

**Response to Jeff Smith MP, APPG for the Night Time Economy, Call for evidence: Inquiry into Covid-19 and the Night Time Economy**

Heart of London Business Alliance (HOLBA) welcomes the opportunity to submit evidence to this inquiry.

By way of introduction, HOLBA represents over 500 businesses and 100 property owners in London's iconic West End spanning from Piccadilly and St James's, to Piccadilly Circus and Leicester Square. We ensure the commercial and cultural wellbeing of the area and under normal times host over 45,000 employees, providing roughly 1,180 jobs per hectare, with an **economic contribution of £4.6bn GVA** including an immeasurable cultural contribution to London and the whole country. These businesses include retail, hotels, restaurants, offices, theatres, galleries, and of course what in normal times is a flourishing night time sector including bars, nightclubs and casinos.

**London – and its night time economy – has been disproportionately affected by the pandemic.** The past year has been immensely challenging for businesses in Central London and the West End, which are made especially vulnerable by their unique reliance on high volumes of visitors, which in normal times number approximately 200 million+ people per year. Throughout 2020 footfall remained low, even when businesses were allowed to reopen, with an average of a 70% downturn in footfall compared to the previous year as commuters, national visitors and international visitors stayed away.

The impact of COVID-19 has been exacerbated by the higher fixed costs of operating a business in Central London including the continuing high monthly rent costs. The unpredictable nature of the pandemic has often meant that even the best laid plans have been destroyed at a moment's notice, with swathes of staff being furloughed and many businesses making the decision to reduce their workforce. Stuck under continuing lockdown restrictions presently and faced with months of social distancing and additional measures when restrictions are eased, **2021 looks set to be another painfully hard year.**

This has been **especially the case for the night time industry.** Many of our members have been unable to trade at all throughout this period, while others had to deal with a combination of social distancing, reduced footfall, and a curfew. Central London's night time economy relies on commuters and visitors as opposed to residents – and these categories have stayed away. Other attractions that in normal times draw people in have similarly been closed. Finally, our members have had to deal with the high overheads that come with the territory of operating in an iconic part of the country, with Government support insufficient to plug the gaps. Wherever they could, our members spent money and effort in making their venues COVID-secure; the stop-start nature of Government restrictions has been particularly unhelpful in this regard.

The biggest challenge facing the sector now is twofold: first, the inadequacy of many of the Government's business support measures; and second, the uncertainties around continued support and how that ties in with the timescale for reopening.

HOLBA's businesses have unanimously said that **the business support measures offered by Government do not match the realities of doing business in Central London**, in particular the high overheads due to rent and salaries. For instance, the maximum discretionary grant is capped at £9,000 for businesses with a rateable value of £51,000 and above, the average rateable value of our members is £600,000: one such business (who pays £260,000 a month in rent) told us that the discretionary grant would barely be enough to cover one week's insurance.

In addition, there is a real risk that all this work might be undone if the Government does not give businesses sufficient support in the coming months – both while lockdown measures and tiered restrictions are still in place, and in the transitional period where businesses can open but a combination of diminished footfall and social distancing measures mean that they struggle to cover costs. **Currently, businesses do not feel they have that assurance and are facing a cliff edge, as the business rates holiday, VAT cuts end, rent moratorium all end in March, with the commencement of Government loan payback and the job retention scheme ending in April.** This is a serious and existential worry to night time businesses who are well aware that some form of Covid restrictions will continue until significantly later in the year, and know that they will be among the last in the queue for reopening. For night time businesses in particular, **support will be vital not merely until they are allowed to open up, but as long as there are restrictions in place** which, for instance, prevent them from operating at capacity.

Moving forward, **our night time economy members will want to see five things from Government:**

1. **Commitment to Government support** for as long as their business model is impaired by Government public health measures.
2. A whole-hearted effort by Government to get people back in to and enjoying central London, as soon as it is safe, backed up by a **large-scale marketing campaign** targeting both domestic and international visitors.
3. **Recognition by Government** that the night time economy is not merely a “nice to have” in a major city – it generates jobs and growth, attracts tourism and investment, and contributes to the global attraction of London and the UK as a destination.
4. **Abolition of curfews / forced closure time.** Even if there were strong evidence that hospitality was responsible for a statistically significant increase in the rate of infection – which we have not seen – imposing an arbitrary cut off time for hospitality is not only relevant but potentially counterproductive due to the “bottle effect”. Businesses should be allowed to operate normal hours.
5. **Reopening of the Night Tube** – which is vital for workers as well as customers.

As such, the roadmap to reopening, which is due to be published on 22 February, should feature the night time economy and not relegate it to the end of the queue. In normal times, London has a unique economic ecosystem – the presence of so many attractions in a relatively small space means that **Central London’s economic sectors, working together, contribute more economically than the sum of their parts.** The night time economy is an important element of this ecosystem and Government should take that into account when working up its strategy for reopening.

We hope these points are helpful and we would be delighted to speak in person to give further detail or give our views in person as part of a panel. We have also encouraged our members to contribute individually to this call for evidence.

If you would like to follow this up please contact [matt.arnold@heartoflondonbid.co.uk](mailto:matt.arnold@heartoflondonbid.co.uk)