

NIGHT TIME COMMISSION CONSULTATION

Heart of London response

February 2018

Heart of London Business Alliance serves as the voice for 500 businesses and 100 property owners in the Piccadilly & St James's and Leicester Square areas. Our purpose is to support the commercial wellbeing of the businesses and organisations we represent, and ensure our areas remain integral to London's West End offer as a place for people to visit, live, trade and work.

We represent the most mature night time economy area in London and some of the world's most important cultural institutions. These range from the Royal Academy of Arts, National Gallery, and National Portrait Gallery, to the theatres of Shaftesbury Avenue, the cinemas of Leicester Square, casinos including the Hippodrome, as well as numerous bars, restaurants, offices and hotels – big and small.

Over 400 million visits are made to the West End every year, with some of the world's best entertainment, culture and hospitality; generating over £11 billion in sales. We strive for the West End to have the most varied and high-quality evening and night time economy (ENTE) for visitors, workers and residents.

EXECUTIVE SUMMARY

Heart of London works in close partnership with the GLA, Westminster City Council, the West End Partnership and the Metropolitan Police to promote a responsible night time. It is important to celebrate how far we have already come and look at the positive and vibrant evening and night time economy (ENTE) that exists in our city. This is valued by our residents, workers and visitors on a social and cultural level.

Crime and anti-social behaviour (ASB) associated with the ENTE have been on a long downward trend and we need to be positive about the opportunities and benefits that it brings. In fact, strong partnership work and industry standards have made huge progress.

What is often a challenge is finding the basic 'daytime' services, like a cup of coffee or a healthy meal at night or a doctor's surgery or library. While there is broad agreement around later opening for galleries and museums, and even some night-time retail, this still only covers

a very restrictive set of activities. A sustainable night time economy, accessible and inclusive to all, needs greater diversity than what our city currently offers.

This may be helped by more a positive and considered use of the planning system to proactively plan for the ENTE, as encouraged in the Mayor's draft London Plan and. Our view is that there is a need for detailed research into the costs and benefits of a more diverse and flexible ENTE and how that could work in terms of reformed planning, licensing and street management policies.

A positive strategy must command support from both operators and those that suffer from noise and ASB impacts. This will require compromise from both; building on the work of Business Improvement District's (BID's) and the industry to improve management.

We hope that this is work that the Night Time Commission can contribute to with their report.

In our response we have drawn a distinction between the evening and night time economy (ENTE) which we regard as covering approximately the 6pm to 10pm period and the night time economy (NTE) covering post-10pm activity, occasionally into the early hours. These are not precise terms and there is inevitably an overlap.

OUR RESPONSE

What are the strengths of London's night time economy? In other words, what is good about London at night?

London already has a varied and developed evening and night time economy (ENTE), but there is scope for it to be the best in the world.

Heart of London represents the most mature part of this economy in London and some of the world's most important cultural institutions. These range from the Royal Academy of Arts, National Gallery, and National Portrait Gallery, to the theatres of Shaftesbury Avenue, the cinemas of Leicester Square, casinos including the Hippodrome, as well as numerous bars, restaurants, offices and hotels – big and small.

Over 400 million visits are made to the West End every year, with some of the world's best entertainment, culture and hospitality; generating over £11 billion in sales¹.

We strive for the West End to have the most varied and high-quality evening and night time offer for visitors, workers and residents. In large part that is what is achieved, though there is huge potential for growth in this area, underlined by London First and EY's research into the economic value of London's night time economy (NTE) and potential of the Night Tube.

The economic benefit of the NTE has been estimated to be in excess of £66bn with jobs for

over 1.3m people across the country. A detailed cost benefit analysis conducted by Westminster City Council (WCC) in 2015 estimated that the core West End, representing just 4.5% of the borough's area (and 2.9% of its resident population), generated a combined revenue of £428m in 2013 just from 'core' night-time economy activities such as drink, food and entertainment.²

In terms of economic benefit, the ENTE far outweighs the costs to the public sector and is only expected to rise in value as the way that we live, work and socialise evolves.

Heart of London works in close partnership with the Greater London Authority (GLA), Westminster City Council, the West End Partnership and the Metropolitan Police to promote a responsible night time.

It is important to celebrate how far we have already come and look at the positive and vibrant ENTE that exists in our city. Crime and anti-social behaviour (ASB) associated with the ENTE have been on a long downward trend and we need to be positive about the opportunities and benefits that the ENTE brings. In fact, strong partnership work and industry standards have made huge progress.

We have worked with Leicester Square businesses since 2010 to achieve Purple Flag accreditation, in recognition of a well-managed evening and night time economy, and in 2016 expanded this area to include Piccadilly Circus businesses.

We launched the first Best Bar None scheme in Westminster last year with our members to encourage high standards not just for pubs and clubs, but for all evening and night time venues.

This is part of a wider approach of piloting a range of schemes under a new initiative called the Westminster Licensing Charter, a

¹ Heart of London BID: Making it Happen, 2017-2022 Business Proposal, p 3.

² Westminster Evening & Night Time Economy: A Cost Benefit Study for Westminster City Council

Summary of Key Findings, July 31st 2015,
<https://www.westminster.gov.uk/evening-and-night-time-economy>

partnership with Westminster City Council and the Metropolitan Police. The objective is to responsibly manage and grow the evening and night time economy, while being considerate of the needs of residents and vulnerable people.

That strong management, supported by organisations like Business Improvement District's (BIDs), working in partnership with local authorities, the police, businesses and residents is one of the core strengths of the ENTE in London, and provides the foundations to build upon.

What are the weaknesses of London's night time economy? In other words, what is not good about London at night? What does it lack?

The cost of going out in London can be far too high, driven by high rents, business rates and wage costs. We have covered some of these threats to the ENTE in the next sections.

The typical late night and early morning period between 10pm and 3am is still too focussed on an alcohol led offer. This limits how inclusive the offer can be and can make the town centre feel intimidating and unwelcome to a significant proportion of people.

Strong management and partnership working can mitigate the worst harms caused by problem drinking and concentrations of bars, pubs and clubs. However, greater flexibility and diversity are required to improve the situation rather than just manage the impacts.

More flexible operating hours would result in a steadier level of noise rather than a disruptive 'spike' at closing times and this is in line with the objectives of the Licensing Act 2003. This will also help temper the impact of those consuming alcohol by providing sustenance through a food offering, providing access to toilet facilities, and reduce anti-social behaviour associated with a strict closing time that puts undue pressure on police, council, and transportation resources.

What is often a challenge during this period is finding the basic 'daytime' services, like a cup of coffee or a healthy meal at night or a doctor's surgery or library. While there is broad agreement around later opening for galleries and museums, and even late some late-night retail, this still only covers a very restrictive set of activities.

A sustainable night time economy, accessible and inclusive to all, needs greater diversity than what our city currently offers.

Even in internationally recognised centres for the ENTE like the West End, the range of activities on offer at night is highly restrictive, certainly compared to international equivalents. This would be helped by more positive and considered use of the planning system to proactively plan for the ENTE, as encouraged in the Mayor's draft London Plan and his Vision for London as a 24-Hour City.

However, the nature of licensing is largely reactive and negative in its focus. A lack of effective alignment of planning and licensing policy in most areas means that there is no long-term vision for how the night time operates in town and city centres.

A diverse culture and night time economy offer has the potential to lead to a more inclusive and responsible street culture at night, if accompanied with strong management and partnership working, with a wider range of groups attracted to the ENTE and less focus of drinking activities.

Increasingly, Londoners are working later and longer across a range of industries and want access to shops, restaurants, bars and services outside of the traditional daytime or evening hours. This is only set to grow, and as a city we have only just begun to think about what that means for our capital.

Our city is also the most diverse and cosmopolitan in the world and, for example, many of our fellow Londoners will break their fast at times of their year in the early hours. We

need to think what a diverse culture and night time economy looks like for all Londoners and visitors.

Around 30m foreign and domestic tourists visit London every year, including a record 19.1m from overseas in 2016³, and its nightlife is an essential part of the appeal. The rigid hour's culture and anachronisms like restrictions on Sunday trading makes London less competitive at marketing its nightlife than many international rivals.

There are also some activities that hold back London from being an inclusive ENTE and that undermine the contract between business and residents such as: Pedicabs, disruptive street performers, ASB, rough sleeping. For example:

Pedicabs/pedal rickshaws are currently not regulated within London, as a result there is no requirement for insurance, fares are not fixed or consistent and neither vehicle condition nor driver quality is assessed. The behaviour of pedicab operators causes problems for businesses; blocking highways, harassing customers and causing serious risk to visitors and workers.

We have been campaigning for the Government to bring forward pedicab legislation and welcome the support of WCC and Transport for London (TfL) on our campaign.

A number of problems arise from antisocial performers who use the Leicester Square and Piccadilly Circus areas, creating an environment that favours more aggressive, noisy and intimidating performers. These 'performers' who do not act responsibly, cause noise nuisance, frighten passers-by and provide low quality 'shows'. Their presence in number results in crowds blocking public spaces and aggressive touting for money.

Voluntary schemes to date have not been effective and we are in favour of a licensing

approach to improve quality and minimise the harms.

Finally, there is a distinct lack of regular monitoring and reporting on the economic benefits of the ENTE compared to other sectors. This makes it harder to bring attention to the benefits and opportunities, and often results in poor quality debate focussing on crime statistics and anecdote.

What are the threats to London's night time economy? In other words, are there issues or trends which we will have to address in the short, medium or long term?

Increasing amounts of residential properties in town centre or city centre locations has led to the closure of venues or restriction on the night time economy. While it should be a benefit to businesses to have genuinely mixed-use town centres, this often provokes conflict with complaint of noise and disruption.

While everyone has the right to a good night's sleep, a balance needs to be struck. Just as not all areas are suitable for late night venues due to their predominantly residential character, the hearts of our town and cities should remain focussed on their core commercial and strategic functions, including nightlife.

We are supportive of protection of venues and pubs, using Article 4 directions and Asset of Community value designations. This is particularly important given the disproportionate value of residential properties, and huge incentive to convert premises through permitted development rights. The Mayor's recent guidance and emerging planning policy on these issues is very welcome.

However, we still remained concerned about the feasibility and potential of seeking to deliver substantial new residential development within

³ London & Partners Tourism Review 2014-15, <http://files.londonandpartners.com/l-and-p/assets/our-insight-london-tourism-review-2014-15.pdf> /

<http://www.londonandpartners.com/media-centre/press-releases/2017/20170518-london-sees-record-number-of-visits-after-a-blockbuster-year-of-cultural-events>

the West End and core Central Activities Zone (CAZ) through residential uplift policies and feel policy could go further to protect the vital strategic nature of these areas.

Heart of London BID areas are in the Central Activities Zone (CAZ) and are recognised as a Strategic Cultural Area of “international cultural significance to be promoted, protected and enhanced” – this is due to our iconic and unique offering such as the National Gallery and National Picture Gallery, The Royal Academy of Arts, West End theatres and Leicester Square cinemas.

Diversifying and intensifying our town centres should not mean pushing out established music venues and clubs, especially unique community venues, and in established ENTE areas the “agent of change” principle should predominate.

The inclusion of this principle in the Mayor’s recent Supplementary Planning Guidance (SPG) and in the draft London Plan, as well as the expectation that it will form part of the updated National Planning Policy Framework (NPPF) is of course extremely welcome and overdue.

Heart of London works in close partnership with the GLA, Westminster City Council, the West End Partnership and the Metropolitan Police to promote a responsible night time culture.

It is important that the Mayor continues to support and resource the Impact Zone around Piccadilly Circus and Leicester Square, which has been so successful at reducing crime and providing reassurance to millions of people working, living and visiting the area. This area 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.

In addition, Heart of London has a vital role in gathering information and compiling impact statements from business members regarding

anti-social behaviour, noise, begging and rough sleeping.

Heart of London also funds an additional cleansing programme to tackle staining and gum removal, as well as additional noise enforcement resource to address anti-social behaviour at night and a responsive service to deal with fouling and urination often associated with the night time economy.

Working closely with Westminster City Council, who provide the baseline service; we provide these additional contributions given the intense needs of a busy evening and night time economy. Any growth or diversification will need to tackle these questions.

London remains the leading European city for tourism and operates in small category of genuine ‘world cities’. However, there is always stiff competition for visitors.

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 in professions 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 have been asking 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 British Hospitality Association’s (BHA) submission on Brexit and visa access to achieve this.

The West End’s art and culture offering, including large parts in the ENTE, 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, 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 funding reductions, 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.

Finally, the costs on business through high rents and business rates have put many venues and premises under severe strain or even led to their closure. 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 additional 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.

What are the opportunities for London's night time economy? In other words, how could London improve its night time offer? What should we be looking to develop?

Heart of London want to work collaboratively to responsibly manage and grow the evening and night time economy, working with our partners to make sure that residents and businesses are at the heart of the way forward.

Achieving this will need a coalition of businesses, residents, the boroughs and the agencies overseen by the GLA such as the Police and TfL. We think it is really important to recognise that a strong partnership approach requires more than good integrated working between statutory agencies, but should also involve residents, businesses and BIDs. Sometimes people can forget the residents that live in the West End and think of it only as a tourist destination, but we have a fantastic community within the West End and residents want the best for the area.

Our view is that there is a need for detailed research into the costs and benefits of a more diverse and flexible ENTE and how that could work in terms of reformed planning, licensing and street management policies. A positive strategy for the ENTE must command support from both operators and those that suffer from noise and ASB impacts. This will require compromise from both, building on the work of BIDs and the industry to improve management.

We have already seen the success of this approach with amazing cultural events moving into the traditional NTE space. For example, The Royal Academy of Arts held their first 'RA Lates' late night last year, it was sold out rapidly. The Delfont Mackintosh Theatre group have held late night cabaret to great acclaim. All of this without any issues arising.

This approach of bringing traditional daytime activities, crucially not primarily alcohol led, into the ENTE is a great opportunity. There is clearly potential low hanging fruit for some sectors and areas such as theatres, cinemas, galleries and museums. However, unless there is a more

fundamental vision, back up by reformed policy, then the full benefits will not be realised.

Our members are keen to have greater flexibility for expanded night time activities. Restaurants are keen to open later, potentially adding live music to their offer. Alternative uses for buildings at night may bring innovations and new opportunities to city and town centres not available in mainstream venues. Some key venues and attractions could be a catalyst and others will follow. This will take a leadership role from boroughs, GLA and BID's to achieve critical mass.

A more flexible offer on operating hours for both traditional night time uses, and a diversified offer is required if London is truly to realise the potential of the wider ENTE, and the economic and jobs benefits that come with it.

Heart of London is exploring this already with our members; we are part of the Westminster Licensing Charter, a partnership with Westminster City Council and the Metropolitan Police⁴. The objective is to responsibly manage and grow the evening and night time economy, looking at ways to liberalise hours and diversify activities, whilst delivering the coordinated policing, cleansing and management that are vital to a successful and responsible ENTE.

A key component of the success of our ENTE going forward is the Impact Zone policing around Piccadilly Circus and Leicester Square, which has been so successful at reducing crime and providing reassurance to millions of people working, living and visiting the area. This vital policing resource will need to be maintained by the Mayor.

The potential for this diversified ENTE has been enhanced by the introduction of the weekend Night Tube. We are proud to have been at the table advocating for this with both the current Mayor and his predecessor, and we embrace the opportunities for growth, while always

protecting and promoting the existing cultural and night time venues that make our city so vibrant and attractive to residents and visitors alike. This growth will need to be encouraged by ensuring affordable travel costs for those who work in the evening and night time, especially in the hospitality industry where wages are low.

In July, the Mayor published his Vision for London as a 24-Hour City. It contains ten principles for the development of London at night. What do you like or not like about the vision? Are the ten principles right? What would you add or exclude, and why? (Numbers in brackets i.e. (2) refer to principles)

We welcome the publication of the Mayor's Vision for London as a 24-Hour City (Vision) and agree with the broad principles outlined. However, as the vast majority of the policies and decision making that influence the management and development of the evening and night time economy do not sit with the Mayor, in particular licensing. We feel as a result the Vision will only have limited impact on its own.

We need a coalition of businesses, BID's the boroughs and the agencies overseen by the GLA, such as the Police and TfL, to realise the full potential of the ENTE.

We agree that London should be a global leader on this issue (1), but this will require a careful and detailed look at the current taxation and regulation placed upon business in order to maintain our leading position. The Vision is largely silent on these issues.

More important and valuable has been the use of the Mayor's strategic planning powers, through the publication of the Culture and Night Time Economy SPG and the policies contained in the draft London Plan (covered earlier).

Heart of London has been advocating for a more diverse ENTE and we are pleased that the Mayor

<http://www.heartoflondonbid.london>
www.piccadillystjames.london
www.leicestersquare.london

⁴

<http://committees.westminster.gov.uk/documents/s21783/item%204%20->

recognised that a truly successful and inclusive offer requires a range of cultural, retail, leisure and service activity (3). However, getting the right policies in place to support that will be a challenge. While a more positive and proactive vision within planning will assist in this, the same attitude needs to apply to licensing, and be applied by local authorities.

We welcome the recognition within the Vision about the very significant progress that has been made on improving management and safety at night (4). Clearly more work is needed in this area, particularly on Violence against Women and Girls and Sexual Assault. However, Crime and ASB associated with the ENTE have been on a long downward trend and we need to be positive about the opportunities and benefits that exist, not just the harms.

Best practice, like the Purple Flag awards and Best Bar None scheme, should be embedded across the industry, supported by BID's and trade organisations.

We have some concerns about the emphasis in the vision for 'distribution' of the NTE across London (8). Heart of London represents the most mature night time economy area in London and some of the world's most important cultural institutions. As an international centre of excellence for nightlife, it is vital that we protect and enhance existing evening and night time economies as well as look to develop new centres.

We strongly agree that local authorities should use their powers in a positive manner, encouraging the types of activity they want in order to curate a strong and diverse ENTE, not simply looking to prevent all new licenses or venues through strict cumulative impact policies. That approach hinders innovation and can lock in problems with poor operators.

Increasingly, Londoners are working later and longer across a range of industries and want access to shops, restaurants, bars and services outside of the traditional daytime or evening hours. This is only set to grow, and as a city we

have only just begun to think about what that means for our city (9). This is why this work is so vital and necessary.

Overall, while there is recognition of the challenges the ENTE faces, and a positive set of aspirations for the future, more detailed work will be required to achieve the vision outlined.

As we have highlighted above, our view is that there is a need for detailed research into the costs and benefits of a more diverse and flexible ENTE and how that could work in terms of reformed planning, licensing and street management policies.

A positive strategy for the ENTE must command support from both operators and those that suffer from noise and ASB impacts. This will require compromise from both, building on the work of BID's and the industry to improve management.

We hope that this is work that the Night Time Commission can contribute to with their report.