

# **London's night-time economy**

## **Key information**

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## **Introduction**

The Economy, Culture and Skills Committee is investigating London's night-time economy, examining the longer-term effects the pandemic has had on the night-time economy, as well as the impact of additional external shocks, in particular rising levels of inflation and the cost-of-living crisis.

## **Investigation aims and objectives (Terms of Reference)**

The investigation will seek to understand:

- The strengths and weaknesses of London's night-time leisure sector, to what extent it has recovered from the pandemic, and how it has been affected by rising inflation and the cost-of-living
- The scale and cause of the challenges facing late-night venues and their workforce in London
- The extent to which London's night-time leisure sector is inclusive and accessible for all Londoners
- The impact of existing Mayoral policies and initiatives aimed at supporting and invigorating London's night-time economy, and what progress the Mayor has made in achieving his vision of London becoming a "24-hour city"
- What actions the Mayor should now prioritise to support London's night-time economy

## **Key issues**

- The legacy of the pandemic is felt particularly acutely in the night-time leisure sector. In 2022, the value of the night-time leisure economy was still below its 2019 level. Likewise, the number of workers in the night-time leisure space in 2022 was still lower than it was in 2017, when the Mayor announced his “24 hour vision for London”.
- This is further compounded by what appears to be a long-running trend of night-time leisure venues, pubs and restaurants closing across the UK, with LGBTQ+ venues being hit particularly hard. Overall, the decline of night-time businesses has been steeper in London than in any other English region: between March 2020 and December 2023, London lost over 3,000 night-time economy businesses.
- Whilst there is no consensus on the reasons for this, possible explanations for the decline include: rising rents linked to the dominance of investment firms in the real estate space, attitudinal shifts among young people with regard to alcohol consumption, licensing legislation and the cost-of-living crisis linked to rising inflation.
- The Night Tube fully re-opened in July 2022, having been suspended at the start of the pandemic in March 2020. It currently runs on Friday and Saturday nights on the Central, Jubilee, Northern, Piccadilly and Victoria lines.
- Brexit may have had a detrimental impact on London's night-time economy. Research carried out by Cambridge Econometrics on behalf of the GLA found that London's economy has been negatively impacted by Brexit, including sectors linked to London's night-time leisure sector.

## Key questions

- How has London’s night-time leisure sector been affected by recent external shocks, such as the pandemic, rising inflation and the cost-of-living crisis?
- What are the key challenges faced by London’s late-night venues and their workforce, in particular the types of venues which have reduced in number such as LGBTQ+ venues?
- To what extent is London’s night-time leisure sector inclusive and accessible for all Londoners?
- What progress has the Mayor made in achieving his vision of London becoming a “24-hour city”?
- What actions should the Mayor now prioritise to support London’s night-time economy and its participants?

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