

Proposal To The Casino Advisory Panel For A Large Casino In Derby

Derby City Council

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Contents

1 The Case For Derby..... - 1 -

1.1 Introduction - 1 -

1.2 The Challenge..... - 1 -

1.3 The Vision - 1 -

1.4 Implementing The Vision..... - 2 -

1.5 Unique Characteristics - 2 -

2 Area Profile - 3 -

2.1 Introduction - 3 -

2.2 Key Characteristics - 3 -

3 Social Impact..... - 7 -

3.1 Introduction - 7 -

3.2 Latest Evidence..... - 7 -

3.3 Likely Quantified Impacts..... - 7 -

3.4 Policies and Procedures - 7 -

3.5 Testing For Social Change - 8 -

4 Need for Regeneration..... - 9 -

4.1 Introduction - 9 -

4.2 Derby's Regeneration - 9 -

4.3 Overall Regeneration Impact - 10 -

4.4 Economic Value - 10 -

5 Willingness to Licence..... - 12 -

5.1 East Midlands Development Agency - 12 -

5.2 Derby City Council - 12 -

5.3 Local Strategic Partnership..... - 12 -

6 Probability of Implementation..... - 13 -

6.1 Introduction - 13 -

6.2 Investor Interest - 13 -

6.3 Site Options (Including specific community benefits)..... - 15 -

6.4 North Riverside - 16 -

6.5 Riverlights - 17 -

6.6 Becket Well - 18 -

7 Regional and Local Context..... - 19 -

1 The Case For Derby

1.1 Introduction

1.1.1 Derby City Council is delighted to submit a formal proposal for a large casino for Derby. It receives our full backing and we see the approval of a large casino as a crucial component of the economic, social and cultural regeneration of the city. We have set out below why we believe this is the case and in what ways the approval of a large casino will act as a major catalyst for Derby to fulfil its potential as an attractive, accessible, vibrant economic and cultural focus for the people of Derby and the East Midlands region.

1.2 The Challenge

1.2.1 Derby faces a number of major challenges in achieving an effective role as a key regional and sub-regional economic driver:

- Its historic reliance on traditional sectors, particularly manufacturing, has not been followed by the pace and scale of economic diversification experienced in many other UK cities. Derby witnessed no change in employment between 1998 and 2004;
- Derby is the smallest of the three regional cities and its urban area has continued to lose population since 1991, with a decline of 1.6% over the period.
- Private investment has been slow, with no new office development in Derby City Centre for 15 years and a visible failure to bring forward any new retail and leisure development;
- The image and reputation of the city amongst the development community is comparatively weak and there is a lack of market confidence;
- City living has not advanced to any significant extent, again unlike the experience of other regional and national cities. The city has a low level of representation of young professionals;
- Weak representation of typical city centre employment sectors, including financial services, other business activities, hotels, bars, restaurants and leisure activities; and
- Levels of deprivation in communities close to the city centre have remained persistently high, with some falling within the worst 20% nationally. This is in stark contrast to other areas of the city and wider East Midlands region where standards of living are notably high.

1.2.2 It is clear from this brief overview of the challenges Derby faces that the city has been left 'punching below its weight' - it has clearly underperformed in relation to the contribution to regional success delivered by Nottingham and Leicester. Critically, we believe Derby needs to rediscover its 'sense of place' if it is to realise its ambition of becoming a distinctive and dynamic UK city.

1.3 The Vision

1.3.1 Despite this challenging situation we are clear we believe that Derby faces an exciting future. Derby City Council, and its regeneration partners, are committed to addressing the city's underperformance and its need to establish a clear role and identity.

1.3.2 Our vision for the future of Derby focuses on improving the attractiveness of the central area and re-establishing a distinctive 'sense of place'. Central to this vision is re-establishing the appeal of Derby as a modern and attractive place for people to work and enjoy leisure time through the development of:

- A city centre offering the facilities and infrastructure that supports the development of the knowledge economy;
- A city centre that acts as an ‘attractor’ for enterprising, knowledge workers including quality lifestyle opportunities in terms of living and leisure;
- A city centre that is seen as a place to visit and becomes a genuine destination in its own right.

1.4 Implementing The Vision

1.4.1 Derby Cityscape, the Urban Regeneration Company, was established in 2003 by the Government in response to the city’s relative social and economic underperformance. This has coincided with a number of major developments being brought forward which serve to illustrate the beginnings of a renewed impetus for city centre regeneration:

- the major expansion of the Eagle Centre via a £300 million redevelopment scheme bringing 732,000 square feet of new retail space and an estimated 2,850 jobs;
- Riverlights, a scheme aiming to create the ultimate leisure destination within the City of Derby through a vibrant waterfront entertainment and city living quarter, bars, restaurants, night clubs, retail facilities and a casino;
- A new residential urban community in the Castleward area comprising of 3,000 homes, bringing forward a range of house types for families, couples and singles; and
- A new 4 star city centre hotel with commercial, residential and new cultural offer in the North Riverside area of the City Centre.

1.4.2 The proposal to attract a high quality landmark casino, and associated leisure uses, is of crucial importance in progressing the comprehensive regeneration of the City. It is not an afterthought developed in response to a call for proposals, but rather it forms a vital element of Derby’s aspiration to establish and renew Derby’s sense of place as well as making an important contribution to regional economic performance. By developing and investing in the leisure infrastructure, and maximising the benefits associated with it, this proposal to attract a large casino will significantly enhance the city centre’s role as a leisure destination, represent a clear and visible statement of the cultural resurgence of Derby and begin to significantly change investor perceptions of the City.

1.5 Unique Characteristics

1.5.1 The following are the uniquely outstanding characteristics that we believe may differentiate this proposal:

- The attraction of a large casino is a crucial component of the City’s strategic regeneration objectives to promote leisure at the heart of establishing a renewed sense of place;
- It represents an integral part of Derby’s strategy to “raise its game” by making an important contribution towards challenging Derby’s economic underperformance;
- Derby has suffered from years of under-investment and possesses significantly higher rates of multiple deprivation than its regional city neighbours. This proposal aims to bring direct economic and development benefits to Derby’s deprived areas; and
- Derby Cityscape, is currently in place to drive the delivery of the City’s central area regeneration objectives. This is a crucial component in turning aspiration into reality.

2 Area Profile

2.1 Introduction

2.1.1 The State of the English Cities report, published in March 2006 provides the most comprehensive and up to date audit of urban performance in England. It considers the economic position of Derby and identifies a reasonable performance in terms of GVA per capita, GVE per employee and high visible exports, which it attributes to the important presence of high value export manufacturing firms such as Rolls Royce, Bombardier and Toyota. However, it also identifies that Derby performs less well on indicators of quality of life related to social inclusion as highlighted in the socio-economic analysis contained below.

2.1.2 However, the city continues to face economic challenges ahead that will test the city's ability to adapt to secular shifts in the economy and to the continuing onset of global competition and new markets. The economy is dominated by a highly specialised and strong manufacturing sector, which is one of Derby's strengths. However, the city needs to diversify within manufacturing and expand the services sector to provide a more diverse economic profile and guard against shifts in the future. The effort to expand and diversify the city's economic base is being spearheaded by the work of Cityscape through the extensive masterplan for the city. The plans to develop a casino in Derby as part of a wider mixed use scheme on a strategic site within the city centre reflect this strategy.

2.2 Key Characteristics

Population Base and Catchment

2.2.1 **Derby is the smallest of the three regional cities in the East Midlands and its urban area has continued to lose population since 1991**, with a decline of 1.6% over the period. Derby itself serves a hinterland exceeding 250,000 residents who use the city centre as their principal destination for everyday shopping, civic, leisure and cultural services.

Communications and Accessibility

2.2.2 As well as being at the very centre of the UK, Derby benefits from close proximity to a strong transport infrastructure including the UK's national motorway network, ensuring easy access to other major UK cities. Nottingham East Midlands Airport is one of the fastest growing airports in the UK.

Employment

2.2.3 In terms of employment, Derby has not benefited from the recent strong employment growth witnessed in the rest of the UK and in the East Midlands over the last 10 years and is still strongly dependent on manufacturing. Data from the Annual Business Inquiry Employee Analysis (2004) reveals the following key employment characteristics:

- **Derby witnessed almost no change in employment** (growth of only 0.7% / 800 employees) between 1998 and 2004. This compared with almost 7% across England & Wales and by 3% across the East Midlands - in the other major cities of the East Midlands total employment expanded by 4,900 in Leicester City and by 8,600 in Nottingham City.

- **Employment is dominated by the service sector but possesses a poorly developed tourism sector** - with 75.7% of total employee jobs in this sector. This compares similarly with the East Midlands as a whole at 75.8% although the region is below the national average of 82.1%. Tourism-related jobs account for 6.9% of total employee jobs in Derby City compared to 7.5% in the East Midlands and 8.2% in Great Britain.
- **Derby City is relatively dependent on its manufacturing base** - the City has a greater relative dependence on manufacturing employment than the East Midlands. Derby City has 19.9% of all jobs within the manufacturing sector compared to 17.4% in the East Midlands and just 11.9% nationally.

Economic Activity

- 2.2.4 **Derby has significantly higher rates of economic inactivity than both the East Midlands region and the UK as a whole.** Economic activity rates are lower in Derby than in the East Midlands and the UK. The Annual Population Survey (Apr 2004 – Mar 2005) indicates that 75.7% of people of working age in Derby are economically active. This rate is significantly less than the regional rate of 79% which itself is slightly higher than the rate for England and Wales at 78%. Despite an impressive improvement in claimant unemployment in Derby, the JSA claimant count rate at January 2006 of 3.3% remains relatively high. This compares to 2.3% in East Midlands and 2.6% nationally.

Educational Attainment

- 2.2.5 **In terms of the qualifications held by the working age population Derby is performing better than the East Midlands as a whole but lower than the national average.** At NVQ4 and above, Derby has 23.3% of the working age population compared to 22.2% for the East Midlands and 25.2% nationally.

Ethnicity

- 2.2.6 **Derby has significantly higher levels of ethnicity than both East Midlands and England and Wales as a whole.** Ethnicity characteristics for Derby show that 87.45%¹ of the resident population are white compared to 93.49% in East Midlands region and 91.31% in England and Wales. This means that:
- Derby has around 50% more of its resident population from Asian or Asian British background (8.36%) compared to the East Midlands (4.05%).
 - Derby also has a higher percentage composition of residents of both mixed (1.79%) and black ethnicities (1.79%) compared to the East Midlands (1.03% and 0.95% respectively).

Levels of Deprivation

- 2.2.7 **In terms of multiple deprivation² Derby City ranks within the 2% most deprived areas nationally and the Local Authority area within the top 20% of most deprived Local Authority areas.** Potential sites identified for the large casino are located within Derby City Centre and fall within Super Output Area 013F, part of the Arboretum ward. This SOA in question has an IMD rank of 475 and proposing the

¹ Census 2001, ONS

² Ranked using the Indices of Multiple Deprivation (IMD) 2004, which measures deprivation for every Super Output Area (SOA) and Local Authority area in England. It combines indicators across seven domains into a single deprivation score and rank. There are 354 Local Authority areas within England & Wales and 32,438 SOAs, with 1 being the worst and 354 / 32,438 being the best.

development in this ward will enhance the ability of local people to access employment opportunities.

2.2.8 The other IMD domains shown in figure 2.2.8 also demonstrate high levels of deprivation with four out of the seven domains ranked within the 4% most deprived areas of the country.

Figure 2.2.8 – Indices of Multiple Deprivation For Super Output Area, Derby 013F		
Indices	Rank (out of 32,482 LSOAs)	% deprivation in comparison to national picture
Index of Multiple Deprivation	475	Top 2% deprived wards
Income	1,193	Top 4% deprived wards
Employment	436	Top 2% deprived wards
Health	384	Top 2% deprived wards
Education	4,455	Top 15% deprived wards
Barriers to learning	16,002	Top 50% deprived wards
Living environment	4,919	Top 15% deprived wards
Crime	66	Top 1% deprived wards

Source: www.neighbourhoodstatistics.gov.uk, IMD (2004)

2.2.9 Deprivation levels within the rest of Derby, as revealed in figure 2.1.8 below, show numerous pockets of acute deprivation, particularly concentrated around the inner city centre with pockets of more prosperous SOAs towards the suburbs of the local authority area.

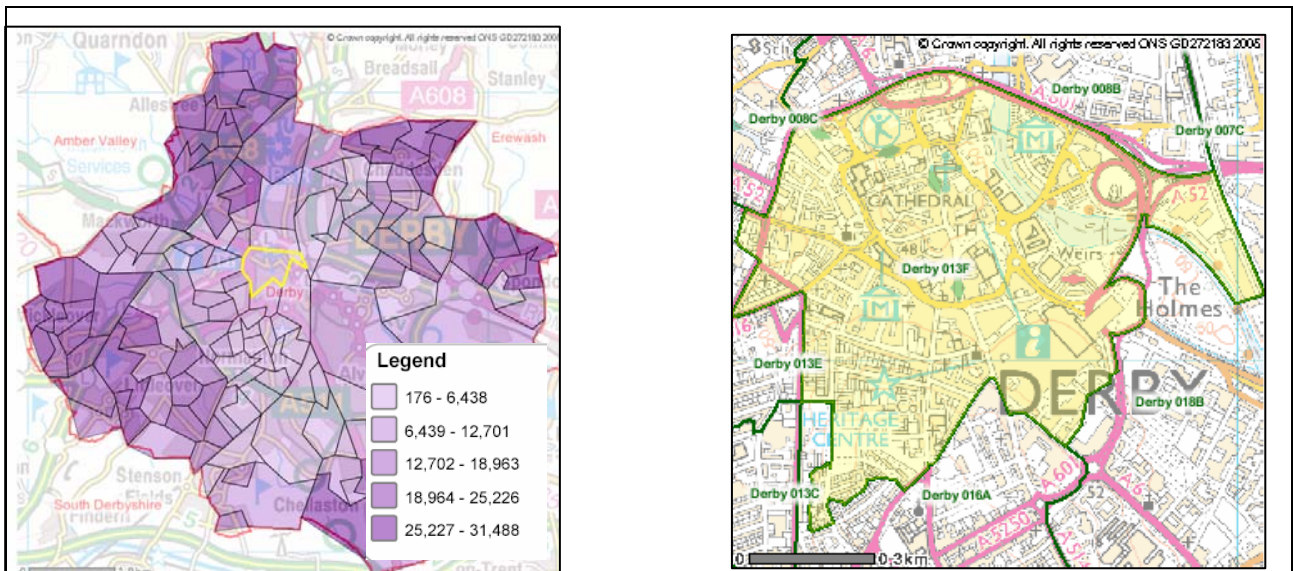


Figure 2.1.8 Indices of Deprivation for SOA Derby (013F), Rank of Index of Deprivation Scores (Jan 2004)Source: NeSS Geography Hierarchy

Map of Super Output Area, Central Derby (013F)

2.2.10 The development of a casino within this very deprived area, delivered as part of a wider mixed use scheme, offers the potential to attract significant levels of public and

private sector investment, delivering substantial physical regeneration and associated community benefits.

Tourism

2.2.11 **Although Derby recorded 1.8 million visitors in 2004 spending an estimated £260 million, tourism within the East Midlands since 2002 has suffered a downward trend.** The central location of Derby within the UK means that the city has a potential visitor catchment of an estimated 1.6 million people within a one-hour drive time of the city. However, the volume of tourists visiting the main cities of the East Midlands has seen a downwards trend since 2002.

2.2.12 At present, the main tourist attractions in Derby identified by the Derby Tourism Marketing Plan 2005-2008 include:

- 3 museums;
- Royal Crown Derby;
- Derby Cathedral;
- Pride Park Stadium;
- 'City Break experience'

2.2.13 There are also three National Trust owned attractions within a 10-mile radius of Derby and the city is also in close proximity to the Peak District National Park, the UK's largest national park.

3 Social Impact

3.1 Introduction

3.1.1 Much has been written on the social impact of gambling and gaming across the world and it is not the purpose of this proposal to repeat in detail the findings of a large amount of evaluation evidence that exists. It is clear that much of the existing evidence relates to the impact of a resort-style casino as opposed to a large casino and therefore we have addressed this issue.

3.1.2 To provide evidence that we have considered the crucial issue of social impact in Derby the City Council have consulted with a number of organisations to determine their views on the likely social impact of a large casino and the policies recommended to put in place to counter any negative social impacts. These consultees have included Gala Casinos, Gamcare, and Derby City Council Licensing department and the findings of these consultations are presented below.

3.2 Latest Evidence

3.2.1 In broad terms latest research on the gambling market as a whole indicates that only 4% of gambling is undertaken within a casino³ with the majority of gambling undertaken through the national lottery, betting shops and on the internet.

3.2.2 This figure will clearly be increased over the next few years but according to the Chief Executive of Gamcare, the charity set up to deal with problem gambling, "there is no evidence that increasing the number of casinos is set to significantly increase the number of problem gamblers". Gamcare view the unregulated internet gambling industry as presenting a significantly greater danger than new casinos, especially in relation to attracting young people into gambling.

3.3 Likely Quantified Impacts

3.3.1 In this proposal we have presented evidence of the anticipated job creation arising from a large casino in Derby. Net direct additional jobs to the City will be in the region of 250 and will encompass a range of activities/roles and associated salaries.

3.3.2 Local Derby residents are well-placed to benefit from this expected jobs growth, especially given the significant number of semi-skilled positions on offer in leisure sectors, including croupiers, security, catering, administrative, secretarial and marketing positions. However we need to bear in mind that some of this labour-force may face multiple barriers to employment (e.g. labour market returners may have been unemployed for long periods of time, coupled with caring responsibilities) and may require appropriate policy support measures.

3.4 Policies and Procedures

3.4.1 Discussions internally within Derby City Council and externally with Gamcare demonstrate the importance of developing procedures to counter any negative social impacts of gambling. Already within Derby the Citizens Advice Bureau offer debt advice and counselling and a 24 hour advice line on debt matters.

3.4.2 As guidance to Local Authorities has not yet been provided by the Department of Culture, Media and Sport on the implications of the new gambling legislation it is

³ Gaming and Betting UK 2005, ATE Intelligence

considered premature for Derby City Council to approve additional budget for countering any specific gambling-related negative social impacts.

3.4.3 However, it is an issue that has been considered carefully by Derby City Council's Licensing Team who anticipate that policies and procedures will be introduced under the new gambling legislation that closely mirror those policies and procedures introduced under The Licensing Act (2003). Derby City Council's current licensing policy under this act promotes the following four licensing objectives and similar policies and procedures will be introduced under the new legislation:

- the prevention of crime and disorder;
- public safety;
- the prevention of public nuisance; and
- the protection of children from harm.

3.5 Testing For Social Change

3.5.1 The City Council are committed to the monitoring of changes in social impacts in Derby in line with similar initiatives in place to measure the impact of the new alcohol licensing laws on social cohesion.

3.5.2 Measures to test the changes of social impact if a new casino was to be licensed include:

- to keep gambling free of criminality,
- to prevent under-age individuals from entering casino gaming areas, and
- to forestall any potential increase in problem gambling.

3.5.3 Such measures will include:

- monitoring changes in numbers of people contacting Citizens Advice Bureau for gambling related addiction and debt problems;
- monitoring changes in numbers of young people (18-25 year olds) seeking counselling for gambling related debt connected with licensed casinos;
- monitoring changes in levels of crime related incidents in relation to casino licences

4 Need for Regeneration

4.1 Introduction

4.1.1 The evidence presented in the area profile, section 3, suggests there is a significant need for continued investment in the Derby economy, if the City is to compete more effectively and act as both a local and regional driver of growth. Specifically the need for regeneration can be summarised as follows:

- The City has suffered from years of under investment and economic stagnation with no new office development in Derby City Centre for 12 years and a visible failure to bring forward any significant retail and leisure development;
- Weak representation of typical city centre employment sectors, including financial services, other business activities, hotels, bars and restaurants, and leisure activities;
- A city centre that does not currently act as an 'attractor' for enterprising, knowledge workers including quality lifestyle opportunities in terms of living and leisure;
- A city centre that does not currently act as an effective service centre for established companies and inward investors with access to quality shopping, leisure and learning opportunities;
- Derby has lagged behind other major cities in the East Midlands region and is in the process of economic restructuring and diversification;
- In terms of employment, Derby has not benefited from the recent strong employment growth witnessed in the rest of the UK and in the East Midlands over the last 10 years and is still strongly dependent on manufacturing;
- In terms of multiple deprivation Derby ranks within the top 20% most deprived Local Authority areas;
- Derby has significantly higher rates of economic inactivity than both the East Midlands region and the UK as a whole.

4.2 Derby's Regeneration

4.2.1 The Urban Regeneration Company, Derby Cityscape, has produced a Masterplan which is predicated on this analysis - that new investment will be assisted via the facilitation of transformational projects in the City.

4.2.2 The focus of these projects is on encouraging the growth in service sector industries whilst concurrently offsetting potential risks of employment decline in the other manufacturing sectors, as part of a coordinated effort to strengthen the City's economic base and competitive advantage.

4.2.3 This is not simply a property issue. It will require coordinated and, where necessary, comprehensive investments in other areas, including skills and workforce development as part of an integrated effort to create the right conditions for investment in a competitive regional and national context.

4.2.4 Derby Cityscape's response to the regeneration needs of the City is to seek to deliver a step change in the City's relative social and economic underperformance within the region. In concrete terms this means the following regeneration outputs are being sought over the next five years, up to 2011:

- Public sector investment – £72m
- Private sector investment – £715m

- Jobs created – 6300
- Residential units – 5200
- Employment floor space – 121,000sqm

4.3 Overall Regeneration Impact

4.3.1 The aspiration to attract a large casino forms a key part of the City’s aim of fulfilling its potential as a sub-regional leisure destination. Physical regeneration will be focused along the River Derwent, a key underused asset within the city centre. The development of a landmark casino fronting the Derwent, as part of an integrated leisure complex, will offer the potential to refocus leisure provision at the heart of the city centre. Based upon this rationale a casino for Derby will have the following key regenerative impacts:

- create new employment opportunities directly for local people, particularly in those areas adjacent to the city centre that currently suffer relatively high levels of deprivation and unemployment
- open up an urban brownfield site for strategic development;
- anchor a commercially robust and deliverable mixed-use development to provide a modern and attractive place for people to live, work and enjoy leisure time;
- attract inward investment into the central area of Derby, both directly from a Casino operator, and indirectly by dramatically improving Derby’s appeal as a focal point for economic, civic and cultural life within the East Midlands;
- improve investor confidence in the long term prospects of Derby’s resurgence;
- underpin the emerging city centre masterplan as a key strategic development; and
- create a place to visit and genuine destination in its own right.

4.4 Economic Value

4.4.1 In quantifying the economic impact of a large casino to Derby consideration has been given to the overall economic benefits that could accrue to one of the area’s identified as part of the comprehensive physical regeneration of the City Centre – North Riverside. This has been done to demonstrate the benefits that a casino could bring where delivered as part of a comprehensive mixed use scheme and the direct economic impact of a casino as a standalone operation.

Table 4.4.2: Potential economic benefits delivered from Casino located within North Riverside redevelopment (Source: Tribal Consulting Ltd. economic impact analysis)

	Net Additional Jobs Created	Gross Value Added (GVA) (£)
Commercial office and Hotel	1,050	58,000,000
Residential	Not Applicable	Not Applicable
Casino	250	10,000,000
Total	1,300	68,000,000

4.4.2 Table 4.4.2 above indicates the potential for up to 250 net additional jobs to be created through the operation of a casino in Derby, contributing an additional £10,000,000 to

the city's GVA. These figures have been calculated using the following data sources and methodology identified below:

Data sources

- Assumptions on the likely floorspace size of a casino in Derby taking into consideration the Casino Advisory Panel's guidance concerning total minimum floorspace for gaming facilities;
- EP Additionality Guidance; and
- Data from previous casino economic impact assessments including the PION Economics Report undertaken on behalf of Lancashire West Partnership: Resort Casino Impact Study and Action Plan.

Methodology

- Gross job calculations have been made for both the gaming area and ancillary floorspace. Ratio's of one job per 6 sq/m of floorspace have been applied to the gaming area and one job per 40 sq/m for ancillary floorspace to give a total of 444 gross operational jobs;
- Net jobs have been calculated using EP Additionality Guidance to arrive at a job figure that accounts for likely leakage levels, displacement of existing activity, the multiplier effects of subsequent spending and the reference case in terms of what would have happened anyway. Using standard indicators it is estimated that up to 250 net additional jobs could be created through large casino development.

5 Willingness to Licence

5.1 East Midlands Development Agency

5.1.1 Derby Cityscape have received a letter of support from David Wallace, Director (International) of East Midlands Development Agency. We have included the relevant sections of this endorsement below, which also serves to clarify emda's positive view of the opportunities for regeneration and sustainable economic development that casinos could provide:

“As the Regional Development Agency for the East Midlands we wish to ensure that as many areas as possible benefit from the opportunities for regeneration and sustainable economic development that casinos could provide. We hope that local authorities in the Region will prepare well evidenced bids which make a strong and persuasive case for their areas.

We are keen to ensure that the selected locations reflect our own priorities for regeneration, and be located in areas which would most benefit the local economy offering real and lasting regeneration benefits in terms of economic, social and environmental regeneration.

We accept that large or small casinos should be well located in relation to urban areas, and there are a number of bids which could serve this purpose.

We would give our in principle support for bids which were focussed on a regeneration zone, such as Derby's Urban Regeneration Company area, where a casino could help achieve a step change in sustainable economic development.”

5.2 Derby City Council

5.2.1 Statement of support from Councillor C Williamson, Leader of Council

5.2.2 As Leader of the City Council I fully support this application.

5.2.3 The Council's Licensing Committee will meet on 19 April 2006 to consider the matter more fully.

5.3 Local Strategic Partnership

5.3.1 Derby City Partnership, the Local Strategic Partnership, for Derby includes the following members:

5.3.2 Central and Greater Derby Primary Care Trust, Central Derby Primary Care Trust, Derby City Council, Derby Cityscape Ltd, Derby Evening Telegraph, Derby Hospitals NHS Foundation Trust, Derby Racial Equality Council, Derbyshire Building Society, Forum of Faiths For Derby, Diocese of Derby, Learning and Skills Council, Pro-Derby, University of Derby, City of Learning, Cultural City, Environment City, Government Office East Midlands, Derby Community Safety Partnership, Derby Marketing.

5.3.3 Derby City Partnership, at its meeting on 23rd February 2006, resolved to support the submission of an expression of interest to the Casino Advisory Panel for the Derby area. This endorsement is made in the minutes of the meeting of the Derby City Partnership Board and a copy of the full minutes of this meeting are available on request.

6 Probability of Implementation

6.1 Introduction

6.1.1 Recognising Derby's relative underperformance in social and economic terms within the region, the Government established Derby Cityscape in 2003 to drive investment and development in the urban core. The Urban Regeneration Company model adopts a partnership approach to enable the co-ordinated physical, environmental, economic and social regeneration of the city centre, ensuring that it is able to fully meet the needs and aspirations of the local communities and stakeholders. Derby Cityscape's focus is on a comprehensive programme for joint working between public (including Derby City Council and Derby City Partnership, the Local Strategic Partnership), private and community members to deliver regeneration.

6.2 Investor Interest

6.2.1 The reluctance of commercial casino operators to provide confidential market demand analyses is unsurprising given the commercial sensitivity of their own analyses. As such no detailed commercially-led market demand analysis has been provided as part of this proposal. However, discussions with key casino operators indicate that Derby is a 'hotspot' for additional casino development and that there is significant investor interest in the location.

6.2.2 Latest figures on leisure based enquiries received from Derby City Council Economic Development Unit show a high level of current leisure based demand. As Table 6.2.2. below shows there are currently 46 hotel and leisure based 'live' enquiries which indicates the demand for hotel/leisure space sought. Sizes sought ranges from 1,000 sq ft to 60,000 sq ft.

Table 6.2.2: Live enquiries being handled by Derby City Council

Use Sought	Number
Industrial	286
Investment Property/Business for Sale	22
Land/Sites	151
Leisure/Hotel	46
Office	280
Retail	223
Serviced Office/Managed Workspace	60
Warehouse	107
Total	1175

Source: Derby City Council, Economic Development Unit, March 2006

6.2.3 There are currently only two casinos operating in Derby, both operated by Stanley Leisure. However, Derby City Council, as local licensing authority, have recently approved a licence from Gala Casinos to operate a further casino within the City. Gala

are now seeking a suitable location within the city to take up to 30,000 sq ft within the licensing authority area.

- 6.2.4 A principal reason for strong investor demand within Derby is a perceived recognition amongst operators of the current undersupply of casino space within the city relative to the large population size within a short driving distance. Derby offers a number of locational advantages crucial for casino operators in terms of ensuring the commercial viability of their business. The section that follows summarises these critical locational factors.

Disposable income

- 6.2.5 People living in the East Midlands benefit from a relatively high level of disposable income. Gross disposable household income per head for East Midlands is £11,612 which is significantly higher than other regions of the UK, namely the North West (£11,559), the North East (£10,787), Yorkshire and Humber (£11,462), West Midlands (£11,552), Wales (£11,137) and Northern Ireland (£10,809).⁴

Labour Market

- 6.2.6 England's East Midlands is home to 4.2 million people - more than 7% of the UK population, within easy travelling time of Derby City Centre. Derby offers a young workforce with over a fifth of the population aged between 20 and 34.

City Centre Living

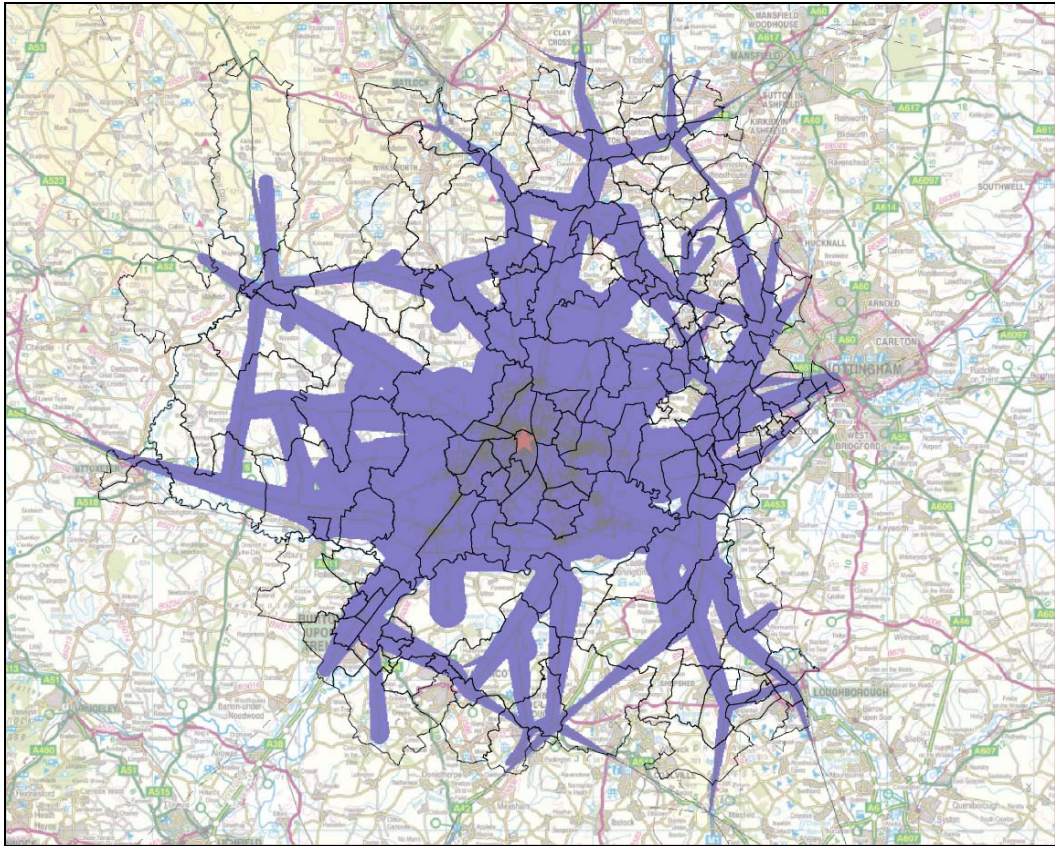
- 6.2.7 Derby is in the process of transforming the overall quality of its built environment. To do this it is implementing a balanced growth strategy focused around bringing forward a range of city centre development opportunities and house types for families, couples and singles and creating a strong climate for new investment in the commercial sector.

Ease of access / catchment

- 6.2.8 Figure 6.2.8 shows the potential population catchment based within a 45 minute travel time of Derby City Centre. A 45 minute travel time has been chosen to reflect the distance/time people would be prepared to travel to a large casino. It indicates there is a potential catchment of more than 600,000 people within a 45 minute travel time and within 1.5 hours the population catchment is in the region of 5 million people.

⁴ National Statistics, Regional Household Income, April 2005

Figure 6.2.8: Area within a 45 minute travel time of Derby City Centre



6.3 Site Options (Including specific community benefits)

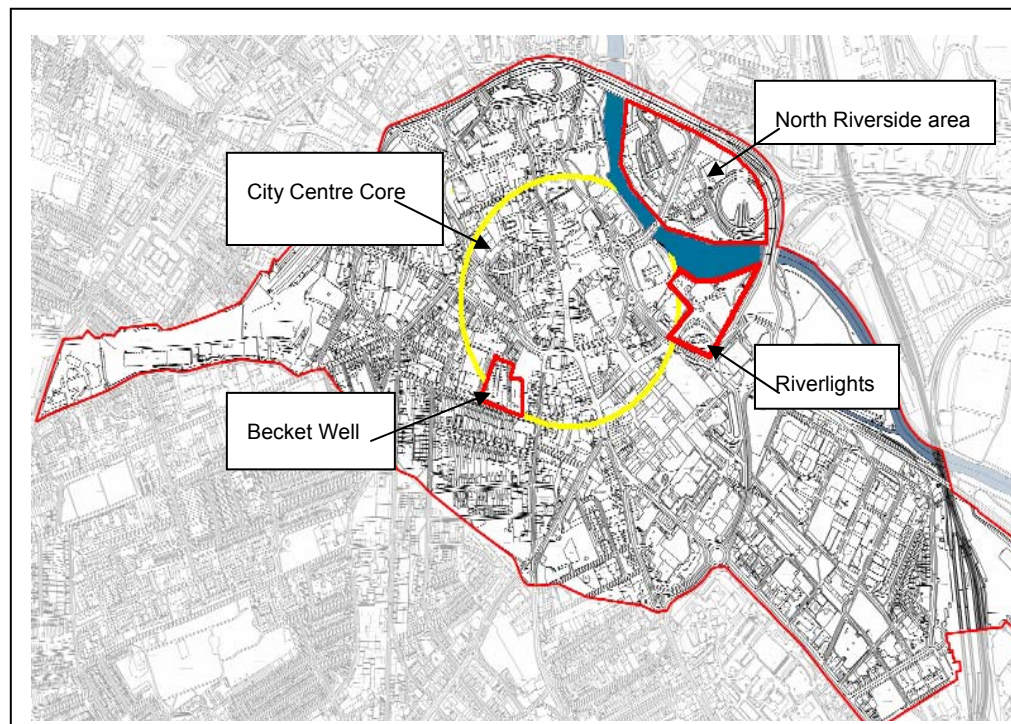
6.3.1 The following site options are put forward not to prejudice any future assessment of the suitability of sites via the local planning process. Rather the following site options have been highlighted for the following reasons:

- to demonstrate the extent to which leisure based provision is at the heart of Derby's city centre regeneration proposals;
- to demonstrate the commitment of stakeholders to help Derby fulfil its potential as a leisure destination;
- to demonstrate the extent to which consideration has been given to implementing and delivering the vision; and
- to demonstrate the specific community benefits that Derby City Council expects to accrue through the development process.

6.3.2 Derby's proposal for a large casino supports the City's ambitious plans to deliver comprehensive regeneration of the urban centre, within a regional context that promotes Derby as an economic driver for the East Midlands. To support this ambition the City Council and Derby Cityscape have identified a number of potential brownfield sites that would represent a suitable location for a casino. Identified in Figure 6.3.2 below, these sites include:

- The North Riverside area;
- Riverlights; and
- Becketwell.

Figure 6.3.2: Strategic location of development sites



6.4 North Riverside

Site location and characteristics

6.4.1 The North Riverside area is located on the north eastern edge of the City Centre, bounded to the north and east by St Alkmund's Way (the Inner Ring Road) and to the south and west by the River Derwent. The entire site is approximately 6.7 hectares and currently comprises a mix of uses, including commercial offices, residential, light industrial and surface car parking. The site lies in one of the most currently underused parts of the City, yet its riverside setting and location immediately adjacent to the urban core mean that it represents a key development opportunity for Derby, as identified in the Masterplan.

6.4.2 *"The riverside location will provide an opportunity to introduce a new range of uses and facilities that will help make this area a key focal point within the City Centre, refocusing activity on a key underused asset, the River Derwent. As a new focus of activity in Derby City Centre, this North Riverside area will provide a new quality leisure and tourist destination for residents and for business and leisure visitors, supported by new opportunities for commercial and residential development".*

Development Proposals and Deliverability

6.4.3 Given the sites development potential Cityscape believe that North Riverside would represent an excellent location for a casino development as part of a wider and comprehensive mixed use scheme. Cityscape have identified a range of potential uses for the site and are currently undertaking detailed feasibility work to analyse development and delivery options, which, in addition to a casino, include the following uses:

- Commercial office developments – proposals are for a range of commercial development opportunities (delivering 28,000 sq/m of space) to help drive the

transformation of the North Riverside area as a key location that forms part of the City Centre. The main flagship commercial opportunity will be the development of a landmark office building that acts as a gateway feature to the City Centre, when entering from the east; and

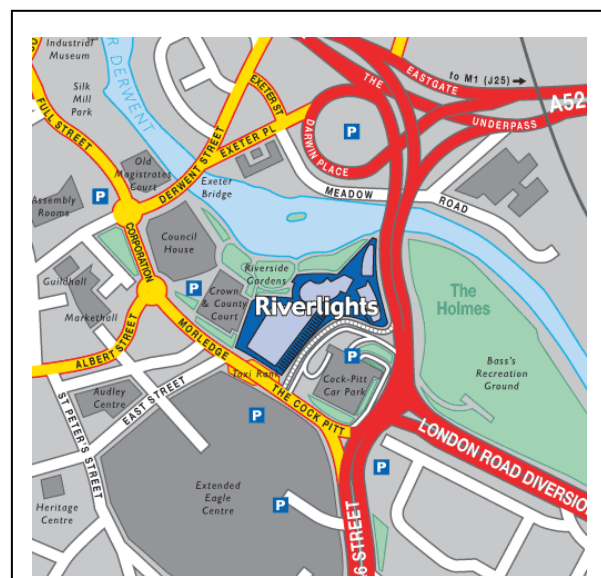
- A quality riverside hotel – with 150 bedrooms, that would serve to enhance the range of tourist facilities in the centre and further promote the North Riverside area through the provision of a linked accommodation offer for visitors;
- High density riverside housing – developed as 416 apartment style units on the Greenwood Court site fronting onto Phoenix Street and at the northern end of Meadow Lane; and
- The potential for a performance arts facility fronting onto the River Derwent – that would provide a wide range of services and be capable of holding concerts, plays, musicals and assembly events, including conferences and could possibly be developed as part of a wider casino / strategic leisure complex.

6.4.4 The focus of Cityscape’s work is upon identifying a development mix that would enable substantial levels of private sector investment to be levered into Derby, where supported by realistic levels of public sector up-front funding, and consideration of the economic benefits that could flow from this. This work is necessary as it is likely that public sector funding will be required to prepare the site in order to create a viable development proposition for the private sector. The main constraint relates to the existing highway arrangement and the presence of a major highway interchange adjacent to and partly within the site where the Darwin Place Grade Separated Junction links to the A52 via St Alkmund’s Way. This creates serious access problems to the site and significantly reduces the developable area, affecting the overall quantum of possible development and the potential regeneration impact. However, the overall analysis undertaken so far indicates that public sector investment to facilitate the redevelopment of North Riverside is justifiable given that it could deliver substantial economic benefits for Derby.

6.5 Riverlights

Site location and characteristics

6.5.1 The Riverlights scheme has been conceived as a new vibrant waterfront entertainment and city living quarter occupying a gateway location immediately adjacent to the City Centre. It is located opposite the North Riverside area, on the southern bank of the River Derwent bound by the Ring Road to the east, Morledge to the south and the Crown and County Court to the west.



6.5.2 The private sector led scheme occupies part of the former bus station site which has been temporarily relocated to allow the site to be cleared for development. The proposals are for a new ‘airport style’ transport interchange to be built along with a range of mixed uses including leisure, commercial and residential on the 2.5 hectare site. Derby City Council is currently

considering the potential for a casino facility to be incorporated into the plans for Riverlights, should Derby be successful in its license application.

Development Proposals and Deliverability

6.5.3 The main elements of development proposed for Riverlights include:

- The new transport interchange with 24 bus bays and five coach bays, with indoor seating, separate sliding doors for each bay and access for disabled people;
- 160,000 sq/ft of leisure development to include a health and fitness club and a range of restaurants and café bars;
- 150,000 sq/ft of high specification commercial office space;
- 150 residential apartment style units; and
- A 960 space car park.

6.5.4 The City Council is working towards identifying a development partner for Riverlights with whom a fully deliverable scheme can be agreed and implemented subject to a full planning submission being made and granted. It is anticipated that a preferred development partner will be announced during April 2006.

6.6 Becket Well

Site location and characteristics

6.6.1 To the north and east of the site is the core retail area of the City Centre and to the south of the site is an existing City Centre residential community, comprising mostly two-storey terraced housing. Currently the location for the Debenhams department store, the company's management have indicated an intention to relocate to the redeveloped Eagle Centre, therefore the combined sites are being treated by Derby Cityscape as a consolidated whole in order to achieve the best possible urban design and regeneration outcome.

Development Proposals and Deliverability

6.6.2 Redevelopment of the Becket Well site forms one of the key projects within the Cityscape Masterplan. The current redevelopment proposal involves the relocation of a number of City Council functions from premises that it currently occupies across the City Centre into one accessible location. A final decision is expected from Derby City Council by May 2006 but should this project not come forward, Derby Cityscape is proposing that the potential for comprehensive mixed use development of the site be explored which could include the development of a casino.

7 Regional and Local Context

7.1.1 Economic development and regeneration priorities within the East Midlands region are guided by a framework of regional, sub-regional and local strategies and planning policies. Whilst guidance specific to the development of casinos is not given due to the current work being undertaken at the national level to determine the most appropriate locations, the strategies and policies do identify the policy hooks that would support a casino in Derby.

Regional Economic Strategy

Produced by the Regional Development Agency, emda, the strategy identifies the Core City of Nottingham and the cities of Leicester and Derby (the 'three City sub area') as being central to driving the region's economy. The challenge identified in the RES is:

"to optimise the performance of the region's cities as principal engines of economic growth, whilst addressing the economic exclusion of deprived communities who seem not to benefit from the huge economic opportunities on their doorstep".

A framework is set for improving the regions economic performance based around a number of Strategic Priorities, those of which are relevant to casino development are highlighted below:

- Enterprise and Business Services - To become a region of highly productive, globally competitive businesses. Under this Strategic Priority is a Priority Action to 'Build the Visitor Economy' which already has a significant impact upon the regional economy contributing £4.4 billion of annual visitor spend and 150,000 jobs. The ambition is to increase visitor spending in the region, particularly from staying and inbound visitors with support to encourage investment in new hotels and business tourism facilities.
- Employment, Learning and Skills – to move more people into better jobs in growing businesses;
- Land and Development - To ensure that the quality and supply of development land, and balance between competing land uses, contributes towards sustainable growth of the regional economy;
- Economic Renewal - To create enterprising and sustainable communities through economic renewal; and
- Economic Inclusion - To reduce economic inequalities by enhancing economic opportunities.

Derby and Derbyshire Economic Partnership Business Plan

The Derby & Derbyshire Economic Partnership (DDEP) is one of seven Sub-regional Strategic Partnerships (SSPs) set up by the East Midlands Development Agency (emda) in 2003. The aim of the partnership is to stimulate, develop and bring forward a range of sustainable economic opportunities in Derby & Derbyshire and improve the prosperity and overall environment for businesses, communities, individuals and visitors.

The Business Plan recognises the potential that leisure and tourism has for economic development in the area and identifies its commitment to support and work with Cityscape to deliver on the URC's projects.

Planning Policies

Planning policy guides development at the regional, sub-regional and local level and due to changes in the planning system the framework is increasingly focused upon an holistic approach towards delivering physical, economic and social regeneration. At different spatial levels, the guidance includes:

- The Regional Spatial Strategy for the East Midlands;
- The Derby and Derbyshire Joint Structure Plan;
- The City of Derby Local Plan

The policies all identify the need to concentrate development in urban areas, including Derby, to promote the urban renaissance. The policies consider that this will be delivered through focused investment into identified city centre strategic locations, with a preference for brownfield sites and mixed use developments. Specifically, the Joint Structure Plan identifies the importance of ensuring that leisure and tourism developments are directed to the most sustainable locations and in particular, there is a focus on prioritising the development of facilities in inner Derby, as a means of improving social inclusion and regeneration.

The respective guidance therefore supports the location of a casino development on identified sites in Derby, as a key element of the urban regeneration ambitions of the city being spearheaded by Derby Cityscape and Derby City Council.

Other Strategies

Derby Tourism Marketing Plan 2005 – 2008 [Draft] – Derby City Council and Destination East Midlands – The East Midlands Tourism Strategy 2003 – 2010

The Tourism and Marketing Plan has the implicit aim of developing marketing campaigns that fully engage with the private sector and developing Derby as a destination for UK and overseas visitors and increase overnight stays. It also aims to:

- Increase the number of visitors to the city
- Drive up visitor spend to increase the value of tourism to the local economy
- Promote day trip initiatives to appeal to local audiences also targeting the Visiting Friends & Relations (VR) market.

The strategy feeds into the regional framework produced by the East Midlands Development Agency. This has the overarching aim of driving tourism to play a greater role in the prosperity of the East Midlands economy and enhancing the quality of life of local people. It also aims to:

- Raise visitor expenditure to 4.5% of the region's GDP by 2010;
- Increase visitor spend by an average of 2% by 2010
- Encourage this through the creation of 'special projects' which create major destination attractors to the region.

The strategy identifies the potential of tourism to contribute to Derby's economic fortunes as part of the regeneration programme in the city – including major enhancement in the public realm, retail and cultural offer. Consequently, the development of a casino as part of a wider destination offer could contribute significantly towards the tourism ambitions of both Derby city and the wider region.

