

Dear Martin

This email is written on behalf of our clients RPW Southampton Limited ("RPW"), the developers of the Royal Pier Waterfront Development site, in the hope that it will assist the Licensing Committee to make an informed decision at the hearing now scheduled for 5.30pm on 30 April. It is being copied to all Stage 2 applicants.

Its purpose is to address GGV's suggestion that the deadline for submission of Stage 2 applications should be brought forward to 14 May, notwithstanding that following the hearing on 9 April, having heard from all present at that hearing, the Committee decided that the deadline should instead be noon on 10 July.

The Committee's reasons for deciding on a revised deadline of 10 July are set out at paragraphs 28-31 of their decision. We and our clients will leave it to the affected Stage 2 applicants to make such submissions as they think fit, but the purpose of this communication is to:

- (1) remind the Committee of the Council's original proposal regarding the deadline for submission of Stage 1 and Stage 2 applications,
- (2) repeat what my clients told the Committee on 9 April with regard to the reason why they had been unable to supply Stage 2 plans and information to the Stage 2 applicants, to the extent that it is relevant for the purposes of GGV's above suggestion,
- (3) summarise where my clients currently stand in relation to the provision of revised plans (taking into account paragraphs 24-27 of the decision) and information required by applicants for the purposes of their Stage 2 applications and
- (4) refute erroneous comments made by Andrew Herd on behalf of GGV at the hearing on 9 April upon which the Committee may have sought to rely.

I adopt the same numeration below when addressing each of the above points.

1. The Council's original proposal regarding the deadline for submission of Stage 1 and Stage 2 applications

My clients understand that the original provisional Large Casino Competition timescale proposed by the Council was designed to allow for a six month time period between the signing of the Royal Pier Waterfront development agreement and the commencement of Stage 1, with Stage 2 commencing six months thereafter. Taking into account the date on which the development agreement was subsequently signed, Stage 2 would not have commenced until April 2015 had that original proposed timescale been followed. At a meeting on 30 September 2014 Mr Nayak of my clients explained to representatives of the Council why, by reason of the late signature of the agreement and consequent absence of approval of the Royal Pier Waterfront Masterplan by the parties to that agreement, RPW would not be in a position to provide the detailed plans and information required by the Stage 2 process until, he estimated, six months thereafter, ie the beginning of April 2015 or thereabouts. RPW was of the view that in such circumstances, the most appropriate course would be to delay the commencement of Stage 2 until then with a consequential deadline for submission of Stage 2 applications during July 2015, which would have allowed applicants to consider the Stage 2 plans and documentation in the intervening period. However at a hearing on 16 December 2014, the Committee determined to commence Stage 2 three months earlier on 1 January 2015 with a deadline submission date of 16 April

2015. Taking into account also the circumstances described at paragraph 2 below, it is therefore not inconsistent with what they had previously stated that my clients were unable to have provided the required Stage 2 plans and information to Stage 2 applicants in advance of the 9 April hearing.

2. The reason why RPW had been unable to supply Stage 2 plans and information to the Stage 2 applicants prior to 9 April

As already explained to the Committee, albeit that discussions had taken place with all applicants prior to the submission of the Stage 1 applications, following the Committee's decision on 16 December 2014, my clients commenced detailed discussions with each successful Stage 1 applicant to better understand their respective requirements for a casino within the "casino location zone" that had previously been identified for the purposes of the Stage 1 applications. My clients were of the view that such discussions might result in them identifying a preferred operator with whom they might enter into an agreement for lease, but in the event this proved not to be so. What did transpire however, was that contrary to previous indications certain of the Stage 2 applicants made it clear that they would prefer their casino to be located in a more prominent position on the site. My clients' understanding was that the Council's Advice Note of 20 June 2014 indicating that it would accept Stage 1 applications with a red line around the whole of the proposed development site was intended to allow a degree of flexibility that would enable the casino to be relocated from the original casino location zone to a more prominent location elsewhere on that site. Indeed it remains their view that that is the only interpretation that can be placed on it. The Advice Note stated as follows:

"Note on submission of Stage 1 Applications that involve the proposed new development at Royal Pier.

The Council has been asked to clarify the potential conflict between the Regulations that specify the form and content of an application in so far as it relates to being able to provide a detailed plan of the proposed premises.

Applicants will be aware that The Gambling Act (Premises Licence and Provisional Statements) Regulations 2007 states that the application shall be accompanied by a scale plan of the premises and paragraph 4(2) then states that the plan 'must' show certain design elements. However, this is then relaxed slightly by paragraph 10(3) which states:

Where the application relates to premises which the applicant expects to be constructed or altered, any reference in paragraphs (2) to (9) of regulation 4 to the premises to which the application relates is to have effect for the purposes of this regulation as a reference to those premises as they are expected to be when constructed or altered.

The Council has taken legal advice and is able to state that we will accept Stage 1 Applications that show a red line around the whole of the proposed development and encourage applicants to make this as comprehensive as possible within the constraints that this situation creates."

My clients accordingly made enquiries of those applicants who had expressed a preference for a more prominent site whether they would be interested in a relocation of the casino elsewhere on the RPWD site. The first of the applicants to express a commercial preference for one or more of sites WQ2, 3 or 4 adjacent to West Quay Road in the northern part of the

site was Grosvenor Casinos. They were not alone amongst the applicants in expressing such a preference. My clients are property developers, not casino operators. They are reliant on, and react to, input from those who are experienced in operating casinos. Accordingly my clients raised with the Council the possibility of so relocating the casino and produced changes to the Masterplan to reflect such a relocation. They followed this up by copying to the Council a legal opinion provided by my company on 23 January 2015 explaining why it was considered that such a relocation at the premises licence application stage by the competition winner was permissible under the casino competition licensing process. There then ensued a delay of over a month until Barbara Compton replied on behalf of the Council on 26 February setting out the "provisional" opinion of Philip Kolvin QC disagreeing with the opinion expressed by my company. It was then suggested that a hearing should be held to determine this issue and questions arising from it, and a hearing date of 9 April was fixed. In the interim period, in light of the opinion, albeit provisional, of Mr Kolvin that the casino could not be so relocated, my clients investigated the alternative possibility of reconfiguring the casino layout within the same "footprint" as shown by applicants at Stage 1. However, it was only ever going to be upon the Licensing Committee determining the questions posed to it at the hearing on 9 April that it would be known by both my clients and the Stage 2 applicants to what extent, if any, the plans might diverge at stage 2 from those relied upon at Stage 1. That determination has fundamental bearing on the Masterplan for the site as a whole, which is why my clients could not provide definitive plans and supporting information to the intending Stage 2 applicants (beyond that already publicly available to them) until that determination had been made. In view of the fact that the above was explained to the Committee at the hearing on 9 April, my clients feel aggrieved that the Committee's decision states at paragraph 6(1) that *"RPW has failed, for reasons which it has not explained, to provide any of the basic information to the applicants to enable them to formulate their Stage 2 bids"*.

3. Provision of revised plans and information required by applicants for the purposes of their Stage 2 applications

Arising from the Committee's finding recorded at paragraphs 24-27 of the decision of 9 April 2015, my clients and their architects have been working on reconfiguration of the Masterplan drawings to enable production of revised casino plans within the same "footprint" as was shown in the Stage 1 plans. It is currently anticipated that the initial plans will be circulated to all Stage 2 applicants in accordance with the timetable set out in number 1 below. This will in turn enable consequential changes to the Masterplan such that it, and all other supporting material required for the purposes of Stage 2 submissions, can be provided to all applicants as soon as the same become available (no later than step 2 in the timetable below). Once such information has been circulated to all applicants, my clients will be pleased to re-engage in discussions with all of them in order to address any issues and answer any questions they have arising from the revised plans and information (3 and 4 below). This we believe should enable each applicant to finalise and submit their Stage 2 application within the period of time remaining thereafter.

Provision of information to Operators:

1. w/e 15th May: Initial Masterplan Interim update issue to Operators.

2. 29th May 2015: Issue of RPW developer's design Masterplan, Context, and location information pack: (Drawing Pack identifying the available space for the Casino and its context within the RPW Masterplan):
3. 29th May- 12th June 2015: Period within which queries/ issues should be addressed to RPW by prospective operators.
4. 29th May-26th June 2015: Period within which operator queries will be discussed and/or clarified by RPW.
5. Submissions: 10th July 2015

It is not practicable to compress this timetable any further in the light of the work to be undertaken, to provide prospective operators with sufficient time to request alterations to our proposals, and for our client to give such requests proper consideration.

4 RPW's response to comments made by Andrew Herd on behalf of GGV at the hearing on 9 April

At the hearing on 9 April, the Committee allowed Mr Herd of GGV to make wide-ranging comments on issues that were not relevant to the questions that the Committee had convened to determine. During the course of making such comments, for reasons that will have been best known to GGV, Mr Herd made a number of what my clients regard as unfounded and seriously misleading assertions in relation to the value of the proposed casino to the overall Royal Pier Waterfront development. After Mr Herd had been allowed to make such assertions, on behalf of my clients I invited the Committee to disregard the same as being wholly irrelevant when making their determination. However, for the avoidance of doubt I am instructed by my clients to make it plain that:

- (a) they completely disagree with all that Mr Herd said with regard to the value of the proposed casino on the Royal Pier Waterfront site,
- (b) the financial and regenerative benefits that such a casino would bring are very substantial and
- (c) such a casino is critical to the implementation, and ultimately therefore the success, of the Royal Pier Waterfront development.

My client was unable to refute these wholly misleading assertions at the hearing because the hearing was being held in public and not only did my client not wish to discuss private commercial information, it had also given undertakings to other parties not to discuss the same matters without their prior agreement.

In proceeding as they have done since receiving the Licensing Committee's decision on 10 April, my clients have been working to the revised deadline of 10 July. We trust that the above information will assist both all Stage 2 applicants and the Licensing Committee to conclude what amount of time will be required by such applicants to complete and submit their Stage 2 applications.

Regards

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