

Association of Licensed Multiple Retailers comments

Page: [Draft New London Plan](#)

Section: [N/A](#)

As context for the other comments that we are leaving: UKHospitality is a new organisation resulting from the merger of the UK's two major hospitality trade associations – the ALMR and the BHA. UKHospitality will actively speak out for the UK's third largest private sector employer, which combined directly generates £130bn of revenue each year. In London, accommodation and food services provides 392,000 jobs.

UKHospitality has added detailed comments to policies relevant to the hospitality industry throughout the plan. The broad issues affecting the industry in London and relevant to the plan are as follows:

Visitor infrastructure

UKHospitality welcomes the London Plan's commitment to improving the visitor economy in London, and maintaining its position as one of the most visited cities in the world. An increased focus on promotion of London's tourism output beyond the attractions in central London is timely, with many of London sites not receiving the promotion they deserve.

Skills and opportunities

UKHospitality has a strong history of engaging with those out of work in London, particularly young people, through the Big Hospitality Conversation, which was held in 2015 in partnership with Tottenham Hotspur FC and the Department for Work and Pensions. This provided an opportunity for local young people to meet business leaders and get a start in the industry. UKHospitality would welcome the opportunity to work with the Mayor's office to increase opportunities for those out of work in London.

Bespoke taxes on tourism

UKHospitality is concerned by policies in the plan that will allow for City Hall to introduce its own tax mechanisms. London officials, including the Mayor himself, have gone on record in support of charging tourists to stay in London. UKHospitality is firmly against this type of tax on the grounds that there should be no further charges on tourism whilst the rate of VAT on hospitality businesses remains at 20% - almost double the European average and already a competitive hindrance to UK businesses compared to their European neighbours.

Prevention of obesity

UKHospitality takes seriously the responsibilities of the Out of Home Food sector to help prevent obesity. The sector has been making significant contributions to order to improve the nutrition of products and to provide healthier alternative choices for its customers.

UKHospitality would be delighted to discuss the above concerns, and any of the specific comments throughout the plan, with representatives from City Hall.

Page: [Policy GG5 Growing a good economy](#)

Section: [1.4.11](#)

The inequities of property taxes paid by digital and non-digital businesses needs to be addressed. If, as the Plan suggests, the GLA will seek devolved powers over business rates, then it ought to address the failures in the current structures of that property tax.

Businesses such as pubs, restaurants, clubs and hotels have much tighter parameters on how they can use their venue space, and operate largely on high streets and in areas where rents and rateable values are high. With fewer businesses paying into a fixed-sum pot - not least because digital companies are far more able to operate in lower value properties - the bills for those remaining in the business rates system is forever increasing.

Based on September's RPI figure, our sector will be facing a 3.9% increase in business rates; the total bill increase to the sector will be £97 million – an average of around £1,500 per property. This will be much more in London, where property taxes are higher.

Page: [Growth Corridors and Opportunity Areas](#)

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The hospitality sector relies significantly upon non-UK migrants to augment its workforce, so welcomes the Mayor's approach of seeking to accommodate rather than limit immigration. London in particular, has high rates of non-UK workers in pubs, clubs, hotels and restaurants, filling often hard to fill roles such as chefs. By aiming to provide living space and travel infrastructures to allow them to travel easily between work and home, as well as to venues for all to visit, is a welcome objective.

Page: [Policy SD8 Town centres: development principles and Development Plan Documents](#)

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The approach of the plan is to be applauded for its recognition of the problems and challenges facing town centres, not least for retail.

Retail businesses (licensed or otherwise) rely upon each other's activities throughout day and night, often providing 'shoulder' periods whereby a shopping centre may attract customers who may then visit a restaurant in the early evening, and then go to a pub or other venue afterwards. Diversity of businesses helps them to sustain each other as well as themselves.

This needs to be recognised in measures to balance inequities such as those described elsewhere in this response about business rates. A more level playing field is necessary in order for many licensed businesses to survive. Equally, with the planned emergence of many different town centre plans, it is important for commercial ease that there is a level of consistency across London, in order to avoid too much divergence between operating environments.

Additionally, planning and licensing laws and regulations - and their consistent application across the capital - can be used to assist operators struggling to deal with the ever-increasing costs of operating in London's high rent, high wage economy. Reducing the red tape involved in licensing would be a good place to start.

Page: [Policy D10 Safety, security and resilience to emergency](#)

Section: [D10](#)

London's licensed venues have played active and positive roles in helping to cope with tragedies such as the Westminster Bridge attack, when pubs and restaurants acted as places of shelter and safety. The hospitality trade more widely is deeply responsible in its approach to safeguarding harm to its customers, liaising regularly with NaCTSO and other anti-terrorist and emergency services groups.

Customer safety is paramount and the sector invests huge sums to deliver safe and supervised environments. This comes at quite a cost and is best devised and implemented in receipt of the expertise and knowledge of operators themselves, so UKHospitality would urge any development of policy in this area to be done in close partnership with us and our members.

Page: [Policy D12 Agent of Change](#)

Section: [3.12.4](#)

The policy proposal wording states that "Noise-generating **cultural venues** such as theatres, concert halls, pubs and live music venues should be protected (see Policy HC5 Supporting London's culture and creative industries."

Although the list does not claim to be exhaustive, there is a conspicuous omission that, for the sake of clarity and recognition of cultural importance, ought to be corrected: nightclubs.

Nightclubs are an economic generator of the night time economy, do generate noise as part of their activities and are a key element of the night time culture of London. Their omission at this stage would lead to ambiguity and or misunderstandings of whether the Agent of Change Principle applies to nightclubs and there is no good reason within the spirit and letter of the policy for them not to be included.

Page: [Policy E9 Retail, markets and hot food takeaways](#)

Section: [6.9.7](#)

UKHospitality is committed to combating obesity and has welcomed government policy in this area.

The Out of Home Food sector has already taken steps to combat obesity. In recent months the Out of Home Food Alliance set out a Code of Practice to drive more responsible behaviour in the industry on healthy eating. The Code of Practice sets out how the sector is already doing its part in combating obesity and the next steps for the industry, and is supported by Public Health England.

Developed voluntarily, the Code of Practice commits food providers to reformulating their products to reduce sugar, encouraging customers to make healthier choices, offering healthier children's options and providing clear nutritional information.

The Out of Home Food Alliance is made up of the largest high street hospitality brands in the UK, including Mitchell and Butlers, Pizza Hut Takeaway, McDonalds, Greggs and Whitbread Restaurants.

UKHospitality shares the government's commitment to reducing childhood obesity but legislators should be wary of thinking the problem can be solved with a single 'silver bullet'. We believe that ensuring good nutrition and reducing the level of childhood obesity requires a holistic approach, and we would like to see industry efforts to tackle childhood obesity complemented by a stronger emphasis on nutrition and physical exercise in the school curriculum and on significantly improved education about food for children and adults alike.

Page: [Policy E10 Visitor Infrastructure](#)

Section: [E10](#)

The London Plan supports the use of sharing economy platforms, provided they do not impact negatively on housing. In reality, though, sharing economy platforms are already having a negative impact on housing in the capital – of the 168,000 properties that are listed in the UK, 65,000 are in London. According to a recent report, 1,190 new listings are added each month in London.[1]

The loss of housing stock is a significant issue with short term lettings, but to focus only on the problems posed to housing overlooks the other negative impacts of sharing economy platforms.

Properties listed on Airbnb and similar websites have frequently been involved in issues of disturbances, and are subject to little of the regulation to which traditional forms of accommodation must adhere. Hotels and other accommodations providers are required to submit to safety regulations that ensure that they are fit for purpose which sharing economy rentals are not.

Furthermore, as there is no central register of the properties listed on sharing economy platforms, it is impossible, in the event of an emergency, for the emergency services to know how many people are in a property at any one time, nor is it possible to enforce the 90-day limit on short term lettings.

Sharing economy platforms in London are subject to very little regulation compared to much of the rest of Europe and North America. Other major cities have acknowledged the negative impacts have to be mitigated to ensure that housing stock is not removed from long term circulation, communities are not eroded by empty properties and that visitor accommodation is safe for public use.

[1] Jones Lang LaSalle October 2017

Page: [Policy E11 Skills and opportunities for all](#)

Section: [E11](#)

The vote to leave the European Union is already being felt by hospitality business that are struggling for staff. A report for the British Hospitality Association by KPMG last year showed that service lines in London, such as hotels, employ large numbers of EU nationals, with 22.1% - 34.1% of their staff coming from EU member states. Between 13.8% - 26.1% of London restaurant staff are EU nationals. Within these businesses, roles including waiters and waitresses (75.3% EU nationals), chefs (24.6% EU nationals) and housekeeping staff (37.1% EU nationals) are even more reliant on the availability of EU labour.

UKHospitality has campaigned for improved technical education to alleviate the skills gap the hospitality industry faces, particularly in the wake of declining European immigration following the decision to leave the European Union. To this end UKHospitality has lobbied the government to bring forward the introduction of a T-Level for hospitality as currently it is scheduled to begin in 2022, after the UK has left the EU and too late to help with a skills shortage that is affecting business already.

As such, a renewed focus on technical education and skills cannot come soon enough for the hospitality industry in London.

Page: [Policy HC5 Supporting London's culture and creative industries](#)

Section: [7.5.1](#)

UKHospitality unreservedly supports the Plan's recognition of the value and importance to London's culture and economy. This has been bolstered by the introduction of the night tube.

Page: [Policy HC5 Supporting London's culture and creative industries](#)

Section: [7.5.5](#)

We support the use of ACV but also warn against their potential inflexibility. While all reasonable efforts ought to be made to ensure the continuation of a cultural venue's contribution to a locale, ACVs ought not to be used to stop development altogether. A venue would be better off open and operating a slightly different model or format, than to be left shut and heading to dilapidation.

Page: [Policy HC6 Supporting the night-time economy](#)

Section: [HC6](#)

UKHospitality thoroughly endorses the Plan's supportive statements relating to the night time economy. For reasons expounded elsewhere in this response, it is important for businesses that operate at different times of the day to support and effectively extend each other's trading hours.

The customer would not be the only beneficiary of the Plan's fruition, though: businesses can only operate in our worker-intensive sector if people are able to get to and from work. The importance of transport at night is well embedded in the Plan, and rightly so. The introduction of the night tube has helped many venues to thrive, and for many people to work at times which were previously difficult due to limited travel.

Research company CACI estimated that if customers stay in a venue for one extra drink, it adds £78m to the London economy each year.

Page: [Policy HC7 Protecting public houses](#)

Section: [7.7.1](#)

UKHospitality unreservedly commends the Plan's recognition of the importance of pubs and nightclubs to London's communities, culture, economy and well-being.

In designated areas, such as the proposed Cultural Quarters, this value - and the sustainability of the venue - could be safeguarded by optimising the commercial environment for such businesses. With the most prominent burden being business rates, exemptions, reductions or reliefs in such areas would make a massive difference to such businesses.

Page: [Overview](#)

Section: [11.0.1](#)

Enabling Infrastructure

UKHospitality recognises the need for innovative ways to help fund London's creative infrastructure. London is one of the world's premiere destinations for tourists, and for good reason; its world class hospitality industry is envied the world over and continues to flourish despite punishing commercial conditions.

For this reason, UKHospitality is firmly against the introduction of any mechanism that could potentially pave the way for more charges on hospitality businesses and tourists. This is specifically in reference to point 11.1.61, which refers to a desire to be granted '...permissive powers to develop new mechanisms, subject to consultation'.

A 2017 report undertaken for the London Finance Commission by GLA Economics recommended the introduction of a 'tourist tax' or 'tourism levy' for London, and the Mayor of London has publically voiced his support for such a tax. UKHospitality thus has reservations that the 'mechanism' referred to in 11.1.61 would allow the introduction of a bespoke charge on tourists in London.

Proponents of a tourist tax often point to European countries and cities that levy tourist taxes on their visitors, claiming that this appears to do little damage to their tourism industries or visitor economies. What is neglected in making this argument is that the majority of countries that apply a tourist tax have far lower rates of VAT on hotel tourism services than the 20% rate that applies in the UK, which is almost double the European average. Even in the United States where there is often a combination of local, state, sales or special taxes added to the cost of a hotel room, there is no combination of taxes that equates to the UK's 20% rate of VAT. Any form of additional charge would be verging on punitive in nature and would drive away visitors over a longer period of time. It is simply too simplistic to say that such charges will not make a difference.

A tax on visitors staying overnight in London would also fail to achieve what its proponents often say it would: namely that it would be a mechanism to ensure that visitors contribute to the area that they enjoy by helping to pay for clean streets, infrastructure projects, and transport improvements. As this would simply be a tax on visitors staying overnight, day visitors would not be affected. According to Visit Britain, there were 337 million day visits to London in 2016. A charge on tourists would not apply to these people, but they would still enjoy the same benefits as overnight visitors. It is also conceivable that tourists would simply stay outside London and travel in to avoid paying a tourist tax, meaning that hotels would lose valuable revenue and local authorities would miss out on lucrative tax receipts.

Finally, the plan's comments in point 11.1.62 about the desire to 'to promote devolution across the country' is also profoundly worrying to UKHospitality and its members. With local authority budgets under sustained pressure across the UK, it is entirely conceivable that councillors could introduce various forms of taxes on tourists to help make up the monetary shortfall. This type of short term fix is not a viable answer to more profound budgetary problems, and would indeed exacerbate the problem in the long run.

We cannot get to a situation where local authorities can unilaterally bring in further charges on tourists. UKHospitality has successfully made this argument to both the Welsh and Scottish devolved governments – who have no plans to devolve the necessary powers to bring in such charges – and are currently in dialogue with the UK government to ensure that tourists in England are protected from the same charges. We appreciate that new ways of raising money must be considered, but taxes on tourists are not the answer and would have a negative effect in the long term

Page: [Potential options for raising the required funding](#)

Section: [11.1.61](#)

The business rates revaluation hit the eating and drinking out sector particularly hard, with increases in rateable values of around 15%, across the country. Despite some helpful measures announced by Government at Budget 2017 this has led to severe cost increases from April – and many are likely to see a ramping up of these costs as transitional relief no longer holds back the very large increases in RVs that were seen across the sector.

Business rates are paid by all businesses operating from a property. Unfortunately, this disadvantages eating and drinking outlets that focus on great customer experience compared to other properties that are more transactional, or indeed those that do not need a property (or only minimal facilities) to operate and therefore are outside the scope of business rates.

Any devolution of business rates powers ought to include the ability to administer reliefs and/or exemptions for the hardest hit businesses. With the capital's property values so high, London's venues suffer a disproportionately high financial burden. The Chancellor of the Exchequer last year implemented a relief for pubs, in recognition of the burden of business rates on that part of the sector. This ought to be extended and increased in London, to reflect higher costs, and ought also to have more favourable, comprehensive coverage of all licensed venues.

In addition, in the absence of central Government's delivery on commitments to reform business rates, the Mayor and GLA can lead the way by examining and implementing a property tax better suited to the challenges posed by a high value property environment.