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Title: COVID-19 and London's Christmas Economy

Executive Summary

On 4 November 2020, the Economy Committee resolved:

That authority be delegated to the Chair, in consultation with party Group Lead Members, to agree any output from the discussion.

In December 2020, following consultation with party Group Lead Members, the Chair agreed the Committee's report on their findings from the investigation into COVID-19 and London's Christmas Economy, as attached at **Appendix 1**.

The terms of reference for this project were approved by the Chair under delegated authority. Officers confirm that the report and its recommendations fall within these terms of reference. The report will be reported back to the next appropriate meeting of the Committee for formal noting.

Decision

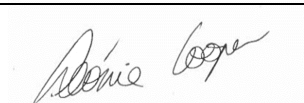
That the Chair, in consultation with the party Group Lead Members, agrees the Committee's report on COVID-19 and London's Christmas Economy, as attached at **Appendix 1**.

Assembly Member

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature



Date 11/12/20

Printed Name

Léonie Cooper AM, Chair of the Economy Committee

Decision by an Assembly Member under Delegated Authority

Notes:

1. *The Lead Officer should prepare this form for signature by relevant Members of the Assembly to record any instance where the Member proposes to take action under a specific delegated authority. The purpose of the form is to record the advice received from officers, and the decision made.*
2. **The 'background' section (below) should be used to include an indication as to whether the information contained in / referred to in this Form should be considered as exempt under the Freedom of Information Act 2000 (FoIA), or the Environmental Information Regulations 2004 (EIR). If so, the specimen Annexe (attached below) should be used. If this form does deal with exempt information, you must submit both parts of this form for approval together.**

Background and proposed next steps:

On 4 November 2020, the Economy Committee resolved:

That authority be delegated to the Chair, in consultation with party Group Lead Members, to agree any output from the discussion.

In December 2020, following consultation with party Group Lead Members, the Chair agreed the Committee's report on their findings from the investigation into COVID-19 and London's Christmas Economy, as attached at **Appendix 1**.

The terms of reference for this project were approved by the Chair under delegated authority. Officers confirm that the report and its recommendations fall within these terms of reference. The report will be reported back to the next appropriate meeting of the Committee for formal noting.

Confirmation that appropriate delegated authority exists for this decision

Signed by Committee Services	L J Harvey	Date	02/12/20
Print Name: Lauren Harvey		Tel:	x4383

Financial implications
NOT REQUIRED

Signed by Finance	N/A	Date
Print Name	N/A	Tel:

Legal implications

The Chair of the Economy Committee has the power to make the decision set out in this report.

Signed by Legal



Date 7/12/20

Print Name

Emma Strain, Monitoring Officer

Tel: X 4399

Additional information should be provided supported by background papers. These could include for example the business case, a project report or the results of procurement evaluation.

Supporting detail/List of Consultees:

Shaun Bailey AM (Deputy Chairman) and Caroline Russell AM

Public Access to Information

Information in this form (Part 1) is subject to the FoIA, or the EIR and will be made available on the GLA Website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** this form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 – Deferral

Is the publication of Part 1 of this approval to be deferred? No

Until what date: N/A

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under FoIA or EIR should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form - No

Lead Officer/Author

Signed

Dan Tattersall

Date:
10/12/20

Print Name

Dan Tattersall

Tel: x1328

Job Title

Senior Policy Adviser

Countersigned by
Director

E. Williams

Date:
10.12.2020

Print Name

.....
Ed Williams

Tel: x4399

An aerial photograph of a city street, likely in London, with a green map overlay. The map shows a grid of streets and a river. Several people are walking on the street, some carrying shopping bags. The text is overlaid on the map.

**Has the Golden Goose become a
Turkey? London's Christmas economy
and COVID-19**
Economy Committee

LONDONASSEMBLY

Economy Committee



**Leonie Cooper AM
(Chair)
Labour**



**Susan Hall AM
Conservatives**



**Shaun Bailey AM
(Deputy Chairman)
GLA Conservatives**



**Murad Qureshi AM
Labour**



**Unmesh Desai AM
Labour**



**Caroline Russell AM
Greens**

The Economy Committee scrutinises the work of the Mayor relating to economic development, wealth creation, social development, culture, sport and tourism in the capital. It also examines the Mayor's role as chair of the London Economic Action Partnership (LEAP).

Contact us

Dan Tattersall

Senior Policy Adviser
Daniel.Tattersall@london.gov.uk

Aoife Nolan

External Communications Officer
Aoife.Nolan@london.gov.uk

Lauren Harvey

Senior Committee Officer
Lauren.Harvey@london.gov.uk

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Foreword



Leonie Cooper AM
Chair of the Economy Committee

The lead-up to Christmas 2020 has been like no other. For four weeks during November, normally a key time in the Christmas shopping calendar, shops and restaurants were shut, and people were urged to stay at home - something that Londoners have become wearily used to in 2020.

Businesses across the capital have had an extremely challenging year. With Christmas typically being their busiest time for many retail stores, theatres, and hospitality venues, the London Assembly Economy Committee investigated how COVID-19 has impacted London's economy in the run-up to Christmas. How has London battled through the second national lockdown of 2020?

The Economy Committee heard from businesses, entertainers and representatives from the culture industry on the impact that COVID-19 restrictions have had on them in the run-up to Christmas.

According to UK Hospitality, 40% of annual revenues for central London hospitality venues are earned between Halloween and New Year's Eve. For four weeks of that time period, hospitality businesses were closed and now, with stricter Tier 2 restrictions, and Tier 3 possibly looming, this will cause further strain on these businesses. For other retail businesses across the capital, we heard that November and December are when a retail store will make profits to make the rest of the year viable. Due to the impact of COVID-19 on these businesses, more support will need to be provided into 2021.

But as well as hearing from businesses about Christmas, we also heard from Londoners about their Christmas shopping plans for this year. 80% of Londoners are planning their Christmas shopping online this year, compared to 2019, when 60% of people in the UK said they would

do some or all of their Christmas shopping online.¹ 2020 has accelerated the move by Londoners to do more shopping online - and businesses must be supported in either expanding their online presence or gaining access to the online market. Our research also found that 3 in 5 Londoners would be more likely to shop with local businesses if they offered a 'Click and Collect' service. So we're calling on the Mayor to support businesses to create or expand their online offering so they can provide a local click and collect service.

The high street has been heavily impacted this year by COVID-19 and our research found that only 1 in 10 Londoners plan to do all their Christmas shopping in-store. By helping businesses get online and offer a click and collect service to Londoners, this could provide the vital assistance that they need to boost sales. The Mayor must help businesses through the next few months by establishing a programme that provides practical and financial support to help small and medium-sized enterprises either create or expand their online offering, or 2021 will be even tougher than 2020.

¹ Internet Retailing, [UK high street shopper numbers set to fall by more than 70% this peak Christmas trading period as shoppers turn online instead: studies](#), 2 November 2020

The Economy Committee's investigation

The Economy Committee wanted to understand the value of Christmas to London's economy in a normal year and gain an insight into the effect that COVID-19 has had on specific sectors of the city's economy. In addition, the Committee wanted to assess what further Mayoral and government support is required, both immediately and long term, to support London's businesses through a very tough year and ensure they are there in the future, when the pandemic is over.

The Committee spoke to policy experts, gained in-depth insights from a retail manager and a business owner in the cultural sector, and additionally, surveyed Londoners to find out their plans for Christmas shopping and spending.

Key contributors:

- Paul Fleming, General Secretary, Equity
- Dominic Curran, Policy Adviser – Property, British Retail Consortium
- Kate Nicholls, Chief Executive Officer, UKHospitality
- Jace Tyrell, Chief Executive, New West End Company
- Scott Simpson, Spokesperson, Tudor Markets
- Rosie Loker, Tailor Made Music Agency

Executive summary

London's economy has been severely impacted by COVID-19, and the measures put in place to stop the spread of the virus. The Christmas trading period, known as the 'Golden Quarter' is pivotal to the year-round success of much of the city's retail, hospitality and cultural sectors. This year the downturn in trade across all sectors during this critical period has been significant. Businesses will require continued and increased support into 2021 and beyond if they are to recover, and the Mayor has a role to play in this.

Recommendations

Recommendation 1

The Mayor should establish a programme that provides practical and financial support to help small and medium-sized enterprises begin trading online or improve their existing online presence, enables businesses to offer click-and-collect services, and he should then track the subsequent growth in the number of businesses that are able to offer these services across the capital.

Recommendation 2

The Mayor should lobby for an extension of the reduction in VAT rate to 5% for the hospitality and tourism sector until the end of March 2022.

Recommendation 3

The Mayor should create a new responsibility on the Mayoral team, dedicated to advocating for London's performing arts.

Recommendation 4

The Mayor should continue to lobby the government to reverse the decision to end tax-free international shopping, and update the Committee as to how he is actively engaging with the government to advocate on this issue.

Recommendation 5

The Mayor should update the Committee on the impact so far of the Domestic Tourism Consortium, and how it will be used to promote domestic tourism as an integral part of London's economic recovery in 2021 and beyond.

What is the Golden Quarter?

In the retail and hospitality industries, the three months of peak seasonal trading leading up to Christmas are referred to as the 'Golden Quarter'.² Christmas shopping, office parties and seasonal tourism all contribute to this boom period. Research from the Bank of England shows that a typical household spends over £800 more in December alone than the average spend for each of the other eleven months of the year, with extra expenditure on gifts, going out for Christmas celebrations, and on food and alcohol.³

The Golden Quarter is very aptly named because it is the period for most retailers when they actually turn a profit. For a lot of retailers, they may need to trade at 90% of normal volumes before they make a profit on a day-to-day basis, but looking at it annually it is really November/December where a store will turn a profit and make the rest of the year viable. It is particularly important because the months of January/February/March tend to be fairly lean until we get to Easter. It is a little bit like a squirrel gathering nuts to last it through a barren winter. This is the period when you make the cash that turns a profit that enables you to go through to next year. If there is a downturn or if it is a particularly difficult quarter, then what you are going to see is a much, much harder time in the first quarter, those three months, of next year.

**Dominic Curran, Policy Adviser – Property
British Retail Consortium**

In central London hospitality, 40% of your [annual] revenues are earned between Halloween and New Year's Eve... The benefit of it is not just that you get 40% of your revenue, but it is already booked. It is booked six to eight months out...

**Kate Nicholls, Chief Executive
UKHospitality**

² IMRG, [The Golden Quarter of retail: how to plan a successful content strategy](#)

³ Bank of England, [What do we spend at Christmas?](#)

What does a COVID-affected Christmas look like across London?

The three months leading up to Christmas 2020 have been anything but golden for London's economy. Restrictions to slow the spread of the virus – first under Tier 2 of the three-tier system, then a four-week national lockdown, then with a return to stricter version of Tier 2 restrictions. Non-essential retail was only allowed to provide delivery or click-and-collect services under the national lockdown, and pubs and restaurants have been placed under restrictions throughout both the tiered system (with a closing-time curfew and, no mixing of households to take place indoors, maximum groups of six outdoors and, from 2 December, permission to only sell alcoholic beverages with a substantial meal), and the national lockdown (open only for takeaway services).

Government support has been provided to help protect jobs (with the Coronavirus Job Retention Scheme extended to the end of March 2021 and the Self-Employed Income Support Scheme extended until the end of April 2021) and businesses (including an extension of the temporary VAT cut for the tourism and hospitality sectors until the end of March 2021, a grant scheme for businesses under Tier 2 restrictions, and the option for businesses to pay back deferred VAT bills in smaller instalments).^{4,5}

Although these measures have been welcomed by industry leaders⁶ – several of whom had been lobbying for improvements to support over the first few months of the pandemic – the Committee heard that many of London's businesses remain operating on a financial knife-edge, with the city's retail, hospitality, culture and tourism sectors in a perilous position.

Christmas for us: normally in the West End we would turn over £10 billion a year, £10 billion, and remember..., one in ten Londoners work in the West End... With this further lockdown...we are lucky to get to £1.5 billion, so an 85% drop in sales from March [2020] to March [2021], effectively.

**Jace Tyrrell, Chief Executive
New West End Company**

⁴ HM Treasury, [Chancellor outlines Winter Economy Plan](#), 24 September 2020

⁵ HM Treasury, [Plan for Jobs: Chancellor increases financial support for businesses and workers](#), 22 October 2020

⁶ HM Treasury, [Plan for Jobs: Chancellor increases financial support for businesses and workers](#), 22 October 2020

...for many of these businesses - the London hotels in particular and the London pubs and restaurants - they were banking on having that trading period to get them through and get them into a breakeven period. In central London, 90% of those businesses are operating below profitability and have been for the whole of this year. It is quite significant.

**Kate Nicholls, Chief Executive
UKHospitality**

To put it in context, although we are split about 50 per cent regular markets, 50 per cent Christmas markets, but around 75 per cent of our annual turnover is from our Christmas markets. Now we have lost that, another 70 per cent has decreased from our regular markets in terms of income. We have been hit quite badly. Although those traders come to us to support them, we also need to try to support ourselves to ensure we can keep the markets open.

**Scott Simpson, Spokesperson
Tudor Markets**

How are the sectors of London's economy interlinked?

The different sectors of London's economy are interlinked and interdependent. Supporting one sector has positive knock-on effects for others. Culture, retail and hospitality are a combined appeal for Londoners, and domestic and international tourists. Consider, for example, a seasonal tourist that has decided to come to London with their family to soak up the city's festive atmosphere and do some Christmas shopping. They stay in a hotel, eat and drink at restaurants and bars, see a West End Christmas show, and visit Christmas markets.

... live entertainment is a major stimulator of people at pubs and clubs and hotels and so on....

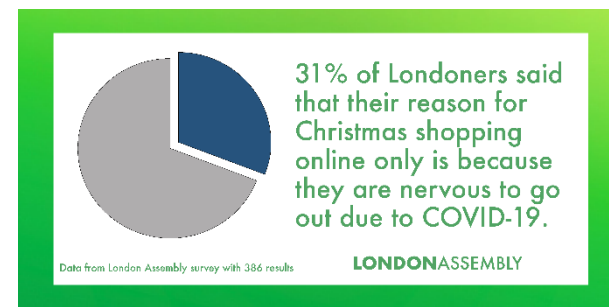
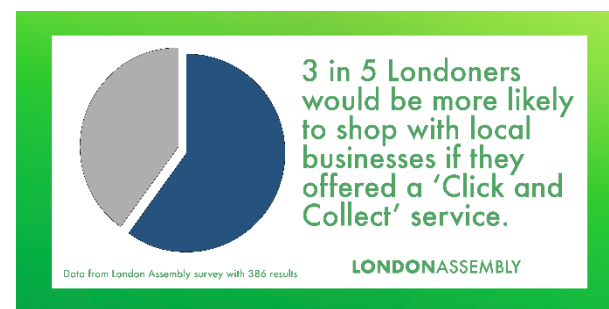
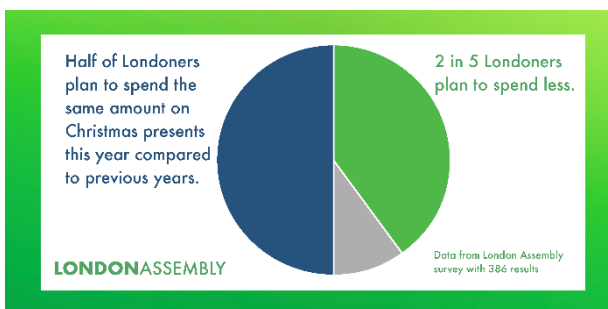
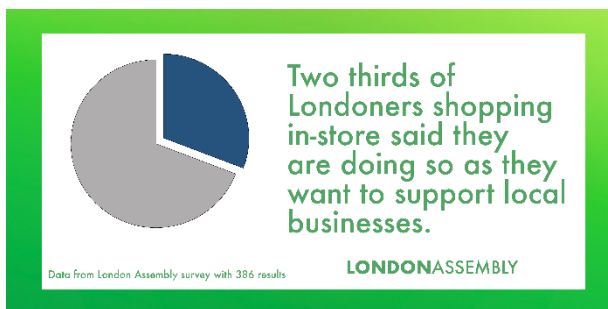
**Paul Fleming, General Secretary
Equity**

In somewhere like the West End, we think there would be more demand to create an environment where you would spend more time with hospitality and the culture and the leisure and the theatres and everything else that goes with that. In the medium term, we have to pivot the West End particularly, and probably central London, to that market moving forward, obviously by planning policy and other elements of the public policy agenda to support that. In the immediate crisis obviously is to get some liquidity into these businesses and then get them to shore up their balance sheets.

**Jace Tyrrell, Chief Executive
New West End Company**

Survey results

The Economy Committee's surveyed Londoners to find out about their shopping and spending intentions over the Christmas period. The results below emphasize the importance of helping businesses establish an online presence and offer click-and-collect services.



Retail

Recommendation

The Mayor should establish a programme that provides practical and financial support to help small and medium-sized enterprises begin trading online or improve their existing online presence, enables businesses to offer click-and-collect services, and he should then track the subsequent growth in the number of businesses that are able to offer these services across the capital.

Retail, especially 'non-essential' retail, has been impacted heavily by the pandemic. Since April, the Centre for Cities' high streets recovery tracker has consistently ranked London in the lowest five (out of the 63 UK cities and towns analysed by the tracker) in terms of the extent to which high street footfall and high street spend has returned.⁷ Many of the issues experienced by the high street, such as reduced footfall due to social distancing measures, nervousness about using public transport, and the shift to online spending, have become even more acute over the Christmas trading period. The Committee's survey of Londoners found that 80 per cent planned to do some or all of their Christmas shopping online, and 31 per cent of those who told us they would shop solely online for Christmas presents said it is because they are nervous to go out due to COVID-19. These effects are not being felt evenly across London, with the Committee hearing that inner London and the Central Activity Zone have been particularly heavily impacted.

Large retailers with significant capacity have been able to divert resources towards online shopping. For example, John Lewis has brought its Christmas shop online for the first time in history to allow shoppers to navigate through its virtual Oxford Street store.⁸ Tesco has responded to increased online demand by recruiting more than 11,000 temporary staff this year.⁹ However these options are not readily accessible for many of the thousands of small, independent stores that make up London's high streets – impacting in particular those smaller stores in central London.

⁷ Centre for Cities, [High Streets Recovery Tracker](#), August 2020

⁸ John Lewis, [Virtual Christmas shop](#)

⁹ Retail Gazette, [Tesco hiring 11,000 temporary staff to meet online spike as unemployment hits 3-year high](#), 13 October 2020

There is a huge desire on the part of smaller businesses to get access to that level of support [to trade online], ... there are a lot of smaller businesses in central London, who will have seen a huge drop-off in footfall and not had that online presence to at least make up some of that fall in revenue... I think there is a particular issue for smaller businesses in central London who are kind of caught between two stools. They are not in local communities with high levels of footfall and they are not large multiples who have access to the resources to have a significant online presence.

**Dominic Curran, Policy Adviser – Property
British Retail Consortium**

Many of these operators and traders will buy stock from a cash-and-carry and then they will go on a market stall. They have not maybe had that education of, "Have you tried selling this online? I know this stock is now almost dead but you could try it online". Without that education, it is very difficult for them to do so... Offering support, maybe virtual mentorships or other business offering support in some way, shape or form, even if it is just free-guided, "Hey, here is how to do Facebook advertising, here is how to put a Facebook page together", that has been written by a company that know what they are doing, just to help support.

**Scott Simpson, Spokesperson
Tudor Markets**

However, facilitating small businesses to get online will not help everyone; many small businesses such as hairdressers or beauty parlours cannot operate online. Furthermore, for many businesses the costs of operating online are higher than in physical stores for those which already have a high street presence. The consequences for the other sectors of the economy of retail moving online to too great an extent needs to be considered as well. If shoppers no longer come into stores, they will no longer visit the café next door or the pub opposite.

There is still going to be a market for physical retail and for customers to come in. In somewhere like the West End, we think there would be more demand to create an environment where you would spend more time with hospitality and the culture and the leisure and the theatres and everything else that goes with that.

**Jace Tyrrell, Chief Executive
New West End Company**

Hospitality

Recommendation

The Mayor should lobby for an extension of the reduction in VAT rate to 5% for the hospitality and tourism sector until the end of March 2022

The effect of the pandemic, and the measures taken to curb the spread of infection, have been particularly pronounced for the hospitality industry and the night-time economy. The implementation of Tier 2 restrictions, and then the nationwide lockdown, have had profound implications for the sector. Hospitality venues in London typically rely on pre-booked events over the Christmas period, where knowing customer numbers in advance and receiving deposits allows for accurate purchasing of supplies and recruiting of staff.¹⁰

Seasonal corporate events are huge business, especially for the restaurants, bars, pubs and venues around which they revolve. A survey conducted by Travelodge in 2018 found that, on average, workers in London were planning eleven festive events with co-workers – including drinks, lunches, dinners and parties – spending a combined amount of £631 each on the events, clothes for the occasions, and transport.¹¹ It is part of an estimated £10 billion national expenditure on these office parties.¹²

¹⁰ [London Assembly Economy Committee meeting](#), 4 November 2020

¹¹ London Loves Business, [How many billions will be spent on office Christmas parties this month?](#), 6 December 2018

¹² London Loves Business, [How many billions will be spent on office Christmas parties this month?](#), 6 December 2018

In central London hospitality, 40% of your revenues are earned between Halloween and New Year's Eve. Whatever happens with the decisions about regulations, that is not coming back for most of those businesses because it is pre-booked events and it is corporate events. The benefit of it is not just that you get 40% of your revenue, but it is already booked. It is booked six to eight months out, ...you can bank on that, you can make plans for your food purchasing and your staffing.

It is pretty much guaranteed profit because it is already priced in. That is hugely significant and for many of these businesses - the London hotels in particular and the London pubs and restaurants - they were banking on having that trading period to get them through and get them into a breakeven period. In central London, 90% of those businesses are operating below profitability and have been for the whole of this year. It is quite significant.

**Kate Nicholls, Chief Executive
UKHospitality**

The Committee heard that businesses and venues across London had invested millions of pounds to become COVID-secure, and that encouraging retail footfall, reopening of the cultural sector, and encouraging domestic and international tourism back to London – all in a COVID-safe way – would be pivotal to the survival of London's hospitality.

The Committee also heard that an extension of the Value Added Tax (VAT) cut for the hospitality and tourism sector would be a big benefit. VAT for these sectors was cut to 5 per cent until March 2021, but in order to keep London's sector competitive and attractive for international and domestic tourism the Committee recommends that this cut be further extended until the end of the 2021/22 financial year. This would also provide a greater ability for the sector to endure, and recover from, any further lockdown measures that could be implemented in London, especially with the ongoing possibility of the capital being placed into Tier 3 restrictions.

Crucially, for our sector the Value Added Tax (VAT) cut for tourism and hospitality has been fantastically helpful and it means that London is competitive...Having a VAT cut helps to make us competitive, it will provide a stimulus for demand to return

**Kate Nicholls, Chief Executive
UKHospitality**

Arts and culture

Recommendation

The Mayor should create a new responsibility in the Mayoral team dedicated to advocating for London's performing arts.

Social distancing measures have impacted the creative industries significantly, especially live performance. For many theatres, it has simply not been financially viable to operate with the reductions in audience numbers that are required to guarantee physical distancing and audience safety. The Committee also heard that the uncertainties resulting from changing restrictions have made it very hard for theatres to plan shows due to the lead times involved.

The way our industry works, you cannot turn it on and turn it off, and you cannot do it without an audience.

**Paul Fleming, General Secretary
Equity**

Christmas, typically, is a time when many theatres and artists make profits that see them through the rest of the year.

The one kind of twinkling hope was Christmas, because Christmas of course is a phenomenal period of time for our members to earn.

**Paul Fleming, General Secretary
Equity**

However, that has not been the case this year. For example, four of London's biggest pantomimes announced in August that they would be cancelled for 2020, stating that "the continued uncertainty of government guidelines for restarting public performances" led to the

“inevitable decision” to postpone productions to 2021. Over 145,000 people attended the four shows last year, providing work for 285 freelance artists and staff.¹³ Two of these four theatres (Lyric Hammersmith Theatre and the Theatre Royal Stratford East) have stated that pantomimes typically account for almost a third of their box office income.¹⁴

Furthermore, as the Committee explored in its June meeting, and conveyed in its letter to the Chancellor on 23 September, it is not just those directly involved with producing cultural shows like these that are affected: there are also knock-on effects up the creative supply chain, and secondary effects on hospitality – for example, theatregoers that previously would also spend a night in a hotel and go out for dinner.¹⁵

Financial support has been directed towards the cultural sector. In April the Mayor launched an emergency £2.3 million Culture at Risk Fund, to “support London’s creative and cultural industries at risk due to the impact of the coronavirus”.¹⁶ The targeted fund is designed to help grassroots music and LGBTQ+ venues, creative workspaces and independent cinemas.¹⁷ Central government support arrived in June by way of £1.57 billion of funding for cultural and heritage organisations,¹⁸ and again in October with a share of £257 million shared between 1,385 theatres, arts venues, museums and cultural organisations.¹⁹ The fund is designed to allow venues to plan for reopening and support the resumption of live performances.

The Committee heard that whilst this government funding had been vital to the survival of large established institutions, many smaller businesses and self-employed creatives were not in receipt of support. The Culture Secretary, Oliver Dowden, acknowledged in November that a third of freelancers were not able to access government support.²⁰ Furthermore, a lack of innovation to promote small-scale, safe community engagement from performers was reported to the Committee as a missed opportunity to keep elements of the creative arts running. In Belgium and New Zealand, for example, artists and performers have been used to encourage visitors back into retail districts, provide entertainment, and create work for the creative community.²¹

In the absence of this innovation and creative thinking in regulation to encourage performance and owing to the gaps in the financial support for self-employed creatives, the Committee were warned that many people would be forced to leave the sector altogether, which would not affect all parts of the workforce equally.

¹³ Standard, [Four of London's leading pantomimes cancelled amid reopening uncertainty](#), 10 August 2020

¹⁴ The Stage, [UK theatre faces £90 million losses as panto season is axed](#), 11 August 2020

¹⁵ London Assembly Economy Committee, [Supporting London businesses through the COVID-19 pandemic](#), 23 September 2020

¹⁶ Mayor of London, [Mayor launches new fund to support London's at risk culture](#), 30 April 2020.

¹⁷ Mayor of London, [Mayor launches new fund to support London's at risk culture](#), 30 April 2020.

¹⁸ The Department for Culture, Media and Sport, [£1.57 billion investment to protect Britain's world-class cultural, arts and heritage institutions](#), 5 July 2020

¹⁹ HM Government, [£257 million to save 1385 theatres, arts venues, museums and cultural organisations across England](#), 12 October 2020

²⁰ Hansard, [Topical questions volume 683](#), 5 November 2020

²¹ [London Assembly Economy Committee meeting](#), 4 November 2020

The cancellation of Christmas for our members in 2020 may well mean that they leave the industry. To go right back to what I said at the beginning, the people disproportionately affected by this - black artists, disabled artists, older artists and so on - are people who are underrepresented in the industry in the first place. We are going to be losing working-class Londoners from our profession, which is already disproportionately populated by people of middle or higher socioeconomic status.

**Paul Fleming, General Secretary
Equity**

Overall, the Committee heard that the performing arts needed greater representation in London, that would better recognise its central role in London's economy and provide greater advocacy to the Government on behalf of performers and creative practitioners.

When we talk about the theatre district in London, we do not have anybody within the Mayor's team that we can point to and say, "You are the live performance person". They have Amy Lamé doing brilliant work as the Night Czar, but looking at the night-time economy as a whole, not just live performance. We have a real interest from the Mayor and the Deputy Mayor [for Culture and the Creative Industries, Justine Simons OBE] in terms of visual art, and that is to be commended, but there is this real gap in something which is a core of what makes London what it is.

**Paul Fleming, General Secretary
Equity**

Tourism

Recommendations

The Mayor should continue to lobby the government to reverse the decision to end tax-free international shopping, and update the Committee as to how he is actively engaging the government to advocate on this issue.

The Mayor should update the Committee on the impact so far of the Domestic Tourism Consortium, and how it will be used to promote domestic tourism as an integral part of London's economic recovery in 2021 and beyond.

London typically benefits from both international and domestic festive tourism. In 2019, more than 14 million people planned to take a Christmas break with at least one overnight stay, and London was the number one destination for festive domestic tourism.²²

There were 5.6 million international visitors to London in Quarter 4 of 2019, who spent a total of £4.4 billion.²³ VisitBritain's latest national forecasts (compiled in October) predict that in 2020, total inbound international tourism will be down 74 per cent and spend down 79 per cent, compared to pre-COVID forecasts.²⁴ VisitBritain's figures predict that domestic tourism spend is down 49 per cent for 2020, a smaller reduction than international tourism spending. Analysis of VisitBritain's data, published by the Mayor on 23 October, found that spending by tourists in central London is set to reduce £10.9 billion this year.²⁵

...international tourism spent in the CAZ [Central Activity Zone] in December alone is £2.3 billion.

**Kate Nicholls, Chief Executive
UKHospitality**

Stimulating both domestic and international tourism will be key to London's recovery from the economic impacts of the pandemic.

²² Mirror, [Brits set to give UK economy £14billion boost on festive breaks this Christmas](#), 17 December 2019

²³ London Datastore, [Number of international visitors to London](#), updated August 2020

²⁴ VisitBritain, [2020 tourism forecast](#)

²⁵ Mayor of London, [Mayor reveals tourist spending in central London to plummet by £10.9bn](#), 23 October 2020

In September, the Government announced that tax-free shopping for international visitors would be ended. The Association of International Retailers has said that this will drive down visitor numbers at a crucial time and estimated that it could leave the Treasury £3.5 billion worse off. London's West End has been highlighted as being particularly vulnerable to the changes,²⁶ with the Central London Alliance (a collection of London businesses, communities and charities) calling for a reversal to the decision.²⁷ The Mayor has also called on the Government to reverse the decision, and the Committee is calling for continued active and demonstrable representation on behalf of London's businesses on this matter.

The other big issue, which colleagues will be aware of, is tax-free shopping, this disastrous decision to take us out at the worst possible timing, which we do not need to do. The Chancellor currently is taking us out of tax-free shopping on 1 January [2021]. We will be the only country in Europe that will not have this benefit anymore. It is an almighty impact, not just to retail but to the airlines and hospitality. Outside of London and inside London, there are 120,000 manufacturing jobs that rely on that. We do know that our key markets, tourism markets that are so crucial to London - the Middle East, Far East - are highly price-sensitive. When they can go to Paris for 20% off, they are going to go there. Also, UK visitors will not come to London; they will go to Paris and Europe because, again, they can buy 20% cheaper. There is a knock-on effect of this.

**Jace Tyrrell, Chief Executive
New West End Company**

Experts at the Committee's November meeting highlighted the need to significantly prioritise the promotion of London domestically, with established bodies primarily focussed on international markets or, in response to the pandemic, promoting London to Londoners. VisitBritain (the national tourist agency) and VisitEngland (England's tourist board) are designed to promote the country to incoming tourists. London & Partners (L&P) was initially established to promote London internationally. In June 2019, the Domestic Tourism Consortium was launched by the Mayor, and backed by £600,000 of funding to help L&P expand its remit to promote London domestically.²⁸ L&P has also, during the height of the pandemic when intercity domestic travel was not taking place, promoted London to Londoners themselves through the 'Because I'm a Londoner' campaign.²⁹ As Laura Citron, Chief Executive Officer of L&P, told the Committee at its June meeting "The objective of the campaign is to support our retail, hospitality and cultural events businesses to survive this period of coronavirus with a particular focus on smaller businesses in local areas...we need to encourage people to understand that supporting your local business is an act of solidarity with the city."³⁰

²⁶ Association of International Retail, [Short Briefing on Tax-Free Shopping](#), September 2020

²⁷ Central London Alliance, [Our Manifesto](#), 20 November 2020

²⁸ Mayor of London, [MD2478 London & Partners – Domestic Tourism Consortium](#), 21 June 2019

²⁹ L&P, Visit London, [Because I'm a Londoner](#)

³⁰ [London Assembly Economy Committee meeting](#), 17 June 2020

Domestic tourism will be vital to London's recovery, and it is imperative that the Mayor develops a clear strategy for using the Domestic Tourism Consortium as a part of that recovery.

Then, post-January [2021], that is when we are into attracting other people from other parts of the country to come and have a spring break in London. Come down and see London when the tourists are not here, when you can get around and you are not tripping over lots of people. You have a unique opportunity to explore your capital city. It needs somebody to own that and it needs somebody to drive that.

**Kate Nicholls, Chief Executive
UKHospitality**

Other formats and languages

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Chinese

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Vietnamese

Nếu ông (bà) muốn nội dung văn bản này được dịch sang tiếng Việt, xin vui lòng liên hệ với chúng tôi bằng điện thoại, thư hoặc thư điện tử theo địa chỉ ở trên.

Greek

Εάν επιθυμείτε περίληψη αυτού του κειμένου στην γλώσσα σας, παρακαλώ καλέστε τον αριθμό ή επικοινωνήστε μαζί μας στην ανωτέρω ταχυδρομική ή την ηλεκτρονική διεύθυνση.

Turkish

Bu belgenin kendi dilinize çevrilmiş bir özetini okumak isterseniz, lütfen yukarıdaki telefon numarasını arayın, veya posta ya da e-posta adresi aracılığıyla bizimle temasa geçin.

Punjabi

ਜੇ ਤੁਸੀਂ ਇਸ ਦਸਤਾਵੇਜ਼ ਦਾ ਸੰਖੇਪ ਆਪਣੀ ਭਾਸ਼ਾ ਵਿਚ ਲੈਣਾ ਚਾਹੋ, ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ ਇਸ ਨੰਬਰ 'ਤੇ ਫੋਨ ਕਰੋ ਜਾਂ ਉਪਰ ਦਿੱਤੇ ਡਾਕ ਜਾਂ ਈਮੇਲ ਪਤੇ 'ਤੇ ਸਾਨੂੰ ਸੰਪਰਕ ਕਰੋ।

Hindi

यदि आपको इस दस्तावेज का सारांश अपनी भाषा में चाहिए तो उपर दिये हुए नंबर पर फोन करें या उपर दिये गये डाक पते या ई मेल पते पर हम से संपर्क करें।

Bengali

আপনি যদি এই দলিলের একটা সারাংশ নিজের ভাষায় পেতে চান, তাহলে দয়া করে ফো করবেন অথবা উল্লেখিত ডাক ঠিকানায় বা ই-মেইল ঠিকানায় আমাদের সাথে যোগাযোগ করবেন।

Urdu

اگر آپ کو اس دستاویز کا خلاصہ اپنی زبان میں درکار ہو تو، براہ کرم نمبر پر فون کریں یا منکورہ بالا ڈاک کے پتے یا ای میل پتے پر ہم سے رابطہ کریں۔

Arabic

الحصول على ملخص لهذا المستند بلغتك،
فارجاء الاتصال برقم الهاتف أو الاتصال على
العنوان البريدي العادي أو عنوان البريدي
الإلكتروني أعلاه.

Gujarati

જો તમારે આ દસ્તાવેજનો સાર તમારી ભાષામાં જોઈતો હોય તો ઉપર આપેલ નંબર પર ફોન કરો અથવા ઉપર આપેલ ટપાલ અથવા ઇ-મેઇલ સરનામા પર અમારો સંપર્ક કરો.

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The London Assembly

City Hall
The Queen's Walk
More London
London SE1 2AA

Website: www.london.gov.uk/about-us/london-assembly

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