

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION - MD2446

**Title: New Year's Eve 2019**

### **Executive Summary:**

The New Year's Eve fireworks display is the largest annual fireworks display in Europe. It is enjoyed by approximately 100,000 ticketed spectators at the event, over 12 million people on television in the UK and it is beamed out to millions more across the world, showcasing London globally. The fireworks contribute to London's international profile, enhancing the city's global reputation and supporting its economic development, with visitors to London for the event providing income to businesses, tourist attractions and hotels. In 2018, over £12m was spent in London by New Year's Eve ticketholders alone.

Tickets to access the viewing areas are £10 each, with the income generated contributing to the infrastructure, event safety and operational costs of delivering a ticketed system. The ticket price-point is intended to strike a balance between covering costs associated with ticketing while ensuring that the event remains as far as possible, inclusive, affordable and financially accessible to prospective attendees.

This decision seeks approval for expenditure to deliver the New Year's Eve event in 2019.

### **Decision:**

That the Mayor approves:

1. Net expenditure of £2.3 million from GLA budget 2019-20, with annual ticket and concessions income making up the remainder of the cost, resulting in economic benefit of over £12 million to London's businesses, tourist attractions and hotels;
2. Receipt of annual ticket and concession income forecast at £1.05 million each year; and
3. A delegation to the Assistant Director of External Relations to seek, receive and apply sponsorship, concession and ticket income, as a contribution to the costs of delivering the New Year's Eve event.

### **Mayor of London**

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:**

30/7/19

## **PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR**

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1 This decision form requests approval for net expenditure of up to £2.3m for 2019/20 to deliver London's New Year's Eve fireworks and covers the financial risk associated with unconfirmed ticket sales, sponsorship and concessions income, a further £1.05million.
- 1.2 The GLA has powers and duties under the Greater London Authority Act 1999 (GLA Act) to promote economic and social development, improve the environment and promote tourism to Greater London. Events have a profound potential to bring economic and social benefits to the city, and major events can raise the city's profile and present a positive image to the world's media and potential visitors.
- 1.3 The New Year's Eve fireworks provide a media focal point for London on New Year's Eve, generating significant national and international coverage, as well as bringing substantial economic benefit.
- 1.4 Approximately 100,000 ticketholders come to central London to watch the fireworks in person and over 12 million people watch the show on television in the UK. It is also beamed out to millions more people across the world, showcasing London globally. Creating a positive profile for London in this way can support London's economic development by encouraging people to want to visit the city. Attendance from ticketholders on the night alone brings an economic benefit of over £12m to London's businesses, tourist attractions and hotels.
- 1.5 The popularity of the event has introduced a number of challenges due to the size of the 'live audience' – those wishing to come to see the event in central London in person. Over the years, the numbers of people coming into London on New Year's Eve became unsustainable, creating significant crowd control issues and safety concerns. The pressure put on London's emergency services and local authorities became a safety risk and a significant drain on available resources.
- 1.6 In 2013, (the last year before ticketing) the crowd numbers reached dangerous levels, with an estimated 500,000 people gathering in central London. A large proportion of these people were unable to watch the fireworks because the viewing areas were full, and the surrounding area was so crowded, leading to unmanaged crowd congestion throughout the city. The statutory agencies and emergency services strongly recommended that the event format needed to change for them to continue to support it.
- 1.7 As a result, and following consultation with multiple operational agencies, in 2014 a paid-for-ticketing plan was introduced to help control numbers, to ensure the event could be delivered both successfully and safely.
- 1.8 The price point for the ticket was set at £10 (and has remained at this level each year since), which when introduced broadly covered the costs of implementing the ticketing system (which includes costs associated with the ticketing agency, VAT on ticket sales, ticket distribution, increased marketing and communication of the ticketed nature of the event, additional event infrastructure and additional stewarding to manage ticket entry points). Thus, when ticketing was introduced, it was broadly cost-neutral on the overall budget for the event. This low-cost ticket price of £10 has stayed fixed, meaning that the event remains inclusive and accessible – both nationally and across the world.
- 1.9 The resultant impact of ticketing has proved highly effective. It has ensured a defined number of people within a controlled area and has also led to a significant reduction in the crowds gathering outside of designated viewing areas. The GLA further achieves this outcome through communication

leading up to the event, designed to inform people that the event is ticketed, how to get a ticket and not to attend without one.

- 1.10 Additionally, debriefs from the statutory agencies every year since ticketing was introduced have confirmed that the ticketing model has been a success in reducing the wider crowd impacts of previous years and subsequently reducing the additional pressure placed on the Metropolitan Police Service (MPS), ambulance and transport services.
- 1.11 Introduction of ticketing has led to a significant reduction in crowds turning up trying to view the fireworks without having bought a ticket. However, there remains a constant and growing pressure on the peripheral areas of the designated event footprint, where there are partial views of the fireworks. This risk was broadly anticipated, since people have become more familiar with the ticketed areas over the years, but the pressure is compounded by social and other media frequently advising of 'places to view the fireworks without a ticket'. These risks are taken into consideration and mitigations sought where possible as part of the review and planning process conducted by the GLA and through the multiagency debriefs. We also seek to brief media against promoting unofficial viewing areas, which has varying impact.
- 1.12 This decision form seeks approval for expenditure to deliver the New Year's Eve event in 2019. A delivery partner will be appointed following a procurement process.

#### *Delivering the New Year's Eve plan (2019)*

- 1.13 Whilst there is pan-agency consensus that ticketing has significantly reduced the crowd levels in the areas surrounding the ticketed footprint, as noted above, there has been increased pressure and challenges faced in 'hot-spots' outside of the viewing areas. The GLA will continue to review these areas and work with partners, to develop plans to mitigate or manage issues within the available resources.
- 1.14 The event viewing/ticketed areas will be reviewed as part of the on-going review and planning process. Ticket prices will not be changed as part this review.
- 1.15 In 2019, there will be a further need to consider wider stewarding and crowd management issues that occurred within the event footprint in 2018 and new plans will be structured so as to reflect these learnings.
- 1.16 As with previous years, the event footprint and operational plans will require consultation and collaboration with key partner agencies including the MPS, TfL, impacted local authorities, The Royal Parks, landowners and businesses and residents. It should be noted that some of these associated costs are difficult to control, but every endeavour will be made to deliver plans within the available resources.
- 1.17 In 2018, the MPS reduced its allocated resources and will continue to look to focus on core policing activities in light of heightened and more complex security risks. These requirements also impact the approach to event stewarding and processes to deliver this function effectively. In 2018, the event included increased bag searches and a considerable communications plan was implemented to achieve this new strategy. It is anticipated that this level of security will continue over the coming and future years.
- 1.18 As in previous years, in order to close the roads and restrict access to non-ticketholders, the GLA will seek formal consent from TfL and the highways authorities through a Memorandum of Understanding.

### *Cost implications of delivering the New Year's Eve event*

- 1.19 The cost of delivering New Year's Eve has increased over time, mainly due to the increased numbers of people turning up in central London, the growth of the event footprint, ensuing plans required to mitigate crowd management issues and associated security measures.
- 1.20 As noted above, areas outside the viewing areas and event footprint where there are partial views can become more congested over time, requiring further crowd management mitigation in areas that currently have no, or minimal infrastructure or stewarding. There is also a need to maintain the infrastructure and stewarding plan which has been developed over the years, to ensure that areas now managed well, continue to be so.
- 1.21 The ticketing model does however enable an increased level of confidence in managing and controlling the number of people attending the event and therefore, enables costs to be broadly maintained year on year.
- 1.22 The event production contract is not a fixed price contract because it is not possible to fully determine all the costs upfront. This is due to the dynamic planning process, involving multiple stakeholders, partners and landowners, all of whom can have an impact on the final costs. As illustration of this, there are upwards of 50 different organisations contracted to provide services for the event each year.
- 1.23 Changes in the London landscape (for example buildings, roads, stations and access points) can all potentially change during the planning process, which can also impact on costs. That said, we work closely with our event producer and event stakeholders and, over the years, have tried to contain these costs, adapting the available budget to accommodate increases where possible.
- 1.24 The funding of an enhanced stewarding operation has enabled the MPS to reduce the resources allocated to non-policing functions at the event, based on careful risk assessments. This has led to an overall reduction in the cost of the event to the public purse, and provides more flexibility for the MPS in allocating officers across London in accordance with policing priorities on each New Year's Eve. This decision seeks to continue to support these benefits through careful budget management.

### *Potential revenue streams at the New Year's Eve event*

- 1.25 There are several options, indicated below, for generating revenue to offset the financial risk for the event, however, these remain susceptible to multiple external factors and therefore cannot be guaranteed.
- 1.26 **Sponsorship:** There has been limited degrees of success in securing a sponsor for New Year's Eve, with significant sponsorship levels only achieved in 2008, 2013 and 2015. This is due to the limited brand opportunities and benefits open to sponsors; particularly since potential sponsor rights that could be offered are, in many cases, subject to approval by third parties and the statutory and licensing agencies and are not within the GLA's control.
- 1.27 The GLA will work with the appointed event producer and within its own available resources to maximise opportunities for sponsorship. The introduction of ticketing and the enhanced communications campaign does afford greater opportunities for potential sponsors to engage and achieve brand value in return for their sponsorship.
- 1.28 As such, a sponsorship strategy will be developed with brand engagement tactics and targeted approaches. In addition, an enhanced economic impact study will be carried out in 2019 to aid future opportunities for sponsorship and the development of proposals. The GLA will aim to look at longer term sponsorship opportunities and go out to market at a more appropriate point in the fiscal year, thus maximising opportunities to engage with receptive prospects in future years' events.

- 1.29 **Food & drink concessions:** For the first time in 2014, Westminster City Council and the Licensing Operational Planning Safety Group (LOPSG) agreed to approve concessions at the New Year's Eve event. However, the restrictions put on concessions, in terms of location, set up and trading times, and items permitted for sale, does limit the potential for revenue and, in turn, the commercial rates charged. Despite this, there is income generated every year from these concessions, which contribute to offsetting the total costs. In 2018, the GLA initiated challenging conversations with local authorities to explore additional space for concessions and will continue to pursue these in 2019.
- 1.30 **Audience capacity:** In 2018, the ticketed audience capacity was 103,322. The ticketed audience capacity must be limited to provide an allowance for local businesses and residents within the ticketed viewing areas who need to be permitted access. As the landscape within the viewing areas can be dynamic (e.g. impacts from building/development works), the audience viewing areas and contained capacities are reviewed as part of the annual planning process.
- 1.31 The GLA will continue to explore options for increasing overall ticketing capacity in 2019 (and in future years); however, any potential increase is subject to approval from the Licensing Operations and Safety Planning Group (LOPSG). LOPSG is a complex multi-agency process and any changes could also impact the volume of tickets provided for residents and businesses, thus requiring careful and considered management.

#### *Event producer contract*

- 1.33 The event producer contracted as our delivery partner will be responsible for delivering the infrastructure, stewarding and event management planning required to deliver the event, including in-depth liaison with local authorities, agencies, business and residents and other stakeholders involved and impacted in delivering this event. They will also deliver the firework show, and the crowd management planning, including the ticketing system introduced to support this.

## **2. Objectives and expected outcomes**

- 2.1 The key objectives for the New Year's Eve fireworks are based on:
- national and international promotion for London; and
  - economic benefit to London.
- 2.2 The New Year's Eve fireworks display provides a showcase of London nationally and internationally. In 2018, the fireworks were viewed by over 12m people on BBC1 and millions more watching globally on BBC One Facebook and BBC YouTube respectively. Sky and other national broadcasters provided further coverage around the world. Yet millions more globally have seen parts of the fireworks as many international broadcasters bring together a montage of city displays as part of their news coverage, the audience of which is not captured. This includes more than 3,000 online articles and more than 1,000 broadcast clips.
- 2.3 With ticketholders from London (29%), the rest of the UK (43%), and around the world (28%), representing over 110 countries, the New Year's Eve fireworks is a truly global event. The full economic benefit is difficult to capture as people may be inspired to come to visit London at any point throughout the year as a result of seeing the fireworks through the media, and we would not be able to capture the economic benefit of this. However, research undertaken at the event to establish visitors' additional spend equates to an economic benefit of over £12m from ticketholders alone.
- 2.4 Similarly, the positive profile of London, to which the Fireworks contribute, can encourage people to want to study, do business or work in London, as well as visit. In 2018, of those interviewed in a post event survey, 61% agreed that the Fireworks put London in a positive light. With 79% of the

respondents saying it was the first time they had attended the event, it is reaching new audiences, and 58% said they would visit London again in the future.

### 3. Equality comments

- 3.1 Under Section 149 of the Equality Act 2010, as a public authority, the Mayor of London must have 'due regard' of the need to:
- eliminate unlawful discrimination, harassment and victimisation; and
  - advance equality of opportunity and foster good relations between people who have a protected characteristic and those who do not.
- 3.2 The New Year's Eve fireworks event is aimed at bringing people from different communities together, celebrating London's diversity and helping to foster good relations between communities. This is achieved through a broad and targeted approach to marketing channels encouraging people from different communities to attend.
- 3.3 An access assessment has been completed for the New Year's Eve fireworks with independent disability access specialists Attitude is Everything. Recommendations from this assessment have been incorporated into the event planning including providing a dedicated viewing area for people with disabilities and mobility issues, and the provision of a support line in the lead up to the event to discuss access requirements.
- 3.4 The event will be accessible to all via national media coverage and live broadcast on national and international television. Subtitles and audio descriptive support will be available throughout the programming.
- 3.5 Tickets are set at the lowest possible price point in order to maintain, as far as possible, affordability and to ensure tickets are financially accessible to as many people as possible whilst broadly offsetting the cost of ticket implementation.

### 4. Other considerations

#### a) Key risks and issues

- 4.1 **Sponsorship:** It cannot be guaranteed that sponsorship will be secured, particularly as this has historically been difficult to achieve. Due to this variability sponsorship income has not been included as part of the overall base budget.
- 4.2 **External risks:** As the event evolves, barrier lines and stewarding plans will continue to be tested. Although a strategic stewarding/barrier plan is developed and implemented each year, there remains a significant element of uncertainty with changing crowd dynamics and profile. This risk is not accounted for in the current budget. There is also the unknown element of heightened security risks in the run up to the event that introduces a reactive piece that would sit outside of any current budget.
- 4.3 Enhancements to the stewarding operation have allowed the MPS to focus on their core policing role. If this trend continues, additional budget may be required to support the policing strategy with additional stewards. This would be likely to lead to a reduction in the overall cost of the event to the public purse, given that police officers are paid more than event stewards.
- 4.4 **Communications campaign:** History dictates that there is a risk that significant numbers of people still are not aware that the event is ticketed and will show up to the event without one. Whilst these numbers have reduced greatly over the past four years as a result of GLA communications with the

public, there remains the need for an extensive communications campaign to ensure that people are aware that the event is ticketed. It is also needed to try and counteract other social media messaging and media communications telling people that they can still watch the event without a ticket.

- 4.5 **Event scope increases:** As evidenced over the last five years of ticketing, there is a build-up of non-ticket holders in areas with partial views that need significantly more resources to manage safely. To help manage this risk, there is continued engagement with landowners and emergency services to review and monitor these areas. Further work will be carried out with the media to educate them on the risks of promoting vantage points.
- 4.6 **Ticket sales:** There is a risk that tickets do not sell out, thus not covering the cost of the ticketing operation, however there has been strong demand for ticket sales over the last five years, and given the speed at which tickets were sold, this is low risk.

*b) Links to Mayoral strategies and priorities*

- 4.7 The New Year's Eve fireworks event directly links to:
- *City for all Londoners:* Making London a fairer and more tolerant city open and accessible to all, and one in which we can all live and prosper free from prejudice. Enabling all Londoners to benefit from the city's fantastic arts and culture.
  - *Culture strategy:* The Mayor will continue to fund festivals and events with an emphasis on more community involvement, increasing quality, raising profile and increasing volunteering.
  - *Inclusive London - the Mayor's equality, diversity and inclusion strategy:* To celebrate London's rich diversity and bring communities together through a series of high profile accessible and inclusive events and campaigns.
  - *All of Us - Strategy for social integration:* using sport, volunteering, arts and culture as powerful tools for social integration; establishing London's reputation as a welcoming city for newcomers from other parts of the UK and abroad, with opportunities to feel a strong connection and positive sense of belonging to the city in which they are living.

*c) Consultations and impact assessments*

- 4.8 Extensive consultation with all operational agencies including but not limited to the MPS, TfL, British Transport Police, London Ambulance Service, London Fire Brigade, Westminster City Council, City of London, The Royal Parks, London Borough of Lambeth and London Borough of Southwark.
- 4.9 Consultation will also be carried out by the event production company as part of their delivery role with all residents and business affected by the event, and the outcome of all such consultation will be factored into the delivery of the event as appropriate.

## 5. Financial comments

- 5.1 The expenditure for the delivery of the New Year's Events in 2019 will be via a combination of GLA funding, ticket revenue, sponsorship and concession income. An annual budget of £2.3 million has been included within the GLA budget to part fund the event on an annual basis with an estimated income target of £1.05 million per annum to fund the balance. The ticketing price is broadly designed to cover the cost of ticket implementation.
- 5.2 In line with previous years' events, the GLA will underwrite up to £1.05 million annually. This represents the combined annual sponsorship, concessions and ticket target revenue for event.

## 6. Legal comments

- 6.1 The decisions requested of the Mayor (in accordance with the GLA's Contracts and Funding Code) concern the exercise of the GLA's general powers, falling within the GLA's statutory powers to do such things considered to further or which are facilitative of, conducive or incidental to the promotion of economic development and wealth creation, social development or the promotion of the improvement of the environment in Greater London; and in formulating the proposals in respect of which a decision is sought officers have complied with the Authority's related statutory duties to:
- pay due regard to the principle that there should be equality of opportunity for all people;
  - consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom; and
  - consult with appropriate bodies.
- 6.2 In taking the decisions requested, the Mayor must have due regard to the Public Sector Equality Duty; namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010 and to advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and persons who do not share it (section 149 of the Equality Act 2010). To this end, the Mayor should have particular regard to section 3 (above) of this report.
- 6.3 Officers should ensure that should any works/services/supplies be required, it must be procured by Transport for London Procurement who will determine the detail of the procurement strategy to be adopted in accordance with the GLA's Contracts and Funding Code. Officers must ensure that appropriate contract documentation is put in place and executed by the successful bidder(s) and the GLA before the commencement of any works/services/supplies.
- 6.4 It is planned that certain highways will be closed to vehicular and pedestrian traffic (with exceptions) for the purposes of the New Year's Eve Fireworks, through Traffic Regulation Orders made under section 16A of the Road Traffic Regulation Act 1984.
- 6.5 Section 93 of the Local Government Act 2003 empowers the GLA to charge for the provision of discretionary (as opposed to required) services, to those agreeing to the provision of such services (subject to a restriction that the income from charges should not exceed the costs of provision). Each person's agreement to the provision of the service (access to the best viewing areas for the fireworks, on a restricted highway) is inherent in the purchase of a ticket.
- 6.6 The GLA is not the highway or traffic authority for the highways in question. It is understood that the GLA will seek formal consent of TfL and the highway authorities for the roads in question to charge for this event. It is understood that this will be done through a Memorandum of Understanding.

## 7. Planned delivery approach and next steps

Activity	Timeline
Event production company contracted	August 2019
Announcement	September 2019
Ticket sales (tbc)	September 2019
Delivery End Date	1 January 2020
Evaluation complete	March 2020
Project Closure:	March 2020



**Public access to information**

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) 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 approval or on the defer date.

**Part 1 Deferral:**

**Is the publication of Part 1 of this approval to be deferred? YES**

If YES, for what reason: until procurement is completed

Until what date: anticipated end for procurement August 2019

**Part 2 Confidentiality:** Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

**Is there a part 2 form – YES**

**ORIGINATING OFFICER DECLARATION:**

Drafting officer to confirm the following (✓)

**Drafting officer:**

James Fitzgerald has drafted this report in accordance with GLA procedures and confirms the following:

✓

**Sponsoring Director:**

Emma Strain has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

**Mayoral Adviser:**

Leah Kreitzman has been consulted about the proposal and agrees the recommendations.

✓

**Advice:**

The Finance and Legal teams have commented on this proposal.

✓

**Corporate Investment Board**

This decision was agreed by the Corporate Investment Board on 23 April 2019.

**EXECUTIVE DIRECTOR, RESOURCES:**

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

*M. D. Ollé*

Date

30.7.19

**CHIEF OF STAFF:**

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature

*D. Bellamy*

Date

30/7/2019.

