

# Tourism priorities for Heart of London

September 2017

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## Summary

This document sets out Heart of London Business Alliance's top ten key priorities for tourism. This paper has been prepared through extensive engagement with our members, many of whom rely on tourism to make their businesses a success. London is the world's capital city and maintains this status by businesses constantly innovating, staying ahead of competition. This paper reflects our members' top priorities for Government to support, nurture and enhance the fourth largest industry in the UK.

Our members' priorities are our priority. We have divided these into the Sector Deals VisitBritain are focusing on as part of their submission to Government.

## Key issues

### *Skills*

#### *Visas*

Brexit presents challenges and opportunities for our members. One challenge that particularly concerns our businesses is a post-EU immigration policy that could severely constrain their access to skilled labour. Our hospitality businesses are particularly reliant on skilled foreign workers such as chefs, 25 per cent of whom are EU nationals, and would face significant difficulties were there to be a policy that restricted the movement of skilled staff to the capital to work. Shortages of staff lead to rising costs, degrading customer service and quality; all damaging to London's reputation globally. We ask the Government to ensure that any future immigration policy with the EU and the wider world reflect the need for skilled staff to maintain our tourism offer, particularly in the hospitality industry. Heart of London supports the BHA's submission on Brexit and visa access to achieve this.

Heart of London member:

“Confirm the rights of EU citizens to remain in the UK post Brexit and the new immigration system must recognise that hospitality is dependent on EU workers who have the skills and desire to work in hospitality”

### *Training*

Our members recognise the importance of educating home grown talent to increase the supply of trained UK hospitality staff. However, there is a cultural barrier hindering this skills push. There is a perception in the UK that hospitality is a second choice job, below that of other career paths. British young people are alternatively pushed towards traditional jobs, which may cease to exist in a few years' time, rather than to the thriving hospitality industry. Our members find that this is the greatest barrier to recruiting British staff. They find it difficult to get into schools to outline the opportunities available in hospitality for a career and progression. With this culture combined with low unemployment our members are struggling to fill the training opportunities that

they offer with British staff. We ask that the Government invest in fighting this culture, promoting careers and opportunities in the hospitality industry.

Ciaran Fahy, Ritz:

“The career and skills development opportunities in the UK hospitality industry are under appreciated and poorly understood. The hospitality industry is thriving across the London and the wider UK, presenting a myriad of entry level job opportunities for young people, which are often overlooked for ‘traditional jobs’, many of which may soon cease to exist.”

### *Connectivity*

#### *Infrastructure*

For our businesses to succeed, connectivity is crucial. The Night Tube on weekends has allowed our members’ staff to come to by public transport and enabled more visitors to enjoy our evening and night time offer. We look forward to the opening of the new Elizabeth Line next year which adds additional visitors, arriving more sustainably, to the heart of London. However, ensuring London continues to be a thriving World City requires the introduction of more airport capacity in the South East, as well as further investment in additional transport links and capacity improvement to Central London. We therefore urge Government to press ahead with increased airport capacity and runways in the South East, and to finalise a route and funding agreement for Crossrail 2 with the Mayor of London to enhance London’s connectivity.

Our public realm is a key component of our attractiveness to visitors. Over the last ten years we and our members have invested over £40 million in the public realm of the Heart of London area. We need to build on this success and continue to enhance the vibrancy of our area. We ask Government for support to invest in this crucial tourist area, encouraging more people to come to the UK by making the Heart of London the draw for visitors from across the globe.

Claude Abi-Gerges, McDonald’s:

“Whilst the Elizabeth line will ease travel into central London, in order to improve the visitors overall experience, we still require increased capacity through an extra airport terminal”

### *Industry of the future*

#### *Access to the UK*

Our members rely on tourism from both EU and non-EU countries. From tour groups on their first trip to London to high net worth individuals (HNWIs) who pick and choose which cities they visit, these customers need the easiest possible access to the UK. Heart of London has worked for many years with the UK China visa alliance to push for more flexible and easy to access visas for Chinese tourists. We are pleased to see steps have been taken in this direction, however much more needs to be done.

This is also the case for visitors from the Middle East. These HNWIs contribute not just to luxury brands and hotels, but to culture and the arts. Heart of London runs campaigns to target these individuals and encourage them to the UK, but if it remains difficult to get to the UK they will choose other destinations. We ask that the

Government continue to work to make visas for tourists easier to access, cheaper and for longer and multiple stays.

Ian Haworth, Hippodrome Casino,

“We need the foot on the pedal with Chinese Visas. France attracts eight times more Chinese visitors than the UK, we cannot let this continue.”

#### *Arts and culture funding*

The West End’s art and culture offering is one of its greatest assets, drawing in tourists from around the UK and the world. Arts and culture make up 0.4 per cent of GDP, a significant return on the less than 0.1 per cent of government spending invested in the sector. Arts and culture generate more per pound invested than the health, wholesale and retail, and professional and business services sectors.

At least £856 million per annum of spending by tourists visiting the UK can be attributed directly to arts and culture. Arts and culture is crucial to the proposition Heart of London and the wider West End offers, and needs to be promoted. Since 2010 arts and culture funding has seen a significant drop in both national and local financial support, putting strain on these key tourist attractions. We believe that the Arts Council and others have taken great steps to diversify their offer to deliver quality despite cuts, ensuring that their draw as a tourist attraction remains. However, this cannot go on indefinitely. With the ROI so clear from supporting arts and culture, we ask that the government look to increase funding to this sector and the promotion of it, especially in key tourist locations.

Heart of London member:

“Promote free museums and galleries as an asset to counterbalance perceptions of London being expensive.”

#### *Regulation*

##### *Resilience*

Security is the most crucial issue for our members. People come to London for a variety of reasons, but they will not come if they do not feel safe. The Heart of London area benefits from the Police Impact Zone, which saw a 36 per cent reduction in crime after its first year of implementation. This has enhanced our area’s reputation and made it a safer place for tourists and locals to visit. Recent terrorist attacks have not yet changed this and there has been no reduction in visitors.

It is however vital that visitors continue to feel safe. This is not just feeling safe from terrorism, but safe from theft, assault and intimidation. Every reported incident damages our reputation for safety. We ask that the Government continue to properly fund the police and the security services so visitors continue to feel safe to come to the heart of London. Further cuts to the Metropolitan Police budget will inevitably reduce officer numbers and the reassurance they provide.

Colin Bennett, Leicester Square Association:

“The experience that people have when they come to London is a very important issue; they have to feel safe.”

### *Anti-social behaviour*

Our visitors expect the best possible experience when they come to our capital. Our members pride themselves on providing this, and Heart of London has committed considerable resources to ensure that London is the best city in the world to visit. There are however issues which detract from the visitor experience; for example, anti-social behaviour associated with disruptive street performance, pedicabs and rough sleeping.

Heart of London are working with Westminster City Council, numerous charities and the police to do everything we can to help those rough sleeping, but this is a growing problem and Government could do more. Our members often feel helpless in the face of this growing problem, and we ask that Government look into options for stronger powers for the police to tackle anti-social behaviour associated with rough sleeping.

On street performance, we are working with the Council to find a way to ensure that we maintain high quality performance that enhances our area, but removes those acts that block streets and disturb our visitors, residents and workers.

Pedicabs are currently unregulated and there is no way to ensure the equipment is safe, extortionate fares are not charged, or control who is driving. This has led to serious harm, congestion and harassment. Our visitors are the most vulnerable to this. We ask Government to bring forward legislation to allow TfL to regulate pedicabs as committed to by the Minister of State earlier this year.

Simon Thomas, Hippodrome Casino:

“These issues damage London’s reputation and so our tourist industry, we need action soon before this irreconcilably detracts from our offer as a city.”

### *Licensing*

Heart of London and the wider West End’s offer is a draw for millions of visitors every year. Our businesses want to expand and broaden this offer, with new markets for new visitors. Heart of London wants to lead the way in providing a cultural and arts led evening and night time economy to an increasing number of visitors. We ask that the Government takes the lead in promoting the benefits of a diversification of the evening economy, specifically for arts and cultural offers.

Cllr Louise Hyams:

“We need to get the balance right between the needs of our residents and those of our visitors. We would also like operators to think about developing more of an evening economy rather than just late night.”

### *Environment*

Heart of London has taken up the mantle of improving air quality in Central London by developing a freight and waste consolidation strategy to save our members money and improve our environment for all those who live, work and play in the heart of London. We support the Mayor of London’s plans to encourage walking and cycling, reduce the number of cars and freight on the roads and tackle the most polluting vehicles. Heart of London will continue to work on new and innovative ways to help our businesses to contribute to making London the greenest city in the world. However, we also need to ensure that moves to tackle pollution are taken proportionately and do not stop visitors from reaching London. We ask the Government to invest in new

technologies, new policies and cleaner, greener delivery networks to help solve both the UK's and London's air quality issues and invest in new infrastructure, such as Crossrail 2, for residents, workers and tourists to travel to Central London.

Caroline Stacpoole, Crest of London:

“We all benefit from tour groups from the UK coming on coaches to our area. We need to ensure that these groups continue to come to the area in as green a way as possible.”

#### *Tax policy*

Our businesses contribute to the standing of London in the world as well as to the economy. They provide jobs for thousands of people and draw millions of visitors into the UK benefiting the wider economy. It is vital for the continued success of Central London that tax policy is fair across both the physical and digital sectors of the economy. Our businesses are willing to pay their fair share; however, our members have to compete with online companies who often pay less tax and emerging business models not subject to the same costs. We ask that tax policy be reviewed in the light of this, acknowledging the benefits our businesses bring to London and the UK, and ensuring a fair playing field.

#### *Planning*

To maintain the beating heart of Central London it is imperative to protect commercial floor space from residential conversion. Since the changes to permitted development rights, there has been a gradual but sustained office/retail to residential conversion. Visitors come to London for the commercial, cultural and arts offer, to sustain this offer commercial space must be protected in this key location. We ask that Government look to strengthen guidance to protect vital tourism areas from residential encroachment.

Our members are strongly supportive of an 'agent of change' principle being applied to new developments. Many of our businesses provide entertainment in the evening and night time economy, which is a vital attraction for many visitors. We ask the Government to use the national planning guidance to support proportionate conditions being placed on new noise sensitive development so as to avoid threats of complaints, licensing restrictions or closure to existing venues.

#### *Business rates*

We recognise that the rebalancing of business rates for many locations across England was required so as to respond to pressure on high street vitality. We also acknowledge that the Government has taken steps to alleviate the worst cases by providing funding to councils to provide discretionary rate relief for SME businesses. Nevertheless, many of our businesses have experienced rates rises of over 80%. In most cases the rise is not as a result of improved business performance but simply a reflection of the lack of supply of retail and commercial space. These huge increases are therefore a major new cost on our members.

This hike in costs has put considerable strains on many of our businesses, limiting their ability to take on and train new staff, deliver enticing events and provide a world beating service. This damages the offer of the West End and in so doing damages the entire tourism offer of the UK. We ask that the Government increase monies to the discretionary relief fund so that councils can support more of their businesses, and we support the BHA's call for a cap on business rates in the hospitality and tourism industry and a review of the business rates system.

## Conclusion

We are the heart of the world's capital city. We and our members strive to make ours the most visited city in the world. We believe that we can increase visitor numbers year on year, through a unique, diversified and world class offering. London is the driver for visitor growth to the UK; our success brings more visitors to every region of Britain. By delivering on our priorities, we benefit the whole country.

Our priorities aim to enhance our status, continue to improve our area and ensure that London remains the number one city destination in the world. We ask for the Government's support in this through the policy areas outlined above.