

CASINO ADVISORY PANEL Formal Proposal Cover Sheet

Please fill in **all** categories below:

Name of Local Authority:

Southampton City Council

Main Contact:

Name: Richard Ivory

Address: Assistant Solicitor to the Council, Civic Centre, Southampton

Telephone: 023 8083 2794

Fax: 023 8083 2308

Email: richard.ivory@southampton.gov.uk

Name and title of Submitting Officer:

Name: Mark Heath

Title: Solicitor to the council

Statement of basis of application:

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

Regional Yes - 1

Large (state number)

Small (state number)

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

Large (state number) 1

Small (state number) 0

SUMMARY

The council believes that the central south coast location of Southampton offers a unique opportunity for a pilot regional casino in the south-east with a key site available on a prominent waterfront location at Royal Pier in an area that is in need of regeneration.

The council fully recognises the concern about and potential for adverse social impact but is convinced that it has the experience, established and tested strategies and procedures to address these.

The council considers that it has fully assessed the need for regeneration in the city including the need to redress the imbalance in the eight Super Output Areas that fall within the ten per cent most deprived in England.

The council's Local Neighbourhood Renewal Strategy has the backing of all major partner organisations in the city and sets out a comprehensive framework in which benefits accruing from a regional casino can be distributed.

The council has extensive experience of implementing training and recruitment initiatives directed at local high inactive groups, especially in connection with the recent WestQuay shopping centre which is now an ODPM good practice example.

The council's willingness to licence is evidenced by cross party support from the council's elected members and the majority support of the Local Strategic Partnership, although both bodies are aware of the legitimate concerns that will have to be addressed.

There is more than one potential site within the city centre offering the opportunity of competition but a preferred location has been identified as the prominent waterfront site at Royal Pier. A casino operator has carried out feasibility studies, prepared an indicative proposal and gained the support of the landowners. The preferred site will offer:-

- A permanent home for the renowned Southampton International Boat Show at Mayflower Park, the largest waterborne show in Europe and a key contributor to the local economy with over 140,000 visitors each year.
- The new Mayflower Park will significantly increase from 11.5 acres to 17.5 acres and will be landscaped and maintained by the casino operator.
- Increased public access to the waterfront in a location historically used for entertainment purposes and currently cut off from the city by the dominance of the port.
- A new and improved transport interchange for Red Funnel ferries with increased capacity to serve Southampton and the Isle of Wight.
- A significantly improved highway infrastructure along Town Quay, which provides an essential major east to west route across the southern end of the city centre and between the eastern and western docks.
- Significantly improved pedestrian links from the city centre to the waterfront.
- A permanent marina.
- A catalyst for future development of the Southampton waterfront creating potential for future regeneration of neighbouring land within the port.
- The provision of mixed-use development including:
 - 886 residential units (greatly assisting in meeting RSS target).
 - 100,000 sq ft of office space.
 - 100,000 sq ft of local needs retail space.
 - A 400 room five star hotel owned including conference, and spa facilities.
 - An 180,000 sq ft casino and associated leisure facilities that will include 5 restaurants and venues for live entertainment.

1. TYPE OF AREA

Introduction

Southampton is the principal city in central southern England and the regional centre for the growing Solent metropolitan area. Historically the city began and grew as a port, and today the Port of Southampton handles almost ten per cent of the UK's seaborne trade. It is also the centre of the UK cruise industry and is home to many prestigious liners including Queen Elizabeth 2, Queen Mary 2 and The Freedom of the Seas.

Today Southampton, as well as being a port city, is:

- The business and financial services centre for the city region.
- A centre for regional media.
- A centre for cultural, leisure and entertainment industries.
- The shopping centre for a catchment of about 4 million people and is 7th in the Experian ranking of UK's regional shopping centres.
- Home to a nationally significant teaching hospital.
- A centre for education and learning, including a world class, research-led University and a "community" university.
- The home of Southampton Oceanography Centre, one of the world's leading marine research establishments.
- The home of the Southampton International Boat Show, the biggest on-water show in Europe.

Southampton is one of the first locations to be given Enterprise Hub status by the South East England Development Agency (SEEDA). The Southampton Innovation Hub recognises the city's business clusters in media and marine-research.

Although the city is the driving economic force of the area, there remain pockets of serious deprivation and Southampton is a city of contrasts. Despite considerable recent investment and development, parts of the city remain amongst the most deprived in the South East. This deprivation has been recognised by:

- Regional Planning Guidance for the South East (RPG9) which identifies the City (together with Portsmouth and South Hampshire) as a Priority Area for Economic Regeneration (PAER);
- Government funding schemes under Single Regeneration Budget (SRB2&6), 11 Neighbourhood Renewal Fund (NRF) areas and New Deal for Communities (NDC).

The ODPM's recent report "State of the English Cities"¹ identifies Southampton as a key urban area and one of the eight large cities in the south and east of England. The report notes (p. 42) that in terms of population, Southampton is amongst the fastest growing cities in the country. However, the economic growth (p.78) of the city does not compare so favourably with the national and regional average, highlighting the need for further investment and regeneration.

Population base

- 221,200 of which 51 per cent are male and 49 per cent female².
- The city provides work for around 110,000 people, with 84 per cent of these employed in the service sector and 11 per cent in manufacturing.
- 13.5 per cent of workers in Southampton work in elementary occupations with a further 12 per cent working

in administrative and secretarial occupations and 36.8 per cent working as managers, professional occupations or in associated professional or technical jobs.

- The median gross weekly pay of employees in Southampton is £421.70 for male full-time workers (compared to £488.70 in the south east and £440.10 nationally) and £224.00 for female full-time workers (compared to £287.50 in the south east and £267.80 nationally)³.

Ethnicity

- Approximately 8 per cent of the population comes from a black or ethnic minority background; fewer than four per cent are Asian or British Asian, and 1.30 per cent from Chinese or other ethnic group⁴.

Educational attainment

- About 24 per cent of people aged 16-74 have a higher degree.
- 44.6 per cent have NVQ3 or above qualifications.
- 12.3 per cent of the working age population in Southampton have no qualifications⁵.
- There are approximately 40,000 students in Southampton of whom roughly 31,000 are resident in Southampton.

Tourism

- In 2002 3,439,000 people visited Southampton. 615,000 made an overnight or longer visit and 2,824,000 were day visitors. 85 per cent of visitors were from within the UK and 15 per cent from overseas⁶.
- 49 per cent of the staying visitors stay in serviced accommodation.
- 67 per cent of the visitors fell into the ABC1 socio-economic group.
- Southampton features several three and four stars hotels including the new development of Jury's Inn in Charlotte Place and the five star De Vere Grand Harbour Hotel in the centre of the city. There are also many smaller guesthouses⁷. There are at least four proposals emerging for further hotels in the city centre.
- Southampton is the centre for the growing cruise liner business in the UK, having about 50 per cent of the UK trade, with good prospects for growth. It is the home port for both Cunard and P&O. The council has an action plan to encourage cruise passengers to stay overnight in the city⁸. A regional casino would boost this plan.

Transport links

- Southampton Central has direct train services to London (a half-hourly service with an 80 minute journey time), and many other destinations in the East, West Midlands and North (including Scotland). It also acts as the hub of a substantial local commuter network.
- The award winning Southampton International Airport handles 1.4m passengers a year providing direct flights by 11 airlines to 40 UK and international destinations with a direct rail link to the centre of Southampton. It is forecast to grow to 6m passengers by 2030⁹.
- There is an extensive network of bus services, both within the city itself and cross-boundary into the wider city region.

- The strategic road transport route to the city provides dual carriageway roads to the inner ring road from M271 and M27. The inner ring road links to shoppers car parks within short walking distances of the city centre facilities.
- The Port of Southampton is one of the biggest ports in the country and it is the UK's principal cruise port. In 2005, it handled well over 200 cruise calls.
- It provides high speed passenger ferry and conventional vehicular ferry links to the Isle of Wight.

Entertainment

- Southampton is an historic city, with prehistoric origins and Roman, Saxon and medieval buildings and artefacts.
- The council operates the south's leading art gallery and there are several independent art galleries. Significant plans are in place to develop part of the city centre into a cultural quarter¹⁰.
- The Mayflower Theatre is a major regional touring theatre and the Nuffield Theatre is nationally and internationally recognised as a production theatre.
- Southampton is the south's seventh largest shopping destination.
- The city centre provides numerous cinemas, clubs, pubs, bars, restaurants and entertainment venues able to cater for all tastes. The council has a strategy for developing the night time economy¹¹.
- Southampton Football Club plays at a new international standard community stadium in St Mary's.
- Hampshire County Cricket Club plays at their new internationally rated ground, The Rose Bowl, in West End.

Strategic policies and plans supporting the future development of the leisure industry

Local Plan Review policies CLT1, MSA4 and MSA 6 ¹².

The city is undergoing a considerable amount of work to develop a strong and consistent "City Brand". The development of a shared vision for the city highlights that the city seeks to be known internationally, nationally and regionally as an economic, social and cultural driver and for providing creative and innovative leisure opportunities¹³.

The Cultural Strategy expresses a cultural vision for the city in the future. It looks at the city's current strengths and weaknesses, the aspirations and the ways to achieve them¹⁴.

All relevant council policies and strategies are listed in Section 4.

The principal needs of regeneration in the area

These are set out in Section 3,

A good testing ground of social impact.

Southampton offers a unique mix of attributes which would make it an excellent location to test the economic and social impact of a regional casino.

- Wealth Alongside Poverty - Southampton, and the surrounding area, has a substantial and expanding population which offers a large and relatively wealthy potential catchment area for a destination

casino. At the same time there are pockets of severe poverty in the city, with eight areas in the ten per cent most deprived in the country.

- Size of the city - With a population of 221,000, Southampton is the second largest city in the South East. It is already the major leisure destination on the South Coast and a recognised regional cultural centre. However, Southampton remains small enough that partners from the public, private and third sectors will genuinely be able to co-operate in tracking the social and economic impact of a regional casino. It has a co-terminus PCT and Police BCU and a nationally recognised Social Cohesion Unit.
- Diversity - With a sizable and expanding population of ethnic minorities in Southampton, the city offers an opportunity to test the impact on a wide range of nationalities, cultures and religions.
- Location - A city on the South coast, 70 miles south of London.

2. SOCIAL IMPACT

Potential negative impacts and how the council will minimise them

The council is aware that there is concern about and potential for, adverse social impact due to:

- Encouraging addictive behaviour with potential health impacts.
- Increased debt and poverty.
- Negative impact on family cohesion.
- Increased crime and anti social behaviour.

The council acknowledges that a small minority of the adult population is unable to gamble responsibly and that a safety net is needed to minimise the potential harms but believes that, on balance, there will be limited increase in access to gambling opportunities. The existing provision is described in Section 5. In addition, access to the internet, where any type of gambling can be carried on with virtually no controls in the privacy of one's own home, is currently readily available.

It is generally accepted that ease of access to "convenience" gambling facilities presents the highest risk of an increase in problem gambling. A regional casino will be a destination style casino with respect to which customers must make a conscious decision to visit. Gambling would take place in a controlled environment that is subject to strict regulatory controls and severe penalties for lack of compliance with these controls.

A variety of research, including multiple studies has concluded that the number of individuals who are unable to gamble responsibly remains relatively constant when casino gambling is introduced in a market area where only betting opportunities were previously available¹⁵.

The council's Health and Wellbeing Strategy¹⁶ is a ten year plan to improve the city. Though to date it does not identify problem gambling as a priority issue in the city, it is covered under the general heading of Mental Health Promotion. Its six priorities are:

1. Tackling obesity.
2. Mental health promotion.
3. Sexual health and teenage pregnancy.
4. Dental health.
5. Alcohol harm reduction.
6. Smoke free city.

The council considers that the following services would have to be developed:

- Need for increased support services to tackle addiction.
- Need for increased support services for families.
- Need for debt advice services.

The council will ensure that the operator will provide a substantial initial endowment and annual contributions to programmes to address problem gambling and assist individuals who are unable to gamble responsibly. These will be implemented in partnership with the established Southampton Partnership¹⁷. Current resources for problem gambling issues are scarce so significant funds will need to be directed to research, treatment programs and education campaigns. The operator will also train its team members to understand signs of

problem gambling behaviour so as to be able to assist vulnerable individuals as much as possible. Various studies have shown that when increased availability of gambling supply is accompanied by new strategies and programs for addressing problem gambling, there may be no significant change in the prevalence of problem gambling or even diminution¹⁸.

The council will require the operator to undertake a health and wellbeing assessment prior to the grant of any licence and once issued to fund surveys to monitor any local changes in social impacts and the prevalence of problem gambling. The council has carried out biannual MORI polls about the perception of the community of its services and the nature of the city and has conducted a Fear of Crime survey which can be used as base line data for these local monitoring studies.

The council will deal with risk of increased crime and anti-social behaviour in the vicinity of the building through the existing procedures of designing out crime, securely designed car parks, linking to the council CCTV systems and city patrol initiative. It recognises that the casino operator will invest heavily in its own private security measures within and in the vicinity of the building.

The council has a long and proven history of partnership working to address negative social impact. This includes anti-social behaviour, a Night-time Economy Multi Agency Group and Licensing Link that involves working with the licensed trade to promote a safe night time economy. More recently the city has created of a 'Best Bar None' scheme in the city centre leading to the accreditation of 46 premises. The city centre is also subject to drinking controls in public places.

The police are key members of all of these groups and they also have in place tactical and operational structures to deal with day to day issues.

Being a major port, the city has a history dealing with prostitution and has been largely successful in keeping it under control through a series of initiatives over the last 30 years. Notorious prostitute premises have largely been eradicated by working with mortgage lenders to enforce covenants, traffic calming and street closure to prevent potential clients circulating in cars through the area. Current measures in place to deal with street prostitution include a Working Women Project team that deals with health issues and also an innovative project, managed by Crime Concern on behalf of the City's Crime and Disorder Partnership.

These examples demonstrate that the council has successful experience of putting in place successful structures to provide strategic leads to pre-empt any problems that the provision of a casino might bring, albeit that this might call for additional resources to provide the right level of appropriate preventative response.

The positive impacts and how it will maximise them

The council is aware that a regional casino, together with related hotel, restaurant and entertainment facilities will bring significant benefits:

- Increased employment, training and skilling.
- Regeneration, both social and physical (see Sections 7 & 8).
- Diversification of the night time economy within the city centre and broadening the age group of users.

The council has had discussions with a regional casino operator about the preferred potential site. The operator has commissioned a report (The Deloitte report¹⁹) about the economic and regeneration benefits of their project that, from their knowledge of the debate about economic and regeneration benefits, the council finds convincing.

It is estimated that 1260 direct jobs in the regional casino will be created and for every direct job a further 0.25 jobs will be created in Southampton and the Southampton region (Deloitte report para 1.3).

The regional casino operator will be required to work closely with the city council to provide educational programmes at secondary schools as well as training facilities and courses for new team members who will fill

more than 100 job classifications. In addition, ongoing training programmes designed to help improve the skill base of all workers will be put into place by the council, working with the regional casino operator to help maximise the potential of every individual team member.

The implied employment multiplier of the preferred development is 1.25, which reflects that the per worker GVA is significantly higher than the existing Southampton average. The annual average wage associated with the casino development exceeds the current local average by £8,000 (Deloitte report para 3.7).

The council will utilise and build upon the experience gained from its previous and existing skills and training initiatives:

- **Integrated Employment Strategy²⁰:**

Substantial numbers of people in the Southampton community consistently face barriers which exclude them from employment or self-employment. This exclusion can contribute to poor social outcomes including, poverty, crime, ill health and unfulfilled potential for learning. With funding awarded under Article 6 of the European Social Fund aimed at developing innovative approaches to local employment support, Southampton City Council and its local partners, collectively known as the Employment Advisory Group, are producing an Integrated Employment Strategy for the City.

- **Southampton Information Training and Employment Services (SITES)²¹**

The council is developing SITES, a multi-agency project to improve co-ordination of employment and training related project and programme delivery in Southampton, including the relationship of major development projects to social inclusion. Interim governance arrangements and a business plan are in place.

- Thornhill Plus You²², the Thornhill New Deal for Communities Project.

- Outer Shirley Regeneration²³, Work of Work programme, information temporarily unavailable online, can be obtained from the Programme Manager, Cameron MacVicar, tel 023 8091 5420. The legacy body is already in place for post SRB6 funding.

- **Regional Projects**

The council and local partners are actively involved in projects funded by the Hampshire and Isle of Wight Learning and Skills Council²⁴.

- **Completed Projects**

The council worked in partnership with the developer, Hammerson plc, the Employment Service and local colleges to implement a training and recruitment programme funded by S106 contributions. This is used by the ODPM as a Good Practice example²⁵. The West Itchen Development Trust is the legacy body from the first SRB2 project in the city²⁶.

Existing relationships with relevant voluntary and public organisations.

The Southampton Partnership¹⁷ was launched in January 2002, incorporating the pre-existing Health and Social Care and Safe City Partnerships.

It operates through five Neighbourhoods Partnerships across the city pulling together statutory, voluntary and community stakeholders with a responsibility to influence services both at a neighbourhood and citywide level.

3. NEED FOR REGENERATION:

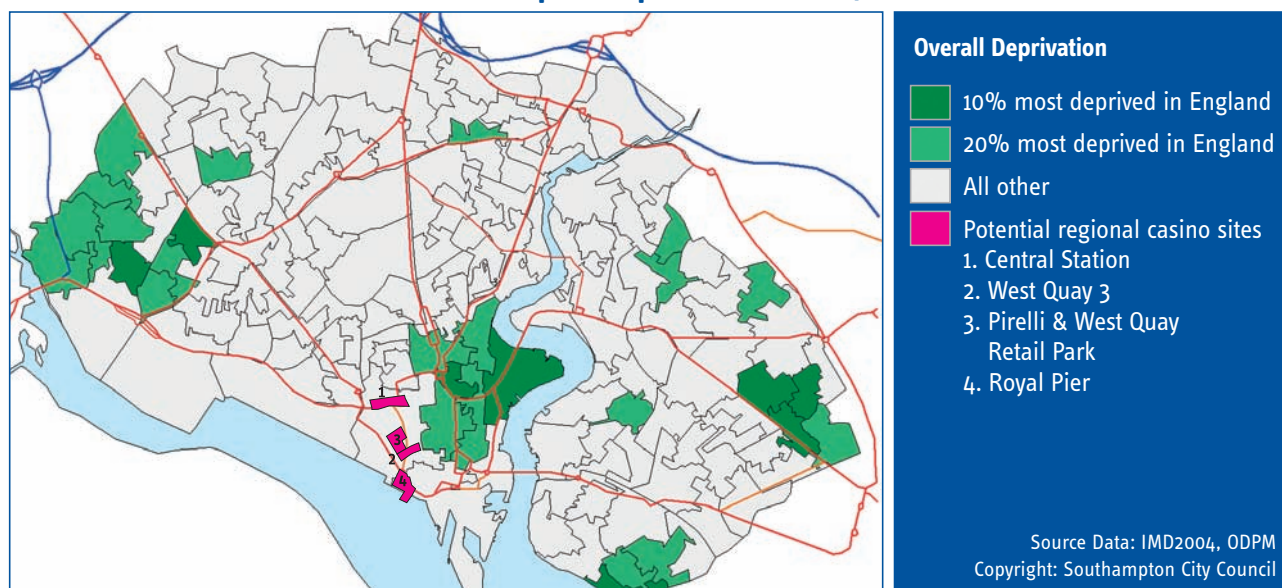
Overview of regeneration needs and deprivation

The Local Neighbourhood Renewal Strategy²⁷ (LNRS), adopted by the Southampton Partnership on January 31, 2006 sets out all the background to the regeneration needs of the city and sets the framework for neighbourhood renewal. This is a key document for the city to which the panel's attention is particularly drawn. A key challenge for the city is the need to tackle the disadvantaged and raise aspirations in the Priority Neighbourhoods in order to close the gap between these neighbourhoods and the rest of the city.

It identifies 11 areas of deprivation across the city. Two of these areas currently receive government funds (SRB and New Deal), one has benefited from Neighbourhood Renewal Funding in the past. Action Plans for improvement have been drawn up for the remaining eight areas. This strategy has the backing of all major partner organisations in the city.

Southampton is ranked 96 out of 354 English local authorities on the 2004 Index of Multiple Deprivation. Of the 146 Super Output Areas (SOA's) that make up Southampton, eight fall within the ten per cent most deprived areas in England. These eight are primarily located to the immediate north and east of the city centre in close proximity to the proposed site for a regional casino.

Areas of Derivation Index of Multiple Deprivation 2004



Southampton is designated as a Priority Area for Regeneration in the current Regional Economic Strategy.

Approximately 147,600 people are of working age in Southampton. Of those 54 per cent are male and 46 per cent are female.

In Southampton 77 per cent of the population aged 16-74 are economically active, which compares to 82.1 per cent for the South East and 78.3 per cent for Great Britain.

Economic activity rates for males are 81.1 per cent compared to a national average of 83.3 per cent, and for females 72.7 per cent compared to 72.9 per cent for GB.

The number of people claiming Job Seekers Allowance in January 2006 was 2.4 per cent²⁸.

The city has a demonstrable successful record in tackling inequalities and has improved its ranking in the list of cities suffering disadvantage. However, some areas and communities in the city still do not have the same opportunities to share in the city's economic prosperity.

The city lags behind the South East in basic literacy and numeracy skills for adults, and overall average salaries are below the regional and national average. People who experience disadvantage are concentrated in some neighbourhoods more than in others. Priority Neighbourhoods have been identified across Southampton where disadvantage is concentrated. In these areas people have fewer educational qualifications, employment and economic activity is lower, and when people do get a job, they are likely to be lower paid than elsewhere in the city. The same neighbourhoods experience disproportionately higher rates of teenage pregnancies, crime and ill health.

The 2004 Government produced Index of Multiple Deprivation confirms that disadvantage is still prevalent in the Priority Neighbourhoods. Using the Government's Floor Targets the regeneration needs of Southampton include the following:

- Decent Homes – 2005/06 32 per cent of council housing does not meet Decent Homes standards.
- Liveability – 2005/06 46 per cent dissatisfaction rate. Improvements needed in cleaner, safer, greener public spaces and an improvement in the quality of the built environment.
- Education – 2005/06 56 per cent of 16 year olds do not achieve equivalent of 5 GCSEs at A*-C.
- Teenage Conception – 2003 58.5 per 1000 births.
- Employment – Ratio of unemployment in the ward with highest unemployment compared to the city average is 1.8.
- Enterprise – VAT registrations per 100,000 people is 31 compared with SE average of 44.
- Health Inequalities – Infant mortality rate is 4.4 per cent and life expectancy at birth is 76 years for males and 80.8 years for females.
- Health: life expectancy – prevalence of coronary heart disease is 3 per cent in 2004/05 and prevalence of cancer is 0.4 per cent for the same period. Crime Reduction – total of all selected comparator crimes in 2003/04 was 22,497

Anticipated economic impact of regional casino proposal

Casino Operations

Increase in Southampton Gross Added Value (GVA)	Up to £95.9 million
Increase in UK GVA (including Southampton)	Up to £126 million
Direct economic impact	1,260 jobs
Indirect and induced economic impacts in Southampton	Up to a further 320 jobs
Total increase in permanent jobs in Southampton	Up to 1,580 jobs

Construction (over three years)

Estimate initial construction (excl. residential)	£230 million
Direct economic impact	1,533 jobs
Indirect and induced economic impacts	Up to a further 236 jobs
Impact on GVA	£35 million

(Deloitte report¹⁹)

Meeting objectives of the Plan for Prosperity²⁹

From the example studied in the Deloitte report (Table 8), the objectives in the council's Plan for Prosperity can be met by a regional casino development as follows:

- Raised levels of entrepreneurial activity;
320 indirect jobs. The investment in the city will feed down through the supply chain and allow businesses to grow.
- Increased participation in employment:
1,260 direct jobs. Unemployment rate will decrease from 4.8 per cent to 3.9 per cent with a positive impact on low income, high unemployment wards.
- A highly skilled and motivated workforce:
An operator will train the majority of the workforce they employ.
- A more sustainable city:
Long term sustainable jobs and increased economic prosperity across the city.
- A reduced gap between the prosperous and disadvantaged areas of the city:
Due to the nature of jobs created, the proximity of the development site to and the good public links to the low income areas of Southampton, it is likely that disadvantaged areas will be more than proportionally benefited by the development.

Maximising the impact

The council will proactively work with the successful casino operator to ensure that the economic “multipliers” of the casino development are maximised, and leakage of money is minimised, through retention of jobs and expenditure within the city.

This will involve:-

- Targeted training and recruitment programmes that seek to engage economically inactive people in the city for roles both in the construction and operation of the casino. Such programmes will seek to ensure that the new jobs created increase overall economic activity rather than simply shifting jobs from other employers to the casino
- Transparent and targeted procurement processes that will seek to ensure that local companies win supply contracts the casino, maximising the retention of the new wealth within the city.

The specific regeneration outputs sought from the potential site are set out in Section 8.

4. WILLINGNESS TO LICENCE:

Resolutions in favour and relevant supporting council meeting minutes

On March 20, 2006 the council's Cabinet resolved to submit proposals for a regional or large casino in Southampton to the Casino Advisory Panel³⁰. This decision has cross party support gained through the council's scrutiny process.

Southampton Partnership

At their Executive meeting on the March 21, 2006 the Southampton Partnership voted 14 to 8 to give their in-principle support to the submission, subject to receiving further information and research findings about the impact of the preferred proposals on Southampton in due course³¹.

Polling, market research and consultation

The council always carries out consultation prior to the Cabinet taking decisions. In this case letters of support, with caveats, were received from the Chamber of Commerce, the Old Town Residents Association, the City of Southampton Society and the Southampton and District Hotel Managers Association and a response from the Primary Care Trust reserving its position until a health and wellbeing assessment is undertaken³².

The local press has also run articles about the possibility of a regional casino in Southampton which has produced limited responses supporting both sides of the issues in their letters pages³³.

The council has run a recent poll on its web site which was evenly balanced.

In the council's experience notification and consultation about planning applications produces the greatest response from the community. There are many gambling locations in the city but there are two recent examples of applications for casinos.

In February 2006 the council considered a planning application for the change of use of part of a bingo hall to a "1968 Act" casino. The premises are located on suburban area. In response to the neighbour notification process 21 letters of representation were received and three petitions containing about 2000 signatures. The issues raised were; concern about noise; anti-social behaviour; concern about car parking; concern about drinking and unsympathetic development for the proposed location. There were no representations about the social impact of problem gambling. The application was refused because of the adverse impact of the proposed 4.00am closing time on the residential area³⁴.

In 2001 the council approved the use of Harbour House Town Quay as a casino (application ref; 01/01238/FUL). This is situated in a non residential area close to the preferred site for a regional casino. One letter of support was received from a ward councillor. There were no letters of objection.

Southampton City Council Policy Framework Plans and Policies³⁵

- Community Strategy.
- Medium Term Plan 2005 to 2008 - The provision of a regional casino is consistent with the objective of establishing a programme of events for local, regional and national audience in Chapter 9 of the Plan.
- City Performance Plan 2004 to 2005 - A regional casino will assist in addressing a key challenge in Chapter 5: To develop a vibrant city centre that provides diverse employment opportunities and a stimulating leisure offer that contributes to the attraction and retention of enterprising people and business.

- Cultural Strategy. Diversifying all cultural and entertainment provision in the city.
- Land Use Planning Policies - The City of Southampton Local Plan Review was adopted on March 2, 2006. Policies MSA4 and MSA6 are relevant to the opportunity to provide a regional casino in the city.
- City Centre Urban Design Strategy - The City Centre Urban Design Strategy is Supplementary Planning Guidance carried forward in support of the Local Plan Review. It provides a framework and design guidance for future development within the central part of the city.
- Provisional Local Transport Plan 2 2006 to 2011 - The full Local Transport Plan is due to be submitted in March 2006.
- Plan for Prosperity - The P4P was adopted by the council in 2003 to tackle the economic issues that challenge continuing success.

5. PROBABILITY OF IMPLEMENTATION:

Market Demand Analysis and Catchment Area

The primary regional Southampton catchment area can be broken down into three population bands: 650,000 residents living less than a 20-minute drive time to the property; 900,000 residents within a 20-40 minute drive time and 1.8 million residents within a 40-60 minute drive-time. A regional casino's primary customers are those above 18 years of age within the A-C2 Social Groupings. Of the nearly 3.4 million residents within the 60-minute drive time, 1.9 million of them fit this category, a percentage which is significantly higher than the national average. Individuals in these groups generally have higher disposable income and a greater tendency to spend more on recreational activities. Importantly, a majority of these individuals come from outside the immediate 20-minute catchment in which the eight SOA's identified in Section 3 are located. Southampton is well-situated to serve the regional population most likely to participate in this form of entertainment.

It is expected that over 3.6 million visitors will come to the regional casino and entertainment venues each year. 30 per cent of the casino visitors will come from within Southampton, 65 per cent from the rest of Hampshire, four per cent from the rest of the UK and one per cent from abroad (Deloitte report table 519)¹⁹.

Criteria to be used to identify appropriate and sustainable localities for the new casino

Quantitative need (see above).

A city centre or edge of centre location.

Good location in relation to existing transportation infrastructure.

Physical regeneration; the benefits of developing on keynote sites within the city centre that are available for development, especially if it can deliver the council's aspirations for the city that cannot readily be delivered through other forms of development, in particular a single permanent site for the Southampton International Boat Show. An aerial photograph showing the current Boat Show site is shown below.

Employment: the additional employment opportunities that would arise particularly in deprived areas.

Economic growth: the increased direct and indirect investment in the city.

Social inclusion; such as increasing the accessibility to a range of services and facilities to all groups.

A high quality design and good relation with its environment consistent with its location and the aspirations of the council to improve the quality of design in the city centre.



Aerial photograph showing the current Boat Show site.

Existing and proposed transport infrastructure

The opportunities for a regional casino in Southampton are within the city centre.

The city centre is well served by all major forms of transport, already set out in Section 1

A key section of the inner ring road is Town Quay, adjacent to the potential regional casino site at Royal Pier. The policy is that any development at Royal Pier will fully fund the required improvements to the inner ring road at that point. The improvement to the inner ring road at this point would also unlock the potential for expansion of the port and other future regenerative development in that part of the city centre.

The full Local Transport Plan 2, 2006 to 2011 is due to be submitted in March 2006³⁵.

Current provision for gambling in the city and recent developments

Within Southampton there are currently three casinos, five bingo clubs, 32 betting offices and many National Lottery retailers. The most recent casino was granted planning permission in 2001. Details of a recent planning application for a further casino are given in Section 4.

The impact of competition on existing casinos and other leisure based activities

The council expects that a regional casino will be a new and unique offering that will substantially grow the previously restricted market for casino gambling. An overview of the UK casino market is provided in para 2.3 of the Deloitte report¹⁹.

The draw of a regional casino will increase visitation rates and dwell times overall for the city. The development will be not just a casino, but a mixed-use leisure and entertainment destination complex of the highest quality.

Southampton's existing position as a major leisure and cultural destination serving a wide catchment area on the south coast means that the development of a regional casino in Southampton offers an excellent opportunity to build on the critical mass of leisure opportunities already in the city.

The principle opportunity for a regional casino development is a major regeneration scheme on the waterfront. Further information is provided in Section 8.

Current level of investor interest

A casino operator has expressed an interest in a specific site within the city centre and the council has resolved to enter into an exclusivity agreement with the landowners and the operator for a six month period.

The development will be 100 per cent funded by private sector funds and is described in Section 8.

It is anticipated that the regional casino will have an immediate injection of £230 million into the local economy with an expected casino customer expenditure of £189 million per annum and relate food, beverage and hotel expenditure of £33 million. (Deloitte report Section 3).

The regional casino operator will make continuing annual contributions to the council equating about £20 million over the five years, providing much-needed resources for the council to implement other key regeneration schemes that are planned, including those set out in Section 7.

6. REGIONAL AND LOCAL CONTEXT

At a sub-regional level the South East England Regional Assembly (SEERA) has identified South Hampshire, which includes Southampton, as an area that is in need of improvement of its economic performance. It is one of the defined Priority Areas for Regeneration (PAER) In order to enhance the regional economic growth.

The Partnership for Urban South Hampshire (PUSH) has formed a strategy for the sub-region that will support the target of achieving 2.75 per cent economic growth in 2006 and an increase to 3.5 per cent per annum in the final five years of a 20 year long term strategy period. To achieve this growth it has been forecast that additional 59,000 jobs must be created (14,200 in retail & leisure) and in addition 2,121,000 sq m of commercial floor space (426,700 sq m in retail & leisure) would be required. Creation of a regional casino in Southampton can contribute considerably to achieving these targets and increasing the economic prosperity of the city and the sub-region. The “multiplier effect” in terms of job creation and local spend, would additionally benefit the local and sub-regional community.

In a study by DTZ for PUSH, on town centres and their role in the regional shopping and leisure hierarchy Southampton has been identified as an important regional centre and a dominant city in the PUSH sub-region. This analysis emphasises the importance of Southampton in the region and confirms the city’s capacity and suitability to accommodate a new regional leisure investment. This study (South Hampshire Town Centres: Sub Regional Study 2005) will be published shortly³⁶. It provides additional evidence for the sub-regional strategy component of SEERA’s Draft South East Plan and will inform preparation of Local Development Frameworks in South Hampshire.

Within the South East Plan Policy, TSR4 applies to any proposals for regional casinos in the South East. This policy will be subject to review in the light of any increase in the number of regional casinos to be licensed³⁷.

In the Review of the Regional Economic Strategy for South East England 2006-2026 by South East England Development Agency (SEEDA) Southampton is located within an area defined as Coastal South East, a less prosperous periphery, with large urban areas offering strong economic potential alongside coastal towns that have had a mixed success in reinventing themselves³⁸.

SEEDA strongly supports the council’s submission and considers it to be the best in its region³⁹.

7. COMMUNITY BENEFITS

The Local Neighbourhood Renewal Strategy²⁸, referred to in Section 3 provides information about the potential community benefits that the authority would expect to accrue from the licensing and town planning process. These can be summarised under the five Local Priorities for Neighbourhood Renewal.

Priority 1: Support and ensure the delivery of:

- Bevois and Bargate Action Plan (city centre), led by a dedicated task force.
- Thornhill Plus You delivery plan.
- Outer Shirley delivery plan.
- Bevois and Bargate Action Plan (city centre), led by a dedicated task force.
- Specific Action Plans for the other Priority Neighbourhoods.

Priority 2

Focus on improving educational attainment and employability, thus enabling people from Priority Neighbourhoods to contribute to and share in the city's economic prosperity.

Priority 3

Commit to using mainstream resources to achieve the necessary improvements in floor targets in the Priority Neighbourhoods.

Priority 4

Ensure the Southampton Partnership develops effective ways to lead, manage and monitor how we are "closing the gap".

Priority 5

Develop the neighbourhood management agenda through the Neighbourhoods Partnerships, so that local people are empowered to drive sustainable improvements in their communities.

8. UNIQUE CHARACTERISTICS

Southampton is unusual in that it has a significant amount of land in the city centre that has potential for development over the next few years. This potential is confirmed in the South Hampshire Town centres; Sub Regional Study 2005 (see Section 6).

Within the City Centre Urban Design Strategy (CCUDS) (see Section 4) three of the Keynote Project sites, (page 71) Royal Pier, West Quay Phase 3 and Central Station, are of sufficient scale to be able to accommodate a regional casino. Since the CCUDS was adopted further development opportunities have been identified at the former Pirelli submarine cable factory in West Quay Road and the adjoining West Quay Retail Park. All are located in proximity to or with excellent public transport links to the eight most deprived SOA's identified in Section 3.

Of these sites the Royal Pier scheme is a top priority for the council. It is a key waterfront site, has attracted the attention of a casino operator who has carried out feasibility studies and prepared an indicative proposal to develop the existing 15 acres and reclaim a further 18 acres to provide a mixed use scheme that will include the following:

- A permanent home for the renowned Southampton International Boat Show at Mayflower Park, the largest waterborne show in Europe and a key contributor to the local economy with over 140,000 visitors each year.
- The new Mayflower Park will significantly increase from 11.5 acres to 17.5 acres and will be landscaped and maintained by the casino operator.
- Increased public access to the waterfront in a location historically used for entertainment purposes and currently cut off from the city by the dominance of the port.
- A new and improved transport interchange for Red Funnel ferries with increased capacity to serve Southampton and the Isle of Wight.
- A significantly improved highway infrastructure along Town Quay, which provides an essential major east to west route across the southern end of the city centre and between the eastern and western docks.
- Significantly improved pedestrian links from the city centre to the waterfront.
- A permanent marina.
- A catalyst for future development of the Southampton waterfront creating potential for future regeneration of neighbouring land within the port.
- The provision of mixed-use development including:
 - 886 residential units (greatly assisting in meeting RSS target)
 - 100,000 sq ft of office space
 - 100,000 sq ft of local needs retail space
 - A 400 room five* hotel owned including conference, and spa facilities
 - An 180,000 sq ft casino and associated leisure facilities that will include five restaurants and venues for live entertainment.

There are three existing landowners and one major leaseholder. The entire 33 acres are owned by a combination of Southampton City Council (Mayflower Park), Associated British Ports and The Crown Estate. Red Funnel Ferries have a lease from ABP over part of the site. All parties are supporting the scheme⁴⁰.

The casino operator has compiled a concept plan, as overleaf, to indicate how any development could work.

Indicative Masterplan



- 1 Red Funnel Ferry
- 2 Residential with parking
- 3 Residential tower
- 4 Casino and hotel
- 5 Residential building
- 6 4 storey office
- 7 3-storey office
- 8 Existing pavillion
- 9 Mayflower Park
- 10 Raised public plaza
- 11 Ferry docks
- 12 Short term moorings
- 13 Permanent marina
- 14 Marina expansion

REFERENCES

1. State of English Cities. Office of the Deputy Prime Minister 2006
2. Midyear population estimates 2004 (Office of National Statistics)
3. Annual Survey of Hours and Earnings ONS (2005)
4. 2001 Census. Key Statistics Table 06
5. Local area labour force survey (March 2003 - Feb 2004)
6. David Wood, SCC Tourism Manager 023 8083 4509
7. Southampton Discover More City Visitors Guide 2006 Southampton City Council
8. Southampton Cruise Study April 2005 http://www.invest-in-southampton.co.uk/images/FINAL_REPORT_cruise_industry_tcm29-136400.pdf
9. www.southamptonairport.com
10. Northern Above Bar Development Brief, John Cubbin, SCC City Development Manager 07791 278466
11. Night Time Economy Strategy, Ian Rothwell, SCC City Centre Manager 023 8023 6460
12. Local Plan Review www.southampton.gov.uk/environment/localdevelopmentplans/localplan/default.asp#0
13. City Brand, Liz Kite, SCC Head of Communications 023 8083 3040
14. Cultural Strategy, David Baldwin, SCC Libraries, Arts & Heritage Manager, 023 8083 2219
15. Report of Joint Parliamentary Committee on the Draft Gambling Bill.
16. Health and Wellbeing Strategy www.southampton.gov.uk/health/hw-strategy/default.asp#0
17. Southampton Partnership <http://www.southampton-partnership.com/>
18. Report of Joint Parliamentary Committee on the Draft Gambling Bill.
19. Proposed Casino and Entertainment Complex, Royal Pier Southampton, Economic and regeneration benefits Deloitte MCS Ltd March 2006. Available from Richard Smith, SCC City Development Manager 023 8083 2588
20. Integrated Employment Strategy -Consultation Draft February 2006 http://www.southampton.gov.uk/images/IntegratedEmploymentStrategyRevisedConsultationDraft_tcm9-131233.pdf
21. SITES Business Plan http://www.invest-in-southampton.co.uk/images/SITES_BusinessPlan_tcm29-137154.pdf
22. Thornhill Plus You. The Delivery Plan, Education, Employment and Enterprise:

- <http://www.thornhillplusyou.co.uk/pdfs/Chapter8.pdf>
23. Outer Shirley Regeneration. Cameron MacVicar, 023 8091 5420. The legacy body is already in place.
<http://www.risecommunity.com/>
 24. Regional Employment and Skills Projects
Round 1-3 European Social Fund (ESF) co-financed projects:
<http://www.lsc.gov.uk/NR/rdonlyres/eoiuiaisunitlkaztp3c57udrvx6vwuj6ynhr7lxsgwo4lk6efkzyo74qbn6f6n2x2ryebj53hnyvp/Round1to3ApprovedContracts.pdf>
Action for Business Colleges and Work-based learning providers:
<http://www.lsc.gov.uk/NR/rdonlyres/ey2xjqvtmcpkuugpwwgtwuxu2so5qhvu774wokyo4adtvtvhyk64mvsa5oj5b75bknxkr5in4ghoyl/ESFList.doc>
Action 4 Skills Regional ESF co-financed projects, specifications for new round:
<http://www.lsc.gov.uk/NR/rdonlyres/ec4xbiedcf6n5j4rbjy4jx3tythfp4bjvyyuw3dfw2q5litpmjny7odwrmu umzmxbel52lkjdyma/A4SFlierFinal.pdf>
Jobcentre Plus co-financed projects in the south-east
<http://www.jobcentreplus.gov.uk/JCP/Partners/Europeansocialfund/index.html>
EXODUS – a multi-regional project (London and South-east) – where the council is managing the component that supports short-term prisoners released from Winchester and Camphill prisons into the Southampton community secure training and employment to reduce re-offending
 25. West Quay Shopping Centre Recruitment and Training.
<http://www.renewal.net/Documents/RNET/Case%20Study/Westquaylocalrecruitment.doc>
 26. West Itchen Trust <http://wict.lcbroadband.co.uk/index.html>
 27. Local Neighbourhood Renewal Strategy The final document will be posted on the council's website soon, the draft being available at http://www.southampton-partnership.com/lnrs_draft.htm or contact Helen Pearce, SCC Regeneration Manager 023 8083 2890
 28. Claimant counts with rates and proportions (January 2006) Nomis.
 29. Plan for Prosperity http://www.invest-in-southampton.co.uk/images/Plan_for_prosperity_tcm29-136542.pdf
 30. Cabinet Resolution of 20th March 2006
<http://www.southampton.gov.uk/council/upload/2005-2006/CABINET/Records%20of%20Decision/CAB0162%202006Mar20.htm>
 31. Southampton Partnership Executive Meeting minutes
http://www.southampton-partnership.com/meetings_events/minutes.htm
 32. Copies of letters available from Richard Smith, SCC City Development Manager 023 8083 2588
 33. Copies of press cuttings available from Richard Smith, SCC City Development Manager 023 8083 2588
 34. Planning Application number 06/00025/FUL. SCC Development Control Case Officer, Anna Lee 023 8083 2054
 35. Community Strategy http://www.southampton-partnership.com/commstrat/Community_Strategy.pdf
Medium Term Plan 2005 to 2008 <http://www.southampton.gov.uk/council/cityplans/mediumtermplan/default.asp#0>
City Performance Plan 2004 to 2005 http://www.southampton.gov.uk/images/City%20Performance%20Plan_tcm9-105542.pdf
Cultural Strategy. See 14 above
Land Use Planning Policies <http://www.southampton.gov.uk/environment/localdevelopmentplans/localplan/>
City Centre Urban Design Strategy
<http://www.southampton.gov.uk/environment/localdevelopmentplans/urbandesignstrategy/default.asp>
Provisional Local Transport Plan 2 2006 to 2011 <http://www.southampton.gov.uk/transport/transportplanning/default.asp>
Plan for Prosperity. See 29 above.
 36. South Hampshire Town Centres: Sub Regional Study 2005. Paul Nichols, SCC Head of Planning and Sustainability. 023 8083 2553.
 37. South East Plan policy TSR4 http://www.southeastra.gov.uk/southeastplan/plan/part_1_july05/section_d10-tourism_and_related_sports_and_recreation.pdf
 38. Regional Economic Development Strategy 2006 <http://www.seeda.co.uk/res/docs/REGIONAL-ECONOMIC-STRATEGY-2006.pdf>
 39. SEEDA contact Alan Searle alansearle@seeda.co.uk 01483 484200
 40. Royal Pier land owner and lessee contact details
ABP, Richard Andrews randrews@abports.co.uk 023 8048 8860
The Crown Estate, Neil Jacobson neil.jacobson@thecrownestate.co.uk
Red Funnel, Tom Docherty tdocherty@redfunnel.co.uk 023 8023 0855

PLEASE NOTE: All Southampton City Council officers (SCC) have e-mail addresses firstname.surname@southampton.gov.uk