yorkshire Forward has identified the potential for displacement to occur at the local level, particularly in respect of the night time economy (displacement is unlikely to be a major issue at the regional level). This potential has already been identified locally, see Section 2.1, as a potential negative impact of a regional casino in the city.

Ultimately the key to ensuring that a new regional casino in the city generates substantial net benefits for the city (i.e. minimising any potential displacement effects) will be in ensuring that it offers a differentiated leisure product, drives a significant element of new demand for gaming and associated leisure pursuits and, wherever possible, provides facilities that diversify and complement existing activities available within the city. The extent to which any regional casino development within Sheffield has the effect of generating additional value to the local economy rather than resulting in a net leakage of money from the economy will be a critical evaluation criterion in any competition run by the City Council in connection with the granting of a regional casino license in the city.

3.5 Any other regeneration outputs and outcomes you are seeking to achieve from the development of a new casino.

We expect a new regional casino will deliver a range of substantial local benefits for the residents of the community in which it is sited, and for the residents of the city as a whole, over and above the employment and economic impacts discussed above. We consider the maximum beneficial local impact of a regional casino in Sheffield is likely to be delivered where;

- Development will provide new facilities and services (particularly a range of leisure and recreation opportunities) that will be fully accessible to all (including local communities) and deliver genuine, lasting benefits to those communities;
- Employment, training, skills development and other opportunities flowing from development are directly linked to communities and individuals in most need through a comprehensive area based regeneration strategy approach;
- Investment generated will be of sufficient quality, scale and content to drive forward not only local regeneration needs but also the tourism and regeneration aspirations and objectives of the City of Sheffield as a whole and indeed the Yorkshire and Humber region;
- New facilities are built to the highest standard reflecting the desires and aspirations of local people and a renewed optimism in the future of the city;
- New facilities are accessible to a range of users by a range of transport options, are located in areas where potential negative impacts can be measured, monitored and mitigated and where the capacity of a range of public sector agencies, for example the police, health and employment services is both comprehensive, organised and capable of being effectively managed in order to deliver maximum impacts;
- New facilities help drive forward a programme for environmental improvement and change within their localities

4.0 WILLINGNESS TO LICENSE

4.1 What strong evidence can you provide which demonstrates Sheffield's willingness to license a casino if

selected, for example, Council resolutions in favour.

On 1st December 2004, Sheffield City Council formally resolved that, given the safeguards contained within the Gambling Bill, a regional casino has the potential to offer a significant number of jobs and assist the wider regeneration of Sheffield. Authority was therefore formally delegated to the Chief Executive to promote the city as a potential location for a regional casino. Minutes of the relevant Council meeting can be made available on request.

4.2 Details of any local pre-existing polling or market research to establish the extent of support among Sheffield's population.

In December 2005 a survey seeking to gain an understanding of the Sheffield population's attitudes towards gambling and the development of a regional casino in the city was undertaken by Communicate Research on behalf of MGM MIRAGE. The survey involved a representative sample of 1,000 Sheffield residents.

- 89% of residents found gambling perfectly acceptable
- 57% of residents had heard about proposals for a regional casino in Sheffield (of these, 48% were in favour of such a development in Sheffield and 26% against)
- Of those residents who had not heard about proposals for a regional casino 33% were in favour, 33% against
- Overall 42% of residents were in favour of a regional casino, 29% against, and 29% were 'don't knows'
- 88% of people surveyed felt that a regional casino in Sheffield would be an important provider of jobs (97% of those supporting a casino development, 76% of those opposed)
- 67% of people surveyed felt that a regional casino development would attract tourists (82% of those supporting a casino development, 51% of those opposed)
- 61% felt a casino would improve local leisure facilities, 61% felt it would be good for local business and 58% that it would put Sheffield on the map.

These findings are supported by a survey conducted by Ant Marketing on behalf of Sun International:

- More than two thirds of respondents do not object in principle to gambling. Significantly, most of the opposition to gambling is to on line gambling;
- 77 % of people in the survey have visited an existing casino;
- A majority believe that revenue from regional casinos will have a positive effect on the local economy, in particular job creation;
- More than half the respondents believe that a regional casino will enhance existing infrastructure;
- Respondents ranked alcohol and drug abuse, crime and other anti-social behaviour as more serious social issues than problem gambling;
- A significant number of those who favour a regional casino do so because they believe it will be a secure and safe environment.

Full details of each survey are available by request. The results broadly mirror national research commissioned and published by the DCMS. Given the limited level of detail available in respect of a regional casino development and the varying coverage of the issue in the national press the results of any such survey are likely to change significantly over time. Further survey work will therefore be undertaken as Sheffield's regional casino proposals evolve.

4.3 Details of any local consultations.

The potential to harness the economic and regeneration benefits of a regional casino has been a key consideration in Sheffield for some time. A large body of consultation and support has therefore been amassed over a sustained time period since the first operator interest was registered in the city. In addition to the work of the Local Strategic Partnership (see Section 2.1 above) Sheffield City Council is engaged in a separate programme of consultation events with a number of business and community groups throughout the city.

The Chamber of Commerce has received regular updates in respect of progress in securing a regional casino license for the city. The Chamber has confirmed its support for a regional casino in the city and has been running a series of awareness events for local businesses in order that they are fully informed as proposals progress. Consultation is also ongoing with the city's faith groups, sponsored by Clive Betts, MP for Sheffield Attercliffe. For example Members of the Muslim community met as recently as 17th February 2006 to explore the likely impacts of emerging casino proposals in the city.

In respect of its duties as a casino premises licensing authority under the Gambling Act, the City Council has recently begun to consider the evolution of its "Statement of Premises Licensing Policy". Draft guidance on the preparation of this policy was issued to local authorities by the Gambling Commission in December 2005 and Sheffield is currently reviewing the potential implications of this guidance. Further consultation will be undertaken in respect of the evolution of this policy in due course.

The outcome of these ongoing consultations will be important in determining our approach to the specific location of a regional casino, the licensing policies to be developed by the City Council and measures to manage social impact. In preparing this approach we will be working within the auspices of the national framework being prepared by the Gambling Commission.

4.4 Resolutions of support by the Local Strategic Partnership.

Please see our response to Section 2.1 above in terms of the very active supporting role being played by Sheffield's LSP, the Sheffield First Partnership, in assisting the City Council establish a policy for dealing with the potential impacts of a regional casino within the city.

4.5 Relevant tourism or leisure strategies, or local plans which demonstrate the extent of consideration and commitment.

Please see Sections 1.2 and 3.3 above, in particular, references to the Sheffield Tourism Strategy and the Lower Don Valley Masterplan strategy, both of which underpin the city's approach to the development of a regional casino.

4.6 Details, including contact details, and key issues raised in correspondence from any national or local organisations or individuals who have expressed either support for a casino in your area or objections and concerns that a new casino should not be licensed in your area together with details of your engagement with such groups or individuals or points raised in your responses to them.

Sheffield has been actively engaged in regional level discussions over a period of more than two years in connection with the development of a regional casino.

<u>Yorkshire Forward Regional Development Agency</u>
In March 2005 Yorkshire Forward instructed Ernst & Young to consider the potential changes to the casino industry likely to be caused by proposed changes to UK Gaming legislation. The report examined the potential impacts that new casino development may have on the regional economy of Yorkshire and the Humber and makes a number of key conclusions. It states:

- Under the current legislation (Statement of National Policy December 2004) and with a well structured local competition, the current government proposals appear to offer local authorities the ability to extract significant regeneration funding and activity from a regional casino operator.
- Casino operators are making substantial investment in their own activities and do employ a large number of staff – this can be beneficial to the overall regeneration of an area if the scheme is well positioned within a carefully developed regeneration scheme. Where casino operators are well positioned and fit the context of other developments within a well planned regeneration scheme they are able to offer a clear leisure service and financially contribute to the overall objectives.
- Casino operators clearly operate within the leisure sector which is a priority area for some locations in Yorkshire and Humber (notably South Yorkshire).
- Population catchment areas suggest that only South Yorkshire or West Yorkshire could support a regional casino.
- There is a (yet to be substantiated) risk that these developments will create a displacement effect within the night time economy. Despite the greater risk of displacement in Sheffield than Leeds, the DCMS December Policy Statement suggests that urban regeneration is likely to be a very large determinant in the location choices of the Independent Advisory panel. As a result, given the clear position of Sheffield as an Objective 1 location, if Yorkshire and the Humber wants to have the best chance of gaining a licence from the Independent Advisory panel, the location most likely to be favoured is Sheffield.
- Sheffield is also a strong choice in terms of overall spatial distribution betweens regions.

The Ernst & Young report raises genuine concerns in respect of the potential impacts of a regional casino in South Yorkshire on the current night time economy of Sheffield city centre with localised displacement and economic dislocation identified as key concerns. On February 27th 2006 Sheffield City Council wrote to Yorkshire Forward setting out its detailed response to these issues. Copies of all correspondence can be made available on request.

The Ernst & Young report concludes with the following remarks;

"Ernst & Young recommends that if Yorkshire is clear in its desire for a regional casino a clear bid is made in favour of Sheffield, but in parallel with any such bid, further work is undertaken to examine more fully the potential for localised economic displacement effects on the night time economy of the city"

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"In light of the uncertainty created by the apparent changes in the number of regional casinos to be granted "pilot" status by the Government there appears to be an opportunity for a pro-active region to make a strong case in favour of a particular location. The single location within Yorkshire which could make such a compelling case against the criteria set out by the government in the apparent rules governing location decision is Sheffield".

<u>The Yorkshire and Humber Plan (RSS) Draft for Consultation December 2005</u>
The Ernst & Young report has also been used to inform the relevant emerging policy position on regional casinos contained within the draft December 2005 Yorkshire and Humber Plan (RSS).

The Yorkshire and Humber Plan was submitted to Government in December 2005 as the new draft Regional Spatial Strategy for the region. The Plan sets out the scale, priorities and broad locations for change and development in the region over the period to 2021. The Plan is currently out for public consultation, concluding on April 13th 2006.

The Plan will work in a supportive way with other regional strategies, such as the Regional Economic Strategy. When the document is eventually approved it will provide the statutory planning framework for the region and the key framework within which local authorities will prepare local development frameworks, local transport plans and other strategies for their areas. The Plan aims to shape a more sustainable region and bring about lasting improvements to its residents quality of life. The Plan provides the appropriate, and most up to date, regional spatial context within which to assess the merits of potential competing regional casino proposals in the region.

Policy E2 (Town centres and major facilities) provides the relevant regional casino context. It deals with the role and performance of existing city and town centres as the major focus of development activity for all forms of office, shopping, health, entertainment and leisure activities. The policy states:

"Sheffield and Leeds will be the preferred locations for any future regional casinos and related development – any proposals should demonstrate support for the health of the city centre including its night time economy".

Sheffield is in dialogue with its neighbouring city region authorities in respect of its proposals to develop a regional casino within the city and has received no opposition. At the time of writing, four members of the public have written to the Council expressing their opposition to a regional casino in Sheffield. Individual members of the Casino Task Group have expressed concerns about a possible increase in levels of problem gambling and other potential social costs (detailed in Section 2.1) and are therefore assisting the formulation of local policies to mitigate this risk through the work of the Task Group.

The City Council has received a letter of support from the Rotherham Chamber of Commerce which highlights "enhancement of the tourism industry of the city region and especially of the opportunity to leverage the benefits of Meadowhall and MAGNA and of overseas visitors potential through Robin Hood Doncaster-Sheffield airport" as well as "maximising benefits to deprived communities within both Sheffield and Rotherham" as the key rationale for its support. The Council has received a letter from the South Yorkshire Destination Management Partnership strongly supporting the case for a regional casino in Sheffield. Sheffield Chamber of Commerce and Industry held a business breakfast event on 1st March at which over 50 local businesses formally recorded their support. For details of local consultations with residents, community and faith groups please see section 4.3.

5.0 PROBABILITY OF IMPLEMENTATION

5.1 Evidence to demonstrate the overall feasibility of Sheffield's proposals, market demand analysis and catchment/customer base for a regional casino in the city.

The competitive advantage of Sheffield as a suitable location for a regional casino is clearly demonstrated by the substantial market interest that has already been expressed by the casino operating community. Each operator has satisfied itself completely that a substantial marketplace for a regional casino in the city exists. In their work for Yorkshire Forward Ernst & Young identify that Sheffield has a 60 minute drive time adult population of c3.6 million, considerably greater than that needed to support a regional casino development (c1.35 million).

Regional casinos will need to be easily accessible and attract customers from a large population base (including tourists) in order to be successful. Sheffield is strategically and geographically located in the centre of the country which maximises its accessibility to the UK population and access to domestic markets. The city is England's fourth largest city with an approximate population of 516,000 and a city region population of 1.7 million. Sheffield is well connected via the M1 and within easy access of Manchester, Leeds and Birmingham. It is a gateway to the south for those travelling from Yorkshire and the Humber, the North East and the east side of Scotland.

From a demand perspective, its accessibility to markets and ability to capture out of region demand is a key differentiator for

Sheffield compared to other cities. The market fundamentals underpinning a regional casino in Sheffield are therefore exceptionally strong with high market share and penetration rates expected. (The City Council has access to a considerable body of market evidence in support of the statements made above which can be made available if requested).

5.2 Information on the criteria you would be using to identify appropriate and sustainable localities for the new casino.

Should Sheffield be successful in securing the right to license a regional casino we will take the opportunity to work with our local and regional partners, including Yorkshire Forward, to set out a detailed evaluation framework that will allow us to consider the merits of schemes competing for a license within the city. Those criteria will include, but not be limited to, the extent to which proposals and the localities within which they are brought forward:

- Offer the potential to meet Sheffield's employment and regeneration needs identified earlier by generating the maximum direct, indirect and induced employment opportunities for the city and the wider city region. Specific commitments from individual operators in respect of direct employment numbers, proposals for working with local supply chains and suppliers will be sought in this respect.
- Offer the most innovative proposals for working with local agencies to ensure that the skills, training and educational needs of the local population are enhanced, thereby giving those within the community in most need the best chance of accessing new jobs. The strength of an operator's commitments to work with local training providers, universities, FE colleges and local community organisations for example will be critical in this respect
- Encourage a mix of facilities that complement existing provision within the city and offers the maximum prospects of achieving Sheffield's ambitions to enhance significantly its tourism offer whilst preserving the integrity of the investment made in the city centre over recent years. The extent to which an operator will be able to prove the additional GVA of their proposals will be key in this respect as will the robustness of assumptions made regarding potential displacement effects likely to result from their proposals, particularly in respect of the night time economy.
- Demonstrate that they will be firmly embedded within existing regeneration strategies for the area and the city and add significant value to the delivery of those strategies including the delivery of community facilities and amenities, transport improvements and other local infrastructure and public realm improvements.
- Deliver the most sensitive, thoughtful and well funded responses to the potential negative social impacts of a regional casino as identified in Section 2.1 above including detailed proposals for working with the City Council and its local and regional partner agencies in identifying issues, putting in place measures to address problems and in measuring the impact of those proposals in the local community. The extent of an operator's previous experiences elsewhere, corporate social responsibility policies and detailed understanding of the local issues relevant to Sheffield will all be critical here.

These evaluation criteria will be reviewed and supplemented over the coming months as more guidance and information governing the handling of any licensing competition becomes available and further licensing guidance is received from the Gambling Commission, the Casino Advisory Panel and the Government.

5.3 Existing and proposed transport infrastructure, so far as it would relate to your proposal.

We highlight in Section 2.1 the potential transportation issues that will be raised by a regional casino within the city. The existing levels of public transport provision, and links with the city centre, available within the Lower Don Valley, coupled with its ease of accessibility to the national transport network make this location ideal for accommodating the requirements of any such a facility and managing the potential impacts of it. It will be possible to identify specific transport/congestion problems and potential transport infrastructure improvements needed to overcome these problems at the point at which a competition for any regional casino premise license in the city is held. This will be informed by the precise location of the facility, its scale and detailed product mix.

5.4 Current provision for casino gambling in Sheffield, and the impact of competition on existing casino (if any).

There is significant international evidence to suggest that Regional casinos can create their own niche in a competitive market without jeopardising neighbouring business's potential for growth and survival, and in many cases benefiting existing businesses.

By comparison with other cities in the UK Sheffield does not have a large existing casino offer. There are currently only three existing casinos operational in the city. None of the facilities offer the level of gaming activities or ancillary amenities that will result in it competing directly with a new regional casino in the city. Following deregulation each of these facilities will be able to increase their offer through the incorporation of additional slot machines and gaming tables. Given that casino expenditure within the city, as with elsewhere, is expected to rise following deregulation it is likely that even with the introduction of a new regional casino, which will draw its catchment from a much wider area, the post deregulation market in Sheffield will have surplus capacity for improved offers from these existing casinos.

The differential nature of the leisure product proposed with the regional casino compared with existing casino facilities, and a location away from the city centre where a number of existing facilities are clustered, suggests a significant element of new demand for gaming and associated leisure pursuits will be generated by it. Given the relatively low level of existing casino provision in Sheffield the displacement of existing gaming activities related to a regional casino, such that it happens at all, can be expected to be lower than other cities where more significant competing casino products already exist. It is not anticipated that a regional casino development within the city will directly lead to the closure of any of the existing casino facilities in the city.

The current health and vitality of Sheffield's city centre reflects the robust credentials that underpin its renaissance. This process of renaissance will continue up until the period when any new regional casino facility in the city might open. This will be important in mitigating any wider potential displacement impacts resulting from a new regional casino development.

5.5 Potential critical mass effect of a cluster of casino and leisure based activities.

Capturing the potential critical mass effects generated by the clustering of a new regional casino development with existing leisure and entertainment based activity is a central component of our strategy for delivering a new regional casino in the city and indeed Sheffield's vision of becoming a successful distinctive city of European significance. These critical mass benefits will be most acutely felt within the Lower Don Valley and are set out in detail within the Lower Don Valley masterplan. The Lower Don Valley has locational attributes that will allow it to accommodate a highly successful regional casino that will attract tourists and other out of region visitors, additionally the range of facilities and amenities on offer will encourage multi purpose visits, helping to sustain the viability of each of the facilities that are co-located. There is currently no other short or medium term prospect for this level of private sector investment and stimulus to economic development in the Lower Don Valley. This issue is dealt with in more detail in Section 3.3.

5.6 Current level of investor activity and estimated overall investment potential analysed between public and private sector investment.

International operators Las Vegas Sands, MGM MIRAGE and Sun International have all submitted detailed planning applications in respect of their regional casino proposals during the Autumn/Winter of 2004. Two of these proposals are located within sites in the Lower Don Valley, the third is adjacent to Sheffield United Football Club. The proposals suggest an initial capital investment ranging from £84 million to £200 million. All of this investment will take the form of private sector investment. No operator has indicated any requirement for public sector investment to deliver their proposals.

The actual level of capital investment to be secured by a regional casino within Sheffield will only become known following a competition for a premise license within the city. It is conceivable that given the limited number of new casino licenses now available investment levels by those operators ultimately awarded licenses may be significantly higher than originally anticipated. This will be capable of being tested at the competition stage.

5.7 How would you anticipate gambling spend to change following the implementation of your proposal?

We set out our thoughts on this issue in Section 5.4 above

6.0 REGIONAL AND LOCAL CONTEXT

6.1 Relevant National, Regional, Sub Regional and Local Policy Context.

The European, national, regional and local policy context underpinning the suitability of Sheffield as a pilot for a regional casino is both compelling and robust. A substantial body of evidence supports this statement, much of which is to be found within appropriate policy documents, for example the Objective 1 SPD, the Yorkshire and Humber Plan and the Regional Economic Strategy. In the following section we give only a flavour of this context.

<u>Objective 1 European Regional Development Funds</u>
The Objective 1 Single Programming Document - provides the strategic framework for delivering targeted financial support from the European Union to assist convergence of South Yorkshire's economic performance with the rest of the Region and the UK as a whole. Key policy drivers for the Objective 1 Programme focus around job creation, social inclusion, attracting inward investment and investment in skills. Sheffield is also seen as a key catalyst for broader South Yorkshire sub regional economic growth and regeneration. For example, the development of the Lower Don Valley and surrounding areas are identified as a key strength of the sub region, particularly where such development focuses on existing sporting, leisure and recreational assets, for which catalytic projects such as a regional casino, provide an ideal match.

The Core Cities

Sheffield is one of England's eight Core Cities. The work of the Core Cities provides a fresh perspective on the economic role of modern cities. Cities are now seen as drivers of regional and national economic growth, capable of creating internationally competitive regions. Cities are fundamental, not only for driving up economic performance, but also for achieving the wider policy goals of sustainable communities, greater social cohesion and narrowing the gap between the performance of English regions. Research demonstrates that successful urban areas need a successful city at their core. Regions that perform well are those where the core cities perform well – and vice versa. The economic influence of larger cities extends into the regions around them. Therefore investment in Sheffield that helps to improve the city's competitiveness will strengthen the regional and sub-regional economy of Yorkshire and the Humber as a whole. A regional casino within the city will go a significant way to achieving this.

The Northern Way

The Northern Way initiative driven by the three Northern RDA's has identified the city regions as being central to driving forward the North of England economy. The Northern Way Growth Strategy, published in 2004, and Business Plan published in 2005 show how the eight city regions are key to the North's progress. Between them they have 90% of the North's population and more than 90% of its economic activity. The Northern Way strategy is focused on closing the £33 billion productivity gap between the North and the better performing areas of the country. The Growth Strategy builds upon an understanding of the economic role of cities and articulates ambitions for greater collaboration across the three regions of the North of England to build stronger complementary relationships within, and between, these spheres of economic influence. Sheffield is one of three city region's within Yorkshire and the Humber – the development of a regional casino in the city would be entirely supportive of the Northern Way strategy.

The Yorkshire and Humber Plan (Draft for consultation December 2005)

The Yorkshire and Humber Plan identifies that the region's overall economic performance is below that of all other regions with the exception of the North and the North West. The regional economy suffers from a greater reliance on low-wage employment than the national average, with attendant problems in with skills levels. The Plan indicates that parts of the region (notably the older urban areas of South Yorkshire, parts of West Yorkshire and towns on the Humber and coast) continue to suffer the after–effects of decline in traditional industries and struggle to rebuild local economies. It identifies that the region has a disproportionate number of the most deprived areas and nearly 30% of its Super Output Areas fall into the 20% most deprived in England. GVA per head (2002) was £13,209 in the region as against £15,646 for England as a whole ranking the region 8th out of the 9 English regions.

As identified in Section 4.6 the Plan states that Sheffield and Leeds are the preferred locations in the region for any new Regional casino development. Policies YH1, YH3, YH4, YH6, and YH8, identify that economic and social progress across the region has been uneven and unbalanced. They call for the economic transformation of the under-performing areas of South Yorkshire and Sheffield as a means of redressing the balance with an emphasis on activities which focus on co-operation rather than competition and do not support the domination of one area over others. The development of a regional casino in Sheffield would actively support this objective.

The South Yorkshire (Sheffield City Region) Sub Area section of the Plan identifies that "Despite significant long term regeneration interventions, the sub area has some of the region's worst levels of multiple exclusion". It calls therefore for all plans, strategies and major investment decisions in the sub area to, amongst other things:

- Develop Sheffield as a major regional centre offering high order shops and services, as well as jobs and homes needed to service its extended city region;
- Support the role of Sheffield as a major provider of jobs and the regeneration of much of Sheffield city centre, with a range of quarters, and further regeneration of the Don Valley.
- Develop high quality public transport – based mainly on improving bus networks – but also through the possible extension of SuperTram and other new technologies, especially to improve access from excluded communities to areas of employment opportunity.

Again proposals for a regional casino within the city, and particularly the Lower Don Valley, will directly support the Plan's objectives in these key areas.

Regional Economic Strategy (RES)

The first Yorkshire and Humber Regional Economic Strategy (RES) was published in 2000. In 2005 the second revision to the RES was issued updating the strategy and taking it forward to 2015. The current RES is with Government for final approval with the intention that it will be formally adopted during the early part of 2006 it will be formally adopted. The Yorkshire and Humber Plan and RES are closely aligned. Both place emphasis on development and investment in the region's cities and major towns. Good accessibility by public transport is also emphasised – to maximise accessibility for people and address congestion and environmental impacts. In terms of social inclusion the principle that the region cannot rely on "trickle down" is endorsed in both the Plan and the RRES.

The RES seeks to respond positively to the deep economic restructuring that has occurred across the region in the last two decades caused by the rundown of the coal industry and the decline of heavy engineering. The RES sets out a vision for the development of a strong Sheffield city region with physical development priorities identified for the city itself as being the city centre, Riverside area, Upper and Lower Don Valleys, North Sheffield (HMR Pathfinder), the universities and the city's sports events/facilities. There is a very strong fit between the objectives set by the RES and proposals for the delivery of a regional casino in Sheffield, particularly within the Lower Don Valley. We have undertaken, and submitted to Yorkshire Forward, an analysis of the strategic fit between the objectives of the RES and the development of a regional casino in Sheffield. The analysis can be made available on request.

Sheffield's Local Development Framework

The development plan documents in the Sheffield Development Framework will eventually replace the Unitary Development Plan for the city. Currently subject to an extensive consultation process, it is envisaged that the Development Framework will be adopted as policy in 2008, providing the overall spatial strategy for the city up to 2021. In relation to large leisure developments the draft preferred option within the framework states that "leisure developments serving the city as a whole and wider region will be located within the Lower Don Valley if no sites are suitable or available in the city centre or at its edge" it goes on to say, "However large sites are unlikely to be available in the city centre and the locations named within the option (i.e. the Lower Don Valley) would be able to support larger developments. They are accessible by a means of transport, could attract other space consuming leisure facilities and could draw visitors from a wide region".

The location of a regional casino within the Lower Don Valley is therefore consistent with the draft policies set out within the Development Framework. As stated earlier the Lower Don Valley masterplan was approved by the City Council in 2005.

6.2 To what extent would identification of your area assist in achieving regional economic objectives for employment, skills and regeneration? Policy position and attitude of the Regional Planning Body (Regional Assembly) toward your proposal should be requested at an early stage and noted.

Please see our detailed response in this issue in both Section 4.5 and Section 6.1 above.

7.0 ANTICIPATED COMMUNITY BENEFITS

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

Please see our detailed response set out within Section 3.5 for an analysis of the range of potential community benefits we envisage a regional casino in Sheffield will deliver. We have expanded in Section 5.2 how we anticipate using the licensing competition process to secure the maximum beneficial impact for the communities of Sheffield from any such proposal.

8.0 SHEFFIELD'S UNIQUE CHARACTERISTICS

8.1 What outstanding characteristics of your area might differentiate it from similar proposals, so far as you know them? Please refer to any aspects of your proposal that you think are unique and which the Panel may reasonably take account of in reaching its decision.

There are a number of important factors that make Sheffield, we believe, a compelling case for a regional casino pilot and which differentiate the city's position from others. They can be summarised as:

A strong neighbourhoods agenda. Sheffield is proud to be a "city of villages" and a strong neighbourhoods agenda has been a priority for the city for many years. Sheffield City Council is committed to developing successful neighbourhoods that have a distinctive character and identity, and above all that are places where people choose to live.[9] Where appropriate and practicable Sheffield is prioritising mainstream resources to the areas of greatest need in the more deprived areas of the city. The very robust network of local delivery arrangements that exists in Sheffield will be critical in identifying, managing and helping to overcome any potentially negative social impacts resulting from a Regional casino within the city.

Robust and existing mechanisms for identifying the potential beneficial and harmful effects of a regional casino. Sheffield is developing its social impact policies in connection with a regional casino on an ongoing basis under the auspices of

[9] Successful Neighbourhoods. Closing the Gap: A Framework for Neighbourhood Renewal in Sheffield. 2004

the Sheffield First Partnership. The Casino Task Group, chaired by the Bishop of Sheffield will provide valuable advice in respect of the practical steps that the city needs to take to maximise the benefits, and mitigate the potential negative impacts, of a regional casino in the city. The work of this multi agency Task Group will provide crucial intelligence for the City Council in setting the terms of reference for a competition to license a regional casino in the city.

An ability to robustly test social impact. Sheffield has developed an extremely robust system for measuring the impacts of its key policy interventions and is perhaps uniquely placed to test the social impact of a regional casino using its exemplar Sheffield Neighbourhoods Information System. Accurately assessing the potential harmful and beneficial social impacts of any new regional casino development at the neighborhood and city wide level must be a major feature in establishing the credibility of any location as a testing ground for a regional casino pilot in national lessons are to be learnt.

Strategic regeneration fit. Whether measured at the European, national, regional, sub-regional or local level there is a very high level of strategic fit between the regeneration objectives and priorities identified for Sheffield and its neighbourhoods and the potential regeneration and economic development benefits to be delivered by a regional casino. As an Objective 1 area Sheffield demonstrates an acute level of regeneration need not found in most parts of the UK. Parts of the city, for example the communities which make up the Lower Don valley are amongst the most deprived in the UK.

A comprehensive leisure/entertainment based area regeneration strategy. The Lower Don Valley Masterplan, which was agreed and published by Sheffield City Council in 2005 specifically maps out how integrated destination leisure facilities (such as a regional casino), will stimulate wider regeneration and leisure activity within one of the key regeneration priority areas of the region. The Masterplan demonstrates how new investment in leisure and entertainment facilities with a regional and national pull will help the city reach critical mass as a unique leisure, sporting and recreational 'hub' for the region.

Strong market fundamentals. Sheffield is strategically and geographically located in the centre of the country which maximises its accessibility to the UK population and access to domestic markets. The city is England's fourth largest city with a very large resident population (516,000) and an approximate catchment area population of over 6.2 million people within 1 hours drive. From a demand perspective, Sheffield's accessibility to markets and ability to capture out of region demand is a key differentiator compared to other cities. The market fundamentals underpinning a regional casino in Sheffield are exceptionally strong with high market share and penetration rates expected.

Regional support and local willingness to license. Reflecting Sheffield's priority regeneration status work carried out for Yorkshire Forward has identified the city as the single location within the region most likely to benefit from a regional casino. Furthermore the draft regional spatial strategy for the region identifies the city, along with Leeds, as the preferred location for any regional casino development. In December 2004, Sheffield City Council formally delegated responsibility to the Chief Executive to promote the city as a potential location for a regional casino.

Unprecedented levels of commercial operator interest. Sheffield is unique in the UK context in having three detailed planning applications already submitted for a regional casino in the city. This unprecedented level of operator interest, and speculative investment, in the city confirms its unrivalled implementation credentials. If awarded the right to grant a regional casino license Sheffield is ready to move quickly.

Ability to deliver an economic transformation. A regional casino would bring potentially transformational economic development and regeneration benefits to Sheffield, the Sheffield city region, the Yorkshire and the Humber Region, and further afield. A momentum for growth has been building up in Sheffield and key areas of the former South Yorkshire Coalfields over recent years through a range of economic development and regeneration initiatives. However this momentum has yet to reach a point of critical mass, and is unlikely to do so without the injection of major investment in strategic development opportunities such as that offered by a regional casino. For a number of other UK cities this point of take off has already been achieved making the need for a regional casino less critical.