

CABINET – 15TH MARCH 2006

REPORT OF THE DIRECTOR OF THE URBAN ENVIRONMENT

APPROVAL FOR SUBMISSION OF PROPOSALS FOR A CASINO IN BRIERLEY HILL

Purpose

1. To seek Cabinet approval for the submission of proposals for a casino in Brierley Hill for consideration by the Department of Media, Culture and Sport's Casino Advisory Panel

Background

2. The Gambling Bill which received Royal assent on the 7th April 2005 updates the regulatory regime for gambling and includes provision for the development of seventeen new casino operations including a single 'regional' casino. A number of case studies have shown that casino related development can benefit the visitor economy and also provide significant regeneration benefits.
3. The Act will allow three categories of new casino to operate in England, Scotland and Wales. Across the country, one 'regional' casino will be permitted, along with eight 'large' and eight 'small' casinos. It is expected that the 'regional' casino will have a minimum total customer area of 5,000 m², and be permitted up to 1,250 Category A unlimited jackpot gaming machines (having no limit on the stakes and prizes). 'Large' casinos will have a minimum total customer area of 1,500 m², and be permitted up to 150 Category B gaming machines, (having a maximum jackpot of £4,000) 'Small' casinos will have a minimum total customer area of 750m², and be permitted up to 80 Category B gaming machines, (having a maximum jackpot of £4,000). The one regional and eight large casinos will be permitted to offer bingo, and all three categories will be permitted to offer betting.
4. The Department of Media, Culture and Sport's Casino Advisory Panel has invited local authorities in Scotland, England and Wales to submit proposals if they wish to have a new casino in their area. The Panel has asked that all proposals should reach them by 31st March 2006.
5. The Advisory Panel's task is to recommend to the Secretary of State for Culture, Media and Sport the areas where the one regional casino and eight large and eight small casinos would best be located. The primary criterion, as laid down by the Secretary of State is:

- to ensure that locations satisfy the need for the best possible test of social impact (which may require a range of locations of different kinds such as seaside resorts, edge of town developments or inner city centres);

6 Subject to that, the Secretary of State has also asked the Panel;

- to include areas in need of regeneration (as measured by unemployment and other social deprivation data) and which are likely to benefit in these terms from a new casino;
- to ensure that those areas selected are willing to license a new casino.

7 The Panel has been asked to provide its recommendations to the Secretary of State by the end of 2006.

8 A study commissioned by the North West Regional Development Agency estimated that the generic local economic impacts of developing a new regional casino were in the order of £50m Gross Value Added (wages, non-repatriated profits, indirect and induced expenditure flows) per annum, the figures for large and small casinos were £12m and £7m respectively. New employment figures were estimated at 1,471 for regional casinos, 377 for large casinos and 181 for small. In addition to the specific economic impacts, the construction of these operations has the potential to provide a range of new and improved ancillary and complementary facilities, which can enhance the regeneration potential of these schemes.

9 One North East, the regional development agency for the North East, commissioned KPMG to review the market potential for 'large scale' casino development in the North East region (published June 2004). This suggested that a single regional casino would create a total of around 700 jobs.

10 Tourism West Midlands (TWM), the regional Strategic Tourism Body, considered the issues at its meeting on 15 November 2005 and concluded:

- To give full support to the development of a new-style casino in the West Midlands;
- To undertake a study to assess the impact of a regional casino on the visitor economy and to use that study to determine if TWM should endorse a particular location or proposition for the region; and
- To liaise with Advantage West Midlands and the Regional Assembly to ensure that the regional organisations are able to take a common view on the regional casino.

11 The Regional Assembly considered the issues in October 2005 and acknowledged the economic benefits of new casino developments, whilst noting the social and ethical considerations.

12 Westfield Shopping Towns Limited, in consultation with officers and the Brierley Hill Regeneration Partnership are proposing the development of a casino and associated leisure facilities on the 'leisure plateau' land between Merry Hill and Brierley Hill Town Centre. The content of the scheme and its planned benefits is summarised below;

- A 'Regional' category casino
 - Creation of an estimated 1,000 jobs at opening, planned to increase to 1,500 as the project becomes established
 - Significant training opportunities for local people and economic opportunities for local business as a result of local procurement of suppliers
- 13 The proposal as it stands is for a mixed leisure development. This is intended to include restaurants, cafes, a replacement cinema, conference facilities and a hotel. It should be noted that the floorspace allocated to gaming within this complex is anticipated to be in the region of 15% of the total
- 14 The casino operator with whom Westfield are proposing to develop this proposal have already applied for a gaming licence under existing legislation, and this application is expected to be heard at Brierley Hill Magistrate's Court in April.
- 15 A major aspiration for the Council in the regeneration of Brierley Hill is to improve pedestrian access between Merry Hill, Brierley Hill Town Centre and The Waterfront. Although relatively close together access between these areas by foot is poor due to topography and the position of the canal. The proposals being prepared by Westfield for this development include the start of a pedestrian boulevard between Merry Hill and Brierley Hill High Street which will continue along the route of the proposed Metro link.

Finance

- 16 In principle, the Council may be able to seek planning obligations, including financial remuneration from a casino developer under Section 106 of the Town and Country Planning Act 1990. The Gambling Bill also give local authorities responsibility for licensing of gambling premises which could provide a source of fee income for the Council, although the level of fees has not yet been set.

Law

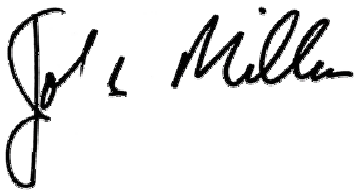
- 17 The Gambling Act 2005 contains a new regulatory system to govern the provision of all gambling in Great Britain. The Act has introduced a unified Regulator for gambling, the Gambling Commission. The Commission has taken over from the Gaming Board and until the legislation comes fully into force in 2007, will carry on the Gaming Board's former functions in relation to regulating gaming and certain lotteries. The Local Authority will have new powers to licence gambling premises within the Borough as well as undertaking functions in relation to lower stake gaming machines and clubs.

Equality Impact

18. The proposed development will offer significant access improvements for all sectors of the community between Brierley Hill Town Centre, the Waterfront and Merry Hill

Recommendation

19. It is recommended that Cabinet authorise the Director of the Urban Environment, in consultation with the Director of Law and Property, to submit proposals for an appropriate category of Casino in Brierley Hill for consideration by the Department of Media, Culture and Sport's Casino Advisory Panel



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List of Background Papers

1. Casino Advisory Panel Framework document - Department of Media, Culture and Sport
2. Report to Advantage West Midlands Board 29 November 2005 - Casino Developments