

Proposals to the Casino Advisory Panel



The submission of Canterbury City Council – 31 March 2006

1 Introduction

Canterbury City Council welcomes the opportunity to submit proposals to the Casino Advisory Panel.

The potential for a casino development represents a new opportunity for the district, which we seek to explore further, notably in view of the possible regeneration benefits, as recently stressed by the Government.

We consider a casino development as theoretically beneficial to the district on three levels:

- Direct regeneration benefits through new private sector investment, job creation and retention and attraction of additional leisure spend plus multiplier economic impact;
- Keeping our regeneration options open – on a lateral level, wider economic impacts could be accrued from casino operators who are often part of a leisure group, which develops prestige hotels, restaurants, conference facilities for example. This could generate opportunities to meet wider economic development and regeneration objectives;
- Promoting the area by giving positive signals to investors – the district has a strong product and welcomes new investment opportunities.

We wish to draw the Panel's attention to the key points below, which set out why Canterbury district has the potential to deliver a casino development:

- The strong 'Canterbury' brand and significant catchment and spend potential secured through the district's thriving visitor and retail market;
- A largely undeveloped and untested leisure and entertainment market;
- Areas in need of physical and economic regeneration with edge-of-town or inner city centre sites potentially available including those within a popular seaside resort;
- Clear demand and serious interest from casino investors and operators with a history of developing casinos;
- Consideration of the adverse social impacts of problem gambling and how the local authority would work closely with a casino operator to tackle and mitigate these issues.
- An officially 'excellent' (and also Local Government Chronicle short-listed 'Council of the Year') and supportive local authority that excels in many roles of local government and with a track record of delivering projects, including economic development in partnership;

Whilst recognising the possible regeneration benefits arising from a casino development and the area's 'material' suitability in accommodating this, the council also appreciates the sensitivity attached to the issue of 'gambling' felt by communities. The district has no historical attachment to or experience of

gambling and gaming at the scale of casinos envisaged by the Government. We consequently would wish to consult more fully with local residents and businesses, and elaborate further on this point in the 'Willingness to License' section of the submission.

The council appreciates that it cannot provide precise information on all the points raised by the Panel at this stage but it would welcome any further examination of the merits of its proposals.

We would like to emphasise that the council does not wish the district to be considered for a 'regional' casino. The enclosed information therefore will seek to demonstrate that the District has the basis for one 'large' or one 'small' casino development.

2 Type of area

A profile of Canterbury district

Located at the heart of East Kent and the gateway to Europe, Canterbury district is simply one of the best locations for living, working and visiting in the south east of England.

In terms of population, Canterbury district is one of the largest local authority areas in Kent. The district has a population of 135,300 people (Source: 2001 Census, ONS). Between 1991 and 2001 the district's population increased by 9.1% - twice the rate of both the county and England level. In Kent this rate was second only to the designated 'Growth Area' of Ashford (11.2%). By 2006 it was estimated that the population of the district had grown to 141,600 (Source: Mid-2004 Population Estimates, ONS).

The district has three large urban areas, which include Canterbury City (population 45,055), Herne Bay (population 34,747) and Whitstable (population 30,195) (Source: 2001 Census, ONS).

According to 2001 Census figures, 3.39% of the total resident population of the district were from ethnic minority communities (non-white) – the highest level in much of Kent aside from the North Kent boroughs of Gravesham and Dartford, which are more closely located to the London conurbation.

In relation to its local economy, Canterbury district retains approximately 4,761 businesses, up to 60,000 full and part time employees and worth £1.3 billion in 2001 (Sources: DTI, Experian Business Strategies Ltd). This makes the district the second largest economy in Kent.

The district benefits from significant economic projects such as the Canterbury Enterprise Hub, Lakesview International Business Park and the Whitefriars retail development plus a new Business Innovation Centre will be developed by 2007.

The district's education sector has grown significantly. It boasts four major educational establishments with 35,000 students including two highly regarded Universities, the Kent Institute of Art and Design - the second biggest institution of its kind in Europe, and Canterbury College, which has just benefited from a £35 million redevelopment.

In relation to the area's educational attainment, 52.8% of 15 year olds achieved five or more GCSEs Grades A*-C in 2002/03, in comparison with 46.5% for Great Britain (Source: Kent County Council, 2005). 22.9% of Canterbury district's resident population aged 16-60 have poor literacy skills (2001) and 21.9% have poor numeracy skills. This compares favourably to the UK average of 24.4% of poor literacy skills and 24.7% for poor numeracy skills (Source: Basic Skills Agency, 2002).

Canterbury district has been a notable recent performer in the retail, industrial and office property markets. Canterbury City for instance is a premier retail and cultural centre in the south east of England.

The district has an improving transport infrastructure, which is set to benefit from a new Channel Tunnel Rail Link (CTRL) to provide high-speed services to and from London by 2009.

Canterbury City Council is committed to economic and physical regeneration including allocation of urban mixed-use regeneration zones with potential for leisure development in Canterbury and Herne Bay.

Tourism in Canterbury district

Canterbury district is also a well-established and popular domestic and overseas visitor destination. A recent South East England Tourist Board (SEETB) survey found that the three most best known 'brands' in South East of England were: - 1066 Country, Garden of England and Canterbury.

For the visitor, the District has a diverse range of accommodation, activities and facilities. It boasts a world heritage site in Canterbury - one of the ten most visited places in England, two coastal towns of Herne Bay and Whitstable, countless villages each with their own individual character and rural areas of European significance.

Tourism is currently worth £258 million to the Canterbury economy (Source: Cambridge Economic Impact Model 2004) and has been a cornerstone of the local economy for a number of years. The district attracts over 6.3 million visitors per annum of which nearly 50% are from overseas. The core markets in addition to the UK are currently France, Belgium, The Netherlands and Germany although there is significant growth in a number of other markets including the USA and Central Europe. Over two million of these visitors are day-trippers with Canterbury Cathedral generating over one million visitors alone.

Hotel capacity is below average in comparison to other historic cities in the UK and continental Europe, particularly at the top end of the market. However, Canterbury currently only has a single four-star hotel, which in turn has a limiting effect on the ability to generate more overnight stays.

Trends over the last five to ten years have been fairly static and in real terms Canterbury's market share has fallen when compared against the growing number of European short break destinations. The provision of new quality hotel accommodation is one of a number of key factors that is crucial to growing our market share.

Canterbury's vision for tourism is based around the development of the city as a European cultural heritage short break destination. Quality is a common thread throughout this vision, from four star accommodation through to high quality visitor attractions or regionally renown restaurants. This includes the re-development of the Marlowe Theatre into a regional centre of excellence for the performing arts, the development of a further 200 four star hotel rooms within the city and the forging of new marketing partnerships between the public and private sector.

The district's need for regeneration and renewal

Despite its economic strengths, assets and an external perception of the area as being affluent, the district does have clear contrasts between wealth and poverty, economic prosperity and economic underperformance. The key issues that affect the district can be summarised as:

- An economy largely based on retail, education and tourism;
- An ever-changing pattern of tourism, with generally poor infrastructure;

- An inadequate rail service, and variable quality road links;
- A lack of investment in new and knowledge-based industries. Canterbury district has Selective Finance for Investment in England Tier 3 (SFIE) status;
- Low wage rates, and some long-term unemployment;
- Specific urban areas in need of renewal and revitalisation;
- An area that experiences some severe economic and social deprivation and disadvantage. Three areas of the district have Priority Area for Economic Regeneration (PAER) in South East England status – Herne Bay, Whitstable and Hersden;
- A need to meet the challenges to the improving retail positions of our towns/city from competing retail locations in Kent.

The district's strategy for regeneration

In the main there are three plans and strategies that reflect the various regeneration opportunities in the District:

Local Plan/emerging Local Development Framework – The Draft Canterbury District Local Plan sets the planning framework that underpins future physical regeneration in our district. A number of Canterbury based designated regeneration zones and sites suitable for leisure development together with the Herne Bay Town Centre Regeneration Zone have been allocated for mixed-use development including leisure and could potentially accommodate a 'large' or 'small' casino development.

Canterbury District Economic Strategy (2003-2008) – Under the theme of 'Investing in Quality of Life' (D.4), this objective seeks to improve the vitality of town centres by encouraging the mixed-use development of the area's regeneration zones.

Canterbury District Tourism Strategy – Policy T1 seeks to encourage urban renaissance initiatives with an impact on the tourist environment, which includes working with partners to stimulate a lively evening economy in the city and town centre. Policy S6 seeks to develop a comprehensive development programme for new tourism accommodation.

3 Need for regeneration

The previous section highlights various issues and concerns regarding the district's economy and of disadvantage in our local community. This section will discuss in more detail the need for regeneration in Canterbury district, drawing the Panel's attention to specific economic intelligence measured through unemployment and other social and economic deprivation data.

It also identifies both the role a casino development could potentially play in local supporting regeneration projects and programmes and the areas best placed to benefit from this process.

Social and economic deprivation

As highlighted in the previous section, the district also experiences to a localised extent, some severe social and economic deprivation.

As a whole, Canterbury district ranks within the top 50% of LADs that experience the lowest levels of multiple deprivation in England (ranked 190 out of 354 LADs) and fifth lowest in Kent (out of 12)

(Source: The Indices of Multiple Deprivation (IMD) 2004, Office of the Deputy Prime Minister (ODPM).

Despite this it has the third highest levels of income and employment deprivation of any district in Kent (behind only Thanet and Swale). The ID 2004 estimates that there were 15,345 and 6,396 income and employment deprived residents in the District respectively. Canterbury district was ranked 129th most income-deprived and 147th most employment-deprived district in the country (out of 354 LADs). This demonstrates that a degree of severe employment and income deprivation exists in the District.

Income deprivation captures the proportion of people experiencing income deprivation in the District and includes indicators in which households claim income related benefits. Employment related deprivation is conceptualised by the ID 2004 as an involuntary exclusion of working age residents from the world of work. This deprivation domain combines not simply unemployment but also longer-term unemployment, New Deal Participation and economic inactivity.

In order to establish where in the District this deprivation is most acute, the ID 2004 uses a sub ward geography called Super Output Area (SOA) level to measure small area deprivation. Ordinarily there are three to five SOAs per ward depending upon population density with Canterbury district for instance, comprising 90 super output areas.

- Twenty-six of Canterbury district's SOAs are positioned within the quartile (25%) of SOAs that experience the highest levels of income deprivation in Kent;
- Fourteen Canterbury SOAs lie within the quartile of SOAs that experience the highest levels of income deprivation in England;
- In relation to employment deprivation, 27 of Canterbury's SOAs lie within the quartile of SOAs that experience the highest levels of employment deprivation in Kent;
- Also eight local SOAs lie within the quartile of SOAs that experience the highest levels of employment deprivation in England.

Table 1 below presents the multiple deprivation levels, employment and income deprivation levels, relative rankings and ward location of the nine most deprived SOAs in the District. These nine areas are positioned within the quartile (25%) of SOAs experiencing the highest levels of multiple deprivation in England with five located within the top 20% SOAs.

According to the data, income deprivation has a greater presence in the District than employment based deprivation – all nine SOAs are located within the top 20% of most income deprived SOAs in England. In addition, two local SOAs, in Gorrell and Seasalter wards, rank within the 10% most income deprived SOAs in England.

Table 1: Canterbury District Super Output Areas (SOAs) - Income and Employment Deprivation

	IMD			Income domain			Employment domain		
Ward in which SOA located	IMD Score	Rank in England	Rank in Kent	Income Score	Rank in England	Rank in Kent	Employ Score	Rank in England	Rank in Kent
Gorrell	35.54	6036	50	0.32	2967	29	0.18	4924	50
Seasalter	35.29	6131	56	0.28	4233	51	0.16	6440	77
Wincheap	34.78	6305	59	0.32	3108	30	0.16	5900	64
Westgate	34.45	6418	61	0.27	4728	56	0.15	6787	84
Heron	34.30	6468	62	0.24	5648	79	0.19	4367	42
Northgate	32.91	7003	73	0.30	3501	33	0.14	8144	113
Barton	31.96	7341	77	0.25	5567	77	0.13	9251	147
Greenhill & Eddington	31.86	7379	78	0.30	3655	36	0.14	7468	98
Heron	30.35	8000	98	0.23	6223	99	0.16	5755	60

Source: Office of the Deputy Prime Minister, 2004

Notes: Rank in England out of 32482 SOAs. Rank in Kent out of 883 SOAs.

Ranked within most 10% deprived SOAs in England	
Ranked within most deprived 20% SOAs in England	
Ranked within most deprived 25% SOAs in England	

In the nine most deprived SOAs above, four are located in Canterbury City, three are located in the seaside town of Herne Bay and two in Whitstable.

Conversely, at the other end of the scale but not shown in Table 1, the District also has 11 SOAs in the 20% of least deprived areas of England. In fact one SOA located in the ward of Blean Forest, is actually ranked as the 41st least income deprived and 8th least employment deprived SOA in England (and lowest in Kent) out of 32,482 SOAs in the entire country. This clearly demonstrates a differential between affluence and poverty in the District.

Added to the above problems, claimant unemployment in Canterbury district is presently 2% with this level slightly higher in Whitstable and Herne Bay (Source: Office of National Statistics, March 2006). Although this figure has risen very slightly in recent months, it still remains lower than the Kent average, which stands at 2.3%.

Also recent research conducted for the South East England Development Agency (SEEDA), which accompanies its Regional Economic Strategy (RES) Consultation Document highlights how Canterbury district lies among those areas of the region with the lowest employment rates and highest rates of economic inactivity in the region (though in Canterbury's case this is to some extent affected by a disproportionately high level of full time students in post-compulsory education) (Source: Review of Regional Strategy 2006-2016, The Evidence Base, Interim Paper, SEEDA 2005).

The regeneration of Herne Bay

The above data to some extent has underpinned the council's plans to regenerate the seaside resort of Herne Bay. The ward of Heron, which appears twice in the table above, largely constitutes the town centre and seafront area of Herne Bay.

Dating back to Victorian times, this coastal town is overcoming a difficult economic period caused by the gradual decline of the mass day tourism market and a more diverse and competitive tourism marketplace. After seafront rejuvenation and renewal in the early to mid 1990's, it is now set to undergo a town centre regeneration programme that will seek to help it reinvent itself.

Herne Bay suffers many of the problems and perceptions that other coastal towns face across the country. It experiences a poor image locally, regionally and nationally and is often maligned as dull and characterless but the reality is less pronounced.

However, there are higher than average levels of deprivation, notably income and employment related disadvantage (as displayed in the table above) and few diverse employment opportunities in the town centre, in common with other coastal areas. It also suffers from under-investment in urban landscaping, rundown and empty residential properties, busy roads and a poor pedestrian and civic infrastructure.

At the same time there is a need to meet the commercial challenge for Herne Bay from the new Westwood Cross retail development in the district of Thanet and generally improved retail offerings in northeast Kent.

In order to address these issues, the council is seeking to develop a clear vision for the town centre guided by effective urban design principles. This sets out to provide more and improved economic opportunities for its residents, an improved urban landscape, an enhanced image and identity, housing renewal as well as exploring opportunities for key town centre sites, growing the town's tourism potential, improvement of Herne Bay's image and re-establishment of the town as a key destination all year round and providing more recreational and leisure facilities. This will require reinvestment in key local landmarks and visitor attractions such as the town's famous pier.

The council is presently consulting with the local community and other stakeholders to provide the basis for an Urban Design Framework and is conducting workshops, conferences, debates and seminars on this issue. This will provide an insight as to any new service and amenity provision required in the town and seafront area, together with the views on the future of the pier.

The council has also invited SEEDA to assist our efforts (in terms of support and funding) in regenerating the town and to restore the town to its rightful place among the best and most attractive seaside resorts and visitor destinations in the southeast.

As part of this process, there is potential for diverse leisure and entertainment uses to play a role in this mixed-use regeneration. At a recent consultation with residents of Herne Bay for instance, some delegates expressed the need to enhance the night-time economy of the seafront area amongst many other views and comments. It must be noted though that the actual idea of a casino was not discussed at this first consultation event in January 2006.

In broad terms the option of a casino development opportunity for Herne Bay has some merit.

The town's seafront and pier remain enormously popular with day visitors but the area has very limited evening/night time attractions. By adding a component that will ensure that people come to the area

throughout the day could enhance the leisure product of Herne Bay, thereby helping the town evolve into a more integrated leisure and entertainment destination.

Also, in the summer months, Herne Bay is rapidly becoming a top venue for water-sports and has a well-established carnival as part of its wide appeal. Enhancements to evening/night time economy provision could contribute to tackling the largely seasonal trading pattern in the town, as commonly associated with seaside resorts.

In this respect a casino development could be considered as a potential element of the regeneration scheme in conjunction with and complementing a range of other provision such as restaurants, bars and cafes for example.

Overall this might attract more international as well as national visitors to the area, thereby leading to a more equitable distribution of the economic benefits of tourism to the district.

Though the council views the potential for a casino development as just of a number of potential regeneration opportunities for the town, this would need to be discussed with local people, together with other options.

From the perspective of the Panel, as demonstrated in a latter section, prospective investors have sought out new casino development opportunities in Herne Bay. Also, the location of Herne Bay would also fit with the Government's specific reference to the regeneration of seaside resorts in its Statement of National Policy.

Canterbury City's regeneration zones

In addition to Herne Bay, key areas of the City of Canterbury are set to undergo physical regeneration. The Draft Canterbury District Local Plan allocates four 'Regeneration Zones'.

These areas in need of revitalisation currently appear aesthetically jaded and are economically underperforming but occupy prime strategic positions in the City. They provide enormous potential for innovative and creative design incorporating residential, leisure and commercial developments thereby improving the physical appearance and stimulating an urban renaissance in key areas of Canterbury.

In relation to leisure development potential, three inner city-centre zones in particular could be well placed to deliver a casino development:

Canterbury East/St George's

This regeneration zone covers an area along the outskirts of the southern side of Canterbury opposite the historic City Walls and forming the backdrop to the redevelopment of the Whitefriars area and as far as Canterbury East Station. The railway station forms an important entrance to the City and links directly to the City's main historic attractions.

Proposals appropriate to this area would include offices, retail, leisure, hotels, cultural facilities, education and housing and would need to enhance access to the City.

Wincheap

This area is an important entrance to the City and covers Wincheap itself and adjoining properties, a large trading estate, the former BT headquarters and is close to the important natural habitats adjoining

the Great Stour. There is a need to reduce traffic levels in Wincheap and promote the improvement of Wincheap itself through the development of the existing estate and support for its retail sector.

The Wincheap Estate provides a significant opportunity for a mixed-use redevelopment promoting the improvement of Wincheap itself and its significance as a gateway to the City from the A28. Uses could include retail, housing, transport infrastructure, improved pedestrianised access to the City Centre, business, leisure and hotel.

Kingsmead

Located to the east of the city centre, the council approved a development brief for the Kingsmead Regeneration Zone in 2004. The first phase of the project has released approximately 4.5 hectares of brownfield land for residential development. The second phase is allocated for mixed use, which includes, hotel, commercial leisure, residential and possibly offices. A casino is regarded as being compatible with commercial leisure and hotel uses. The council expects to invite expressions of interest in this phase from commercial developers later in 2006 with a view to securing a preferred developer by early 2007.

Other approaches to development

Together with Herne Bay Town Centre/Seafront and the City's Regeneration Zones, the council is committed to attract a premium grade hotel development to the area. There may be an opportunity here to accommodate a casino development as part of a hotel and leisure, conference facilities complex. A recent report prepared for Locate in Kent, earmarks a number of locations as having potential for hotel development across East Kent including locations in Canterbury district.

Added to this, the Draft Canterbury District Local Plan Policy TC2a identifies a range of sites in the district's urban areas where leisure development might be considered appropriate.

Finally, a recent report focusing on cultural regeneration in Canterbury, recommends three categories of capital development for the City. These are Cultural Infrastructure, Mixed Use Property Developments and Public Realm Projects. A key recommendation suggests that a bundle of measures relating to retail, the evening economy and accommodation are needed. The report feels that the council could use its planning and licensing powers to shape and direct these key activities, and by sending a clear signal to the private sector, it can offer positive leadership that treats developers and investors as valued partners in the development process (Source: 'Canterbury: City of Imagination, The Case for a Cultural Quarter', Yellow Book 2005).

Economic benefits of casino development

Overall, the council would clearly not expect a casino development to alleviate all the economic and social difficulties earlier in this section.

However, it is possible to speculate where new, direct and indirect economic value is most likely to be generated as a result of a development of this type. In direct job terms, the facility would create an unspecified number of new employment opportunities. It also therefore may be possible to source labour from the local area.

The council would ask a future casino operator/investor to provide more details of this as part of any future proposal business plan supporting any development proposals.

In terms of wider economic impact, the multiplier effect of additional activity could occur through economic benefits arising from the growth in tourism, job creation and increase in tax revenues. However, wider multiplier economic impacts cannot be measured without data on casino operations expenditure including payments to employees (who would then in turn spend some of their wages in the district), purchases from other businesses, and payments to government (in the form of taxes and fees).

In more general terms a casino facility could attract new spend from visitors possibly even from attracting more tourists thereby drawing additional custom to surrounding shops and restaurants for example. It would provide a wider range of entertainment options for residents and visitors as well as retaining the expenditure of people that might travel elsewhere to visit casinos.

4 Social impact

Impact on existing gambling and gaming provision

In the main, we have been unable to assess the impact of existing gambling on the area. As far as we are aware, there are no problem gambling support or advice groups within the district. This is perhaps due to the district's relatively low base of gambling provision while other factors such as the increased use of web-based gambling facilities nationally means that social impacts cannot be effectively monitored.

The need to mitigate adverse social impact

The council strongly agrees that a proper examination of the social impact of any future casino development proposals would be required, particularly in terms of issues such the prevention of under-age entry to casinos and gaming areas, forestalling increases in problem gambling and maintaining the general absence of criminality from casinos.

Theoretically, if the council were to receive any future proposals for a casino development, it would importantly seek to ensure that measures were in place to protect the most vulnerable. At the same time, in order to obtain an operating licence, a casino operator would have to demonstrate what the social impact might be anyway.

The role of the council

With a dedicated community development service, the Canterbury City Council has a strong history of working closely with local socially excluded communities, identifying the full range of issues that affect them. In five years of this work, it would appear that problem gambling is not an issue that is particularly faced by these communities. It is recognised that problem gambling may be a hidden issue – however, communities have reported other 'hidden' issues, including domestic violence and drug/alcohol abuse. In the light of this, the negative social impact of a well-managed small casino is likely to be negligible.

The council also has an excellent track record in partnership working with the statutory, voluntary, community and private sectors – playing a key role in partnerships covering many topics, finding positive solutions to social issues. We can make use of these strong links to plan in advance how to manage the impact of a new casino and to provide appropriate support structures for those who need them.

In respect of consultation and community engagement, community-visioning exercises could be conducted with communities affected by the proposed casino. This would allow the communities themselves to lead on designing and implementing the consultation exercise, and to lead the action planning in response to the results. In this way, adults could also be encouraged to exercise personal responsibility on these issues. This process could also test for changes in social impacts if a new casino were to be licensed.

Existing consultation mechanisms could be used to measure the impact on young people, such as Say What? - the council's young consultants' scheme. Among the issues that could be considered would concern changing perceptions of gambling as a result of the casino and concerns about parents' gambling.

Destination and ambient gambling

Discussions with the casino operator would also take place in order to connect the proposals with the distinction between 'destination' gambling and 'ambient' gambling. In light of the characteristics of 'ambient' or casual gambling, which are more visually prominent in terms of advertising its presence to individuals, any proposals should instead allow for 'destination' gambling - in other words where people have to make a positive decision to go into a location where gambling takes place.

This debate has taken place at Parliamentary level where the Government highlights the above distinction as an important part of its strategy for restricting problem gambling levels. In their view, there is less likely to be an increase in problem gambling with 'destination' gambling than from 'casual' gambling.

One Parliamentary report suggests that, "in view of the nature of gambling, when you participate in any type of activity it is vital that this should be a conscious decision. This also enables those who have recognised that they have a gambling problem to avoid the temptation to gamble" (Source: Joint Committee on the Draft Gambling Bill, - First Report, 2003-04).

Employment and training programmes

Finally, in terms of creating new employment locally, proposals could be encouraged to seek to address some of the issues associated with local income and employment deprivation as well as long-term unemployment and economic inactivity. The council could work with the casino operators and Job Centre Plus in offering new opportunities for local socially excluded and unskilled workers. It has successfully facilitated similar projects on Lakesview International Business Park (helping local people into new jobs in a deprived former coalfield area) and Canterbury's Whitefriars retail development.

The district also has an excellent range of provision for skills and training available from a number of further and higher education institutions. These would provide local people with the opportunity to maximise the employment and economic opportunities presented to them.

5 Probability of implementation

The feasibility of our proposals principally rests on the point that the district has excellent potential to deliver a commercially viable casino, through its large catchment area and customer base together with sites ripe for development in attractive and sustainable locations.

Market demand analysis

Though no survey of actual demand for a casino facility has been undertaken to date, it must be emphasised that the district has a large population complemented by a high volume of visitors and tourists, from which to create a prominent customer base.

For example, Canterbury City's retail catchment area covers East and North Kent and parts of East Sussex, reaching a population of 315,000 people, with an average household disposable income well above the national average. This includes core, primary, secondary and tertiary catchment areas (Source: 'Kent Household Survey', Colliers 2000). Since this analysis, its population catchment has undoubtedly increased in view of new housing developments in both Canterbury City and other parts of east and north Kent.

An estimated 68,772 people live within a 15-minute drivetime of Canterbury City. 62% of this group include 'wealthy executives', 'educated urbanites', 'wealthy executives', 'flourishing families', 'prosperous professionals', 'aspiring singles' and 'secure families'. This 15-minute drive time area comprises villages south, east and west of the city but does not stretch as far as north as Whitstable and Herne Bay (Source: 'Acorn Consumer Classification – Canterbury City', CACI 2005).

The City of Canterbury has one of the most buoyant, vibrant and lively day-time and evening economies in Kent. It boasts very favourable conditions for retailers with its low retail property yields and vacancy rates (both lowest in Kent) combined with competitive rents, high levels of pedestrian footfall and a diverse retail product offering a mix of the top high street multiples and independent and specialist shops. This has been enhanced by new £120 million Whitefriars retail development, completed in 2005.

The city retains over 92,000sq metres of city centre retail and service sector floorspace including an enhanced 21,000 sq metres of evening economy floorspace.

The respected Business Strategies/Churston Heard Prospects Index (identifying future sales and rental growth potential) ranks Canterbury City within the top 10% of town/shopping centres across the UK.

The district's second largest town – the seaside resort of Herne Bay, comprises 31,712 sq ms of retail and service floorspace, including 12,233 sq ms of evening economy floorspace, which is distributed throughout the town. Its bustling town centre contains high street names alongside with many independent shops.

New housing is being developed to accommodate the growth of the town and there are also new development opportunities for commercial investors at sites on its outskirts, as well as 8 business parks and industrial areas in close proximity.

An estimated 57,562 people live within a 15-minute drivetime of Herne Bay. 83.3% of this group include 'wealthy executives', 'affluent greys', 'wealthy executives', 'flourishing families', 'aspiring singles' and 'secure families' and 'settled suburbia' (Source: 'Acorn Consumer Classification – Canterbury City', CACI 2005). The relatively high proportion of 'affluent greys' in this analysis reflects the large subset of older people that live in Herne Bay. For example, 30% of the district's retired population lives in the town's urban area (Source: 2001 Census, ONS).

Complementing the district's large population and customer base, some research and analysis has been carried out assessing the Kent's potential for new casino based investment. In a report for the county's inward investment agency - Locate in Kent, the Business Analysis consultants 'Oxford Intelligence' identify casinos and gaming as a target sector for inward investment into Kent. In their analysis of the county's potential to attract casino investors they say:

"This is a very clear opportunity and something that Kent cannot afford to ignore. Kent is already established as one of the UK's leading tourist destinations and, if market forecasts are to be believed, these modern casino complexes will be a must-have leisure attraction for key cities and holiday resorts".

Of several potential opportunities for Kent to consider, Oxford Intelligence identify that smaller casino and gaming facilities could present new opportunities for Kent's traditional seaside resorts (Source: 'Sector Targetting Study for Inward Investment', Oxford Intelligence 2004).

In view of the potential to consider a casino development as part of a wider hotel and leisure complex, some market analysis has been undertaken of the East Kent hotel market. In a recent report Canterbury's leisure market is considered the strongest and most stable in East Kent due to its heritage offerings, and it attracts a high proportion of overseas visitors from Europe and the USA. The report also suggests that a hotel operator has the opportunity to stimulate leisure demand to the hotel by offering packages around a number of different themes – heritage, cultural and coastal (Source: 'Market Review for a Hotel in East Kent', KPMG 2005).

In addition to the above, it is possible for the council to undertake more research into resident and tourist demand in order to complement the above information.

Identifying suitable locations for casino development

In planning terms, any proposals for a casino will need to be consistent with the policies set out in development plans, where these are appropriate – that is; the Draft South East Plan, the draft Kent & Medway Structure Plan and the Local Plan and other related supplementary policy.

Local Plan policy relevant to the consideration of leisure and commercial development is set out in the 'Regional and Local Context' section, and provides a good framework for the consideration of future proposals for a Casino.

The identification, by the council, of a specific site could either be achieved through the preparation of a Development Briefs or Supplementary Planning Documents for the Regeneration Zones, or through the Local Development Framework process (An Area Action Plan is being prepared for Herne Bay). This would provide the appropriate level of analysis and public scrutiny in the identification of a particular site.

The existing and proposed transport infrastructure

Geographically, East Kent appears generally peripheral to the London conurbation compared with the rest of the region.

However, the access to Canterbury district has improved significantly with the development of the A299 New Thanet Way (completed 2001), enabling fast access from the Whitstable and Herne Bay corridor to the M2 motorway and London. This has had a significant impact on the housing and economic growth of the coastal area – a Priority Area for Economic Regeneration (PAER).

For Canterbury City there is commitment from Kent County Council to help improve access to the A2 Canterbury bypass by building 6 extra slip roads at all three junctions around Canterbury. This will relieve traffic pressure from the city by reducing the need for some cross-city trips. At the same time, the city is served by three park and ride sites with a fourth site set to extend parking provision.

A major enhancement to the district's accessibility will be work to integrate the new high-speed CTRL services with the existing network of southeastern rail provision. Of major benefit will be the enhanced

CTRL services from Ashford, proposed to run through Canterbury West to Ramsgate. This will significantly reduce journey times to London St Pancras from Canterbury West to less than an hour, as well as providing rapid access to the Thames Gateway via Ebbsfleet and could be available from 2009. 4 CTRL services per hour are proposed during peak periods with an hourly service off peak.

Canterbury City is a relatively small city in physical infrastructure terms but with students, employees, shoppers and tourists in situ its population inflates significantly and it becomes a hub of vibrancy and vitality. This in turn adds pressure to its transport infrastructure, particularly at peak times of the day.

Specifically in relation to the proposals, it would be reasonable to assume that a 'small' casino facility for example would generate almost exclusively non-peak time trips, thereby avoiding peak-time traffic levels in the city. Despite this assumption, any future proposals including any other sites to come forward within the district would be appraised on their merits and may be subject to a transport impact assessment if required.

For Herne Bay, its accessibility and availability of parking are key strengths and attractants to the town as recognised by its residents, businesses and the council. Despite this, in urban design terms, the transport infrastructure lacks connectivity between key features of the town. The plans for regeneration in Herne Bay seek to improve the existing highway network in order to enhance traffic and pedestrian flows between the town centre, seafront and park.

Any new commercial developments in the town would be likely to benefit from enhanced pedestrian and vehicular access and an overall improved townscape.

The impact of competition on existing casinos

It is a fair comment to say that Canterbury district does not have any recent history of gaming or casinos. At present there is a relatively low level of existing provision for gambling and betting in the district. There are 13 bookmakers, adult entertainment centres, family entertainment centres and bingo halls located in Canterbury, Whitstable and Herne Bay (Source: Canterbury District Business Directory, Business Link Kent). We therefore consider the district to have almost entirely untested potential for a casino facility.

Elsewhere the nearest actual casino facility is located in Margate (approximately 17 miles from Canterbury and 13 miles from Herne Bay). It is difficult to predict potential impacts upon casino operations in Thanet without empirical data.

However, in retail terms, Canterbury City is the dominant centre in East Kent, capturing an estimated £100 million per year in retail spend from Thanet district (Source: Thanet District Council, 2003).

Current level of investor interest

The council has received several firm enquiries from potential investors concerning casino development opportunities in the district.

'Aspinalls' operate prestige gambling clubs and casinos in the UK, France, Australia and New Zealand.

Sun International Ltd is a large and successful leisure group investing in and managing businesses in the hotels, resorts and casino industry, particularly throughout southern Africa. They are looking for suitable casino opportunities in Asia and the UK.

Council officers have initially met with both to discuss potential opportunities for casino developments in the district. The council has also has some initial contact with Crown Ltd, a large leisure group from Australia.

On a smaller scale, in 2005 the council received interest from a gaming operator seeking to open a new 'family leisure' entertainment facility in Canterbury. The company concerned already have sites in Kent, two locations in coastal Sussex and Essex. This proposal included a 'hi-tech' new generation Bingo operation incorporating gaming lounges as well as café, bar and restaurant facilities requiring a minimum of 800 – 1,200 sq metres of floorspace plus parking. This enquiry is ongoing.

A local businessman from Herne Bay has also indicated initial interest in developing a casino type development in the town.

Furthermore, there is an unimplemented change of use planning permission (granted in 2002) for a small casino on a seafront-based site in Herne Bay.

Added to interest from several casino operators, the council also receives regular enquiries from hotel developers. The district has a recognised need for more premium grade hotel accommodation and this issue remains a strategic priority for the council. One potential approach in delivering a casino development could be as part of a hotel development or complex.

The council has liaised with 12 hotel operators in the last eighteen months. Although these have principally sought hotel development only and centred on specific sites in Canterbury City, there is potential here to explore the idea of a hotel and leisure complex further.

At the same time, working closely with the local community, the council is considering its regeneration options in Herne Bay. In view of the very competitive nature of attracting and leveraging public money into seaside resort regeneration programmes, private sector investment will be essential. Whereas casino operators are often part of a wider leisure group, which also develops prestige hotels and restaurants for instance, there are obvious opportunities here, which will help the council keep its regeneration options open.

Supporting the council in attracting potential investors would be Locate in Kent (LIK) - one of the most successful inward investment agencies in the country. In addition to casino development being a recommended target inward investment sector for Kent, LIK have worked closely with the local authority in identifying demand and suitable sites for hotel development in East Kent and would assist the council in finding appropriate investors.

The likely impact on gambling spend

In view of the relatively low base of existing gaming and betting provision in the district, any future casino development proposals would be likely to increase gambling spend locally.

Local retail expenditure for instance has increased in line with greater retail provision, particularly in Canterbury City. The number of visitors to the district has also grown thereby suggesting a growing potential customer base.

The role of the council in delivery

Finally, on a more general point, Canterbury City Council has an excellent recent track record of delivering projects in partnership. It is officially an Audit Commission rated 'Excellent' council and was

recently shortlisted as Council of the Year 2005 in the Local Government Chronicle awards (the only shortlisted district council).

The council is therefore committed to delivery and implementation and will work in partnership to achieve its outcomes. It is making major positive interventions in the local economy including 2 major regeneration projects in Wincheap (Canterbury City) and Herne Bay, as well as planning future events such as the arrival of the Tour de France to the City in 2007.

We hope this gives out positive signals that Canterbury district is moving forward strongly and is an excellent location for new investment.

We also wish to emphasise to the Panel that the council is a local authority committed to economic development and regeneration. Therefore if the Panel were to consider the district a suitable location for a casino development, and our residents and businesses were supportive, we can provide suitable confidence to investors that a future project has a good basis for implementation.

6 Willingness to licence

The need to consult local people

In the past, the previous allocation of casinos in our area took place through the Gaming Board, which limited the number of casinos in East Kent to two, both located in the district of Thanet.

As the council is essentially new to the process, it is understandably taking tentative steps in exploring the idea of a casino development. It can appreciate its potential contribution to achieving local regeneration objectives but the council will not make any formal resolutions either for or against such proposals until local residents and businesses are fully consulted.

In our view, the time constraints established in the Panel's 'call for proposals' has not allowed us to undertake a meaningful public debate with our local residents. Some consultation exercises conducted by local authorities in the run up to the deadline for proposals seem quite cosmetic. The local community has to be fully behind the process so any regeneration potential can be maximised.

We seek to not simply gauge opinion on the principle of casino development but present the evidence (there are several pieces of recently published work, which appear to provide evidence for and against casino development) and consider resident views on the most suitable development sites or approaches.

Canterbury City Council was awarded its recent 'excellent' status in part, due to the way it consults with local people and businesses on issues and policies. The Panel can therefore be assured that any local consultation would be comprehensive. For example, we would employ our 'District Life' newsletter, which goes out to 60,000 local households, our local economic partnership (Canterbury 4 Business) to target the business community, local strategic partnership and work closely with the local press to ensure all views are heard.

7 Regional and local context

Regional planning policy framework

With regards to the regional spatial strategy (Draft South East Plan) we consider there to be three key policies that provide relevant context to the council's proposals:

Policy TC2 – the strategic network of town centres includes Canterbury (primary regional centre) – here casinos are specifically identified as appropriate town centre developments

Policy TSR1 (Coastal Resorts) – “to diversify the economic base of the region’s coastal resorts, while consolidating and upgrading tourism facilities in ways which promote higher value activity, reduce seasonality and support urban regeneration” (Whitstable & Herne Bay)

Policy TSR7 (Priority Areas for Tourism) - Coastal Strip.... – seeks complementary approaches to the development and management of tourism so as to upgrade facilities, promote diversity, and reduce seasonality and improve access, whilst retaining and enhancing the natural character of the area. This includes making use of the attraction of Canterbury... to encourage longer stays through linked trips to surrounding areas

Sub regional planning policy

The East Kent Sub-Regional Strategy proposes that the economic potential of Canterbury should be realised for the benefit for the sub-region as a whole and emphasises the need “to give particular priority to the regeneration of the coastal towns...”

Also Policy EKA4 (Urban Renaissance of the Coastal Towns) – proposes that, “New economic impetus will be encouraged throughout the coastal towns including the following: the smaller towns of ... Herne Bay and Whitstable should develop stronger local service functions and mixed employment uses of a scale and character suitable to their size”.

Secondly, the Draft Kent & Medway Structure Plan sees three policies relevant to the council’s proposals.

Draft Policy SS1 states that the strategic policy is to promote development and investment... in North Kent, Ashford and East Kent.

The strategic policy for Canterbury (Policy EK1) supports proposals for major cultural and tourism facilities in Canterbury, and seeks to diversify the economy at Whitstable and Herne Bay.

Policy FP10 also supports new tourist attractions at major urban areas and the coastal towns.

Local planning policy

Added to regional and sub-regional policy, the Draft Canterbury District Local Plan identifies several policies, which can be related to the council’s proposals.

The Strategic Development Objectives of the Plan include encouraging investment in Canterbury City’s Regeneration Zones to “achieve the regenerative objectives of the area” (including leisure), and to “secure investment in Herne Bay... to promote... leisure development”.

Policies TC1 and TC1a seek to encourage development within the town centres, particularly including entertainment and leisure development, which adds to the vitality and viability of the town centre.

Policy TC8 states that, within the City or town centres, the City Council will grant planning permission for development that could lead to significant evening and night-time activity, subject to the impact of anti-social behaviour.

Policies TC12 and TC13 set out support for leisure development in the Canterbury East/St George’s and Wincheap Regeneration Zones respectively.

Also, Draft Policy TC2a identifies a range of sites in the town centres and Regeneration Zones where leisure development would be considered appropriate. These include the City's Regeneration Zones (Wincheap; Canterbury East/St George's) and Herne Bay Seafront and Town Centre.

Other guidance

In addition to the above, the emerging Regional Economic Strategy (RES) for South East England identifies coastal town regeneration and renewal as an important potential contributor to SEEDA's policy for securing an urban renaissance in the region.

Also at a sub-regional economic level, the East Kent Partnership (EKP) Strategy 2005-2015, Priority (2.3) seeks to ensure that urban regeneration incorporates a clear focus for the provision of community, leisure and commercial activities that enhance the environment through quality design and imaginative use of brownfield sites.

By identifying the district as a suitable location for a casino development could in turn assist the urban regeneration of Herne Bay and Canterbury City thereby contributing to achieving regional and sub-regional regeneration and economic development priorities.

8 Community benefits

Theoretically, if the area were to be considered suitable for a casino development, and subject to public consultation, the local authority were able to welcome proposals then this has the potential to offer benefits to the community at several key levels;

- A new leisure and entertainment facility which is different to that currently provided would enhance diversity and attraction of evening economy to local community;
- It could contribute to overall regeneration objectives for the district through creation of new jobs, investment and improvement to area in need of physical renewal as well as wider economic benefits to retail and tourism sector (e.g. restaurants, bars, taxis);
- It has the potential to offer added value through other investment possibilities and opportunities from leisure operator, benefits which would accrue to the local community;
- The strength of the process in terms of community engagement. Following a public consultation, the council could draw confidence from knowledge that the local community is fully behind the process so any regeneration potential can be maximised. At the same time, there would be added capacity building in terms of developing methods of preventing and mitigating any adverse social impacts from problem gambling.