

# CARLISLE CITY COUNCIL

Report to:- **Council**

Date of Meeting:- **7<sup>th</sup> March 2006**

Agenda Item No:-

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**Public**

**Policy**

**Delegated: Yes**

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**Accompanying Comments and Statements**

**Required**

**Included**

Legal Comments

YES

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**Title:-**

**CALLS FOR PROPOSALS FROM THE DEPT OF CULTURE,  
MEDIA AND SPORT CASINO ADVISORY PANEL**

**Report of:-**

**Director of Development Services**

**Report reference:-**

**DS.13/06**

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**Summary:-**

The Council has the opportunity to be considered as a location for a casino under proposals within the 2005 Gambling Act. The Government is inviting local authorities that wish to do so, to submit proposals to the Casino Advisory Panel by 31<sup>st</sup> March this year. A proposal will need to show that the Council is willing in principal to licence a casino. This report provides background information to the 2005 Gambling Act and invites to Council to indicate whether it would wish a proposal to be submitted to the Casino Advisory Panel.

**Recommendation:-**

That the Council indicates whether or not it would wish Carlisle to be considered as a location for a casino development.

**Contact Officer:** David Beaty

**Ext:** 7120

**Catherine Elliot**

Director of Development Services

21st February 2006

# 1 BACKGROUND

1.1 A number of background papers are appended to this report. These set out the context for the development of casinos, both in terms of policy and the practical considerations the Government will take into account in deciding where Casinos should be located and how they should operate. The papers are:

- The 'Call for Proposals', paper including Statement of National Policy
- Casino Advisory Panel – Project Outline 31/01/2006.
- Dept of Culture, Media and Sport Press release.

1.2 The following is a summary of some of the key point from these papers.

1.2.1 The Casino Advisory Panel has been set up by the Government under the provisions of the 2005 Gambling Act to advise the Secretary of State for Culture, Media and Sport on the areas where new casinos should be located.

1.2.2 The Panel will be asked to identify areas for new casinos that will provide a good spread of different types of areas and a good geographical spread across Britain. Subject to these criteria, and a willingness to licence on the part of the local authority, the Panel is also asked to choose areas in need of economic development & regeneration and likely to benefit in regeneration terms from a casino. There will be one location for a 'regional' casino and 16 other locations where either 'large' or 'small' casinos could be located. The sizes of casino are described in paragraph 5 of the 'Call for Proposals' paper above.

1.2.3 Government Policy on Casinos was set out in a statement in December 2004 [Annex A above] and is based on three broad objectives in the [then] Gambling Bill. These are:

- To protect children and other vulnerable people from harm
- To prevent gambling being a source of crime and disorder; and
- To ensure gambling is conducted in a fair and open way.

1.2.4 The Government starts from the position that a number of the current regulations that govern the operation of casinos are outdated and these restrict customer choice and discourage investment & economic regeneration. It sets out what it calls a cautious approach in its policy statement in order to assess whether the introduction of new casinos leads to an increase in problem gambling.

1.3 A proposal to the Panel will need to cover the following; [More detail is to be found in the 'Call for Proposals' paper against the paragraphs numbered below:

- The Characteristics of the Area [para 19]
- Social Impact [paras 20-22]
- The need for Regeneration [para 23]
- Willingness to licence [para 24]
- Probability of Implementation [para 25]
- Regional and Local Context [paras 36 & 27]
- Community Benefits [para 28]
- Unique Characteristics [para 29]

## **2 POSSIBLE ADVANTAGES AND DISADVANTAGES OF A CASINO IN CARLISLE**

2.1 No consultation, or detailed work has been done on the pros and cons of a casino, but clearly a proposal to introduce a high profile development involving new opportunities for gambling in Carlisle will be contentious. What follows is an attempt to list some of the possible positives and negatives as a basis for debate. If it is agreed to submit a proposal, arguments and evidence to substantiate the positives and local measures to deal with the negatives will be need to be worked up.

### **2.2 Positives**

- Could support the expansion of the Tourism offer
- Could support the development of new Hotel or leisure facilities
- Links to and synergy with Regeneration objectives
- Supports the development of Carlisle's sub-regional role
- Supports proposals for economic growth in Carlisle in the Regional Economic Strategy.
- May produce community benefits through licensing and planning process.
- Could support the development of the evening and night-time economy

### **2.3 Negatives**

- May not be in line with the desired image for Carlisle.
- May have an unacceptable social impact in what is a low wage area
- May not command popular support
- May exacerbate gambling problems for vulnerable people in the area

## **3. LEGAL COMMENT**

- 3.1 The Gambling Act 2005 is aimed to revamp the legislative control over gambling in the United Kingdom. It has three objectives; to ensure that there is no link between gambling and crime; gambling must be conducted fairly; and, gambling must not harm children or other vulnerable persons. The licensing function will be split into three distinct categories, operating and personal licences will be issued by the Gaming Commission and premises licence will be issued by the City Council. The Council is also required to draw up a licensing policy with regard to gaming. Ultimately, the Council would be responsible for the issue of a premises licence to authorise the use of a premises as a casino.
- 3.2 The Act places a cap on the number of premises licences that may be issued for regional, large and small casinos. The Secretary of State will make an Order which will determine the geographical distribution of such casino premises licences and will specify which licensing authorities may issue licences of a specified kind and the number of licences which will have effect. My understanding is that this is the purpose of the current consultation exercise.
- 3.3 Section 166 of the Act gives that Council the power to resolve not to issue any casino premises licence. This function cannot be delegated to the Council's Licensing Committee. To be clear, such a resolution is not what is being considered by the Council under the auspices of this report. Rather, the Director of Development Services is looking for an indication as to whether further work should be done, as detailed in the report. Any application for a specific licence would be determined on its merits at the relevant time.

#### **4. CONCLUSION**

- 4.1 At this stage an indication in principle that the Council would be willing to consider an application for a licence would be sufficient to enable a proposal to be submitted to the Casino Panel. Clearly, if it is the Council's view that a Casino development would not be an appropriate development for Carlisle, then no further action will be taken.

#### **5. RECOMMENDATION:-**

- 5.1 That the Council indicates whether or not it would wish Carlisle to be considered as a location for a casino development.

# Casino Advisory Panel

## *Call for Proposals 31 January 2006*

### Introduction

#### ***Background***

1. The Casino Advisory Panel ('the Panel') has the duty to advise the Secretary of State for Culture, Media and Sport on the locations for new casinos in Scotland, Wales and England. To assist the Panel in this duty, local authorities are invited to let the Panel know which of them wish to have one or more new casinos in their area, and the reasons why they think that their area is suitable, in order for the Panel to select the locations to recommend to the Secretary of State. This document sets out the background to this call for proposals, the process by which the Panel intends to evaluate them, and the areas of information that it particularly wishes to know about.
2. All proposals will be considered equally in an open and transparent way. At the same time it must be understood that the Panel's duty is to consider best locations and not merely evaluate the quality of proposals.
3. Further background details regarding the Panel, its activities, frequently asked questions, and latest news, can be found on the website:  
<http://www.culture.gov.uk/cap/index.htm>
4. The Secretary of State has asked the Panel to assist her in the exercise of her order making powers under section 175(4) of the Gambling Act 2005 to determine the geographical distribution of casino premises licences. For this purpose, she is required to specify in an order which licensing authorities should be permitted to issue casino premises licences of a specified kind, and how many of each type of casino premises licence each specified local authority (in Scotland, Licensing Board) should be permitted to issue. Section 175 (1) to (3) sets out the overall limits for casino premises licences as no more than one regional casino, eight large casinos and eight small casinos.
5. The Government expects that the regional casino will have a minimum total customer area of 5,000 m<sup>2</sup>, and be permitted up to 1,250 Category A jackpot machines, which will be able to offer unlimited stakes and prizes. Large casinos will have a minimum total customer area of 1,500 m<sup>2</sup>, and be permitted up to 150 Category B gaming machines, with a maximum jackpot of £4,000. Small casinos will have a minimum total customer area of 750m<sup>2</sup>, and be permitted up to 80 Category B gaming machines, with 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.
6. The Government also expects that a regional casino will be a major development, offering clear potential for regeneration. It will provide not just a range of gambling activities, but may include hotel accommodation, conference facilities, restaurants, bars, areas for live entertainment and other leisure attractions, gambling activities and non-gambling leisure facilities. The Government believes

that it will have the potential to bring in major investment and economic regeneration to the area where it is located.

### **Criteria for selection**

7. The Panel's task is to recommend to the Secretary of State the areas where the one regional casino and eight large and eight small casinos would best be located. The criteria against which the Panel will assess submitted proposals were set out in a national policy statement on casinos which was published by the Government on 16 December 2004. This statement is annexed.
8. The Panel's Terms of Reference also state that the primary consideration will be to ensure that locations satisfy the need for the best possible test of social impact. Subject to this, the criteria will also be:
  - to include areas in need of regeneration (as measured by employment 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.

### **Proposals**

9. Proposals are invited from Licensing Authorities (as defined in Section 2 of the Act); that is, in England and Wales, specified local authorities and, in Scotland, Licensing Boards.
10. Makers of proposals should be aware that, following a letter from the Panel to all local authority chief executives in November 2005, seeking indications of initial interest, some 131 local authorities responded. Of these, 52 authorities said that they were not interested and 4 that they could not give an indication at the present time. Potential interest may be gauged from the following table.

<b>Type of Casino</b>	<b>Number of expressions of interest</b>
Regional (including indeterminate responses)	47
Large	6
Small	8
Additional Mixture of the above	5
Additional One of the above	9
<b>Total</b>	<b>75</b>

## **Process**

11. The Panel will consider the information and material submitted by proposing authorities and may also seek such further and better information as it considers necessary. All proposals will be considered carefully against the Panel's terms of reference and Government policy. Selected proposals for the regional casino will be considered through the medium of Examination in Public (EiP) as outlined in the project programme. The Panel will also consider representations from other individuals and organisations concerning the location of a casino in their area. The Panel may additionally seek information from any organisation or individual on matters that it considers are material to its decision making. Further details on the process will be published once the Panel has had an opportunity for early appreciation of proposals submitted.
12. The Panel is also seeking of its own initiative appropriate background material to the questions involved. On the basis of all relevant information obtained the Panel will select proposals to take forward for further examination and recommendation.

## **Confidentiality**

13. All submitted material will be in the public domain, and therefore **evidence of a confidential nature will not be accepted.**

## **Timing**

14. The Panel will expect all proposals to be with them by **Friday 31<sup>st</sup> March 2006. It is important that this date be adhered to.** Only in exceptional circumstances and for good reason will late proposals be accepted. This rule is made not only for the convenience of the panel, but also so that others making proposals may become aware of potential competition.

## **Format, etc of Proposals**

15. The Panel wishes it to be known that their view of the form of a good proposal is one that is concise, relevant and focussed on providing sound evidence about the most important issues. Makers of proposals therefore should be guided by a target that their submitted statements should not exceed **20 pages of A4, excluding the cover sheet.** References can be made to published material, however, sources of published information and statistical data must be clearly referenced and there should be no need for additional appendices attached. The Panel will ask for additional information if it is needed.

## **Information required**

### **General information**

16. General information should be submitted on the pro-forma cover sheet attached to include:
- Name of local authority

- Contact name, address, telephone numbers, email and fax
- Name and title of submitting Chief Officer
- Statement of the basis of the application. Under this head, authorities making proposals should make it clear what their proposal is for. For example, they should say whether their proposal is for one or other of the types of casino to be located in their areas or for groupings of types of casinos.

17. **Eight hard copies and eight CD-ROMs** of proposals should be submitted.

### ***Specific Information***

18. Authorities making proposals are asked to submit information under each of the headings listed in the following sections below;

- Type of area
- Social Impact
- Need for regeneration
- Willingness to licence
- Probability of implementation
- Regional Context
- Community benefits
- Unique characteristics

### **Type of Area**

19. Your submission should include information on

- the population base of the local authority area, e.g. size, socio-economic and ethnicity characteristics, levels of educational attainment
- the current levels of tourism in the area, including any recent trends or developments, as well as infrastructure for tourism such as hotels, other entertainment facilities and transport access, origin of tourists and overall vision for tourism
- local plans and strategies for the development of tourism, leisure or gambling in the area.
- the principal needs of regeneration in the area
- anything in the area which would make it a good ground for the testing of social impact.

## **Social Impact**

20. What do you consider the social impact of your proposal will be?
21. If your evaluation of some criteria are negative and some positive (for example economic and social criteria) how will you resolve this?
22. What do you say to those who claim that the effects of your proposals would have a negative impact on social cohesion and the sustainability of your communities? The information supporting your response should include, where appropriate:
- Any recent assessments of the impact of existing gambling in your area on problem gambling, social cohesion and the sustainability of communities in such areas,
  - Any policies or procedures in place, or planned, to counter any potential negative social impacts of gambling in your area or optimise any positive social cohesion, including current management arrangements, developer or operator contributions and approved budgets for these policies or procedures,
  - Details of how you would test for changes in social impacts if a new casino was to be licensed,
  - Comparable initiatives in place to manage social impacts from other activities,
  - Existing and planned job creation and training programmes, which improve the skill of and benefit local people,
  - Details of existing and planned relationships with relevant voluntary and public organisations which would support your social impact policies and activities.

## **Need for Regeneration:**

23. How do you expect your proposal to assist regeneration of your area and the wider area? Where appropriate, your response should include information as follows:
- Supporting information, including from relevant government bodies, regarding the regeneration and employment status and activity rate (male/female) of your area together with details on the timing and levels of public and private investment for this regeneration,
  - 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.
  - Are there parts of your area, the regeneration of which would particularly benefit from your proposal, and how would this come about?
  - 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?

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

### **Willingness to licence:**

24. Having regard to Section 166 of the Act, what strong evidence can you provide which demonstrates the willingness to license a casino in your area if it is selected? (In Scotland, this power will be exercised by the local licensing board). The information supporting your response should include, where appropriate:

- Council resolutions in favour and relevant supporting Council meeting minutes,
- Details of any local pre-existing polling or market research to establish the extent of support among the area's population,
- Details of any local consultations,
- Resolutions of support by the Local Strategic Partnership,
- Relevant tourism or leisure strategies, or local plans which demonstrate the extent of consideration and commitment,
- 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.

### **Probability of implementation:**

25. To enable the Panel to satisfy itself that, if selected, the proposal has a high probability of implementation, what evidence can you provide to demonstrate the overall feasibility of your proposals? The information supporting your response should include, where appropriate:

- A market demand analysis relating to both resident and tourist demand,
- Catchment area and customer base.
- Information on the criteria you would be using to identify appropriate and sustainable localities for the new casino,
- Existing and proposed transport infrastructure, so far as it would relate to your proposal,
- Statement of the current provision for gambling in your local authority area or nearby, including any recent trends or developments in this

- The impact of competition on existing casinos (if any) and other leisure based activities.
- Potential critical mass effect of a cluster of casino and leisure based activities.
- Estimated overall investment potential analysed between public and private sector investment and if sufficiently advanced how that would be funded.
- Current level of investor interest.
- How would you anticipate gambling spend to change following the implementation of your proposal?

## **Regional and Local Context**

26. The information supporting your response should outline the relevant policy context of Regional Spatial Strategies and sub regional policy areas and how they relate to the emerging Local Development Framework. This context should address any development strategies, policies and initiatives, inward investment proposals and regional economic strategies which are or would be relevant to the location of a new casino within a local authority area.
27. To what extent would identification of your area assist in achieving regional economic objectives for employment, skills and regeneration? In particular, in England, the consideration, policy position and attitude of the Regional Planning Body (Regional Assembly) toward your proposal should be requested at an early stage and noted.

## **Community benefits**

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

## **Unique characteristics**

29. What outstanding characteristics of your proposal or 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.

§§§§

## ***Proposals should be sent to:***

Mrs Jane Bransby  
 Secretary to the Casino Advisory Panel  
 DCMS  
 2-4 Cockspur Street  
 London SW1Y 5DH

Telephone No 0207 211 6453

Email: [Jane.bransby@culture.gsi.gov.uk](mailto:Jane.bransby@culture.gsi.gov.uk)

Who is also the contact with the Panel for any clarification needed.

**Annex A****Casinos: Statement of National Policy**

1. This statement (was) issued on behalf of Her Majesty's Government (on 16 December 2004).

2. The Government's policy on casinos is based on the three broad objectives of the Gambling Bill:

To protect children and other vulnerable people from harm

To prevent gambling being a source of crime or disorder and

To ensure that gambling is conducted in a fair and open way.

Britain has a low level of problem gambling compared to other countries (less than 1% of the population) and the Government is committed to maintaining this record. Casinos are already tightly regulated and have strict controls in place. The Gambling Bill will strengthen the existing safeguards. There are currently a number of regulations, however, which the Government believe are outdated. The 24-hour rule, the ban on advertising and the permitted areas rule unnecessarily restrict customer choice and discourage investment and economic regeneration.

3. The tourism and leisure industries are increasingly significant elements of the economy. Tourism alone accounts for 4.4% of our GDP. The Government believes that the casino proposals in the Bill, with its emphasis on increased regulation, have the potential to make a positive contribution to the success of these sectors. In addition Regional casinos, as major developments, offer clear potential for regeneration of areas across Britain. They will provide not just a range of gambling activities, but may include hotel accommodation, conference facilities, restaurants, bars, areas for live entertainment and other leisure attractions. The benefits of such a development could go much wider than the location of the casino itself. There are many parts of the country which could benefit from the regeneration that these kinds of leisure developments can offer.

4. The Government recognises, however, that the casino proposals in the Bill represent a significant change and we need to take a cautious approach in order to assess whether their introduction leads to an increase in problem gambling. The Government has taken the view that the risk of an increase in problem gambling will be reduced if a limit is imposed on the number of casinos. We have therefore decided to set an initial limit on the number of Regional, Large and Small casinos of 8 each. The identification of operators and locations for the new casinos will be subject to broadly the same arrangements in each case.

5. The Government believes that, in order properly to assess the impact of these new casinos, there needs to be a sufficient number of casinos in each category to allow the impacts to be assessed in a range of areas and types of location that might be suitable (including, for example, urban centres and seaside resorts across different parts of the

Britain). A limit on Regional, Large and Small casinos of 8 each is consistent with this aim while at the same time ensuring that any risk of problem gambling is minimised. The Government has decided to appoint an independent Advisory Panel to recommend the areas for the Regional, Large and Small casinos. Following the Panel's advice the Government will decide the areas where each of the new casinos may be licensed.

6. Once an assessment has been made of the impact on problem gambling of the limited number of new casinos, it will be easier to judge the continuing need for a limit. No earlier than three years after the award of the first premises licence, the Government will ask the Gambling Commission to advise on whether the introduction of the new types of casinos has led to an increase in problem gambling or is increasing that risk. We believe such a period is necessary to ensure a full assessment can be made of the impact of the new casinos. If the Government, on the basis of the Gambling Commission's advice decides to propose that more casinos may be licensed then the Order providing for this will need to be approved by Parliament. We will also want to assess, with the help of regional bodies, what the regeneration and other economic outcomes have been.

7. This policy statement sets out our policy on casinos in more detail below, including the role of the Advisory Panel in recommending areas for the new casinos and arrangements for casinos which already have a licence under the Gaming Act 1968. The proposals for casinos outlined here are for England, Scotland and Wales. Responsibility for the planning system in Scotland and Wales is for their respective devolved administrations. None of the proposals here will affect the ability of local authorities to refuse to have a new casino of any size category in their area.

### **The Advisory Panel on new casino locations**

8. The Secretary of State for Culture, Media and Sport will appoint an independent Advisory Panel to advise her on the areas in which the new casinos should be located. The Panel will collectively have knowledge and expertise in a range of matters including planning, securing regeneration, tourism and addressing the social impacts of gambling. Clearly, all Panel members must be able to demonstrate independence from any potential interested parties and must have an appreciation of the need for impartiality.

9. In order to ensure that the impact of the new casinos can be assessed on the basis of a broad range of information and experience, the Advisory Panel will be asked to identify areas for the new casinos which will provide:

a good range of types of areas, and

a good geographical spread of areas across Britain.

The Panel will also want to ensure that those areas selected are willing to license a new casino. Subject to these criteria, the Panel will be asked to choose areas in need of economic development and regeneration (as measured by employment and other social deprivation factors) and likely to benefit in regeneration terms from a casino.

10. The Advisory Panel will invite views from interested parties. In taking forward its work it will in particular invite the Regional Planning Bodies in England to identify a list of broad locations for Regional casinos emerging from their work on the Regional Spatial Strategies. Before the Advisory Panel finalises its recommendations on areas for Regional casinos it will need to ensure that these areas are compatible with the broad locations identified in England in Regional Spatial Strategies or in any draft revisions of Regional Spatial Strategies before the First Secretary of State.

11. The Advisory Panel will be asked to offer Ministers a list of up to 8 recommended areas for each of the three categories of casino. The Secretary of State will consider the Panel's recommendations. After consulting the Scottish Executive and the Welsh Assembly Government, the Secretary of State will then decide which areas to designate.

12. The Panel will be able to begin its work in the course of 2006, taking account of views put forward to Regional Planning Bodies as they progress the preparation of revisions of Regional Spatial Strategies, and of local authorities as appropriate. We do not expect it to complete its work before the end of 2006.

### **Planning for casinos**

13. In England, Regional Planning Bodies as part of their revision of Regional Spatial Strategies will need to consider possible broad locations for Regional casinos within their region. Their proposals will then feed into the recommendations of areas for the initial eight Regional casinos by the Advisory Panel. In revising their Regional Spatial Strategies, Regional Planning Bodies need to take into account national planning policy guidance. Planning Policy Guidance Note 6 "Planning for Town Centres and Retail Developments"/draft Planning Policy Statement 6 "Planning for Town Centres", Planning Policy Guidance Note 13: "Transport" and the two joint statements already provide a comprehensive policy framework for casino development.

14. The Government does not consider that a separate national planning policy statement on casinos is required. However, it will consider whether there needs to be further clarification or development of its planning policy in respect of casinos in particular, in finalising PPS6.

15. For all three categories of casinos, the identification of specific sites will be for local planning authorities in their local development framework, having regard to national policy and the Regional Spatial Strategy. Local planning authorities will also be responsible for deciding applications for casino developments.

16. Operators will be required to apply for planning permission in the usual way and all applications will be considered on their merits in line with national and local planning policies. Applications may come forward at any stage. Decisions on whether they should be called in for decision by the First Secretary of State will be made in light of the Government's call-in policy and the particular circumstances of the case.

17. It will be for the devolved administrations to decide to what extent these considerations should apply to them.

## **The operating licence**

18. The Gambling Commission will award operating licences to companies on the basis of the usual licensing criteria, but incorporating an additionally stringent test of social responsibility to reflect the fact that Regional, Large and Small casinos will present hitherto untested risks of social harm. Therefore, operators will need to demonstrate a commitment to:

ensuring effective measures for reducing the risks posed to vulnerable people by casino gambling products and the environment in which they are supplied, and

making available information, advice and assistance to people using the casino who may be affected by problems related to gambling.

The Commission will take account of the fact that greater commitment and resources is likely to be needed in the case of Regional casinos because of the greater risk they pose, particularly because of the availability of Category A machines. There will be no limit on the number of operating licences that may be granted.

## **The premises licence**

19. A local licensing authority will only be able to award a casino premises licence if one has been identified for its area. The process for awarding a premises licence will be open to all operators. It will have two stages. The first stage will be a regulatory test to ensure that all proposals satisfy the regulatory premises licensing requirements already in the Bill. The second stage will be triggered where there are more applications for casino premises licences than the local licensing authority is permitted to grant.

20. The second stage of the process will be a competition held by the local authority on the wider casino proposal. We will consult with the Local Government Association and others on how the competition should be conducted. The competition could be judged on a wide range of issues, reflecting the issues that are important in the local area, local concerns and priorities. These may include, for example, employment and regeneration potential, the design of the proposed development, financial commitments by the developer to local projects, location, range of facilities and other matters.

The local authority may wish to provide an opportunity for consultation with local people. The local authority would set out its priorities and concerns in a set of objective key considerations and it will then invite operators to submit entries to the competition. The eventual winner of the competition will be eligible for a full premises licence once he has obtained planning permission and the casino has been built.

21. The operator will therefore need to have an operating licence, a premises licence and planning permission. The planning permission is likely to be subject to a planning obligation.

22. The premises licensing process and the planning consent process will need to be conducted taking account of the need to clearly separate the licensing and planning

functions. ODPM and DCMS will issue guidance to local authorities on the propriety issues surrounding these processes. The fact that an applicant's proposal may be the preferred option in the competition will not guarantee planning permission. Once planning permission has been granted and the

casino has been built, the operator will be able to apply for a full premises licence, which he could expect to obtain provided there has been no material change in the proposals since the competition.

### **Casinos which already have a licence under the Gaming Act 1968**

23. The arrangements described above for Regional, Large and Small casinos are aimed at minimising the risk of problem gambling from an increase in the number of casinos, particularly from a proliferation of high stake and high prize gaming machines. Existing casinos will be allowed to continue to operate, and to have the opportunity to compete for the new licences. But the Government does not believe it would be appropriate to allow them to have all the new casino entitlements in circumstances where a limit is imposed on the establishment of new casinos.

24. Accordingly, we propose that there will be no size requirements on existing casinos and they will not be subject to the ban on advertising and the 24-hour rule. They will, however, be restricted to their current gaming machine entitlement of 10 gaming machines of up to Category B and they will not be allowed to provide bingo or betting on real or virtual events.

25. Arrangements will be made to ensure that existing casino businesses can in the future be transferred to new owners and to new premises if the current premises for some reason become unavailable (such as end of lease or fire), so long as it is within the existing licensing area. A company operating a casino which already had a licence under the 1968 Act may apply for a Regional, Large or Small casino premises licence. If it is awarded one of them for an existing casino, then it will be able to operate it with all the new entitlements authorised by the new licence.

16 December 2004

# Casino Advisory Panel —Project Outline, 31 January 2006

## *Introduction*

1. The Casino Advisory Panel ('the Panel') has the duty to advise the Secretary of State for Culture, Media and Sport in the exercise of her order making powers under section 175(4) of the Gambling Act 2005 to determine the geographical distribution of casino premises licences. For this purpose, she is required to specify in an order which licensing authorities should be permitted to issue casino premises licences of a specified kind, and how many of each type of casino premises licence each specified local authority (in Scotland, Licensing Boards) should be permitted to issue. Section 175 (1-3) of the Act sets out the overall limits for casino premises licences as no more than one regional casino, eight large casinos and eight small casinos.
2. The Government expects that the regional casino will have a minimum total customer area of 5,000 m<sup>2</sup>, and be permitted up to 1,250 Category A jackpot machines, which will be able to offer unlimited stakes and prizes. Large Casinos will have a minimum total customer area of 1,500 m<sup>2</sup>, and be permitted up to 150 Category B gaming machines, with a maximum jackpot of £4,000. Small casinos will have a minimum total customer area of 750m<sup>2</sup>, and be permitted up to 80 Category B gaming machines, with 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.
3. The Government also expects that a regional casino will be a major development, offering clear potential for regeneration. It will provide not just a range of gambling activities, but may include hotel accommodation, conference facilities, restaurants, bars, areas for live entertainment and other leisure attractions, gambling activities and non-gambling leisure facilities. The Government believes that it will have the potential to bring in major investment and economic regeneration to the area where it is located.
4. The criteria against which the Panel will assess submitted proposals were set out in a national policy statement on casinos which was published by the Government on 16 December 2004. This statement is at Annex A of the 'Call for Proposals' document. The Panel's Terms of Reference also state that the primary consideration will be to ensure that locations satisfy the need for the best possible test of social impact. Subject to this, the criteria will also be:
  - to include areas in need of regeneration (as measured by employment 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.
5. The geographical remit of the Panel is all of Britain, that is Scotland, Wales and England. The Secretary of State is required by s.175 of the 2005 Act to consult Scottish Ministers and the National Assembly for Wales before making an order under this section.

6. This paper sets out the general programme which the Panel has adopted for its work. It takes account of the likely workload for the Panel, so far as it can be ascertained toward the end of the scoping phase.
7. Further background details regarding the Panel, its activities, frequently asked questions, and latest news, can be found on the website:

<http://www.culture.gov.uk/cap/index.htm>

### ***Outline and duration***

8. The Panel may well find that it has to adapt or modify this programme in the light of their workload and other considerations, but at the present time the Panel expects its work to fall into four phases:
  - Phase 1 was a scoping phase, in which an impression of the volume of work before the Panel is gained, and background research is undertaken.
  - In Phase 2, submissions are invited from local authorities,
  - In Phase 3 the submitted proposals are considered and sifted against the basic policy criteria and other material considerations, and then selected proposals are further examined.
  - Phase 4 is the decision and reporting phase.
9. The Panel's work began in October 2005 and must be completed by the end of 2006. This programme of work concludes with an outline of programming milestones.

### ***Phase 1— Scoping***

10. Seven activities were included in this phase. All are either complete or underway at the present time. They were:
  1. a search of available DCMS material and informal expressions of interest already on file or in the Press.
  2. a library search of research material on casinos and their community/regeneration effects
  3. circulation to all local authorities of a non-committal request as to whether interest is to be expected,
  4. consultation with the Scottish Executive, the National Assembly for Wales, Regional Assemblies (including the Mayor of London) and Regional Development Agencies,
  5. enquiring whether strategic environmental assessment (SEA) is needed,
  6. developing the set criteria for selection and decision,

7. devising the form, etc of a structured call for proposals.

11. In a circulation to all local authorities of a non-committal request as to whether interest is to be expected some 131 local authorities responded. Of these, 52 authorities said that they were not interested and 4 said that they could not give an indication at the present time. Potential interest may be gauged from the following table.

Type of Casino	Number of expressions of interest
Regional (including indeterminate responses)	47
Large	6
Small	8
Additional Mixture of the above	5
Additional One of the above	9
<b>Total</b>	<b>75</b>

### *Progress Report*

12. A progress report will be made following the end of this scoping stage.

## ***Phase 2 — proposals invited***

### *Call for proposals*

13. Along with the development of the set criteria, this is to be one of the most important activities in the programme. Proposals are to be invited from Licensing Authorities (as defined in Section 2 of the Act); that is, in England and Wales, specified local authorities and in Scotland, Licensing Boards.

14. As the Panel's view of the form of a good proposal is one that is concise, relevant and focussed on providing sound evidence about the most important issues, the Panel will expect makers of proposals not to exceed 20 pages of A4 in their submitted statements, excluding a cover sheet. Reference may be made to published material, however, sources of published information and statistical data must be clearly referenced and there should be no need for additional appendices attached. The Panel will ask for additional information if it is needed. All submitted material will be in the public domain, and therefore evidence of a confidential nature will not be accepted.

15. The Panel will expect all proposals to be with them by Friday 31st March 2006.
16. It is expected that the call for proposals will be made toward the end of January, thereby allowing two months for submissions to be prepared. This period is considered sufficient bearing in mind both the Panel's overall programme to the end of 2006, and the expectation that much work and consideration will already have been given to serious proposals.
17. The output of this activity will be a list of proposals which will need to be sifted and thinned down to a short-list for further examination, having regard to the set criteria and Government policy generally.

### ***Phase 3 — Examination and testing***

#### *Consultation*

18. Paragraph 13 of the December 2004 Ministerial Statement commits the Panel to consulting Regional Planning Bodies in England. The Panel will:
  - a. “ ... invite them to identify a list of broad locations for Regional Casinos emerging from their work on the Regional Spatial Strategies” (RSS). (Each of the Regional Planning Bodies are known to be at a different stage of this work).
  - b. “Before the Advisory Panel finalises its recommendations on areas for Regional Casinos it will need to ensure that these areas are compatible with the broad locations identified in England in RSS or in any draft revisions of RSS before the Secretary of State”.
19. Stage a. above is to be undertaken after the closing date for proposals, once the proposals are all in the public domain and regional Planning Bodies are able, if they wish, to make decisions as to their respective merits. Stage b. will be undertaken at the beginning of the Panel's reporting phase. The National Assembly for Wales and Scottish Executive will be consulted at this time also.

#### *Sifting*

20. The examination of proposals will begin with their consideration with a view to their sifting and thinning down to manageable numbers for further examination, having regard to the set criteria and Government policy generally. During this process of consideration and sifting, additional information may be sought from the makers of proposals and others as needed, and consultancy may be sought as needed. Such additional information and advice will, like the proposals themselves, be in the public domain. The output of this activity will be a short-list for further examination, having regard to the set criteria and Government policy generally.
21. Before final decisions are made on the selection of proposals for further examination, consultation will be made with Regional Planning Bodies, Regional Development Agencies and comparable bodies in Wales and Scotland, and representations for further consideration will be invited.

22. A brief statement will be made and published on the Panel's website, giving the reasons why each of the submitted proposals has been or not been selected for further examination.

### *Further examination*

23. In addition to the seeking of further information in writing, the Panel will test the strength of selected competing proposals. This may be done either through the medium of public "round table" conferences based on the method of examination-in-public (EiP) or through the examination and consideration of written representations and other material. EiPs are likely to take place from the end of August to the end of September and will be limited to proposals for the regional casino. Proposals for large and small casinos will be examined on the basis of written evidence.
24. A progress report will be made at the conclusion of this phase setting out what has been done. It will not speak as to the merits of any proposals.

### ***Phase 4— Decision and Reporting***

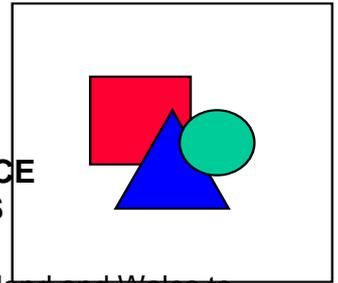
25. This phase will begin with a further consultation with Regional Planning Bodies, the National Assembly for Wales and the Scottish Executive.
26. The Panel will then go on to decide on its reasoned conclusions and recommendations, and write its report. The Panel's duty is to present its report by the end of December 2006.

### ***Milestones***

27. The milestones by which progress may be noted are:
- report of Phase 1, scoping, (mid February 2006)
  - invitation of proposals (end January 2006)
  - receipt of proposals (March 31st 2006)
  - notification of selections for further examination, arrangements for EiPs etc. (from May 2006)
  - holding of EiPs (end August to end of September 2006)
  - final report (early or mid December 2006).

These milestones are illustrated in an indicative timetable at Annex A

## **CASINO ADVISORY PANEL PUBLISHES GUIDANCE AND INVITES PROPOSALS FOR NEW CASINOS**



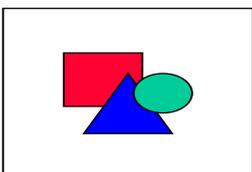
The Casino Advisory Panel today invited local authorities in Scotland, England and Wales to let the Panel know formally if they wish to have a new casino in their area. The Panel has published detailed guidance setting out the background to this call for proposals, the process by which they intend to evaluate them, and the specific information that they wish to know about. The Panel has asked that all proposals should reach them by 31<sup>st</sup> March 2006.

Chairman of the Panel, Professor Stephen Crow, said today,

“We know that there has been a great deal of speculation about where the 17 new regional, large and small casinos are to be located. We have already done some background research on the subject, but until we see all the evidence, we are keeping entirely open minds and have no preconceived ideas where the casinos should go. That is why today we have formally invited local authorities who want a casino to provide us with evidence about their areas.

“We have published detailed guidance setting out the criteria we are using and the information we will require in order to assist our decision making. We hope this guidance will enable local authorities to provide material for us that is both concise and relevant. We hope also that it will ensure that we get comparable information for all areas.

“I cannot emphasize too much that it is evidence we are looking for, not marketing. That is why we have been very specific about the information we need. It is also very important that proposals are sent to us by the closing date of 31<sup>st</sup> March so that we can allow time for a fair and thorough examination of that evidence.



“When we get the proposals before us, they will all be considered very carefully to see how the evidence provided measures up to the criteria laid down for us by the Secretary of State and other Government policy. If we find we need additional information, we shall ask for it. Selected proposals will then go forward for further examination. In this further examination, representations from individuals and interested organisations will be sought before we decide what we are to recommend. The evidence for and against a number of selected alternative locations for the one Regional Casino will also be tested through the medium of examination in public. Throughout this process we expect fairness and rigour to be our watchwords”.

The guidance has been mailed out to all local authorities and can also be found on the Panel's website <http://www.culture.gov.uk/CAP>

ENDS

**Notes to Editors:**

1. The Gambling Act recently passed by Parliament will allow three new types of casinos to operate in Britain. One “regional casino” will be permitted, along with eight large and eight small casinos.
2. It is expected that the regional casino will have a minimum total customer area of 5,000 m<sup>2</sup>, and be permitted up to 1,250 Category A unlimited jackpot gaming machines. Large casinos will have a minimum total customer area of 1,500 m<sup>2</sup>, and be permitted up to 150 Category B gaming machines, with a maximum jackpot of £4,000. Small casinos will have a minimum total customer area of 750m<sup>2</sup>, and be permitted up to 80 Category B gaming machines, with 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.
3. 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);

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.
4. The Panel has been asked to provide its recommendations to the Secretary of State by the end of 2006.
  5. Examinations in Public are a form of round-table conference that is more commonly used in the testing of Regional Spatial Strategy and formerly County Structure Plans. They bring together invited parties, for and against, in an informal setting where, led by the chair, they can discuss the main issues raised by a proposal. Examinations are held in public, but they are not public meetings.
  6. Professor Crow will **not** be available for interview. This is to prevent any undue bias or misinterpretation on the specific guidance and criteria that has been published.
  7. The main contact for anything contained within this press notice will be: Jane Bransby, Secretary to the Casino Advisory Panel, tel. 020 7211 6453 or email [jane.bransby@culture.gsi.gov.uk](mailto:jane.bransby@culture.gsi.gov.uk)