

Carmel Howard
Barker Review Team
HM Treasury
4/E1
1 Horse Guards Road
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28 March 2006

Dear Ms Howard

Response to Barker Review of Land Use Planning

We welcome the opportunity to submit evidence to your review of Land Use Planning.

We are a group of British leisure operators with interests in many sectors of the current leisure market - including pubs and bars, restaurants, bingo halls, betting offices, adult gaming centres, seaside arcades and piers and machine manufacturing companies.

We note “the review will establish how the planning system impacts on economic growth and employment, by analysing its impact on the key drivers of productivity - enterprise, competition, innovation, investment and skills” although we recognise that it is important to get “the balance right (and) consider whether there is the appropriate balance between economic, social and environmental objectives in the English planning system.”

Whilst we welcome efforts to create a planning system that promotes economic growth and enterprise, we would stress that the social and environmental considerations should not be overlooked and that many activities, which on the surface have economic benefits, create social costs that outweigh any economic benefit.

In particular, we would like to point to the case of “Regional Casinos” as defined under the Gambling Act 2005. This legislation created a Casino Advisory Panel (CAP), which will decide on the location of the new Regional Casino that will be created under the Act. Companies making representations to the CAP have made the case that a Regional Casino will encourage regeneration. However, I draw to your attention two recent studies that demonstrate this is not the case.

A report, “The Use Classes Order, Casinos and the Gambling Bill”¹, commissioned by the ODPM and produced by Roger Tym and Partners concluded that:

¹ Roger Tym and Partners, The Use Classes Order, Casinos and the Gambling Bill, January 2006
www.odpm.gov.uk/pub/67/TheUseClassesOrderCasinosandtheGamblingBillPDF361Kb_id1163067.pdf

- “...Operators will 'lie in wait' to convert to Regional Casino operations once they are able” (para 3.35)
- A proliferation of Regional Casinos “may result in enhanced socio-economic problems in terms of crime, antisocial behaviour and alcohol” (para 4.62)
- “Initial proliferation [of casinos] could be dramatic and negative for many locations” (para 4.63)

A second study by economic regeneration consultants Hall Aitken² concluded that:

- The estimates of economic benefit from a Regional Casino development are both optimistic and potentially misleading
- The social costs of Regional Casino development are potentially high, and for most locations, would outweigh any economic benefit
- The proposed Regional Casino will, on balance, undermine government targets on neighbourhood regeneration
- Most spend will be diverted from other leisure activities

Despite these findings, we are alarmed that many local authorities seem totally incapable of recognising both the social costs that Regional Casinos will create and the purely diversionary nature of their revenues.

A further issue is that, under current rules, it is local authorities that will apply for a Regional Casino license in their area. We feel the local authority has a conflict of interest as a planning body when it comes to consider a Regional Casino.

We would therefore recommend that your review should:

1. Consider proposing that an application for a Regional Casino should be subject to a full public inquiry and determined at Secretary of State level
2. Consider the extent to which land use planning should, or should not, divorce itself from social impacts which may arise from specific developments, and in as far as it is concluded that such matters are beyond the remit of land use planning, consider whether there are other means of ensuring particular developments are properly scrutinised in those terms

² Hall Aitken, *The social and economic impacts of regional casinos in the UK*, February 2006
www.hallaitken.co.uk/reports/report.pdf

3. Require local authorities to undertake full 'Social and Economic Impact Assessments' on uses that may have overwhelmingly detrimental economic and social impacts, such as Regional Casinos, similar to the way in which Environmental Impact Assessments are required on applications that have environmental impacts. Many developments involve a consideration of a combination of social and economic factors (for instance planning policies relevant to job creation, affordable housing etc) which are considered in the light of national policy guidance. Local authorities should have clear guidance when exercising planning policy in relation to Regional Casinos specifically the extent to which regional casinos will, by virtue of their size and likely location, be in conflict with the sequential test and may damage large areas of existing town centres by the diversion of business that they will engender. A clear comparator is to be found in the impact of the largest supermarkets on town centre retailing.
4. Establish new and separate use class for Regional Casinos to prevent smaller casinos evolving into larger ones without proper planning scrutiny.
5. Consider whether the planning system should concern itself with the market distortion that arises from any development involving significant public funding or state aid. We understand that the OFT may be considering these issues at the present time. There is a concern that superficially attractive projects requiring significant elements of public funding may be having a distorting effect on local or national markets. This undermines private-sector/non-state aided investment and effectively leading to an imposed subsidy from existing businesses for the benefit of the part-publicly funded project, which will depend for its success on a diversion of trade from existing businesses.

We would be delighted to meet with your review team to discuss these ideas in person.

Yours sincerely

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On behalf of:
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