



House of Lords  
House of Commons

Joint Committee on the Draft  
Gambling Bill (Regional  
Casinos)

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# **Draft Gambling Bill (Regional Casinos)**

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*Volume I*





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## *Volume I*

*Report, together with formal minutes and  
annex*

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## **The Joint Committee on the Draft Gambling Bill (Regional Casinos)**

The Joint Committee on the Draft Gambling Bill (Regional Casinos) was appointed by the two Houses of Parliament on 21<sup>st</sup> June 2004 to consider and report on the Government's response to the Joint Committee on the draft Gambling Bill's recommendations 79, 80, 81, 83, 84 and 85, which focus upon the definition, location and economic and other implications of the largest casinos. The Committee was also instructed to consider the further statement of Government policy on casinos published with the Government's response. This followed a recommendation by the original Committee that it should be reconvened to examine this important area of policy. The Committee was instructed to report to both Houses by 22nd July 2004.

### **Membership**

Mr John Greenway MP (Conservative, Ryedale) (Chairman)

Janet Anderson (Labour, Rossendale & Darwen)

Mr Tony Banks (Labour, West Ham)

Jeff Ennis (Labour, Barnsley East & Mexborough)

Mr Alan Meale (Labour, Mansfield)

Mr Richard Page (Conservative, South West Hertfordshire)

Dr John Pugh (Liberal Democrat, Southport)

Mr Anthony D. Wright (Labour, Great Yarmouth)

The Rt Hon Lord Brooke of Sutton Mandeville (Conservative)

Lord Donoughue (Labour)

Viscount Falkland (Liberal Democrat)

Lord Faulkner of Worcester (Labour)

Baroness Golding (Labour)

Lord Mancroft (Conservative)

Lord Wade of Chorlton (Conservative)

Lord Walpole (Cross Bencher)

### **Powers**

The Committee has the power to require the submission of written evidence and documents, to examine witnesses, to meet away from Westminster, to meet at any time (except when Parliament is prorogued or dissolved), to appoint specialist advisers, and to make Reports to the two Houses.

### **Publication**

The Report and evidence of the Joint Committee are published by The Stationery Office by Order of the two Houses. All publications of the Joint Committee (including press notices) are on the Internet at [www.parliament.uk/parliamentary\\_committees/jcdgb\\_rg.cfm](http://www.parliament.uk/parliamentary_committees/jcdgb_rg.cfm)

The original report of the Joint Committee on the Draft Gambling Bill was published on Wednesday 7th April 2004 (HL Paper 63-I, HC 139-I).

### **Committee staff**

The staff of the Joint Committee were drawn from both Houses and comprised Sarah Davies (Commons Clerk until 24 June 2004), Andrew Kennon (Commons Clerk from 25 June 2004), Jake Vaughan (Lords Clerk), Abigail Plenty (Inquiry Manager), Richard Dawson (Committee Assistant), Claudia Rock (Committee Assistant), Lisette Pelletier (Secretary), Tes Stranger (Senior Office Clerk), and George Fleck (Office Support Assistant).

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# Contents

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<b>Report</b>	<i>Page</i>
<b>1 Introduction</b>	<b>3</b>
The Committee's inquiry	3
The Government's Response	3
<b>2 The Government's Response</b>	<b>4</b>
The Committee's Original Report	4
The new policy	5
<i>Casinos</i>	5
<b>3 Regional casinos</b>	<b>6</b>
Resort to Regional	6
Defining regional casinos: has the Government got it right?	7
<i>The minimum size threshold</i>	7
<i>Another cliff-edge?</i>	8
<i>How many regional/leisure destination casinos will there be?</i>	8
Getting the definition right	9
The Non-Gambling Area	10
<i>Access for children</i>	11
<b>4 Gaming Machines</b>	<b>13</b>
Category A machines	13
<i>The impact on the existing industry</i>	15
<i>The 1,250 machine limit</i>	18
Category B machines	19
<b>5 The Planning Process</b>	<b>20</b>
Determining the locations of regional/leisure destination casinos	21
<i>The need for national guidance</i>	22
<i>A Plan-led approach</i>	23
<i>Town centre locations</i>	25
D2 Use Class	27
<i>A separate Use Class</i>	27
Achieving regeneration benefits	28
The Licensing System	29
Going forward	29
<b>Conclusions and recommendations</b>	<b>30</b>
<b>Annex 1: Letter from the Rt Hon Keith Hill MP, Minister of State for Housing and Planning, Office of the Deputy Prime Minister</b>	<b>35</b>
<b>Formal minutes</b>	<b>39</b>
<b>Witnesses</b>	<b>46</b>
<b>List of written evidence</b>	<b>47</b>





# 1 Introduction

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1. The original report of the Joint Committee on the draft Gambling Bill was published in April 2004,<sup>1</sup> after an intensive ten month inquiry. The Government's response was published in June<sup>2</sup> and represents another key stage in the gambling debate. The Committee welcomes the opportunity to consider the latest policy proposals. While the Government's response covered all areas raised by our original report, our remit has been limited to the Government's response to our recommendations concerning the definition, location and economic and other implications of the largest casinos,<sup>3</sup> and the Joint ODPM - DCMS Statement on Casinos, published alongside the Government's response. Whilst we have focussed on the proposals relating to *regional* casinos, in order to consider the issues raised in the context of the wider casino industry we have also examined the impact of the policy changes the Government has made relating to the other categories of casinos.

## The Committee's inquiry

2. Our inquiry has through necessity been short. We have, however, received over 50 submissions and held four oral evidence sessions, with more than 25 witnesses. These included two Ministers – the Rt Hon Lord McIntosh of Haringey, Parliamentary Under-Secretary of State, Department for Culture, Media and Sport, and the Rt Hon Keith Hill MP, Minister for Housing and Planning, Office of the Deputy Prime Minister. We also took evidence from representatives of the domestic and international casino industry, Regional Planning Bodies, local authorities, academics from gambling and planning faculties and the Chief Executive Officer of Gamcare.

3. We are very grateful to all of those who submitted oral or written evidence, especially given the short notice they had to contribute. We are publishing in an additional volume of this Report the memoranda we received, and the transcripts of the oral evidence. The full list of memoranda and witnesses appears on pages 46 to 48.

## The Government's Response

4. The Government's response was published on 14<sup>th</sup> June 2004.<sup>4</sup> As well as responding to the recommendations the Committee had made, the response included a Joint ODPM-DCMS Statement on Casinos. In our original report we were critical of the lack of clarity on the definition and planning policy regarding the largest casinos and the lack of joint working by ODPM and DCMS. We therefore welcome the Joint ODPM-DCMS Statement and the attempt the two departments have made in working together to resolve this complex issue. Regrettably, however, we do think that a number of key issues remain unresolved. This is complicated by the fact that the policy objectives of the Department for Culture, Media and Sport and the Office of the Deputy Prime Minister in this area are

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<sup>1</sup> Joint Committee on the Draft Gambling Bill, Session 2003-04, HC 139 – I, HL Paper 63 – I, April 2004

<sup>2</sup> Department for Culture, Media and Sport (DCMS), Draft Gambling Bill, Government Response to the First Report of the Joint Committee on the Draft Gambling Bill; Session 2003-2004, Cm. 6253, June 2004

<sup>3</sup> Recommendations 79, 80, 81, 83, 84 and 85

<sup>4</sup> Department for Culture, Media and Sport (DCMS), Draft Gambling Bill, Government Response to the First Report of the Joint Committee on the Draft Gambling Bill; Session 2003-2004, Cm. 6253, June 2004

inconsistent. Lord McIntosh of Haringey articulated his Department’s policy aim as being to reduce the number of premises that can have Category A machines, to “limit the accessibility of jackpot machines”.<sup>5</sup> We support this objective and believe that the Government is right to proceed with caution. However, as is explored in our report, this objective conflicts with the objectives underlying the Office of the Deputy Prime Minister’s approach to planning and cannot be delivered through a policy designed to focus developments of the scale and significance of *regional* casinos in town centre areas and potentially in mixed use facilities. The Committee is disappointed that such a conflict remains unresolved at this late stage of the policy debate. We appreciate that the objectives underlying the planning system are valid and central to the work of the Office of the Deputy Prime Minister. However, in this case we believe that the policy aim as expressed by Lord McIntosh of Haringey is central to the Government’s determination to protect children and the vulnerable, which, as a core objective of the Gambling Commission, must take priority.

**5. While further work is needed to resolve the conflicting objectives of the Department for Culture, Media and Sport and the Office of the Deputy Prime Minister we do not believe that this should delay the introduction of the Bill to Parliament. We maintain the view expressed in our original report that the legislation is necessary and urgent and urge the Department of Culture, Media and Sport and the Office of the Deputy Prime Minister to work together to resolve the outstanding issues at the earliest opportunity.**

## 2 The Government’s Response

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### The Committee’s Original Report

6. In our original report we were critical of the fact that many issues relating to the largest casinos (previously referred to as *resort* casinos) had not been resolved by the Department for Culture, Media and Sport and the Office of the Deputy Prime Minister. These involved where the line would be drawn between *large* and *resort* casinos, how and where *resort* casinos would be located and the means through which *resort* casinos would contribute regeneration benefits to the areas where they were located. The Government has addressed these issues in its response to our report and in the Joint ODPM–DCMS Statement on Casinos.<sup>6</sup>

7. Whilst we were critical of the absence of detailed policy on *resort* casinos, we supported the Government’s proposed definition of *small* casinos. We also supported the Government’s definition of *large* casinos, with the caveats that no casino should be allowed an unlimited number of gaming machines and that *large* casinos should be required to provide leisure and cultural facilities ancillary to gambling.

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<sup>5</sup> Q 1

<sup>6</sup> Department for Culture, Media and Sport (DCMS), Draft Gambling Bill, Government Response to the First Report of the Joint Committee on the Draft Gambling Bill; Session 2003–2004, Cm. 6253, June 2004

## The new policy

8. The Government's new proposals relating to casinos have changed significantly from those put forward in the draft Bill. If implemented the casino landscape could look very different from how it would have done under the original proposals. Mr Kelly, Chairman of Gala, commented that "one thing that is very clear in our view from the proposals as they are currently constructed is that they will change fundamentally the structure of the existing casino market".<sup>7</sup> Lord McIntosh of Haringey told the Committee that the aim of the policy is to reduce the number of premises that can have Category A machines to "limit the accessibility of jackpot machines",<sup>8</sup> in order to reduce the potential for problem gambling. Our inquiry has focussed on whether the latest policy proposals will succeed in meeting this objective.

## Casinos

9. The Government has accepted our recommendation on the need for a definition of the largest casinos (previously referred to as *resort* casinos), proposing three categories of casino; *small*, *large* and *regional*. Casinos will now be defined in terms of minimum total customer areas and gaming machine entitlements, as set out in the table below.

Category	Min table gaming area	Min additional gambling area	Min non gambling area	Min total customer area	Min no of gaming tables	Category of gaming machines permitted	Machine: table ratio
Small	500m <sup>2</sup>	0	250m <sup>2</sup>	750m <sup>2</sup>	1	B,C,D	2:1 (max 80)
Large	1000m <sup>2</sup>	0	500m <sup>2</sup>	1500m <sup>2</sup>	1	B,C,D	5:1 (max 150)
Regional	1000m <sup>2</sup>	2500m <sup>2</sup>	1500m <sup>2</sup>	5000m <sup>2</sup>	40	A,B,C,D	25:1 (max 1,250)

Source: Department for Culture, Media and Sport, Cm 6253, June 2004

10. Existing casinos will be permitted to continue to operate. These existing casinos, which will not be subject to any minimum size requirements but will be subject to gaming machine restrictions, effectively form a fourth category of casino.

11. As can be seen from the table, all new casinos will have to provide a non-gambling area. This is a new feature of the definition of casinos and is discussed in more detail in paragraph 26. There is a significant change to the gaming machine entitlements for *small* and *large* casinos. Under the proposals set out in the draft Bill, *small* casinos with less than 40 gaming tables were permitted a ratio of three gaming machines for each gaming table. The previous definition of *large* casinos entitled those with more than 40 gaming tables to an unlimited number of gaming machines. Both *small* and *large* casinos were permitted Category A machines, with unlimited stakes and prizes.

12. The new proposals are considerably more restrictive. Under the new definition no existing casino or new *small* or *large* casino is permitted Category A machines. *Small* casinos can have only two gaming machines for every gaming table up to a maximum of 80

<sup>7</sup> Q 193

<sup>8</sup> Q 1

gaming machines, while *large* casinos can have five machines for every gaming table up to a maximum of 150 gaming machines.

13. *Regional* casinos are the only casinos to be allowed Category A machines. This is designed to limit their accessibility and “protect the public by preventing a sudden and substantial increase in the availability of high prize gaming machines”.<sup>9</sup> *Regional* casinos can have 25 gaming machines for every gaming table up to a maximum of 1,250 machines. Regional Planning Bodies will, through their Regional Spatial Strategies, be responsible for determining the appropriate locations for *regional* casinos. Local authorities will be responsible for issuing casino premises licences for all categories of casino, including *regional* casinos.

## 3 Regional casinos

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### Resort to Regional

14. The largest casinos were previously widely referred to (although not defined as such by the Department for Culture, Media and Sport) as *resort* casinos, but in its latest policy proposals the Government has used the term *regional* casinos. Lord McIntosh of Haringey explained why: “regional casinos’ describes who will be responsible for making them possible; in other words, for deciding which areas are suitable for them. ‘Resort’ somehow gives the impression of sun, sea and sex”.<sup>10</sup> The Union of Shop Distributive and Allied Workers welcome the change: “we are pleased that the Government has effectively rejected the term ‘resort casino’ in favour of the more realistic term of ‘regional casino’ for very large casinos”.<sup>11</sup> The change in name, while designed to accommodate large scale casino developments outside coastal resorts, has not been universally welcomed. Mr Dave Allen, Chairman of A&S Leisure, said that “there is a massive difference [between *resort* and *regional*]. Resort casinos are on the coast. Regional casinos you can implant where there are casinos already existing”.<sup>12</sup> Sir Peter Hall, Professor of Planning at the Bartlett School of Planning, University College, London, noted that “by replacing the term ‘resort casino’ by ‘regional casino’, the Government has blurred a critical distinction. A ‘resort’ casino, or ‘destination casino’, is or should be located so as to attract staying visitors who will spend more than one night, not only gambling but also enjoying a range of other entertainment”.<sup>13</sup> Whilst this may not necessarily be true of some casinos in major cities like London, we nevertheless agree with the view expressed by Sir Peter Hall that such casinos should be large leisure complexes, attracting staying visitors from a wide radius.

15. While we appreciate that the term ‘resort’ does not accommodate casinos outside coastal resorts we do not feel that the ‘regional’ label is particularly helpful in describing the fundamental nature of the very largest casinos. **As we discuss below, we expect regional casinos to be large scale entertainment complexes offering gambling alongside a wide**

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<sup>9</sup> Department for Culture, Media and Sport (DCMS), Draft Gambling Bill, Government Response to the First Report of the Joint Committee on the Draft Gambling Bill; Session 2003-2004, Cm. 6253, June 2004, page 30

<sup>10</sup> Q 3

<sup>11</sup> Ev 140

<sup>12</sup> Q 188

<sup>13</sup> Ev 11

range of non-gambling facilities. This concept is not adequately captured by the current classification. We therefore recommend that the Department considers an alternative name for this category of casino, which more accurately conveys the nature of such developments. The Committee is minded to suggest that the term *leisure destination casino* more suitably describes the Government's proposals and reflects the Committee's thinking.

## Defining regional casinos: has the Government got it right?

### *The minimum size threshold*

16. Much of the evidence we have received has focussed on the definition of *regional/leisure destination* casinos and whether the Government has got it right. There is general support for the introduction of a third class of casino. Leisure Parcs “welcome the identification of a third new category of casino, that of a ‘regional’ casino”.<sup>14</sup> This view is shared by MGM Mirage Development,<sup>15</sup> Manchester City Council,<sup>16</sup> St Helens Metropolitan Borough Council<sup>17</sup> and Kerzner International.<sup>18</sup> There is some support for the Government's proposed minimum size threshold. For example, Leisure Parcs believe that “the definition of a ‘regional’ casino on the basis of the minimum sizes stated for gambling and other public areas is appropriate”.<sup>19</sup>

17. There is concern, however, that the proposed minimum size threshold for *regional/leisure destination* casinos is too low to prevent their proliferation. NERA Economic Consulting “doubt whether the proposed criteria for the dimensions of the regional casinos will themselves be sufficient to prevent the wide scale development of such casinos”.<sup>20</sup> In their submission, Rank note that:

“According to projections made by Rank Group and others [the Government's definition of *regional/leisure destination* casinos] would result in between 30 and 50 [...] being built. Given the Government's concerns over machine proliferation, this is presumably more than the Government itself envisaged”.<sup>21</sup>

The Bingo Association also consider that “the Regional Casino limits are too low. If the Government has concerns over the proliferation of large casinos it should be pointed out that the total of 5000m<sup>2</sup> can easily be provided. Indeed this limit will actually encourage the building of such casinos in larger numbers than envisaged”.<sup>22</sup>

18. Under the Government's proposals the minimum table gaming area for *large* and *regional/leisure destination* casinos is the same. As Mr Kelly noted “relative to the sizes of other casinos, this [the definition of *regional/leisure destination* casinos] is not significantly

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<sup>14</sup> Ev 125

<sup>15</sup> Ev 68

<sup>16</sup> Ev 38

<sup>17</sup> Ev 145

<sup>18</sup> Ev 145

<sup>19</sup> Ev 125, paragraph 5

<sup>20</sup> Ev 160, paragraph 14

<sup>21</sup> Ev 126, paragraph 4.1

<sup>22</sup> Ev 164, paragraph 9

differentiated”.<sup>23</sup> We heard evidence that in order for the concept of *regional/leisure destination* casinos to succeed there needs to be “clear blue water” between *regional/leisure destination* and *large* casinos. Blackpool Council, for example, “advocate 2 categories of casino that are clearly differentiated”.<sup>24</sup>

### **Another cliff-edge?**

19. In our original report we were critical of the Government’s proposed definition of *large* casinos and the fact that this could create a “cliff-edge” whereby the gaming machine entitlements for *large* casinos, compared with *small* casinos, were so attractive to operators that they could lead to an unnecessary increase in the number of *large* casinos. We have received evidence suggesting that the Government’s new proposals give rise to another “cliff-edge” between *large* and *regional/leisure destination* casinos. *Large* casinos will be able only to offer a significantly reduced gambling product compared to that of *regional/leisure destination* casinos. They are limited to a maximum of 150 gaming machines, which can only be Category B, C or D. On the other hand the *regional/leisure destination* casino can have up to 1,250 Category A gaming machines, whilst having the same minimum table gaming area as a *large* casino.<sup>25</sup> Lady Cobham, Chairman of the British Casino Association told the Committee “I would suggest that [the definition of *regional/leisure destination* casinos] does create another cliff edge because in summary we would suggest that only significant investment would go into regional casinos because of the imbalance in the product”.<sup>26</sup> We have received evidence suggesting that the Government’s proposals, rather than limiting the number of *regional/leisure destination* casinos and therefore the availability of Category A machines, could actually encourage operators to develop *regional/leisure destination* casinos, to gain the resulting entitlement to Category A machines. Mr Allen told the Committee “there will be very few, if any, large casinos. There will be regional casinos”.<sup>27</sup>

### **How many regional/leisure destination casinos will there be?**

20. There has been speculation from a number of witnesses and in a number of written submissions about how many *regional/leisure destination* casinos there might be under the Government’s latest proposals. The Government’s objective of limiting the number of premises with Category A machines is, to a degree, dependent on there being a limited number of *regional/leisure destination* casinos. Lord McIntosh of Haringey told the Committee that the Government does not have an optimum number of casinos in mind.<sup>28</sup> While we accept that the Government may not have a specific number of *regional/leisure destination* casinos in mind, its policy objective depends on there being a limited number of *regional/leisure destination* casinos. While we understand the Government’s reluctance to specify an appropriate target number of *regional/leisure destination* casinos, its policy objective depends on limiting their number. It cannot therefore simply be left to the

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<sup>23</sup> Q 185

<sup>24</sup> Ev 28

<sup>25</sup> See Chapter 4 for an explanation of the different categories of gaming machine.

<sup>26</sup> Q 183

<sup>27</sup> Q 187

<sup>28</sup> Q 37

market, as Ministers have suggested.<sup>29</sup> The Hilton Group “believe it is important to limit the number of regional casinos as this will control the proliferation of machines, especially Category A machines [...] we recommend that an optimum number of casinos be set by the Government in order to give clarity to the market and help control proliferation”.<sup>30</sup>

21. We have received evidence suggesting that there could be a considerable number of *regional/leisure destination* casinos. Gala believe that the proposals as they currently stand could lead to there being “30 – 50 regional casinos providing 50,000 new category A machines”.<sup>31</sup> The British Casino Association note that “foreign operators are forecasting that there will be 20 to 40 regional casino developments”.<sup>32</sup> The more *regional/leisure destination* casinos there are, the more accessible they will be to more people. Mr Haslam, Head of the New Horizons Team at Blackpool Council told the Committee “50 casinos across the UK would probably put 70-80 per cent of the UK population within a 15-20 minute travel time of a casino. For me, that is proliferation”.<sup>33</sup> Professor Peter Collins, Director, Centre for the Study of Gambling, University of Salford and Chief Executive of Gamcare said that the accessibility of machines was a key factor affecting their impact on problem gambling: “convenience is the single greatest spur to increase problem gambling”.<sup>34</sup>

## Getting the definition right

22. The Committee is concerned that the proposed minimum size of *regional/leisure destination* casinos is too low, both to avoid proliferation and to encourage the development of *regional/leisure destination* casinos as large scale leisure and entertainment facilities, with the opportunity to create regeneration benefits. One way of overcoming this problem would be to increase the total minimum customer area for a *regional/leisure development* casino by increasing the minimum size of the non-gambling area. This has been suggested by numerous witnesses. MGM Mirage Development propose that:

“The proposed Minimum Non Gambling Area of 1,500 square metres be increased to 3,500 square metres and, accordingly, that the Minimum Total Customer Area of 5,000 square metres be increased to 7,000 square metres. These measures will have the desired stated policy effects of [...] further limiting the numbers of venues housing Category A machines [...] and [...] encouraging a smaller number of larger venues”.<sup>35</sup>

Ameristar believe that “consideration could be given to increasing the minimum floor requirement for non-gaming space in regional casinos to 4,000m<sup>2</sup>. This would result in a minimum overall space of 7,500m<sup>2</sup>, a reasonable size that is still low relative to the actual size of many regional-type casino operations throughout the world”.<sup>36</sup>

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<sup>29</sup> See for example, Q 18 [Lord McIntosh of Haringey] and Q 325, Q 331 and Q335 [Keith Hill MP]

<sup>30</sup> Ev 171

<sup>31</sup> Ev 55, paragraph 3.2

<sup>32</sup> Ev 52, paragraph 6.2

<sup>33</sup> Q 131

<sup>34</sup> Q 363

<sup>35</sup> Ev 68, paragraph 2.4

<sup>36</sup> Ev 77, paragraph 2.3

23. We welcome the Government's attempt at defining a third category of casino. We do not however consider that the proposed definition will entirely succeed in delivering the Government's policy objective of limiting the number of premises with Category A machines. We believe that increasing the minimum total customer area through enlarging the minimum non-gambling area is a sensible approach that will both limit the proliferation of *regional/leisure destination* casinos and ensure that those that do develop will be large scale leisure complexes providing customers with a significant non-gambling product and maintaining the opportunity for regeneration benefits. We believe that developments consisting of more than one *regional/leisure destination* casino (often referred to as casino clusters) will still be possible under this definition.

**24. We therefore recommend that the minimum total customer area for *regional/leisure destination* casinos is increased to 7,500m<sup>2</sup>. This will consist of a minimum table gaming area of 1,000m<sup>2</sup>, a minimum additional gambling area of 2,500m<sup>2</sup> and a minimum non-gambling area of 4,000m<sup>2</sup>. We would expect the non-gambling areas to include leisure and entertainment facilities, consistent with guidance set by the Gambling Commission. We believe that the minimum gambling area is adequate to accommodate 1,250 gaming machines; a gambling area greater than the proposed minimum does not justify increasing the cap on the number of gaming machines. We therefore do not believe it is necessary to increase the maximum number of Category A machines a *regional/leisure destination* casino is permitted.**

25. We believe that increasing the minimum total size for a *regional/leisure destination* casino will increase the size of the investment required to create such a facility, which in turn may limit the likely number of *regional/leisure destination* casinos to somewhere around 20 to 25. We believe that it is appropriate to have fewer *regional/leisure destination* casinos than has been suggested by some of the evidence we have received.

## The Non-Gambling Area

26. In defining the three categories of casino, the Government has introduced a welcome new element to the definition in the form of the non-gambling area. Casinos in all three categories are required to have a minimum non-gambling area. The Government's response explains that "the purpose of the non-gambling area requirement is regulatory: in order to provide consumers with an easily accessible area where they can take breaks from gambling, and consider whether they wish to resume playing".<sup>37</sup> The Government also intends that the non-gambling area "could be used by children and others who were either not allowed or did not wish to use the casino's gambling facilities". It will be the responsibility of local authorities "in the light of guidance by the [Gambling] Commission to make sure that access between the gambling and non-gambling areas was convenient in one direction but at the same time properly controlled in the other".<sup>38</sup>

27. We have received mixed evidence on this subject. Some have questioned whether the non-gambling area can meet the aims of providing a break from gambling, whilst also

<sup>37</sup> Department for Culture, Media and Sport (DCMS), Draft Gambling Bill, Government Response to the First Report of the Joint Committee on the Draft Gambling Bill; Session 2003-2004, Cm. 6253, June 2004, page 30

<sup>38</sup> Department for Culture, Media and Sport (DCMS), Draft Gambling Bill, Government Response to the First Report of the Joint Committee on the Draft Gambling Bill; Session 2003-2004, Cm. 6253, June 2004, page 30



providing additional facilities. Evidence received in a joint submission from the Methodist Church, the Salvation Army, Quaker Action against Alcohol and Drugs and the Evangelical Alliance expresses concern that the Government's policy on non-gambling areas confuses the different objectives behind having a "chill-out" area and mixed leisure facilities: "the former offer breaks from play, whilst the latter are attractions in themselves".<sup>39</sup> Those in favour welcome the opportunity that non-gambling areas give for providing a wider range of facilities and increasing the leisure offer. Business In Sport and Leisure note that "non-gambling areas not only [...] provide consumers with somewhere to take a break from gambling, but also [...] encourage other entertainment which is very much part of the 'leisure offer'".<sup>40</sup> Ameristar Casinos note that "the overall mix of non-gaming amenities relative to the casino gaming area is a fundamental element that sets this type of property apart and makes it truly a regional leisure destination".<sup>41</sup> We agree.

28. As we expressed in our original report, we are attracted to the idea of large scale casino developments offering additional leisure, entertainment and cultural facilities to shape an overall leisure experience, and strengthening the potential for regeneration to an area. The proposed minimum non-gambling area for *regional/leisure destination* casinos is 1,500m<sup>2</sup>. We do not believe that this is large enough to ensure that a range of non-gambling facilities will be provided. While we do not wish to prescribe the type of facilities which should be provided we would expect these to include leisure, sports, arts and cultural facilities such as restaurants, swimming pools, fitness centres, skating rinks, and theatres. **We do not feel that the proposed minimum non-gambling area is large enough to accommodate suitable leisure, sports, arts and cultural facilities. As we discuss in more detail above, we recommend that the non-gambling area for *regional/leisure destination* casinos is increased to a minimum of 4,000m<sup>2</sup> in order to accommodate the entertainment and cultural facilities necessary to provide an overall leisure experience.**

### **Access for children**

29. The proposal to allow children into the non-gambling area has proved to be controversial. We have received evidence that casinos, whose primary product is gambling, are not suitable environments for children. Gala argue that:

"The proposals for allowing children access to non gaming areas within casino premises is wholly misguided. We believe that children should not be allowed in casinos at all and the principle is totally contrary to all the sensible protections in current and proposed gambling legislation. Whatever the eventual position on this, Gala will not permit children into its gaming premises".<sup>42</sup>

30. The Transport and General Workers' Union does not consider that there is "any place for children in casino establishments; this includes non-gambling areas".<sup>43</sup> Several submissions have questioned how the proposal to allow children into the non-gambling area fits with the Government's objective of "protecting children and other vulnerable

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<sup>39</sup> Ev 147, paragraph 4

<sup>40</sup> Ev 143, paragraph 5

<sup>41</sup> Ev 77, paragraph 2.3

<sup>42</sup> Ev 55, paragraph 3.3

<sup>43</sup> Ev 123, paragraph 9

persons from being harmed or exploited by gambling”. Leo Management Ltd ask “why [...] allow access to [non-gambling areas] to under 18-year olds where the main activity will remain gambling? This is an incentive for the under 18’s to visit and wait until they are allowed to rush to the gaming floor [...] hardly a protection for children”.<sup>44</sup>

31. Those in favour of the proposals argue that *regional/leisure destination* casinos will be large leisure complexes, offering a range of facilities, including non-gambling facilities that will be attractive to families. Mr Eisner, Vice President of Development, Ameristar Casinos told the Committee “the concept of a non-gambling area really adds to the flavour of the facility as a destination leisure offering and not just a casino like a larger version of existing casinos today”.<sup>45</sup>

32. We welcome the Government’s intention for *regional/leisure destination* casinos to be large leisure complexes with a range of gambling and non-gambling facilities. The proposals to allow children access to the non-gambling area must be considered in this context. We share the concerns expressed by those who do not wish to see children having access to casinos and agree with the existing industry that casinos as they operate today are not appropriate places for children. We endorse the Government’s objective to “protect children and other vulnerable persons from being harmed or exploited by gambling”<sup>46</sup> and do not believe, under any circumstances, that children should have access to or even be able to see the gambling area. However, provided that our recommendation on the minimum size threshold is adopted, we believe that *regional/leisure destination* casinos should be completely different entities. While the gambling element of the casino will be a key part, the facilities will be much wider than this, offering a range of non-gambling activities.

**33. We therefore support the Government’s proposals to allow children into the non-gambling area of *regional/leisure destination* casinos, provided that there are appropriate barriers and a suitable distance between the gambling and non-gambling areas. To do otherwise would limit the potential for *regional/leisure destination* casinos to develop as all-round facilities, offering entertainment and leisure facilities to those who do not wish to gamble, including families, as well as those who do.**

**34. We do not believe however that children should be permitted into the non-gambling areas of *small* and *large* casinos as these will be too small to offer the range of facilities available in the non-gambling area of a *regional/leisure destination* casino and to ensure that a suitable distance can be maintained from the gambling area.**

### *Enforcing the separation of the gambling and non-gambling areas*

35. The proposal to admit children and “others who were either not allowed or did not wish to use the casino’s gambling facilities”<sup>47</sup> to the non-gambling area within a casino

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<sup>44</sup> Ev 139, paragraph 3

<sup>45</sup> Q 271

<sup>46</sup> DCMS, Draft Gambling Bill: Policy document, Cm. 6014 – IV, November 2003, para 2.13

<sup>47</sup> Department for Culture, Media and Sport (DCMS), Draft Gambling Bill, Government Response to the First Report of the Joint Committee on the Draft Gambling Bill; Session 2003-2004, Cm. 6253, June 2004, page 30

places a great importance on the effectiveness of the separation between the gambling and non-gambling areas.

36. The Government propose making local authorities responsible for enforcing the separation between the gambling and non-gambling areas, in accordance with guidance from the Gambling Commission. Mr Nathan, Managing Director, Europe, MGM Mirage Development, told the Committee that it was appropriate that:

“Both [local authorities and the Gambling Commission] should be involved. I think that local authorities would work with the casinos to ensure that the applicable planning requirements are being complied with and I think the Gambling Commission should ensure that the appropriate licensing conditions are being complied with”.<sup>48</sup>

**37. We recommend that the primary responsibility for enforcing the separation of the gambling and non-gambling area should rest with the Gambling Commission, in line with the licensing objective to protect children and the vulnerable. We expect the Commission to work with local authorities who grant premises licences and to issue guidance setting out the kinds of non-gambling areas that are suitable for children. We so recommend.**

## 4 Gaming Machines

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38. The Government’s proposals relating to gaming machines represent a significantly more cautious approach than that which was outlined in the draft Bill. Category A machines are only permitted in *regional/leisure destination* casinos and the gaming machine entitlements have been reduced for *small* and *large* casinos to 2:1 (with a cap of 80 machines) and 5:1 (with a cap of 150 machines), respectively. The Government’s rationale for such a cautious approach was explained by Lord McIntosh of Haringey when he gave evidence to the Committee. He said that the Government’s aim “is to limit the accessibility of jackpot machines rather than to impose scarcity. The reason for that is fundamentally about protection”.<sup>49</sup> The Government’s decision to take a cautious approach is understandable given that Category A machines are as yet untested on the domestic market.

### Category A machines

39. Category A machines have no limit on the stakes and prizes which can be placed and won. For this reason they have become widely known as “unlimited prize machines”, creating the impression that they could pay out life-changing amounts of money in prizes. While this will be true of some machines, a more informative description of a Category A machine is as a variable machine, whose stake and prize can be altered to suit customer demand. While some machines may pay out life changing amounts, they are likely to be in the minority and only in casinos which can generate such a significant prize pot through

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<sup>48</sup> Q 284

<sup>49</sup> Q 1

the linking of machines. As Mr Nathan remarked when he gave evidence to the Committee “unlimited stakes and prizes [...] does not mean all of them have a mammoth jackpot”.<sup>50</sup> The majority of Category A machines will offer a range of stakes and prizes to maximise the appeal to customers. Mr Prior, Chief Executive Officer, UK Gaming, Kerzner International told the Committee “a mix of lower frequency lower pay-out machines typically predominate on the gaming floors”.<sup>51</sup> The focus on the potential for Category A machines to have unlimited stakes and prizes has led to some confusion about how they might be used in casinos and whether they could be more addictive than other machines to problem gamblers.

40. The Government wants to limit the number of premises that can have Category A machines to “protect the public by preventing a sudden and substantial increase in the availability of high prize gaming machines”.<sup>52</sup> The Casino Machine Manufacturers’ Group question whether there is evidence to support the view that Category A machines are more dangerous than other categories of machine:

“Given that there is no evidence that Category A machines are more dangerous than any other form of gambling, measures to impose such harsh and arbitrary restrictions seem unjustified and out of keeping with the long process of consultation which the Government has undertaken with the industry”.<sup>53</sup>

Mr Kelly told the Committee “I do not think there is any evidence whatsoever that unlimited stakes and prizes machines are any more or less addictive than any other form of machine which pays out in cash”.<sup>54</sup> This view is not shared by the religious groups who gave evidence to us, who note that “research in the United States and Australia implies a correlation between the incidence of problem gambling and the accessibility of such machines”.<sup>55</sup>

41. Professor Peter Collins noted the lack of research in this area: “I do not think frankly we know enough yet about whether in themselves category B machines would be less addictive or safer than Category A machines”.<sup>56</sup> In order to assess the impact of Category A machines on problem gambling, research needs to be done on their potential to cause harm and increase the prevalence of problem gambling. **We welcome the Government’s commitment to carry out a national survey of gambling participation and problem gambling prior to the implementation of the Bill but recommend that additional research is carried out into Category A machines and their potential for addiction.**

42. We have received evidence questioning whether restricting the accessibility of Category A machines to *regional leisure destination* casinos is the most appropriate way of providing protection. The British Casino Association state that:

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<sup>50</sup> Q 258

<sup>51</sup> Q 265

<sup>52</sup> Department for Culture, Media and Sport (DCMS), Draft Gambling Bill, Government Response to the First Report of the Joint Committee on the Draft Gambling Bill; Session 2003-2004, Cm. 6253, June 2004, page 30

<sup>53</sup> Ev 129, paragraph 2.3

<sup>54</sup> Q 205

<sup>55</sup> Ev 147, paragraph 2

<sup>56</sup> Q 365

“Given the focus which the Secretary of State has placed on the importance of controlling the issue of problem gambling, we are confused as to how restricting stakes in a Mayfair members’ club to £1 and a prize of £500 whilst allowing unlimited stakes and prizes in a regional casino in, say, Blackpool delivers a consistent message on social responsibility”.<sup>57</sup>

Evidence from Rank Group also questions whether the restrictions on Category A machines will succeed in meeting the Government’s objective. “Rank Group urges the Government to reconsider its prohibition of Category A machines in small and large casinos. It disagrees with the contention that these types of casinos encourage ‘repetitive, casual use’ of machines in a way in which Regional casinos will not. All casinos are and will continue to be subject to tough regulatory and supervisory environments”.<sup>58</sup>

### ***The impact on the existing industry***

43. The Government’s latest proposals significantly alter the product offered by existing casinos and new *small* and *large* casinos. We have received evidence suggesting that this could have a very detrimental effect on the existing industry. Rank have also argued that the proposals could result in no new *small* or *large* casinos being developed. “It is clear to us that there would be insufficient demand for the inferior product offer (i.e. Category B machines) that would be allowed in small and large casinos, to justify operators opening such premises in competition to the regionals”.<sup>59</sup>

44. We are surprised at the stance the Government has taken in relation to the existing industry, which has developed an international reputation for good governance and integrity since the introduction of the 1968 Gaming Act. The latest proposals could have a very damaging effect on existing businesses, which accompanied with the lack of consultation by the Government have disappointed the industry. The Chairman of the British Casino Association told us:

“It is a great sadness that, having had four years of what in my view has been commendable consultation, there has been absolutely none since we last spoke to you. This has resulted in the industry being astonished by some of the proposals that appeared in the Department’s response to your report”.<sup>60</sup>

We appreciate that the Department had a limited timeframe in which to prepare its response to our report but believe it is regrettable that consultation with the industry, on what in some cases are significant changes, was not possible.

45. It is questionable whether, by making such a distinction between the product offering (and, therefore, profitability and economic viability) of existing, *small* and *large* casinos on the one hand, and of *regional/leisure destination* casinos on the other, the Government’s proposals could have an opposite effect from the one it intended. We heard evidence from the British Casino Association, the Casino Operators’ Association of the UK and Gala that

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<sup>57</sup> Ev 52, paragraph 6.4

<sup>58</sup> Ev 126

<sup>59</sup> Ev 55, paragraph 3.2

<sup>60</sup> Q 173 [Lady Cobham]

the Government's proposals would mean that new investment would only occur in *regional/leisure destination* casinos and that, due to the advantages gained from having a *regional/leisure destination* casino compared with a *large* casino, the Government's proposals could result in there being more *regional/leisure destination* casinos than there would have been under the proposals set out in the draft Bill. Given that the minimum table gaming area of 1,000m<sup>2</sup>, sufficient for 40 gaming tables, is the same for *large* and *regional/leisure destination* casinos a developer would be tempted to seek consent for a *regional/leisure destination* casino in order to have 1,250 Category A gaming machines, as opposed to the 150 category B machines available in a *large* casino. The British Casino Association argue that "the cost of a much larger customer area, would be substantially outweighed by a much greater income".<sup>61</sup>

46. The existing industry has stressed the need for a level playing field with the new *regional/leisure destination* casinos. Mr Allen told the Committee:

"We have to be able to compete on a level playing field and that goes to these category A machines. If large casinos are going to be able to put them in, we have to be able to put them in. You do not have a supermarket selling milk and stopping corner shops selling milk. If we are going to have an open, free market, it has to be one where we all compete on level terms".<sup>62</sup>

47. We feel that the Government's proposals, as they affect the existing casino industry, are unnecessarily restrictive and could have negative implications for the future of the industry. We believe there is merit in the Government's objective of limiting the number of premises that can have Category A machines. We do not however feel that this objective would be compromised by allowing existing casinos, many of which are niche establishments, serving "high-roller" customers, to have a proportion of their gaming machine entitlement as Category A machines. **We therefore recommend that the Department for Culture, Media and Sport, in consultation with the Gambling Commission and the existing industry, considers an appropriate entitlement for casinos which were in operation before the 7th August 2003 (the date on which the original policy statement on casinos was published) to have a proportion of their gaming machines as Category A gaming machines. Such discussions should be informed by the outcome of the Government's revised Regulatory Impact Assessment and Competition Assessment and the agreed entitlement should be reviewed after three years, following research on the impact of Category A machines.**

48. **Subject to the outcome of such research we recommend that the question of whether new *small* and *large* casinos should be entitled to have a proportion of their gaming machines as Category A machines is also reviewed. We recommend that this review should consider allowing new *small* and *large* casinos to have a proportion of their gaming machines entitlements as Category A machines if they build up a good record in respect of social responsibility over a period of, say, three years.**

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<sup>61</sup> Ev 52, paragraph 6.5

<sup>62</sup> Q 195

### *Will there be any new small and large casinos?*

49. The Government's decision to reduce the gaming machine entitlement of existing, *small* and *large* casinos has angered and disappointed the existing industry. One aspect of the new proposals that seems to have gone unnoticed is that new *small* and *large* casinos are required to have a minimum of only one gaming table, despite minimum table gaming areas of 500m<sup>2</sup> and 1,000m<sup>2</sup> for *small* and *large* casinos respectively. **We do not understand the logic of reducing the minimum number of gaming tables, whilst maintaining the minimum table gaming area for *small* and *large* casinos. We recommend that the Department for Culture, Media and Sport consults the industry to consider more appropriate minimum gaming table requirements, which allow the industry reasonable flexibility but which also avoid the risk of a proliferation of new very *small* casinos. 500m<sup>2</sup> is thought sufficient to accommodate 20 tables and 1,000m<sup>2</sup>, 40 tables. These were the minimum number of tables required under the Government's previous proposals. As a *large* casino would need only 30 gaming tables to secure the permitted maximum of 150 gaming machines, it is unlikely that any *large* casinos would have as many as 40 tables.**

### *Competition issues*

50. The British Casino Association believe that the inequality between different categories of casino raises competition issues that should be brought to the attention of the Office of Fair Trading.<sup>63</sup> The DCMS has not published a revised Regulatory Impact Assessment or Competition Assessment alongside its latest proposals. This is regrettable. The Rank Group consider that "it is imperative for the Government to update and republish its own Regulatory Impact Assessment and Competition Assessment, neither of which takes any account of the Government's latest proposals".<sup>64</sup> This view is shared by the Casino Operators' Association of the UK.<sup>65</sup>

51. The Transport and General Workers Union have expressed concern that the Government's proposals, in creating a competition distinction between *regional/leisure destination* casinos and all other casinos, could lead to job losses: "we have concerns that one category of casino (regional) will have an unfair advantage over small large and existing casinos with grandfather rights [...] the Government's response has led to too wide a gulf between different categories of casinos. Obviously the siting of these new casinos (i.e. London Docklands) could have a detrimental effect on existing casino jobs and existing casinos. Existing establishments must be allowed to compete".<sup>66</sup>

52. We have also received evidence suggesting that the Government's proposals could have a negative impact on other sectors of the gambling industry. The Bingo Association believe that the policy "fails to take account of the likely impact this will have on other sectors. The size and location of future casinos will be critical to the survival of many bingo clubs, many of whom have been effectively prevented from converting where they cannot survive as a

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<sup>63</sup> Ev 52, paragraph 3

<sup>64</sup> Ev 126, paragraph 5.6

<sup>65</sup> Ev 56

<sup>66</sup> Ev 123, paragraph 6

stand-alone bingo entity”.<sup>67</sup> This view is echoed by Castle Leisure who consider that the proposals “contain aspects, which will have a significant detrimental effect on competition within the bingo industry and on the competitiveness of the bingo industry as a whole”.<sup>68</sup> The Casino Machine Manufacturers’ Group contend that “the Government’s recommendations in this area will [...] damage the viability of existing UK operator’s businesses”.<sup>69</sup>

**53. The Committee believes that there are valid competition issues arising from the significant changes to the Government’s original proposals that must be given due consideration before the debate is concluded. We therefore recommend that the Department for Culture, Media and Sport undertakes full revisions of its Regulatory Impact Assessment and Competition Assessments without delay.**

### ***The 1,250 machine limit***

54. Under the Government’s proposals, *regional/leisure destination* casinos are limited to a maximum of 1,250 gaming machines, as recommended in the Committee’s original report. Evidence from international operators suggests that they would prefer to see a higher maximum number of machines. Las Vegas Sands “believe that prohibiting over 1,250 machines in regional casinos will limit inward investment and regeneration without significantly alleviating problem gambling”.<sup>70</sup> A similar view is expressed by MGM Mirage Development who state that “the proposed cap of 1,250 Category A machines for ‘regional’ casinos will limit the size and scale of any ‘regional’ casino complex that might evolve”.<sup>71</sup> We have also received evidence requesting caution in this area. In a joint submission, the Methodist Church, the Salvation Army, Quaker Action on Alcohol and Drugs and the Evangelical Alliance argue that “given the evidence of the risky nature of these machines, we are still concerned that the proposed cap of 1,250 machines in *regional/leisure destination* casinos is too high. [...] We would urge the Government to begin with a much lower cap in regional casinos, and monitor the impact before raising it”.<sup>72</sup>

55. While we have recommended an increase in the minimum total customer area for *regional/leisure destination* casinos, our recommended definition leaves the minimum gambling areas unchanged. The Committee’s reasons for recommending such a cap in its original report remain valid. Therefore, we do not think it is necessary to increase the 1,250 cap on Category A machines in *regional/leisure destination* casinos. When asked, international operators accepted this view and confirmed that the cap was adequate for their commercial needs.<sup>73</sup>

**56. Category A machines remain untested on the UK market. The Government’s proposals for *regional/leisure destination* casinos to have up to 1,250 Category A machines allow for a major expansion in the number of gaming machines in the UK.**

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<sup>67</sup> Ev 165 paragraph 7

<sup>68</sup> Ev 171

<sup>69</sup> Ev 129, paragraph 1.3

<sup>70</sup> Ev 78, page 2

<sup>71</sup> Ev 68, paragraph 2.5

<sup>72</sup> Ev 147, paragraph 2

<sup>73</sup> Q 268



Given the uncertainties about the possible impact that Category A machines may have on problem gambling we welcome the Government's cautious approach and do not believe that an increase in the maximum cap for *regional/leisure destination* casinos is justified. We so recommend.

## Category B machines

57. Under the Government's latest proposals *small* and *large* casinos are only permitted to offer up to Category B gaming machines, with a cap of 80 and 150 machines respectively. As part of their machine entitlement, existing casinos will be permitted to retain their current entitlement of ten machines, with a maximum prize of £2,000. Category B machines have a maximum stake of £1 and maximum prize of £500. This means that *small* and *large* casinos will be able only to offer significantly lower prizes than they could do with Category A machines, and consequently will have reduced flexibility in varying the levels of stakes and prizes.

58. One advantage of limiting Category B machines is to maintain the distinction between them and *regional/leisure destination* casinos. Leisure Parks believe that "capping the number of Category B machines for both 'small' and 'large' casinos and implementing the slot to table ratios at the levels proposed by the Government will further aid the clear distinction between 'regional' and other casinos".<sup>74</sup> This view is shared by Kerzner International who "strongly support the restriction of category A machines to 'regional' casinos".<sup>75</sup>

59. The combination of the lower stakes and prizes of Category B machines, the cap on their numbers and the removal of the entitlement to Category A machines in existing, *small* and *large* casinos has caused considerable frustration within the existing industry.<sup>76</sup>

60. Increasing the maximum stakes and prizes for Category B machines has been put forward as a means of addressing this issue. The British Casino Association suggest that the Government should "permit category B machines in casinos to have maximum stakes and prizes of £10 and £50,000".<sup>77</sup> This view is shared by Leisure Link, Rank, and Business In Sport and Leisure.<sup>78</sup> Gala propose that there should be "an additional class of Category B machines [...] for grandfathered and large casinos with a £10 maximum stake and £10,000 maximum prize".<sup>79</sup> London Clubs International agree.<sup>80</sup> As the Casino Machine Manufacturers' Group observe, casinos are "strictly regulated environment[s]". Arguably this justifies increasing the maximum stakes and prizes they can offer on Category B machines.

61. NERA Economic Consultants however suggest that increasing the maximum stakes and prizes for Category B machines could have the negative effect of increasing the

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<sup>74</sup> Ev 125, paragraph 8

<sup>75</sup> Ev 75, paragraph 3

<sup>76</sup> Ev 52, paragraph 6.1

<sup>77</sup> Ev 52, paragraph 9.5

<sup>78</sup> See Ev 124, Ev 126, paragraph 3.3, Ev 143, paragraph 9

<sup>79</sup> Ev 55

<sup>80</sup> Ev 170, paragraph 12.1

proliferation of new casinos: “if these machines are allowed increased stakes and prizes then the profitability of them will be greater, making the business case for the casinos stronger, and therefore, leading to more of them than would otherwise be the case”.<sup>81</sup>

62. On balance, the Committee does not consider that having a maximum prize of £500 for a Category B machine in an existing casino, or a new *small* or *large* casino, is appropriate. In contrast, although it seems that the Government does not intend the maximum stakes and prizes applying to Fixed Odds Betting Terminals (FOBTs) in betting shops to be permitted in Adult Gaming Centres and bingo halls, the Committee remain concerned about allowing FOBTs in such premises. We do not believe that the Government’s approach on FOBTs is consistent with its approach to existing casinos or new *small* and *large* casinos.

### *Increasing the maximum stakes and prizes for Category B machines in casinos*

63. If the Government proceeds with its proposals to allow only Category B, C and D machines in existing casinos and new *small* and *large* casinos, the existing industry will be seriously disadvantaged. Increasing the maximum stakes and prizes for Category B machines located in casinos would provide operators and customers with a more attractive product and could go some way in defusing the disappointment and frustration caused by the proposal to restrict Category A machines to *regional/leisure destination* casinos.

64. In its response the Government notes, that under Clause 195 of the draft Bill, “the prize limits for a Category B machines will vary according to where the machine is situated”.<sup>82</sup> **We welcome this provision and recommend that the Gambling Commission, in consultation with the Department for Culture, Media and Sport and the gambling industry, develop a schedule of varying stakes and prizes for Category B machines in different gambling premises. Specifically, we suggest that there is a strong case for substantially increasing the maximum stake and prize limits for Category B machines located in casinos.**

65. While we appreciate the industry’s frustration that the proposed caps of 80 and 150 Category B gaming machines in new *small* and *large* casinos are unnecessarily harsh, we do understand the reasons for the Government’s cautious approach. **We therefore recommend that the maximum number of gaming machines permitted in *small* and *large* casinos should be reviewed by the Gambling Commission three years after Royal Assent and that appropriate recommendations should be made to the Secretary of State for Culture, Media and Sport.**

## 5 The Planning Process

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66. The Government’s policy objective of limiting the number of premises with Category A machines depends to an extent on limiting the number of *regional/leisure destination* casinos. The Joint ODPM – DCMS Statement on Casinos sets out the Government’s

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<sup>81</sup> Ev 160, paragraph 10

<sup>82</sup> Department for Culture, Media and Sport (DCMS), Draft Gambling Bill, Government Response to the First Report of the Joint Committee on the Draft Gambling Bill; Session 2003-2004, Cm. 6253, June 2004, page 36

approach to the planning policy with respect to *regional/leisure destination* casinos. The planning policy provides for Regional Planning Bodies (RPBs) to determine suitable locations for *regional/leisure destination* casinos through their Regional Spatial Strategies (RSS). In so doing they will have to have regard to the broad policy context set out in Planning Policy Guidance 11 (soon to be replaced by Planning Policy Statement 11) which requires the RSS to “establish the locational criteria appropriate to regionally or sub-regionally significant leisure uses, or to identify the broad location of major new leisure developments”.<sup>83</sup>

67. While the Committee welcomes the Joint Statement and the attempt to clarify the issue of how and where *regional/leisure destination* casinos will be located, we are not satisfied that the Government’s policy is sufficiently clear, or that it satisfactorily addresses the potential problems we identified in our original report. These include determining the location of *regional/leisure destination* casinos, issues arising from the D2 Use Class and grandfather rights, and the mechanism for achieving regeneration benefits. Addressing these issues is paramount not only to provide clarity to the parties involved but most importantly to ensure that the planning process assists in meeting the Government’s objective to restrict the number of premises with Category A machines.

68. As a follow up to the evidence he gave to the Committee on 8<sup>th</sup> July, the Minister for Housing and Planning wrote to the Committee on 12<sup>th</sup> July, providing further details of the Office of the Deputy Prime Minister’s policy on *regional/leisure destination* casinos. The letter reinforces the Committee’s concerns that planning issues relating to *regional/leisure destination* casinos are inconsistent with the policy objectives of the Department for Culture, Media and Sport, supported by the Committee, of protecting the vulnerable and securing the regeneration benefits associated with major casino developments.

69. The Office of the Deputy Prime Minister’s planning guidance envisages that *regional/leisure destination* casinos will be located in town centres and that any exceptions to this are likely to be called in. Simultaneously, the professional advice we received in terms of problem gambling states that town centres are wholly inappropriate locations for *regional/leisure destination* casinos. **We strongly urge the Government to rethink its policy in this area and to pay proper regard to the evidence given to this Committee about how best to secure the Department for Culture, Media and Sport’s policy objectives for casino developments which this Committee supports.** The Minister’s letter is attached as Annex 1.

## Determining the locations of regional/leisure destination casinos

70. The Government’s proposal to assign a key role to RPBs has been broadly welcomed. London First “welcome clarification on the role of RPBs in setting regional strategy for casinos”.<sup>84</sup> MGM Mirage Development, Leisure Parcs, and Kerzner International all share this view.<sup>85</sup>

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<sup>83</sup> Department for Culture, Media and Sport (DCMS), Draft Gambling Bill, Government Response to the First Report of the Joint Committee on the Draft Gambling Bill; Session 2003-2004, Cm. 6253, June 2004, page 49

<sup>84</sup> Ev 36

<sup>85</sup> See Ev 68, Ev 125 and Ev 75

71. While the role of RPBs has been clarified by the Government’s latest policy, the mechanism through which they will determine suitable locations for *regional/leisure destination* casinos is less clear, prompting several requests for further clarity. In oral evidence, Sir Peter Hall told the Committee “I do not think that Government policy [...] is sufficiently specific on this point, because it essentially does not say, it does not give any indication where regional casinos are to be located”.<sup>86</sup> The South West Regional Planning Body note that “the definition of regional casinos now raises the need for further clarification in policy terms to aid RPBs in determining suitable locations for these developments”.<sup>87</sup>

### ***The need for national guidance***

72. We have received evidence suggesting that national guidance may be the most appropriate way of dealing with the outstanding issues relating to RPBs. Blackpool Council state that it will be difficult for the planning system to react quickly and consistently without “clearer guidance from Government to Regional Planning Bodies on the priorities they should express in their region specific, casino policies”.<sup>88</sup> Sun International believe that national guidance is necessary not only for RPBs, but also for casino developers: “we feel that a clear policy statement from the ODPM regarding, for example, location criteria and required regeneration benefits is essential if the planning system is to provide any form of transparency and certainty to an industry looking to develop casino schemes of a regional scale”.<sup>89</sup> The South West Regional Planning Body express a similar view: “we are aware that no national guidance on the location of regional casinos either exists or even is planned in the near future [...] given the current policy vacuum on the issue of regional casinos, guidance for RPBs is vital if the emerging RSS is expected to comment on suitable locations for these developments”.<sup>90</sup>

73. Prior to the Planning Minister’s explanatory letter of 12<sup>th</sup> July, the Government had been reluctant to spell out national guidance to RPBs on this issue.<sup>91</sup> However, we consider that *regional/leisure destination* casino developments are “sufficiently novel and unique”<sup>92</sup> to justify the provision of broad national guidance for RPBs. As we discuss below, we are keen to see the establishment of a Working Group to consider the outstanding planning issues and suggest that considering how national guidance will work out in practice should be one of its key tasks.

### ***Calling in applications***

74. Giving RPBs responsibility for deciding the locations for *regional/leisure destination* casinos raises the potential for conflicts between regions and between regional and local authorities. The Joint ODPM-DCMS Statement on Casinos notes that “where RPG sets out

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<sup>86</sup> Q 370

<sup>87</sup> Ev 155

<sup>88</sup> Ev 28

<sup>89</sup> Ev 70

<sup>90</sup> Ev 155

<sup>91</sup> Q 325

<sup>92</sup> Ev 36

the preferred location(s) for regionally significant leisure developments, and a local planning authority resolves to approve an application for such development elsewhere, the First Secretary of State [Deputy Prime Minister] may call in the application for his own determination". The statement notes that the First Secretary is "selective" in calling in applications but, in oral evidence to the Committee, the Rt Hon Keith Hill MP told us "our anticipation is that early decisions with regard to regional scale casinos are likely to be called in by the Secretary of State".<sup>93</sup> Sir Peter Hall said that he thought this amounted to a new planning principle<sup>94</sup> and that it suggested that "there is somewhere in a drawer a set of criteria for judging these applications, which has not been vouchsafed to anyone, especially this Committee".<sup>95</sup> We do not consider a planning process dependent on the calling in of applications is a satisfactory way to proceed.

75. We have received evidence expressing concern about the First Secretary of State's calling in powers. The Bingo Association is concerned about the "vagueness regarding the right of the Office of the First Secretary of State to call in planning applications".<sup>96</sup> **While we acknowledge the Government's reluctance to publish national guidance relating specifically to *regional/leisure destination* casinos, we believe that it could help to ensure a consistent approach between regional authorities and avoid the need for applications to be called in for determination by the First Secretary of State.**

### **A Plan-led approach**

76. The success of a plan-led approach, driven by RPBs, depends on them being able to determine the most appropriate locations for *regional/leisure destination* casinos through their RSS. Concern has been expressed about the timing of the Gambling Bill and the implementation of RSS and the potential for *regional/leisure destination* casinos to be developed without due regard having been paid to the RSS. Caesar's Entertainment "are concerned that the regional planning boards are only now starting to consult and develop their regional spatial strategies and it will be many months before these are agreed and published".<sup>97</sup> There are already several plans for large scale developments, as Gala acknowledge: "we are already aware of over 20 current publicly announced proposals for regional sized casinos, even before the Bill is finalised and placed before Parliament".<sup>98</sup> Such a situation could be extremely problematic as it could not only invalidate a region's spatial strategy but could also mean that *regional/leisure destination* casinos are developed without any regeneration benefits having been achieved. Mr Tim Hill, Director of Planning, Transport and Sustainability at the North West Regional Assembly emphasised the importance of this issue when he told the Committee:

"If the Government is saying there is a role for regional planning bodies to take a plan-led approach to this particular type of leisure development [...] then it has to be firm about what happens in the interim. There is a real danger that we are just going

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<sup>93</sup> Q 319

<sup>94</sup> Q 390

<sup>95</sup> Q 371

<sup>96</sup> Ev 164, paragraph 8

<sup>97</sup> Ev 72

<sup>98</sup> Ev 55

to see developments being granted by permission and we may as well give them [the planning permissions] and go home. There is no point in us having a regional strategy if all we do is identify where planning permission has already been granted, so there is a choice to be made”.<sup>99</sup>

77. This view was reinforced by Mr Haslam who told the Committee:

“There is this grave danger [...] that many decisions will be made outside that planned approach. If there is a race and planning permissions are given in advance of a regional strategy, many decisions will be made outside the planning system. The opportunities for circumvention, avoiding the planning process, are large, the compulsion to circumvent the planning system to avoid the section 106 agreement and the add-on economic benefits is enormous”.<sup>100</sup>

78. When questioned the Rt Hon Keith Hill MP said that this issue could be addressed by calling in applications: “there is likely to be a hiatus period in which there is no regional spatial strategy policy with regard to the location of regional casinos and in those circumstances it may be appropriate for the First Secretary to call in”.<sup>101</sup> However, this approach would not address the issue of premises within the existing D2 Use Class converting to casinos, as no new planning permission would have to be sought. This view was confirmed by Ms Judith Saloman, Director of Planning, London First:

“If the existing use is D2, the principle will have been established in planning and therefore the applicant will argue it is only the physical works which are up for consultation and discussion and not the issue of the use”.<sup>102</sup>

79. We believe that the Government should, using the proposed Working Group and national guidance, ensure that RPBs make progress on developing their RSS and that clarity is provided on how applications for *regional/leisure destination* casinos will be dealt with in the interim.

80. The Government’s proposals provide for “a huge expansion in the roles and responsibilities” of Regional Planning Bodies. Caesar’s Entertainment notes that RPBs will need to be “adequately resourced and have the requisite skills to quickly develop the spatial strategies”.<sup>103</sup> The Rt Hon Keith Hill MP recognised that this was an important issue. “We are well aware [...] that they will have a lot of work ahead and they will need to be more engaged”.<sup>104</sup> Given the emphasis placed on the role of Regional Planning Bodies and the need for them to develop Regional Spatial Strategies as quickly as possible, the Committee believes it is imperative that the Office of the Deputy Prime Minister ensures they will be adequately resourced with the necessary skills and experience to carry out their role.

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<sup>99</sup> Q 101

<sup>100</sup> Q 147

<sup>101</sup> Q 327

<sup>102</sup> Q 158

<sup>103</sup> Ev 72

<sup>104</sup> Q 316

### **Town centre locations**

81. When deciding the “most suitable areas” for *regional/leisure destination* casino developments, Regional Planning Bodies will have to take into account Planning Policy Guidance (PPG) 11 on Regional Planning. PPG11 provides advice on developing a strategy for determining the location of regionally or sub-regionally significant development and sets out strategic policies at the regional levels for matters which may apply across regions. Regional Planning Guidance must have regard to regeneration initiatives and identify priority areas for economic development and regeneration. PPG11 notes that the “aim should be to ensure that [...] major new facilities, serving a regional or sub-regional catchment, promote the vitality and viability of existing town centres”.<sup>105</sup> This suggests that the location of preference for *regional/leisure destination* casino developments will be in town centres, a view endorsed by the Rt Hon Keith Hill MP, in oral evidence<sup>106</sup> and reinforced by his letter of 12<sup>th</sup> July.<sup>107</sup>

82. We have received evidence on the inappropriateness of town centres as locations for *regional/leisure destination* casinos. Professor Peter Collins told the Committee that “convenience is the single greatest spur to increase problem gambling”<sup>108</sup> and that “from a problem gambling point of view, there is no doubt that it is better not to locate casinos in town centres. There is no question of that”.<sup>109</sup> Several submissions have commented on the inconsistency in the Government’s approach in taking a hostile attitude to having *small* casinos on the high street, whilst allowing *regional/leisure destination* casinos to develop there. The Casino Operators’ Association of the UK “is at a loss to understand the hostility by Government to existing *small* casinos in the towns but makes planning permission arrangements there for Regional ones; both offer the facility for ‘casual gaming’ which is the quoted reason for restricting existing *small* casinos, but the scale differential is enormous”.<sup>110</sup>

83. Locating *regional/leisure destination* casinos in town centres not only increases the potential for problem gambling, through increasing “casual” gambling opportunities, but also raises the risk of causing economic harm. According to Professor Peter Collins, a *regional/leisure destination* casino located in a town centre is likely to displace spending from nearby businesses:

“If you put a large entertainment complex, including a casino, in the centre of a town, you will suck huge amounts of money out of the leisure economy in that town; and this goes against the principle of trying to ensure that casinos, in as far as they displace economic activity, do so from a wide area of relative affluence and concentrate the new spend in areas of relative disadvantage. That is the best way of dealing with the economic redistribution policy. I think that is something which not

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<sup>105</sup> [www.odpm.gov.uk](http://www.odpm.gov.uk)

<sup>106</sup> Q 334

<sup>107</sup> Annex 1

<sup>108</sup> Q 363

<sup>109</sup> Q 364

<sup>110</sup> Ev 58, paragraph 13

only is undesirable in itself, but will clearly lead to all sorts of objections from all sorts of businesses to downtown casinos”.<sup>111</sup>

84. Locating *regional/leisure destination* casinos in town centres will usually be at odds with the Government’s desire to limit the accessibility of Category A machines. The Joint ODPM-DCMS Statement on Casinos states that “regional casinos offer a destination gambling opportunity which is more likely to minimise repetitive, casual use of machines than if they were located in smaller casinos in high street locations, to which relatively larger numbers of people have access”.<sup>112</sup> This is clearly in conflict with the policy objectives driving the Office of the Deputy Prime Minister’s preference for such developments to locate in town centres. **The Committee is disappointed with the lack of policy coherence in this area and has grave concerns about locating *regional/leisure destination* casinos in areas in close proximity to where people live and work. While we accept that planning policy is established in line with the Office of the Deputy Prime Minister’s wider objectives, we believe that the overriding objective of the Government’s proposals in this area should be that of controlling the access to Category A machines by limiting the number of premises that can have them and ensuring, so far as possible, that they are not located in close proximity to residential properties.**

#### *Mixed-use developments*

85. We have received evidence suggesting that *regional/leisure destination* casino developments could be part of mixed use facilities. The Mayor of London discusses “seeing casinos as part of mixed-use schemes (including residential elements)”.<sup>113</sup> Las Vegas Sands refer to “the new Bramall Lane development, anchored by the casino entertainment complex, will create affordable housing, a 120-room hotel, disabled amenities, conference facilities, [and] a tennis centre”.<sup>114</sup> The Rt Hon Keith Hill MP told the Committee that “it is a central aspect of our sustainable communities commitment which is to aid the encouragement and development of mixed use communities”.<sup>115</sup> Sir Peter Hall noted that there are risks associated with including gambling facilities in mixed-use developments. “Despite the laudable aim of the Government to have everything mixed up and the housing next door to pubs, clubs and gambling. I think in practice there can be very, very negative effects from these uses in the juxtaposition which would have to be looked at”.<sup>116</sup> **While we strongly believe that *regional/leisure destination* casinos should be large scale leisure complexes with ancillary entertainment and cultural facilities we are concerned about the potential for *regional/leisure destination* casinos to develop alongside housing. Given the concerns about the impact “convenient” and “casual” gambling can have on problem gambling, we do not believe it is appropriate for *regional/leisure destination* casino developments to contain provision for housing. We so recommend.**

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<sup>111</sup> Q 364

<sup>112</sup> Department for Culture, Media and Sport (DCMS), Draft Gambling Bill, Government Response to the First Report of the Joint Committee on the Draft Gambling Bill; Session 2003-2004, Cm. 6253, June 2004, page 30

<sup>113</sup> Ev 16, paragraph 4.4

<sup>114</sup> Ev 78, Appendix

<sup>115</sup> Q 341

<sup>116</sup> Q 391



## D2 Use Class

86. The potential for RSS to be invalidated by new casinos opening before RSS are finalised is aggravated by the placing of casinos in the D2 Use Class. Within the planning system, buildings and areas of land are categorised according to their use. Casinos currently fall within the D2 Use Class: Assembly and Leisure. This Use Class is shared with cinemas, concert halls, bingo halls, dance halls, swimming baths, skating rinks, gymnasiums or areas for other indoor or outdoor sports or recreations, not involving motorised vehicles or firearms. Under the Use Classes Order, where a building or land is used for a purpose within a specified class, its use for any other purpose in the same class does not require planning permission. We have received a great deal of evidence expressing concern about the potential for existing premises within the D2 Use Class, including existing casinos, being converted into *regional/leisure destination* casinos without the need for new planning permission and without being included in a region's spatial strategy. Added to this is the risk that planning gains will not be able to be negotiated, as new planning permission will not have been granted. Blackpool Council note that “the potential for change of use within the existing D2 Use Class to casino use, without any reference to the planning system is [...] a major concern. [...] Operators will also be able to expand *small* casinos into adjoining D2 leisure uses without reference to the planning system and to grow small casinos into regional scale casinos through the premises licensing process.”<sup>117</sup> Concern about this issue was also expressed by MGM Mirage Development, Ameristar Casinos, Sun International, Caesar's Entertainment and the Mayor of London.<sup>118</sup>

## A separate Use Class

87. Having a separate Use Class for *regional/leisure destination* casinos has been suggested as a way of addressing this issue. Sun International note that “whilst we are aware of the intention to prevent the potential proliferation of casinos through the licensing process, it is our belief that a change to the Use Class Order, removing casinos from D2 and then either creating a new class specifically for casinos, or designating them *sui generis*,<sup>119</sup> will provide an extra safeguard to this process”.<sup>120</sup> MGM Mirage “propose that the Use Class for ‘casinos’ should be made *sui generis* to ensure that applications are reviewed on their merits and to prevent a change in leisure use circumventing the intent of the Gambling Bill”.<sup>121</sup>

88. If *regional/leisure destination* casinos were to be classified as *sui generis* they would not be the only gambling premises to be classified as such. During our inquiry we learnt that amusement arcades are currently classified as *sui generis*, prompting Mr Tim Hill to note that “if amusement arcades are *sui generis* it would be interesting to see that you can go in and put pennies into a machine and everybody need[s] to apply for planning permission for that, but you can go and gamble for unlimited prize money without a change within planning permission”.<sup>122</sup>

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<sup>117</sup> Ev 28, paragraph

<sup>118</sup> See Ev 68, Ev 77, Ev 70, Ev 72 and Ev 16

<sup>119</sup> For planning purposes *sui generis* refers to a use of land or premises not included in one of the use classes.

<sup>120</sup> Ev 70

<sup>121</sup> Ev 68, paragraph 3.2

<sup>122</sup> Q 105

89. We were encouraged by the Minister's view on this issue. He told us "our minds are certainly not closed on the issue of changing the use class position in respect of casinos, and we are happy to look at that issue in the light of any evidence presented to the Committee [...] we are certainly willing to consider categorising casinos as *sui generis*".<sup>123</sup>

90. **The Committee believes there is merit in the suggestion to make all casinos *sui generis*. We believe that this is particularly relevant in respect of *regional/leisure destination* casinos. Categorising *regional/leisure destination* casinos in a separate Use Class will prevent existing premises within the D2 Use Class, including other casinos below the minimum size threshold for *regional/leisure destination* casinos, from converting to *regional/leisure destination* casinos without the need for planning permission. This means that *regional/leisure destination* casinos would not be able to develop without achieving new planning permission and therefore meeting planning obligations. Having a separate Use Class for *regional/leisure destination* casinos will also help to prevent their proliferation as new developments will have to comply with the policy set out in the Regional Spatial Strategy. We therefore recommend that *regional/leisure destination* casinos are categorised as *sui generis* and that the Government consults on whether a *sui generis* categorisation should apply to all casinos.**

## Achieving regeneration benefits

91. The regeneration benefits that can be derived from large scale casino developments are well documented. In order to ensure that local and regional planning authorities were able to achieve such benefits from casino operators, we recommended in our original report that they should be able to require regeneration benefits from *large* and *resort* (now referred to as *regional/leisure destination*) casino developments. The Government did not accept this recommendation but instead proposes a

"strategy based upon the direction of regional casinos to the most suitable areas. We believe that this strategy will, through the choice of location of these major developments, achieve the significant economic and regeneration benefits through the development of the casino and ancillary activities, the substantial activity associated with the casino and its knock-on demand for goods and services both at the casino and in the wider local economy".<sup>124</sup>

It is not clear from this what is included in the definition of "regeneration benefits". Mr Weaver, Chief Executive of Blackpool Council, suggested that "there is a need for national guidance and clarity about what is meant by 'regeneration' in order that the regional planning bodies can deliver through the regional spatial strategies the Government's intent".<sup>125</sup> The lack of clarity has led to some confusion between regeneration benefits and planning gain, which are not necessarily the same thing.

<sup>123</sup> Q 355 and Q 366

<sup>124</sup> Department for Culture, Media and Sport (DCMS), Draft Gambling Bill, Government Response to the First Report of the Joint Committee on the Draft Gambling Bill; Session 2003-2004, Cm. 6253, June 2004, page 31

<sup>125</sup> Q 135

92. We are also concerned that the mechanism for achieving regeneration benefits lacks clarity. *Regional/leisure destination* casinos offer a great opportunity for areas to benefit from regeneration opportunities, outside the positive economic benefit of the development itself. As we have mentioned previously, plans for large scale casino developments are already underway. Alongside this, the process for achieving planning gains is going through a period of change with the introduction of the Planning and Compulsory Purchase Act 2004. **The Committee is concerned that the lack of clarity surrounding regeneration benefits could result in potential regeneration benefits being lost. This is a serious risk which needs to be addressed if regeneration benefits are going to be secured. We recommend that the Government reviews its approach to regeneration associated with *regional/leisure destination* casinos.**

### The Licensing System

93. In addition to the planning process, the licensing system offers a way of controlling the number of *regional/leisure destination* casinos. *Regional/leisure destination* casinos will require a *regional* casino licence, separate and distinct from the casino operating licence required by existing, *small* and *large* casinos. The granting of such a licence is, subject to guidance from the Gambling Commission, the responsibility of local authorities. Given that one of the Gambling Commission's core objectives is the protection of the vulnerable we believe that there may be some scope for guidance on *regional/leisure destination* casinos to include a reference to the suitability of their location, and the need to avoid them being sited too close to residential areas. The extent to which Gambling Commission guidance could include reference to planning matters is unclear, as planning is outside the remit of the Commission. However, we consider that it might be reasonable to require that, before granting a premises licence for a *regional/leisure destination* casino, local authorities should confirm to the Gambling Commission that the necessary planning permission has been granted and that there are no substantial planning matters outstanding.

94. This process, in addition to our recommendation that *regional/leisure destination* casinos are classified as *sui generis*, would help to avoid the real danger of a local authority, determined to see a *regional/leisure destination* casino in its area, issuing a *regional* casino premises licence ahead of securing support from its regional planning body. **We therefore recommend that Gambling Commission guidance should include advice to local authorities on identifying appropriate locations for *regional/leisure destination* casinos and the importance of ensuring that all planning issues are properly concluded before premises licences are granted.**

### Going forward

95. While we welcome the advances the Government has made in developing the policy relating to the location of *regional/leisure destination* casinos, outstanding issues remain, not least the apparent conflict between the objectives of the Department for Culture, Media and Sport and the Office of the Deputy Prime Minister. We are keen to see a Bill introduced to Parliament in the Autumn. It is, therefore, of the utmost importance that these issues are resolved as soon as possible. When he gave evidence to the Committee, the

Rt Hon Keith Hill MP raised the possibility of creating a Working Group of officials from both departments to address the unresolved issues.<sup>126</sup> The Committee welcomes this idea. **As we have discussed earlier, the development of national guidance for Regional Planning Bodies, amongst other issues, could be addressed by a Working Group consisting of representatives of the Department for Culture, Media and Sport, the Office of the Deputy Prime Minister, the Gambling Commission, RPBs and the industry. We therefore recommend that such a Working Group, is established at the earliest possibility with the aim of concluding a planning framework for regional/leisure destination casinos which reflects the policy objectives of protecting the vulnerable and securing regeneration benefits.**

## Conclusions and recommendations

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1. While further work is needed to resolve the conflicting objectives of the Department for Culture, Media and Sport and the Office of the Deputy Prime Minister we do not believe that this should delay the introduction of the Bill to Parliament. We maintain the view expressed in our original report that the legislation is necessary and urgent and urge the Department of Culture, Media and Sport and the Office of the Deputy Prime Minister to work together to resolve the outstanding issues at the earliest opportunity. (Paragraph 5)
2. We expect *regional* casinos to be large scale entertainment complexes offering gambling alongside a wide range of non-gambling facilities. This concept is not adequately captured by the current classification. We therefore recommend that the Department considers an alternative name for this category of casino, which more accurately conveys the nature of such developments. The Committee is minded to suggest that the term *leisure destination* casino more suitably describes the Government's proposals and reflects the Committee's thinking. (Paragraph 15)
3. We recommend that the minimum total customer area for *regional/leisure destination* casinos is increased to 7,500m<sup>2</sup>. This will consist of a minimum table gaming area of 1,000m<sup>2</sup>, a minimum additional gambling area of 2,500m<sup>2</sup> and a minimum non-gambling area of 4,000m<sup>2</sup>. We would expect the non-gambling areas to include leisure and entertainment facilities, consistent with guidance set by the Gambling Commission. We believe that the minimum gambling area is adequate to accommodate 1,250 gaming machines; a gambling area greater than the proposed minimum does not justify increasing the cap on the number of gaming machines. We therefore do not believe it is necessary to increase the maximum number of Category A machines a *regional/leisure destination* casino is permitted. (Paragraph 24)
4. We believe that increasing the minimum total size for a *regional/leisure destination* casino will increase the size of the investment required to create such a facility, which in turn may limit the likely number of *regional/leisure destination* casinos to somewhere around 20 to 25. We believe that it is appropriate to have fewer

*regional/leisure destination* casinos than has been suggested by some of the evidence we have received. (Paragraph 25)

5. We do not feel that the proposed minimum non-gambling area is large enough to accommodate suitable leisure, sports, arts and cultural facilities. As we discuss in more detail above, we recommend that the non-gambling area for *regional/leisure destination* casinos is increased to a minimum of 4,000m<sup>2</sup> in order to accommodate the entertainment and cultural facilities necessary to provide an overall leisure experience. (Paragraph 28)
6. We support the Government's proposals to allow children into the non-gambling area of *regional/leisure destination* casinos, provided that there are appropriate barriers and a suitable distance between the gambling and non-gambling areas. To do otherwise would limit the potential for *regional/leisure destination* casinos to develop as all-round facilities, offering entertainment and leisure facilities to those who do not wish to gamble, including families, as well as those who do. (Paragraph 33)
7. We do not believe that children should be permitted into the non-gambling areas of *small* and *large* casinos as these will be too small to offer the range of facilities available in the non-gambling area of a *regional/leisure destination* casino and to ensure that a suitable distance can be maintained from the gambling area. (Paragraph 34)
8. We recommend that the primary responsibility for enforcing the separation of the gambling and non-gambling area should rest with the Gambling Commission, in line with the licensing objective to protect children and the vulnerable. We expect the Commission to work with local authorities who grant premises licences and to issue guidance setting out the kinds of non-gambling areas that are suitable for children. We so recommend. (Paragraph 37)
9. We welcome the Government's commitment to carry out a national survey of gambling participation and problem gambling prior to the implementation of the Bill but recommend that additional research is carried out into Category A machines and their potential for addiction. (Paragraph 41)
10. We recommend that the Department for Culture, Media and Sport, in consultation with the Gambling Commission and the existing industry, considers an appropriate entitlement for casinos which were in operation before the 7th August 2003 (the date on which the original policy statement on casinos was published) to have a proportion of their gaming machines as Category A gaming machines. Such discussions should be informed by the outcome of the Government's revised Regulatory Impact Assessment and Competition Assessment and the agreed entitlement should be reviewed after three years, following research on the impact of Category A machines. (Paragraph 47)
11. Subject to the outcome of such research we recommend that the question of whether new *small* and *large* casinos should be entitled to have a proportion of their gaming machines as Category A machines is also reviewed. We recommend that this review

should consider allowing new *small* and *large* casinos to have a proportion of their gaming machines entitlements as Category A machines if they build up a good record in respect of social responsibility over a period of, say, three years. (Paragraph 48)

12. We do not understand the logic of reducing the minimum number of gaming tables, whilst maintaining the minimum table gaming area for *small* and *large* casinos. We recommend that the Department for Culture, Media and Sport consults the industry to consider more appropriate minimum gaming table requirements, which allow the industry reasonable flexibility but which also avoid the risk of a proliferation of new very small casinos. 500m<sup>2</sup> is thought sufficient to accommodate 20 tables and 1,000m<sup>2</sup>, 40 tables. These were the minimum number of tables required under the Government's previous proposals. As a *large* casino would need only 30 gaming tables to secure the permitted maximum of 150 gaming machines, it is unlikely that any *large* casinos would have as many as 40 tables. (Paragraph 49)
13. The Committee believes that there are valid competition issues arising from the significant changes to the Government's original proposals that must be given due consideration before the debate is concluded. We therefore recommend that the Department for Culture, Media and Sport undertakes full revisions of its Regulatory Impact Assessment and Competition Assessments without delay. (Paragraph 53)
14. Category A machines remain untested on the UK market. The Government's proposals for *regional/leisure destination* casinos to have up to 1,250 Category A machines allow for a major expansion in the number of gaming machines in the UK. Given the uncertainties about the possible impact that Category A machines may have on problem gambling we welcome the Government's cautious approach and do not believe that an increase in the maximum cap for *regional/leisure destination* casinos is justified. We so recommend. (Paragraph 56)
15. We welcome this provision and recommend that the Gambling Commission, in consultation with the Department for Culture, Media and Sport and the gambling industry, develop a schedule of varying stakes and prizes for Category B machines in different gambling premises. Specifically, we suggest that there is a strong case for substantially increasing the maximum stake and prize limits for Category B machines located in casinos. (Paragraph 64)
16. We recommend that the maximum number of gaming machines permitted in *small* and *large* casinos should be reviewed by the Gambling Commission three years after Royal Assent and that appropriate recommendations should be made to the Secretary of State for Culture, Media and Sport. (Paragraph 65)
17. We strongly urge the Government to rethink its policy in this area [planning for *regional/leisure destination* casinos] and to pay proper regard to the evidence given to this Committee about how best to secure the Department for Culture, Media and Sport's policy objectives for casino developments which this Committee supports. (Paragraph 69)

18. While we acknowledge the Government's reluctance to publish national guidance relating specifically to *regional/leisure destination* casinos, we believe that it could help to ensure a consistent approach between regional authorities and avoid the need for applications to be called in for determination by the First Secretary of State. (Paragraph 75)
19. The Committee is disappointed with the lack of policy coherence in this area and has grave concerns about locating *regional/leisure destination* casinos in areas in close proximity to where people live and work. While we accept that planning policy is established in line with the Office of the Deputy Prime Minister's wider objectives, we believe that the overriding objective of the Government's proposals in this area should be that of controlling the access to Category A machines by limiting the number of premises that can have them and ensuring, so far as possible, that they are not located in close proximity to residential properties. (Paragraph 84)
20. While we strongly believe that *regional/leisure destination* casinos should be large scale leisure complexes with ancillary entertainment and cultural facilities we are concerned about the potential for *regional/leisure destination* casinos to develop alongside housing. Given the concerns about the impact "convenient" and "casual" gambling can have on problem gambling, we do not believe it is appropriate for *regional/leisure destination* casino developments to contain provision for housing. We so recommend. (Paragraph 85)
21. The Committee believes there is merit in the suggestion to make all casinos *sui generis*. We believe that this is particularly relevant in respect of *regional/leisure destination* casinos. Categorising *regional/leisure destination* casinos in a separate Use Class will prevent existing premises within the D2 Use Class, including other casinos below the minimum size threshold for *regional/leisure destination* casinos, from converting to *regional/leisure destination* casinos without the need for planning permission. This means that *regional/leisure destination* casinos would not be able to develop without achieving new planning permission and therefore meeting planning obligations. Having a separate Use Class for *regional/leisure destination* casinos will also help to prevent their proliferation as new developments will have to comply with the policy set out in the Regional Spatial Strategy. We therefore recommend that *regional/leisure destination* casinos are categorised as *sui generis* and that the Government consults on whether a *sui generis* categorisation should apply to all casinos. (Paragraph 90)
22. The Committee is concerned that the lack of clarity surrounding regeneration benefits could result in potential regeneration benefits being lost. This is a serious risk which needs to be addressed if regeneration benefits are going to be secured. We recommend that the Government reviews its approach to regeneration associated with *regional/leisure destination* casinos. (Paragraph 92)
23. We recommend that Gambling Commission guidance should include advice to local authorities on identifying appropriate locations for *regional/leisure destination* casinos and the importance of ensuring that all planning issues are properly concluded before premises licences are granted. (Paragraph 94)

24. The development of national guidance for Regional Planning Bodies, amongst other issues, could be addressed by a Working Group consisting of representatives of the Department for Culture, Media and Sport, the Office of the Deputy Prime Minister, the Gambling Commission, RPBs and the industry. We therefore recommend that such a Working Group, is established at the earliest possibility with the aim of concluding a planning framework for *regional/leisure destination* casinos which reflects the policy objectives of protecting the vulnerable and securing regeneration benefits. (Paragraph 95)



# Annex 1: Letter from the Rt Hon Keith Hill MP, Minister of State for Housing and Planning, Office of the Deputy Prime Minister

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I was pleased to have the opportunity to give evidence to the Joint Committee on the Draft Gambling Bill on 8 July. As we discussed, there were a number of additional points which I offered to clarify in writing: these are set out below.

## ***National planning guidance for casino development***

The Joint Committee noted that the Gambling Commission would be providing national guidance to local authorities on the issue of premises licences, and suggested that the planning issues associated with casino development could also be addressed in national guidance to Regional Planning Bodies.

It must be noted that a comprehensive policy framework already exists in respect of regional casino development, and that Regional Planning Bodies are familiar with it.

PPG6 - Town Centres and Retail Developments, and its emerging successor PPS6 - Planning for Town Centres, are relevant to casino development, as is PPG13 - Transport. Together, they direct casinos towards the most central and accessible locations (where locations outside town centres are being considered, proposals must satisfy some additional policy tests).

PPG 11 - Regional Planning, and its emerging successor, PPSI 1, provide guidance on the way in which regional planning policy is to be developed. Of direct relevance to regional casino proposals, they require regional planning policy to establish the locational criteria appropriate to regionally or sub-regionally significant leisure uses, or to the location of major new inward investment sites, and permit the 'broad location' of such sites to be identified.

The two Joint DCMS/ODPM Statements are also relevant. The first explained that the Government wished to see the identification of broad locations for regionally-significant casinos in regional planning policy, on the grounds that such developments are likely to provide a major contribution to regeneration<sup>1</sup> tourism and economic development. The second clarified the way in which existing planning policy, and proposed Gambling policy, may be used as guidance for those regional planning bodies considering the development of casino-specific policy. It stated that regional planning bodies may make use of the licensing definition of a 'regional' casino, as they see fit, in drawing up planning policy for their region, and in defining the scale of casino development for which broad locations should be identified in the regional spatial strategy.

The Government is keen to avoid issuing too many statements of policy, preferring to let Regional Planning Bodies operate in response to the circumstances of their regions within

a general framework. There is already more guidance offered on casino-specific matters than there is for other types of development.

That said, there may be scope to clarify and develop the policy in respect of casinos in the emerging PPS6 - Planning for Town Centres, and also to make reference to casinos in the Good Practice Guidance to accompany PPS6, and we will be looking into how best to take this forward. I would not like to commit to any further casino-specific statements, however, until the need for it has been explored further. This issue will be raised at the meeting with Regional Planning Bodies that my Officials are attending this week, and I should be in a position to confirm the Government's stance on this point when we respond to your recommendations.

### ***Paragraph 28 of the second Joint Statement***

I agreed to confirm in writing that the reference in paragraph 28 of the second Joint Statement to 'large' casinos was in fact an error. The reference was intended to be to the 'largest' casinos, i.e. 'regional' casinos, and the reference should therefore read as follows:

"The combination of existing planning policies and proposed arrangements for gambling can combine to ensure that New regional casinos will be located in the most appropriate places in terms of their tourism and regenerative potential, and will contribute to the mitigation of the impacts associated with their development."

I join DCMS in apologising for this mistake.

### ***The difference between 'regional' and 'large' casinos***

The Joint Committee asked me to clarify the distinction between small and large casinos. The detailed distinction between 'small', 'large' and 'regional' casinos is of course made in the emerging licensing proposals. Very little distinction is drawn between these three categories in planning terms, except in relation to 'regional' proposals, where, as already stated, regional planning bodies may use the licensing definition of a 'regional' casino to define the scale of casino development for which broad locations should be identified in the regional spatial strategy.

Within the planning (rather than licensing) system, much is common to all three categories of casino. Where planning permission is needed for casino development planning applications must be submitted to the Local Planning Authority, whatever the size of the casino in question. In all cases, they will be determined by reference to the policies in the development plan, and to any other material considerations (these material considerations include national policy, as set out in PPGs and PPSs, and the two Joint Statements, as well as circumstances specific to each individual case).

Additional planning issues are raised in respect of regional casinos:

- specific reference to the location of regional casinos may be made in regional planning policy, as set out in the Regional Spatial Strategy (RSS) for a region. This RSS is part of the development plan, meaning that decisions on planning applications must be made

in accordance with it, and that it should be reflected in more detailed local planning policy; and

- by virtue of their size, proposals for regional casinos which constitute ‘departures’ from the development plan are more likely to need to be notified to the First Secretary of State, enabling him to check general compliance with development plan policies, and to consider whether an application should be ‘called in’ for his own determination.

It should be noted, though, that regional planning bodies are left with an element of flexibility in determining the scale of casino development to be addressed in regional planning policy. Within the particular circumstances of their region, they may choose not to regard a ‘regional’ (in licensing terms) casino proposal as sufficiently significant to warrant specific provision in the Regional Spatial Strategy; alternatively, they may regard a ‘large’ (in licensing terms) proposal as ‘regionally significant’.

Broadly speaking, however, we anticipate that regional planning bodies will make use of the provisions in the second Joint Statement to use the licensing definition of ‘regional’ as relevant for planning purposes.

### ***Financial contributions outside the planning system***

As I explained on 8 July, local planning authorities may enter into legal agreements (“section 106” agreements) with developers when considering applications for planning approval: these are also known as planning obligations. Guidance on the use and scope of planning obligations is set out in Planning Circular 1197, but, broadly speaking, planning obligations are intended to mitigate the impacts of a development. They may enhance the quality of development and enable proposals to go ahead which might otherwise be refused.

There are also a number of voluntary mechanisms for financial contributions which are outside the scope of the planning system, by which developers or businesses can make contributions to the local community. These are limited in their use, and most are unlikely to relate to casino development, but I will outline some of the most relevant below.

### ***Business Improvement Districts (BIDs)***

BIDs allow local authorities and businesses to work together to put in place small-scale projects to improve their local area. The intention to introduce BIDs in England was announced in 2001 in the White Paper Strong Leadership - Quality Public Services. In the main they are concerned with safety and security, cleanliness and marketing, and may cover projects such as installation of CCTV security systems, regular street cleaning and event marketing.

ODPM is supporting the Association of Town Centre Management in establishing 22 BID pilot schemes in England and Wales. The Local Government Act 2003 (which received Royal Assent in September) sets out the statutory framework for BIDs. ODPM has consulted on the draft regulations that will prescribe the arrangements for setting up and maintaining a BID, and aims to lay these before Parliament shortly. Whilst legislation was needed to implement the BIDs scheme, there were already many good examples of councils

and businesses already working together to deliver benefits to their areas, including those run by the Central London Partnership under their Circle Initiative Scheme.

### ***Strategic Land and Infrastructure Contracts***

In areas of significant changes in land use, such as urban regeneration projects or growth areas, fragmented land ownership may lead to conflicts of interest between landowners and difficulties in bringing forward the necessary infrastructure to facilitate development. There may be a role for the public sector to help develop contracts to link delivery of infrastructure directly to contributions from landowners and developers. A local delivery vehicle (such as English Partnerships or an Urban Development Corporation) could broker a voluntary deal between landowners and various infrastructure providers (Highways Agency, SRA, utilities). Developers and landowners would benefit from better-serviced development land coming forward more quickly. The public sector providers would get a higher level of contribution from the private sector, allowing them to accelerate provision.

### ***Land pooling***

A variation of Strategic Land and Infrastructure Contracts is directed land pooling. This has received some attention from central government but has not yet been demonstrated as a practical proposition under current legislation. In this model a public sector agency with master planning responsibility and compulsory purchase powers, draws up land pooling plans for the area to be developed. It offers landowners the opportunity of a share in the land pool as an alternative to compulsory purchase. The agency uses money it would have expended on compulsory purchase to enhance infrastructure and community facility provision and is able to bring development (and increased land value) forward more swiftly. There may also be scope for the agency to take a stake in the land pool over and above any it might receive by virtue of an existing land holding. Such a stake would reflect the additional investment made by the agency. Private land owners might find this arrangement suitable if the land value increases arrive sooner and in larger measure as a result of the agency's involvement. Realised gains from the agency's stake could then be re-invested in further regeneration.

Those wishing to pursue any of the above vehicles should contact the relevant local authority or local delivery vehicle in the first instance.

I hope that this additional information addresses some of the Joint Committee's concerns. I will of course be happy to answer any further questions that you may have, but, in the meantime, I look forward to receiving the Committee's report on 22 July.

## Formal minutes

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*Extract from the House of Lords Minute 16 June 2004*

Gambling (Regional Casinos)—It was moved by the Chairman of Committees that it is expedient that a Joint Committee of Lords and Commons be appointed to consider and report on the Government's response to recommendations 79, 80, 81, 83, 84 and 85 of the report of the Joint Committee on the Draft Gambling Bill (Cm. 6253), which focus upon the definition, location and economic and other implications of the largest casinos; and the further statement of Government policy on casinos published with Cm. 6253;

That a Committee of eight Lords be appointed to join with a Committee appointed by the Commons for this purpose;

That, as proposed by the Committee of Selection, the Lords following be named of the Committee:

L. Brooke of Sutton Mandeville	B. Golding
L. Donoughue	L. Mancroft
V. Falkland	L. Wade of Chorlton
L. Faulkner of Worcester	L. Walpole;

That the Committee have power to agree with the Commons in the appointment of a Chairman;

That the Committee have leave to report from time to time;

That the Committee have power to appoint specialist advisers;

That the Committee have power to adjourn from place to place within the United Kingdom;

That the reports of the Committee from time to time shall be printed, notwithstanding any adjournment of the House;

And that the Committee do report by 22nd July 2004;

the motion was agreed to and a message was ordered to be sent to the Commons to acquaint them therewith.

*Extract from the Votes and Proceedings of the House of Commons 21 June 2004*

Draft Gambling Bill: Regional Casinos (Joint Committee),-Ordered, That the Lords message of 16th June relating to a Joint Committee of both Houses to consider and report on the Government's response to recommendations 79, 80, 81, 83, 84 and 85 of the report of the Joint Committee on the Draft Gambling Bill (Cm. 6253), which focus upon the definition, location and economic and other implications of the largest casinos, and on the further statement of Government policy on casinos published with Cm. 6253, be now considered.

That this House concurs with the Lords in their Resolution relating to the said Joint Committee.

That a Select Committee of eight honourable Members be appointed to join with the Committee appointed by the Lords for this purpose.

That the Committee shall have power:

- (i) to send for persons, papers and records;
- (ii) to sit notwithstanding any adjournment of the House;
- (iii) to report from time to time;
- (iv) to appoint specialist advisers;
- (v) to adjourn from place to place within the United Kingdom; and

That the Committee shall report by 22nd July 2004.

That Janet Anderson, Mr Tony Banks, Jeff Ennis, Mr John Greenway, Mr Alan Meale, Mr Richard Page, Dr John Pugh, and Mr Anthony D. Wright be members of the Committee.

### **Die Mercurii 23° Junii 2004**

Present:

Rt Hon Lord Brooke of Sutton Mandeville	Jeff Ennis
Lord Donoghue of Ashton	Mr John Greenway
Viscount Falkland	Dr John Pugh
Lord Faulkner of Worcester	Mr Anthony D Wright
Lord Mancroft	
Lord Walpole	

The Orders of Reference are read.

The declarations of relevant interests are made:

Mr John Greenway declared as a relevant interest a visit to a casino in Brighton.

Mr Anthony D Wright declared as a relevant interest that he was a member of two casinos in his constituency.

Lord Walpole declared a relevant interest as a Justice of the Peace.

It is moved that John Greenway do take the Chair.—(*Viscount Falkland.*)

The same is agreed to.

The Joint Committee deliberate.

*Ordered*, That Strangers be admitted during the examination of witnesses unless otherwise ordered.

*Ordered*, That the uncorrected transcripts of oral evidence given, unless the Committee otherwise orders, be published on the Internet.

*Ordered*, That the Joint Committee be adjourned to Thursday 1st July at 9.30 a.m.

### **Die Jovis 1° Julii 2004**

Present:

Rt Hon Lord Brooke of Sutton Mandeville	Jeff Ennis
Lord Donoughue of Ashton	Mr Alan Meale
Viscount Falkland	Mr Richard Page
Lord Faulkner of Worcester	Dr John Pugh
Baroness Golding	
Lord Mancroft	
Lord Wade of Chorlton	
Lord Walpole	

Mr John Greenway in the Chair

The Order of Adjournment is read.

The proceedings of Wednesday 23 June are read.

The Joint Committee deliberate.

The following witnesses are examined:

Rt Hon the Lord McIntosh of Haringey, Parliamentary Under-Secretary of State, Elliot Grant, Head of Gambling and National Lottery Licensing Division, Greig Chalmers, Gambling Bill Manager, Department for Culture, Media and Sport.

*Ordered*, That the Committee be adjourned to Tuesday 6 July at 9.30 a.m.

### **Die Martis 6° Julii 2004**

Present:

Rt Hon Lord Brooke of Sutton Mandeville	Janet Anderson
Viscount Falkland	Jeff Ennis
Lord Faulkner of Worcester	Mr Richard Page
Baroness Golding	Dr John Pugh
	Mr Anthony D Wright

Lord Mancroft  
 Lord Wade of Chorlton  
 Lord Walpole

Mr John Greenway in the Chair

The Order of Adjournment is read.

The proceedings of Thursday 1 July are read.

A further declaration of relevant interests is made:

Lord Brooke of Sutton Mandeville declared a relevant interest as a shareholder in London Clubs International and Rank Group plc.

The Joint Committee deliberate.

The following witnesses are examined:

Mr Tim Hill, Director of Planning, Transport and Sustainability, North West Regional Assembly, Ms Eleanor Young, Mayor's Policy Adviser, Greater London Authority; Mr Reg Haslam, Head of New Horizons Team, Blackpool Council, Mr Steve Weaver, Chief Executive, Blackpool Council, Ms Judith Saloman, Director of Planning, London First, Mr Michael Gallimore, Head of Planning, Lovells, Sir Howard Bernstein, Chief Executive, Manchester City Council, Mr David Carter, Acting Head of Strategic Planning, Birmingham City Council, and Mr Greig Chalmers, Gambling Bill Manager, Department for Culture, Media and Sport.

*Ordered*, That the Committee be adjourned to this day at 2.30 p.m.

### **Die Martis 6° Julii 2004**

Present:

Rt Hon Lord Brooke of Sutton Mandeville	Janet Anderson
Lord Donoughue of Ashton	Jeff Ennis
Viscount Falkland	Mr Richard Page
Lord Faulkner of Worcester	Dr John Pugh
Lord Mancroft	Mr Anthony D Wright
Lord Wade of Chorlton	
Lord Walpole	

Mr John Greenway in the Chair

The Order of Adjournment is read.

The proceedings of Tuesday 6 July are read.

The Joint Committee deliberate.



The following witnesses are examined:

Viscountess Cobham, Chairman, British Casino Association, Mr John Kelly, Chairman, Gala, Mr Andrew Herd, Chairman and Chief Executive, Westcliff Casino Group, Mr Andrew Love, Chairman, Casino Operator's Association (UK), Mr Dave Allen, Chairman, A&S Leisure Group; Mr Lloyd Nathan, Managing Director, Europe, MGM Mirage Development, Mr Peter Bacon, Chief Executive, Sun International, Mr Andrew Tottenham, UK Representative, Caesar's Entertainment, Mr Tobin Prior, Chief Executive Officer, UK Gaming, Kerzner International, Mr Steve Eisner, Vice President of Development, Ameristar Casinos, and Mr Rodney Brody, UK Representative, Las Vegas Sands.

*Ordered*, That the Committee be adjourned to Thursday 8 July at 9.30 a.m.

### **Die Jovis 8° Julii 2004**

Present:

Rt Hon Lord Brooke of Sutton Mandeville	Jeff Ennis
Lord Donoughue of Ashton	Mr Alan Meale
Viscount Falkland	Mr Richard Page
Lord Faulkner of Worcester	Mr Anthony D Wright
Lord Mancroft	
Lord Wade of Chorlton	
Mr John Greenway in the Chair	

The Order of Adjournment is read.

The proceedings of Tuesday 6 July are read.

The Joint Committee deliberate.

The following witnesses are examined:

Rt Hon Keith Hill MP, Minister of State for Housing and Planning, Mr Mike Ash, Deputy Director of Planning Directorate, Mrs Victoria Thomson, Senior Planning Officer, Planning Policies Division, Office of the Deputy Prime Minister; Professor Peter Collins, Director, Centre for the Study of Gambling, University of Salford, and Chief Executive Officer, Gamcare, Professor Sir Peter Hall, Professor of Planning, Bartlett School of Planning, University College, London, and Mr Greig Chalmers, Gambling Bill Manager, Department for Culture, Media and Sport.

*Ordered*, That the Committee be adjourned to this day at 2.30 p.m.

### Die Jovis 8° Julii 2004

Present:

Rt Hon Lord Brooke of Sutton Mandeville	Jeff Ennis
Lord Donoughue of Ashton	Mr John Greenway
Viscount Falkland	Dr John Pugh
Lord Faulkner of Worcester	Mr Anthony D Wright
Lord Mancroft	
Lord Walpole	

Mr John Greenway in the Chair

The Order of Adjournment is read.

The proceedings of Thursday 8 July are read.

The Joint Committee deliberate.

*Ordered*, That the Committee be adjourned to 13 July at 9.30 a.m.

### Die Martis 13° Julii 2004

Present:

Rt Hon Lord Brooke of Sutton Mandeville	Mr Alan Meale
Viscount Falkland	Mr Richard Page
Lord Faulkner of Worcester	Dr John Pugh
Baroness Golding	Mr Anthony D Wright
Lord Mancroft	
Lord Wade of Chorlton	
Lord Walpole	

Mr John Greenway in the Chair

The Order of Adjournment is read.

The proceedings of Thursday 8 July are read.

The Joint Committee deliberate.

*Ordered*, That the Committee be adjourned to Thursday 15 July 2004 at 9.30 a.m.

## Die Jovis 15° Julii 2004

Present:

Rt Hon Lord Brooke of Sutton Mandeville	M Alan Meale
Lord Donoughue of Ashton	Mr Richard Page
Viscount Falkland	Mr Anthony D Wright
Lord Faulkner of Worcester	
Baroness Golding	
Lord Mancroft	
Lord Wade of Chorlton	
Lord Walpole	

Mr John Greenway in the Chair

The Order of Adjournment is read.

The proceedings of Tuesday 13 July are read.

The Joint Committee deliberate.

It is moved that the draft Report before the Committee be read.

The same is agreed to.

Paragraphs 1 to 95 are agreed to.

*Resolved*, That the draft Report be the Report of the Committee to both Houses.

*Ordered*, That the following paper be appended to the Report:

Supplementary evidence from Rt Hon Keith Hill MP, Minister of State for Housing and Planning, Office of the Deputy Prime Minister (GMB 52).

*Ordered*, That the memoranda received by the Joint Committee be appended to the Minutes of Evidence.

*Ordered*, That the provisions of Commons Standing Order No. 134 (Select committees (reports)) be applied to the Report.

*Ordered*, That the Chairman make the Report to the House of Commons and the Viscount Falkland do make the Report to the House of Lords.

# Witnesses

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## (Volume II)

### Thursday 1 July

Page

**Rt Hon the Lord McIntosh of Haringey**, Parliamentary Under-Secretary of State (Media and Heritage), **Mr Elliot Grant**, Head of Gambling and National Lottery Licensing Division and **Mr Greig Chalmers**, Gambling Bill Manager, Department for Culture, Media and Sport.

Ev 1

### Tuesday 6 July (morning)

**Mr Tim Hill**, Director of Planning, Transport and Sustainability, North West Regional Assembly, **Ms Eleanor Young**, Mayor's Policy Adviser, Greater London Authority and **Mr Greig Chalmers**, Gambling Bill Manager, Department for Culture, Media and Sport.

Ev 17

**Mr Reg Haslam**, Head of New Horizons Team, Blackpool Council, **Mr Steve Weaver**, Chief Executive of Blackpool Council, **Ms Judith Saloman**, Director of Planning, London First, **Mr Michael Gallimore**, Head of Planning, Lovells, **Sir Howard Bernstein**, Chief Executive, Manchester City Council and **Mr David Carter**, Acting Head of Strategic Planning, Birmingham City Council.

Ev 40

### Tuesday 6 July (afternoon)

**Viscountess Cobham**, Chairman, British Casino Association (BCA), **Mr John Kelly**, Chairman, Gala, **Mr Andrew Herd**, Chairman and Chief Executive, Westcliff Casino Group, **Mr Andrew Love**, Chairman, Casino Operators' Association of the UK (COA(UK)), and **Mr Dave Allen**, Chairman and Chief Executive, A & S Leisure.

Ev 59

**Mr Lloyd Nathan**, Managing Director, Europe, MGM Mirage Development; **Mr Peter Bacon**, Chief Executive, Sun International; **Mr Andrew Tottenham**, UK Representative of Caesar's Entertainment; **Mr Tobin Prior**, Chief Executive Officer, UK Gaming, Kerzner International; **Mr Steve Eisner**, Vice President of Development, Ameristar Casinos; **Mr Rodney Brody**, UK Representative, Las Vegas Sands.

Ev 85

### Thursday 8 July

**Rt Hon Keith Hill MP**, Minister of State for Housing and Planning, **Mr Mike Ash**, Deputy Director of Planning Directorate, **Mrs Victoria Thomson**, Senior Planning Officer, Planning Policies Division, Office of the Deputy Prime Minister and **Mr Greig Chalmers**, Gambling Bill Manager, Department for Culture, Media and Sport.

Ev 96

**Professor Peter Collins**, Director, Centre for the Study of Gambling, University of Salford, and Chief Executive Officer, Gamcare, **Professor Sir Peter Hall**, Professor of Planning, Bartlett School of Planning, University College, London.

Ev 113

## List of written evidence

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### (Volume II)

1	Memorandum from the North West Regional Assembly (GMB 33)	Ev 12
2	Memorandum from the Mayor of London (GMB 31)	Ev 15
3	Memorandum from Blackpool Council (GMB 28)	Ev 28
4	Memorandum from London First and London First Centre (GMB 15)	Ev 36
5	Memorandum from Manchester City Council (GMB 7)	Ev 38
6	Supplementary memorandum from Blackpool Council (GMB 47)	Ev 50
7	Memorandum from the British Casino Association (GMB 3)	Ev 52
8	Memorandum from Gala Casinos (GMB 1)	Ev 54
9	Memorandum from the Casino Operator's Association (GMB 22)	Ev 56
10	Supplementary memorandum from the British Casino Association (GMB 45)	Ev 68
11	Memorandum from MGM Mirage Development Ltd (GMB 6)	Ev 68
12	Memorandum from Sun International (GMB 26)	Ev 70
13	Memorandum from Caesars Entertainment Inc (GMB 30)	Ev 72
14	Memorandum from Kerzner International, UK Gaming Division (GMB 20)	Ev 74
15	Memorandum from Ameristar Casinos (GMB 25)	Ev 77
16	Memorandum from Las Vegas Sands Inc (GMB 12)	Ev 78
17	Supplementary memorandum from the Rt Hon Keith Hill MP (GMB 52)	Ev 105
18	Memorandum from Professor Peter Collins (GMB 19)	Ev 107
19	Memorandum from Professor Sir Peter Hall (GMB 44)	Ev 111
20	Memorandum from the Transport & General Workers Union (GMB 2)	Ev 123
21	Memorandum from Leisurelink Group plc (GMB 4)	Ev 124
22	Memorandum from Leisure Parcs Ltd (GMB 5)	Ev 125
23	Memorandum from Rank Group (GBM 8)	Ev 126
24	Memorandum from the Casino Machine Manufacturers Group (GMB 9)	Ev 129
25	Memorandum from Accor Casinos (GMB 10)	Ev 130
26	Memorandum from Leo Management Ltd (GMB 11)	Ev 139
27	Memorandum from the Union of Shop Distribution and Allied Workers (USDAW), Coalition Against Gambling Expansion and Seasonal Traders Association (GMB 13)	Ev 140
28	Memorandum from Business In Sport and Leisure (GMB 14)	Ev 143
29	Memorandum from St Helens Metropolitan Borough Council (GMB 16)	Ev 145
30	Memorandum from The Methodist Church, The Salvation Army, Quaker Action and Alcohol and Drugs and the Evangelical Alliance (GMB 21)	Ev 147
31	Memorandum from Dr E Moran, Consultant Psychiatrist (GMB 24)	Ev 148
32	Memorandum from Professor Neville Topham (GMB 27)	Ev 150
33	Memorandum from Professor David Miers (GMB 29)	Ev 154
34	Memorandum from the South West Regional Planning Body (GMB 34)	Ev 155
35	Memorandum from Operators of Adult Gaming Centres (GMB 35)	Ev 157
36	Memorandum from NERA Economic Consulting (GMB 36)	Ev 160
37	Memorandum from The Bingo Association (GMB 37)	Ev 164
38	Memorandum from the Association of British Bookmakers (GMB 43)	Ev 166

39	Memorandum from Blackburn with Darwen Borough Council (GMB 17)	Ev 166
40	Memorandum from Anthony Jennens (GMB 18)	Ev 167
41	Memorandum from Lancashire West Partnership (GMB 32)	Ev 168
42	Memorandum from UBS Investment Bank (GMB 38)	Ev 168
43	Memorandum from London Clubs International plc (GMB 39)	Ev 169
44	Memorandum from Isle of Capri Casinos Inc (GMB 40)	Ev 170
45	Memorandum from Castle Leisure (GMB 41)	Ev 171
46	Memorandum from the Hilton Group (GMB 42)	Ev 171
47	Memorandum from the North East Assembly (GMB 46)	Ev 172
48	Further memorandum from Rank Group (GMB 48)	Ev 173
49	Further memorandum from Isle of Capri Casinos Inc (GMB 49)	Ev 174
50	Memorandum from International Game Technology (GMB 50)	Ev 174
51	Memorandum from Les Croupiers Casinos Ltd (GMB 51)	Ev 175