Heart of London Business Alliance

ARUP

cultural heart of london

The economic benefits of the West End and Heart of London Arts and Culture sector to the wider economy and the case for Covid-19 support

October 2020

Important note

This report was written during the summer of 2020, in a period when the West End was recovering as the original Covid-19 restrictions were being slowly eased. As such, the analysis and the recommendations pre-date the further restrictions on social gatherings and workplaces that were put into place in September 2020.

Given the wider uncertainties on the spread of the virus, and the range of scenarios that we investigated, it is our view that the analysis and conclusions of this report remain broadly valid in the light of the emerging restrictions that are being put in place to mitigate a second wave. However, the authors would like to emphasise that recommendations that would encourage more workers and visitors to the Heart of London area should only be undertaken once it is safe and acceptable to do so, and in-line with contemporary government guidelines.

In addition we would like to stress that the scenario-based, high level estimates of potential economic impacts of the pandemic and resulting restrictions have been prepared based on a specific set of assumptions and for illustrative purposes only. They should not be used for any reason other than reflection on the scale of challenges faced by the arts and culture sector in the West End.

Ove Arup and Partners
September 2020

Cover picture is owned by the London & Partners, Visit London

Foreword

The core of London's West End has never faced a threat like the current one. Until March this year, a unique cluster of cinemas, theatres, restaurants, clubs, designers and fine art galleries operated within a dense ecosystem which relied on mass accessibility by people from across the city, the country and the world. Since the Covid-19 lockdown, the numbers of people travelling into the area has fallen precipitously. Government policy, for understandable reasons, has required people to work from home, avoid public transport and, more generally, to keep apart from other people.

Although it is desirable for many other reasons, social distancing is the enemy of agglomeration in London and other major cities. Until people can once again feel confident about meeting others in public, using trains and socialising in public, city centres face a bleak future. And if the core of the West End fails, it will have a series of knock-on effects for the whole of the UK.

Most obviously, if West End audiences do not return it is inconceivable that British theatre could survive at anything like its current scale. Sixty percent of all UK box office revenues are derived from West End audiences[1]. If they do not come back, the country's unique theatrical inheritance will be damaged, probably permanently. This decline would damage the rest of the city centre ecosystem.

Railways, civil aviation and museums are also seriously dependent on central London's economy. If commuters and leisure travel do not recover, dismal consequences are inevitable. If the West End and the City's density of employment is lost, more people will use their cars and public transport will decline. Less leisure travel means a loss of UK exports and jobs. Fewer British people will be able to access world class art collections.

Credit: Heart of London Business Alliance

Foreword

This report, commissioned by Heart of London Business Alliance and undertaken by Arup, provides stark evidence of what is already being lost. It also puts forward proposals for what might be done to turn the tide, when it is safe and acceptable to do so.

Decline is not inevitable. Policy makers at the national, city-wide and borough levels can yet make decisions which would help revive and restore the heart of the city – and, with it, London's remarkable tax-generating capacity for the Exchequer. People will have to learn to feel confident in public places once again.

The United Kingdom's soft power depends on the heart of London. People from all over the world feel they know the sights and sounds of the West End. The damage caused by an unmitigated assault from Covid-19 would not simply mean that a few theatres, cinemas and restaurants had closed. Britain's glorious remarkable and unique culture would be damaged forever.

Tony Travers
London School of Economics
September 2020

Credit: Heart of London Business Alliance

Executive summary

Introduction

In July 2020 Arup was commissioned by the Heart of London Business Alliance to:

- Estimate the (pre-Covid-19) size and scale of London's, and the West End's arts and culture sector.
- Calculate the contribution it has been making to the broader economy.
- Provide an assessment as to how the sector is likely to fare between 2020 and 2024 under various pandemic-related scenarios.
- Identify a range of interventions designed to aid the recovery of the arts and culture industry sooner than might otherwise be the case.

The size and scale of London's and the West End's arts and culture sector

London's cultural and heritage assets are perhaps the best in the world, and pre-Covid-19, were both a major driver of inbound tourism to the UK, and a major contributor to the UK's position at the top of the Soft Power 30 index in 2018.

In the years before Covid-19 London's cultural offer became increasingly important to its wider economy, with a virtuous circle leading to London's pre-eminence as the leading world city to visit, live and work. There were 31.9m overnight visitors to London in 2017[1], and a quarter of these came specifically for its cultural offer. According to the GLA, cultural tourists **spent £7.3bn** a year in the capital, **supporting at least 80,000 jobs**[2].

The West End **theatre industry** is a cornerstone of the Arts and Culture sector. In 2019 more than 18,000 performances attracted 15.3m attendees and gross revenue of £800m[3].

The Soft Power 30 index is an index compiled by the consultancy Portland Communications based on the quality of a country's political institutions, the extent of their cultural appeal, the strength of their diplomatic network, the global reputation of their education system, the attractiveness of their economic model, and a country's digital engagement with the world.

Executive summary

Within London, over half of all West End cinemas and one third of all West End theatres are located in the Heart of London area[1].

London's **film industry** is the third largest in the world (pre-Covid). In 2016, UK-made films and TV production generated approximately £7.9bn of inward investment[2].

London's **museums and galleries** are among the very best in the world. Eighteen museums and galleries sponsored by Department for Culture Media and Sport (DCMS) saw almost 50 million visits in 2018[3]. Pre-Covid-19 as many as 28 million people walked along Exhibition Road each year[4]. The British Museum was the fifth most visited museum in the world. In addition, 15 smaller museums are located in the West End[5].

Four major national **fine arts** institutions are located in or on the fringes of the Heart of London area and provide cornerstones for the area – the Royal Academy of Arts, the National Gallery, National Portrait Gallery and the English National Opera.

The contribution of arts and culture to the broader economy.

The West End Arts and Culture sector's Gross Value Added (GVA) amounted to an estimated **£4.8 billion in 2018** (current prices)[6], equivalent to 23% of all London's Arts and Culture sector output and 1% of the whole Greater London's economy[7]. The Heart of London area accounted 2% of all London's Arts and Culture sector output. In 2018 that amounted to around **£430 million**[8]. This is equivalent to around 10% of economic output from the Heart of London area[9].

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These significant economic output numbers are reflected in employment estimates for the Arts and Culture sector. For example in London alone in 2017 there were as many as:

- **97,000 jobs** in music, performance and the visual arts.
- a further **97,000 jobs** in film, TV and music.
- **17,600 jobs** in museums, galleries and libraries.

These three groupings alone were providing employment for 211,000 people or nearly 4% of the total Greater London workforce[1].

The impact of the pandemic on 2020-2024

The Arts and Culture industry in London however is one of the most vulnerable sectors. Public gatherings and physical interactions are integral to how culture is experienced. Business models rely heavily on globalised, travel-dependent supply chains, both upstream and downstream.

Four scenarios were developed to analyse the possible impact of Covid-19 on the Arts and Culture sector in London between 2020 and 2024. These were:

1. Repeated lockdowns (most severe, worst case scenario)

2. Strict rules

3. Seasonal Covid-19

4. **Return to normality (most optimistic)**

The tables on the following pages show the resultant impact of each scenario on employment change when compared to the baseline.

Executive summary

The results below indicate the impact of the pandemic on future employment and GVA on the West End's arts and culture sector. They exclude the impacts of further policy interventions designed to help the sector.

A return to normality would see the arts and culture sector produce 10% less in 2024 than the 2019 level, and even then the annual output would remain materially below the baseline No Covid-19 estimates.

With Seasonal Covid-19, without assistance, the impact on the West End arts and culture sector could be severe. It could cost the West End's arts and culture economy £15bn between 2020 and 2024, a loss of 59% compared to what would have likely happened in the No-Covid Scenario. With strict rules or repeated, long-term lockdowns, the impact on the sector will be even more devastating. In addition, there also would likely be a negative impact on restaurants, pubs, bars and shops, which rely on theatre visitors spending time and money in the West End.

We suggest that action by the government, the Mayor of London, Westminster City Council, Heart of London Business Alliance and its members could help mitigate the impacts of these scenarios. On the following pages we suggest how these could help both survival and recovery.

West End Arts and Culture total **GVA** by scenario: **Total in 2020 – 2024 compared to Total in 2020 – 2024 in the No-Covid Scenario**

Return to normality	-21%
Seasonal Covid-19	-59%
Strict rules	-71%
Repeated lockdowns	-73%

West End Arts and Culture annual **GVA** by scenario: **2024 compared to y/e 2019**

No-Covid-19 scenario	6%
Return to normality	-10%
Seasonal Covid-19	-82%
Strict rules	-97%
Repeated lockdowns	-97%

Executive summary

The situation is the West End is worsening by the day. Without mitigation, we **risk the near-extinction of the arts and culture sector** in the Heart of London area, permanently removing a piece of London's cultural offer and the UK's soft power abroad.

The West End's arts and cultural sector needs urgent and sustained government support for it to **survive**, **recover** and then **thrive** again. Support for the arts and culture sector is also important for the West End's survival and recovery as an eco-system of interdependent businesses and institutions. We recommend that support needs to come in three strands.

This three strand approach will not only directly benefit the arts and cultural sector but also the London and UK supply chain of jobs and businesses that service the West End art's and culture sector; and the eco-system that is the West End, which relies on the world class theatres, galleries and cinemas to attract visitors and spending to hotels, restaurants, shops and bars.

Appendix 6 provides more detail on potential and additional measures that could be introduced as part of the three strands. Ideally these should be delivered as a collaborative approach by government at the national, regional and local level, businesses and also the West End's Business Improvement Districts.

1. SURVIVE

Current Covid-19 Pandemic Phase

Support for the **people** who work in the **arts and cultural** sector and support for the sector's **institutions**. The current package of loans, grants, job retention, tax cuts, the Winter Economy Plan and other government measures are welcome, but very simply the arts and cultural sector's workers, venues and institutions need direct financial support until the pandemic is over if the sector is to survive and remain largely intact.

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2. RECOVER

Two essential measures are required to support recovery:

Demand-side:

Encourage the return of the West End's markets, re-establish the habit of visiting the West End and confidence in people to return in the numbers seen before the pandemic. This will require investment in a **global destination marketing campaign**, structured around the offer and principles of the Heart of London Cultural Strategy, as well as the West End's wider offer, to **entice London, domestic and international audiences back to the West End**.

Supply-side: Underwriting the investment in and risk of re-opening.

A government backed scheme is required to cover the costs of the reopening of venues, including rehearsals and other preparations, fund the difference between ticket sales and break-even point and cover the cost of cancellation in the event of further movement restrictions.

3. THRIVE: Build Back Better

Requires delivering **smart opportunities** to support and invest in the sector in ways that enhances it offer, **reduces operational costs** and also contributes to wider policy goals. Amongst these include investing in retrofitting older, often historic and listed-status, buildings to improve their environmental performance but also reduce their running costs, thereby making theatres and galleries economically and environmentally a lot **more sustainable**.

In parallel, this is an ideal time to invest in the West End's public realm, transport infrastructure, walking and cycling routes. This is an opportunity to create a rich and curated cultural experience starting from the West End's gateways through to the theatre and gallery entrances, so it does truly feel like a renewed West End and can compete globally with other destination cities as a place to visit, work and invest.

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The impact of additional visitor numbers

We expect our recommendations to lead to an increase in footfall. Using the Seasonal Covid scenario as a base, our model suggests that a 10% improvement in local, domestic and international footfall as a result of implementing the recovery measures would lead to an improvement of 2% annual GVA in the West End, or an improvement of around £0.2bn above the Seasonal Covid scenario by 2024. A more substantial increase in footfall, of 20% and 30% above the Seasonal Covid level, would lead to an increase of 5% or 7% (£0.5bn or 0.7bn) respectively by 2024.

For the Heart of London area, given the particular reliance on cultural venues and galleries, the GVA is more sensitive to local, domestic and international footfall. Here, a 10% increase in visitor numbers would lead to an improvement of 4% annual GVA (£0.03bn). **A 30% increase is modelled to lead to an increase in GVA of 11% (£0.08bn) above the Seasonal Covid scenario by 2024.**

These additional visitors appear to significantly mitigate the loss to many businesses, with the impact being particularly pronounced in the early years. As such, **we recommend a focus on footfall, with efforts to re-introducing visitors to the West End and Heart of London area, as soon as government guidelines allow.**

Contents

Introduction
Purpose

Arup was commissioned by the Heart of London Business Alliance to:

- Estimate the (pre-Covid-19) size and scale of London's, and the West End's arts and culture sector.
- Calculate the contribution that the sector culture and arts makes to the broader economy.
- Provide an assessment as to how the sector is likely to fare between 2020 and 2024 under various pandemic-related scenarios.
- Identify a range of interventions designed to aid the recovery of the arts and culture industry sooner than might otherwise be the case.

The report was produced for and on behalf of the Heart of London Business Alliance, which is both a property owner and occupier Business Improvement District (BID), representing businesses in the Piccadilly, St James's, Leicester Square and St Martin's areas.

It is one of Europe's largest and oldest BIDS, representing 600 businesses across 39 hectares of the West End, attracting 200 million visitors a year to the World-class cultural, arts and entertainment destination.

Our economic modelling work was focused specifically at the West End and the Heart of London area. However, when describing the role and importance of the sector overall, we often indicate the wider London context and mention specific institutions located outside of the West End, in recognition of their importance.

In addition, we use existing evidence sources to present and compare estimates of the sector's economic contribution at the London, England and UK level.
This helps the reader grasp the importance of Arts and Culture nationally, and the West End's and the Heart of London contribution towards it.

Introduction
Definition of Arts and Culture sector

There are many definitions of an Arts and Culture sector. When estimating a direct economic contribution of the Arts and Culture sector in the West End and specifically in the Heart of London area, we use the Department of Culture, Media and Sport (DCMS) definition of the Cultural Sector, based on 2007 Standard Industrial Classifications (SIC2007). A list of all activities comprising the DCMS definition of the Cultural Sector is included as Appendix 1 to this report. Therefore in this report we use the terms “Arts and culture sector” and “Cultural sector” interchangeably.

A number of impact studies have been reviewed in the preparation of this report, and within these, the definition of what constitutes the Arts and Culture sector can vary. The secondary sources referred to or used in the preparation of this report are listed in the References section on page 76 and 67.

We have also used GLA Culture Strategy and GLA Culture Infrastructure Map (CIM), which embraces a broad definition of culture that includes less formal activities, venues and spaces, such as arts, fashion, design and architecture, publishing, media, software, consultancy, advertising, entertainment, tourism, food and dining. The Cultural Infrastructure Map aims to identify all those places where culture is consumed or produced and groups them into categories, which more or less closely align with the Heart of London Cultural Clusters and DCMS Cultural Sector sub-sectors, as shown below. We used the GLA CIM data to produce maps on pages 29, 31 and 34 and visuals on pages 25 and 26.

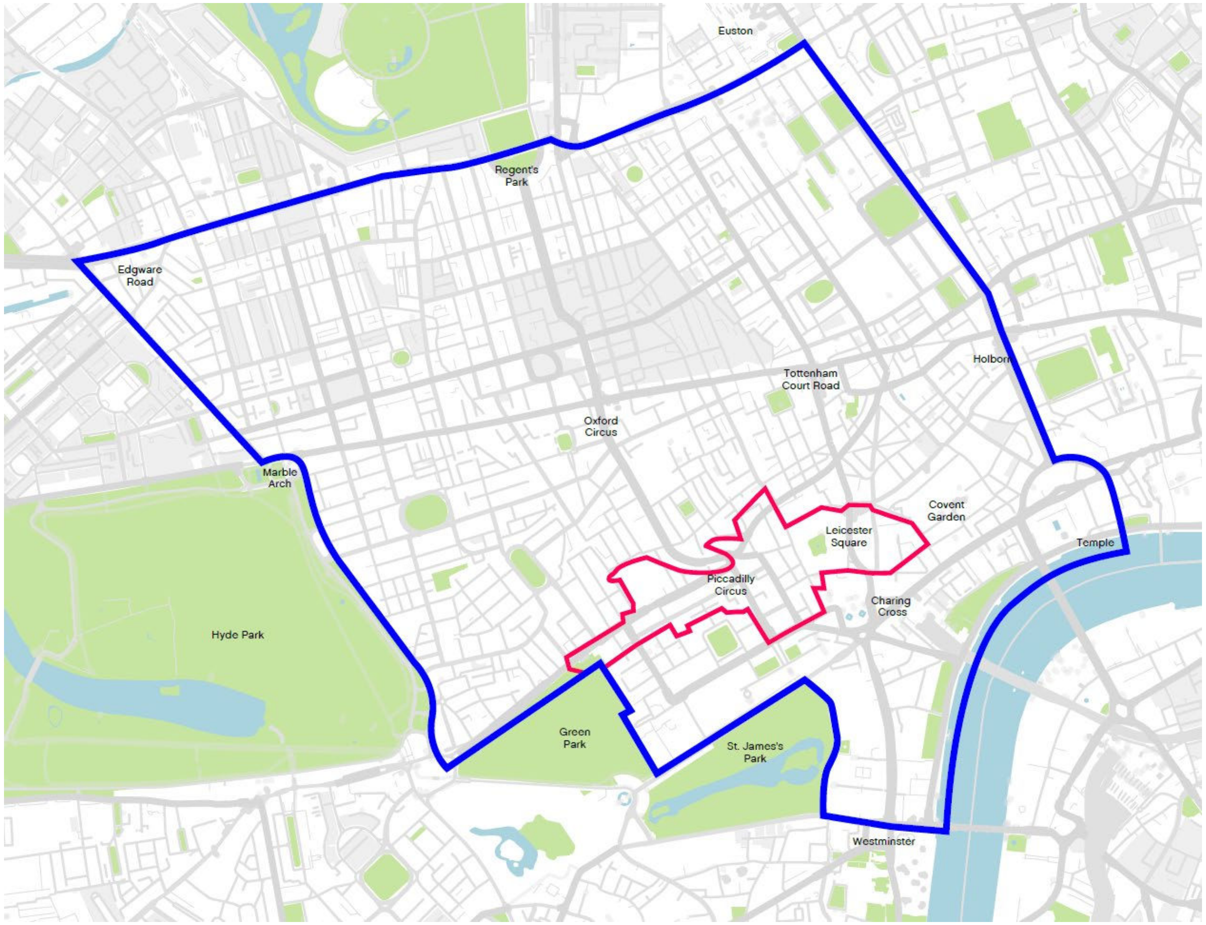
Across these sources, we consider the following categories to be relatively equivalent for the purpose of the analysis and findings, a description of the sector in the West End and preparation of the maps noting that not all sub-categories available in the DCMS data align closely with categories used in other sources.

Source:	**Heart of London**	**GLA Culture Infrastructure Map**	**Related DCMS sub-sectors of the Cultural Sector**
Culture categories:	Theatre cluster	Theatres Theatre rehearsal studios	Arts
	Film cluster	Cinemas	Film, TV and Music
	Fine arts cluster	Museums and public galleries, Commercial galleries	Museums and galleries

Introduction
Study areas

The focus of the report is the West End and the Heart of London area. Whenever we talk about the West End in this report, we mean the area of the Wider West End, as defined in the West End Good Growth (WEGG) study produced by Arup for the Greater London Authority and Westminster City Council in 2018[1].

Other sources that we quote might use a different definition of the West End boundary (which is usually aligned with the Core West End used in the WEGG report).



Wider West End area

Heart of London area

1. The importance of arts and culture

Culture as a magnet for visitors

London's cultural and heritage assets are perhaps the best in the world, and have been a major driver of tourism to London and to the UK more generally[1]. With a record breaking 31.9m overnight visitors in 2017[2], London was one of the most visited places in the world. Research by VisitBritain showed that a **quarter of tourists to London came specifically for the cultural offer**, compared to 14% for the rest of the UK[3]. Importantly, culture was also a major reason for international tourists' repeated visits. **Cultural tourists spent £7.3bn a year, supporting 80,000 jobs in the capital[4].**

London's cultural tourism contribution to the wider economy amounts to £8.3bn[5].

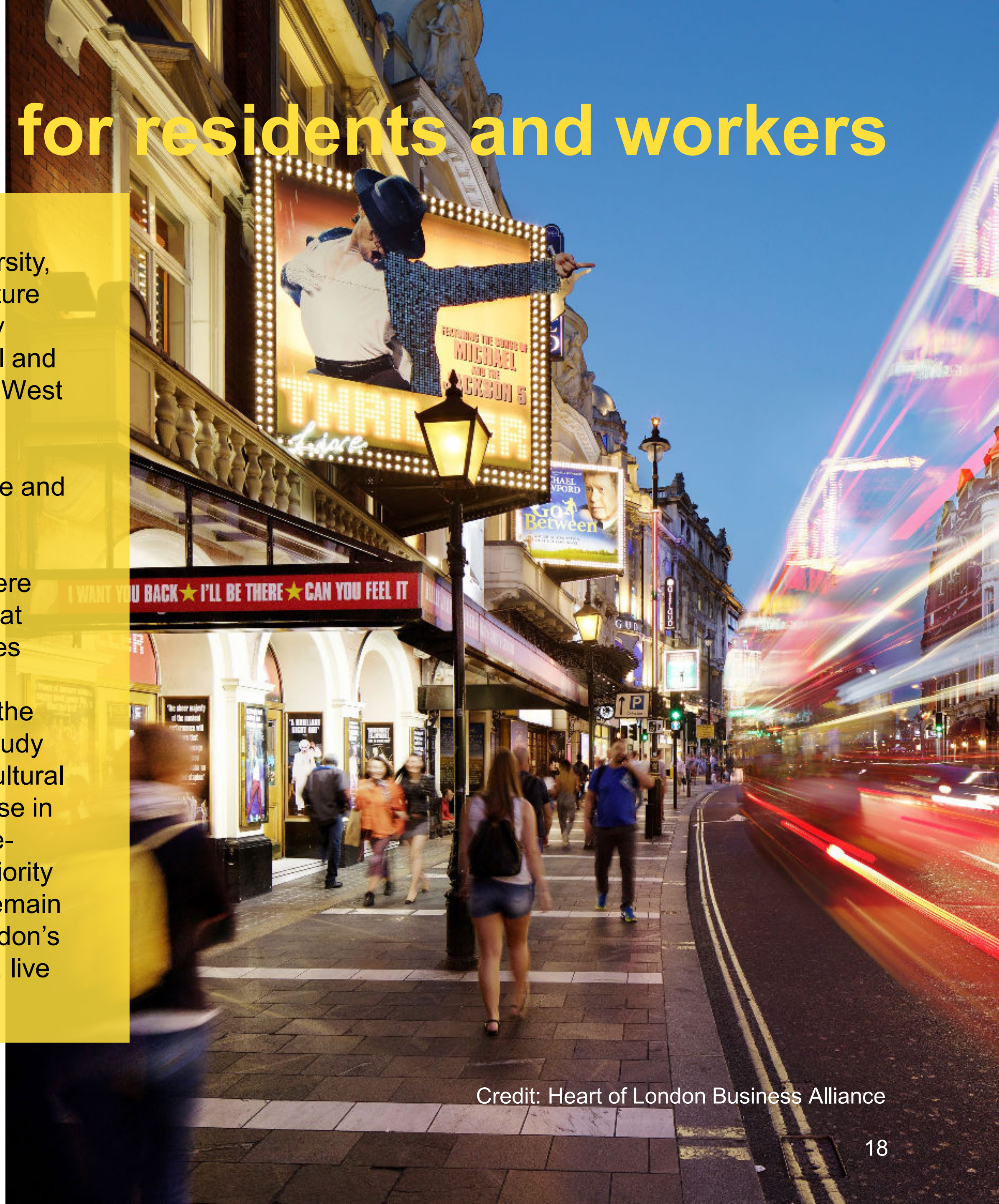
London's cultural role is important to the rest of the UK. When asked what comes to mind when they think of London, **those who visit once a year or more say 'culture' most frequently.** London's role as the capital comes second and the role as the seat of national government comes third. Some 56% of non-Londoners and 80% of Londoners are also 'very' or 'fairly' proud of London[6].

Credit: Heart of London Business Alliance

Culture as a magnet for residents and workers

Culture not only drives tourism; London's diversity, vibrancy and practically unlimited arts and culture activities contribute to explaining why so many people choose to work and study in the capital and businesses choose to locate and invest in the West End.

In the years before Covid-19 this became more and more important as a result of changing demographics, generational preferences and working practices. Increasingly, businesses were aiming to offer their employees workspaces that were rich in amenities and cultural opportunities and supported social activities and work-life balance, which has been a traditional draw in the high-value tech and digital sectors. A recent study for the Arts Council England suggested that cultural opportunities are increasingly important to those in lower skilled roles. In addition, arts and culture-related activities were reported as an equal priority to schools in family decisions to move to, or remain in an area[1]. This virtuous circle has led to London's pre-eminence as the leading world city to visit, live and work.



Credit: Heart of London Business Alliance

The impact on the wider economy

The impact of arts and culture activity on the wider economy is normally measured by the direct, indirect and induced economic impacts.

- **The direct impact** represents the value generated and number of jobs in arts and culture organisations.
- **The indirect impact** (or supply chain impact) is the value generated and jobs supported in domestic industries that supply goods and services to arts and culture organisations.
- **The induced impact** (or wider spending impact) accounts for the value generated and jobs supported in the wider economy when employees associated with direct and indirect impacts spend their earnings[1].

According to a 2019 Centre for Economics and Business Research (CEBR) study for the Arts Council England, for every £1 of GVA generated directly by the arts and culture industry in the UK, an additional £1.14 of GVA is supported in the wider economy through the indirect and induced effects[2].

Credit: Heart of London Business Alliance

The soft power of arts and culture

Soft power is "an ability to draw on the goodwill of governments, companies, and ordinary citizens all over the world"[1]. When a country's culture promotes universal values that other nations can readily identify with, it makes them naturally appealing to others. The reach and international cut-through of a country's cultural output is important in building soft power[2].

London is a cultural superpower; its orchestras, theatres, dance companies, opera houses, museums and galleries play a **powerful ambassadorial role around the globe and promote Britain overseas**. This happens through numerous channels – international co-operation, touring exhibitions, artefacts loans, subject matter explored by film and theatre, promotion of the English language, and many more factors. A vital role is also played by instruments of British public and cultural diplomacy such as the BBC World Service, the British Council, and higher education[3]. Many world leaders were schooled, or attended university in the UK.

This all brings benefits to London and the whole nation. A nation that is liked, admired and respected is much more likely to find political allies, secure trading partners or drawing in new talent, tourists and investors, than one that is not.

Credit: Opening of the New RA, 19 Mary 2018, Annenberg Courtyard, Royal Academy of Arts © Justine Trickett

The soft power of arts and culture

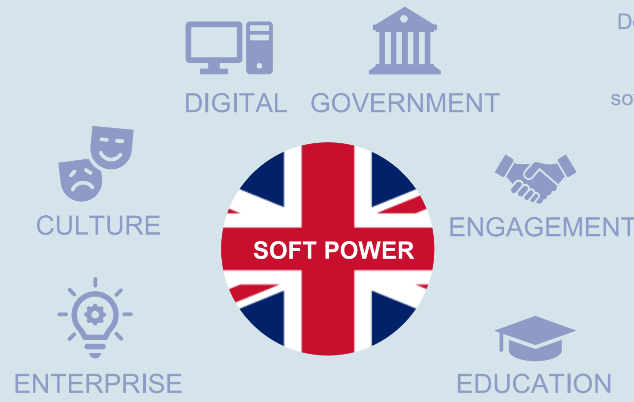
The West End's arts and cultural offer drives the United Kingdom's soft power status. The United Kingdom has been in the top bracket of the **Soft Power 30 Index**[1] since its creation in 2015, taking the first or the second position each year. The Soft Power 30 index is an index compiled by the consultancy Portland Communications based on the quality of a country's political institutions, the extent of their cultural appeal, the strength of their diplomatic network, the global reputation of their education system, the attractiveness of their economic model, and a country's digital engagement with the world. **Culture** and Education are the categories where the UK performs most strongly.

Various indices of world cities reveal that London's success and world-city status is attributable to a number of factors, in particular: strong economic performance, high quality universities and human capital (professional and knowledge workers), stable political and legal institutions, transport infrastructure enabling good connectivity and a **unique breadth of high quality cultural activities and offers.**

London's cultural experience, which has developed and evolved over centuries, is the capital's unrivalled asset. Importantly in an age in which people are prioritising spending of their disposable income on experiences, rather than purchasing goods, **cultural experiences have become even more important factors in the success of cities**.

Moreover, the ability of a country to attract international students, or facilitate exchanges, is a powerful tool of public diplomacy that delivers returns well into the long-term. Prior research on educational exchanges provides empirical evidence that confirms the positive impact on perceptions of a host country when foreign students (having studied in that country) return home. Returning international students often become third-party advocates for their host country of study.

London's culture offer is invaluable in attracting inward investment, international tourists, events and international students to London and UK in general.



Domains of Soft Power 30 Index, the global ranking of countries' soft power, prepared by Portland consultancy and USC Centre on Public Diplomacy. *softpower30.com*

2. Arts and culture in the West End

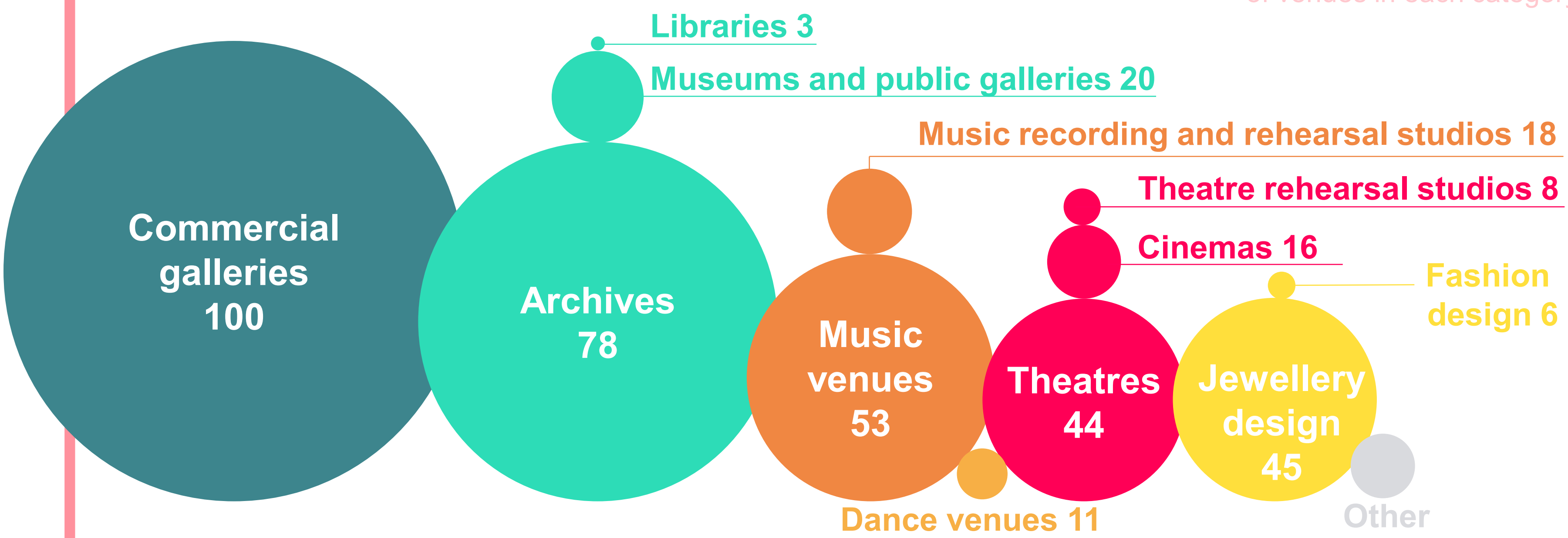
Arts and culture in the West End

The West End is the beating heart of London[1]: one of the most famous entertainment districts in the world, an iconic destination for shopping and theatre, crucial to the UK's heritage and to its contemporary culture and success. Even those who have not visited central London will be familiar with many of its landmarks. Piccadilly Circus, Soho, Trafalgar Square, the Houses of Parliament feature in film and other media throughout the world.

Out of 35 leading visitor attractions in the UK, five are located in the West End and 15 more within London's Central Activity Zone (CAZ)[2]. In total, some 70% of the total (24) are located in Greater London.

Number of culture venues in the Wider West End
(data from: GLA Culture Infrastructure Map)

Circles' diameters are proportionate to the number of venues in each category

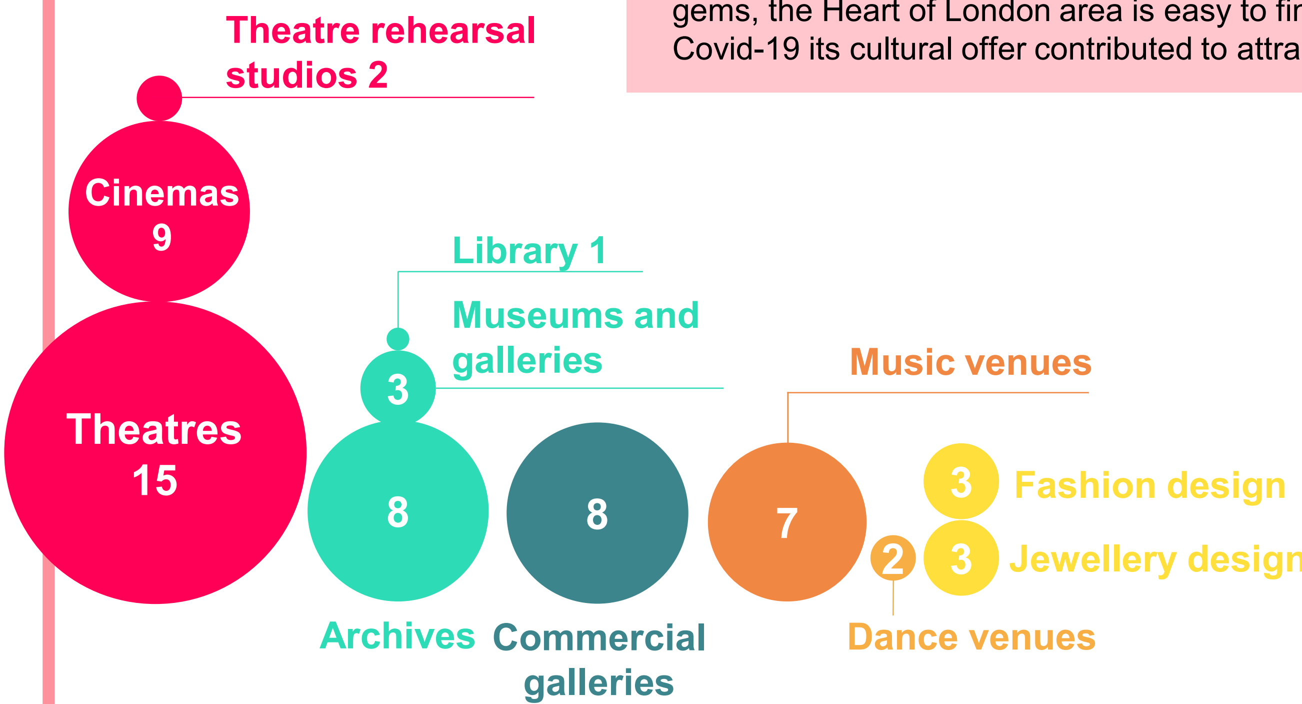


Arts and culture in the Heart of London

The Heart of London is the area of London's West End, from Green Park, Piccadilly and St. James's to Leicester Square, Charing Cross Road and St. Martin's Lane. This is an area with a **celebrated reputation for high-quality, world-class visual, performing, fine and media arts.**

Leicester Square and Piccadilly Circus have been central to London's **cinema, theatre and entertainment** industries for over a century. Over half of all West End cinemas and one third of all West End theatres are located in the Heart of London area.

In particular, the English National Opera, the National Portrait Gallery, the Royal Academy of Arts and the National Gallery are important national and international cultural assets within or on the boundaries of the area. Complemented by parks and civic squares, ornate boulevards and other hidden gems, the Heart of London area is easy to find, walkable, rich with history and pre Covid-19 its cultural offer contributed to attracting 200m visits a year[1].



The Heart of London area has **a particularly strong presence of theatre and cinemas venues.** It is a home to:

- one third of all theatres in the West End,
- over half of all cinemas,
- 15% of museums and galleries,
- almost 20% of dance rehearsal venues (all % numbers refer to the West End).

The theatre cluster in the West End

The West End has been the home to theatre since the seventeenth century. Today **the West End boasts over 40 world-class theatres**, which make up over 80% of all members of the Society of London Theatre (SOLT). **Fifteen of these are within the Heart of London area, clustered around St Martin's Lane, Shaftesbury Avenue and Haymarket.**

This impressive theatre agglomeration has been invaluable in attracting a large number of visitors from the rest of the UK and overseas. Almost half of all theatre bookings in London originated outside of the capital.

Over **18,000 performances in 2019 attracted 15.3m attendees and gross revenue of £800m**[1]. Every night over 32,000 people would go and see a show in the West End[2]. The vast majority were commercially operated, with a small number of organisations funded by the Arts Council and a few not-for-profits. None of the theatres within Westminster are funded by the local authority[3].

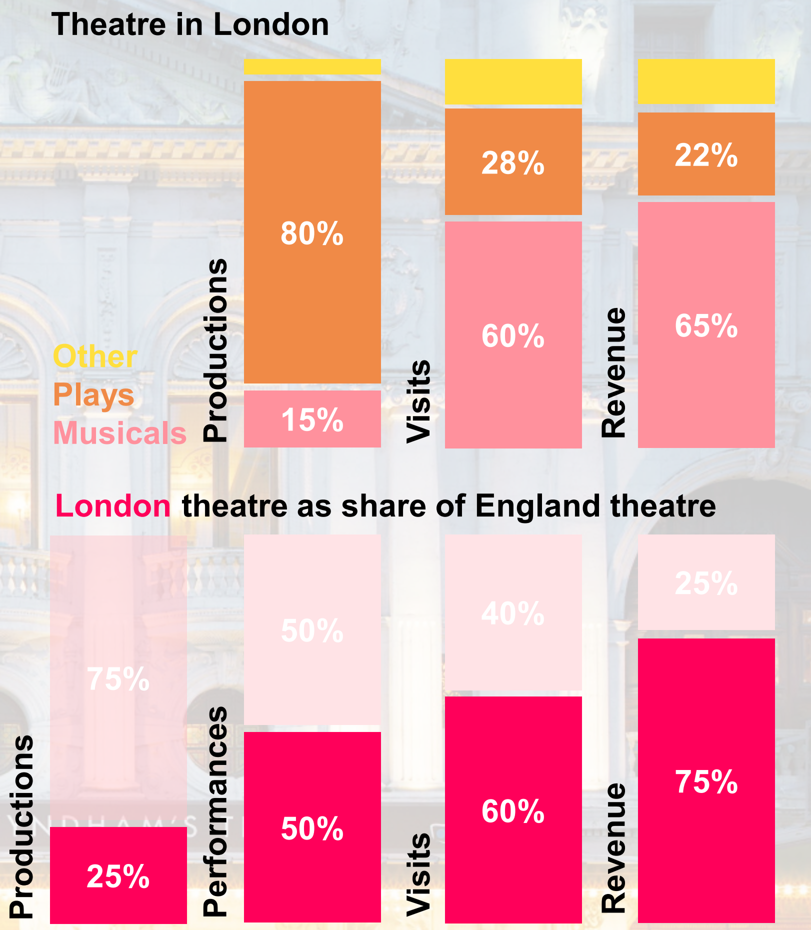
Credit: Sondheim Theatre and Delfont Mackintosh

The theatre cluster in the Heart of London

West End musicals have been a particularly powerful draw for audiences. They account for around 15% of all productions but make up some 30% of all performances, 60% of attendances and 65% of total box office revenue[1] in London.

In 2014, 36 out of 1,800 shows (2% of the total) accounted for 56% of total theatre box office income, 29% of performances and 44% of attendances. Each had at least 200 performances a year[2]. This demonstrates the remarkable importance of the West End blockbuster productions to the theatre's economy, and the importance of continuing to attract the most high-profile shows.

As a result, whilst London was home to less than a quarter of all productions in England, it accounted for over half of all performances, three-fifths of theatre visits and three quarters of all income[3].



Credit: Prince Edward Theatre and Delfont Mackintosh

The theatre cluster in the Heart of London

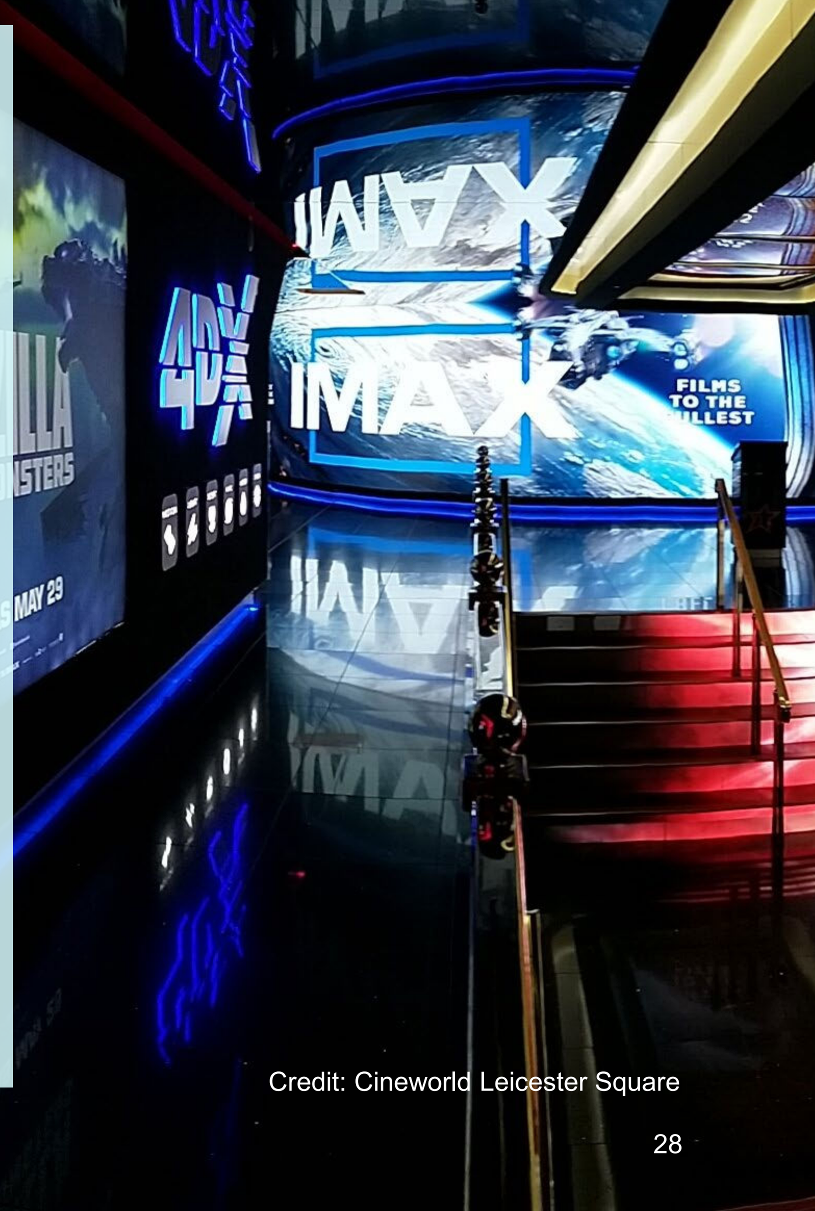
The film cluster in the Heart of London

London’s film industry is the third largest in the world[1]. In 2016 UK-made films and TV production generated approximately £7.9bn of inward investment[2].

Leicester Square in the Heart of London area is widely regarded as the spiritual home of British film and cinema, hosting up to fifty film premieres a year. The Heart of London area is also home to the British Academy of Film and Television Awards (BAFTA). Over the last century it became a key location for the British film industry. It is here that Hollywood and UK film stars joined British royalty to premiere new films in the flagship Odeon and Cineworld (former Empire) venues.

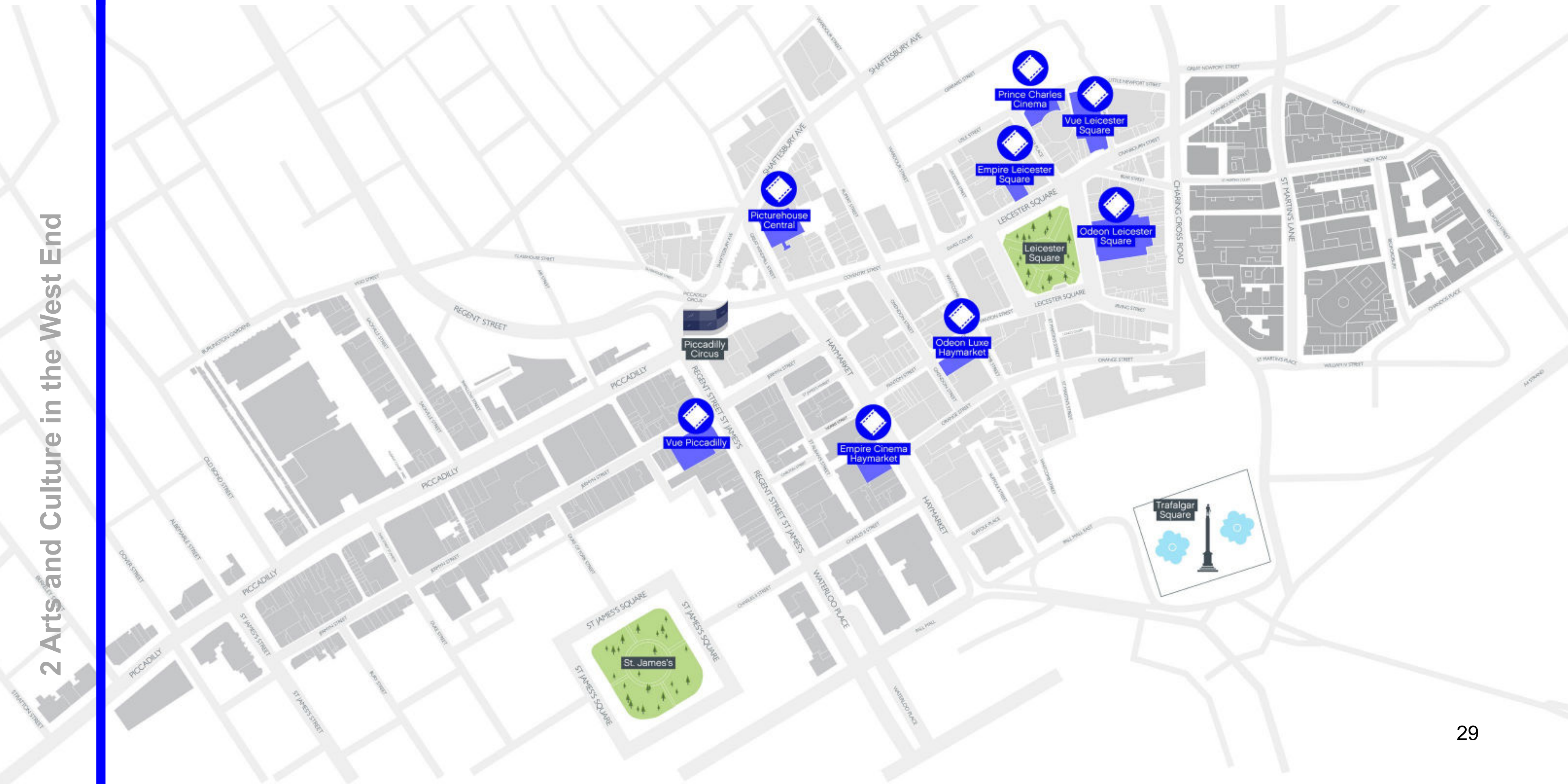
The West End became the centre of the British film industry during the 20^{th} century, when big production and distribution companies started to set up their headquarters around Wardour Street. Although many of the big film companies have now moved elsewhere, smaller distribution companies, independent production houses and post-production companies are still based in the area, creating a vibrant creative agglomeration. In addition there are almost 20 cinemas in the area.

Specialist archives are also peppered across the West End. Nearby the BFI Mediatheque on the South Bank is one of the largest film and TV archives in the world. And a huge range of universities, societies and organisations from the Tate to the British Red Cross hold their own archives[3].



Credit: Cineworld Leicester Square

The cinema cluster in the Heart of London



The fine arts cluster in the West End

Credit: National Portrait Gallery

London’s museums and galleries are the very best in the world. Pre-Covid-19 as many as 28 million people walked along Exhibition Road each year – the same number who visited Venice. Exhibition Road is one of London’s and world’s first planned cultural clusters, home to Imperial College, the Science Museum, the Natural History Museum, the Royal College of Art, the Victoria and Albert Museum and the Royal Albert Hall.

Three miles to the west, the British Museum, the fifth most visited museum in the world, invites Londoners and tourists to see for free the world’s biggest collection of the most precious heritage artefacts.

Three major national fine arts institutions are located in or on the fringe of the Heart of London area and provide cornerstones for the area **– the Royal Academy of Arts, the National Gallery (NorthBank BID area), and the National Portrait Gallery**.

There are another 15 smaller but equally interesting and unique museums in the West End alone; such as the Cartoon Museum, Anaesthesia Heritage Centre, British Dental Association Museum and Grant Museum of Zoology, among others.

The fine arts cluster in the West End

The British Museum in the West End had just 6.2m visits in 2019 and it is the top most visited attraction in the UK and the fifth most visited museum in the world[1].

Until the pandemic, **the attendance numbers for attractions in the fine arts sector were growing**. Between 2010 and 2018 visits to the British Museum increased by 26%. The National Gallery saw a 29% increase in the same period, the National Portrait Gallery – 51% and the Royal Academy of Arts – 17%.

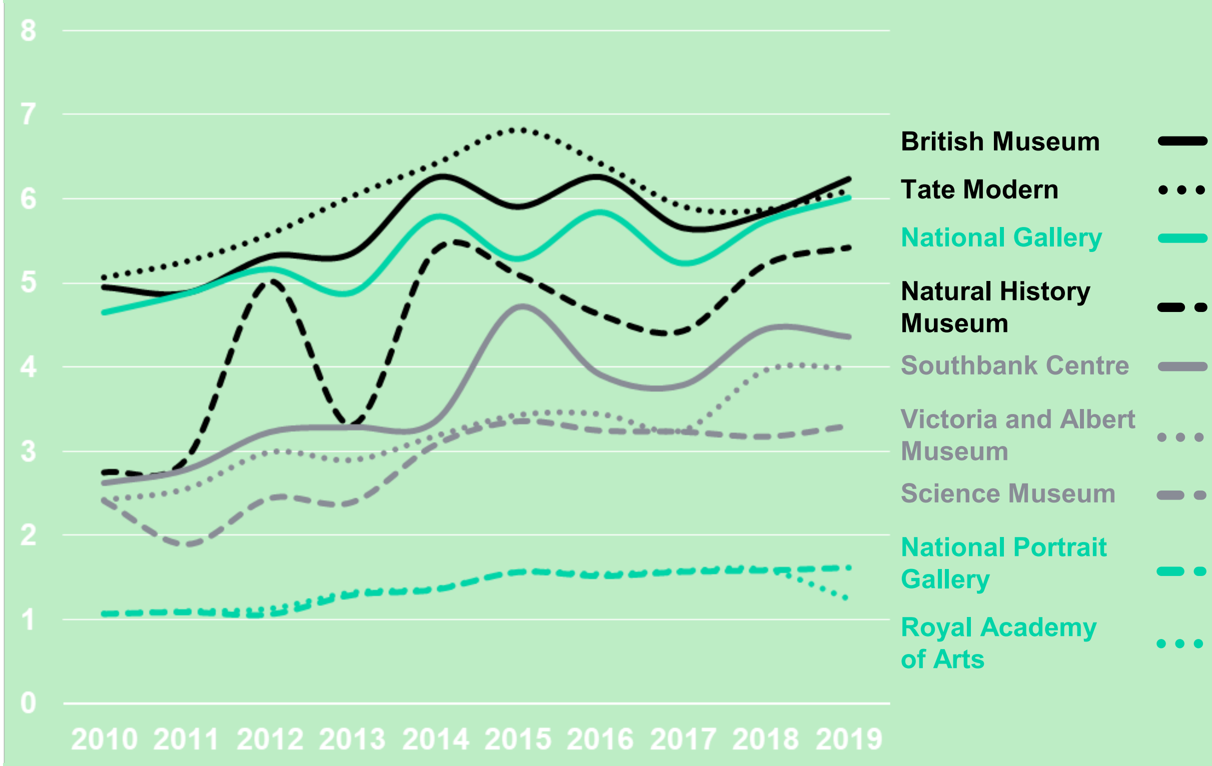
In 2005 42% of adults in the UK visited a museum or gallery at least once, while in 2018 that ratio amounted to 50%[2].

Museums and galleries are evidently forming an increasingly important part of cultural life in Britain.

Average 2010-2019 visitor growth in the attractions listed below

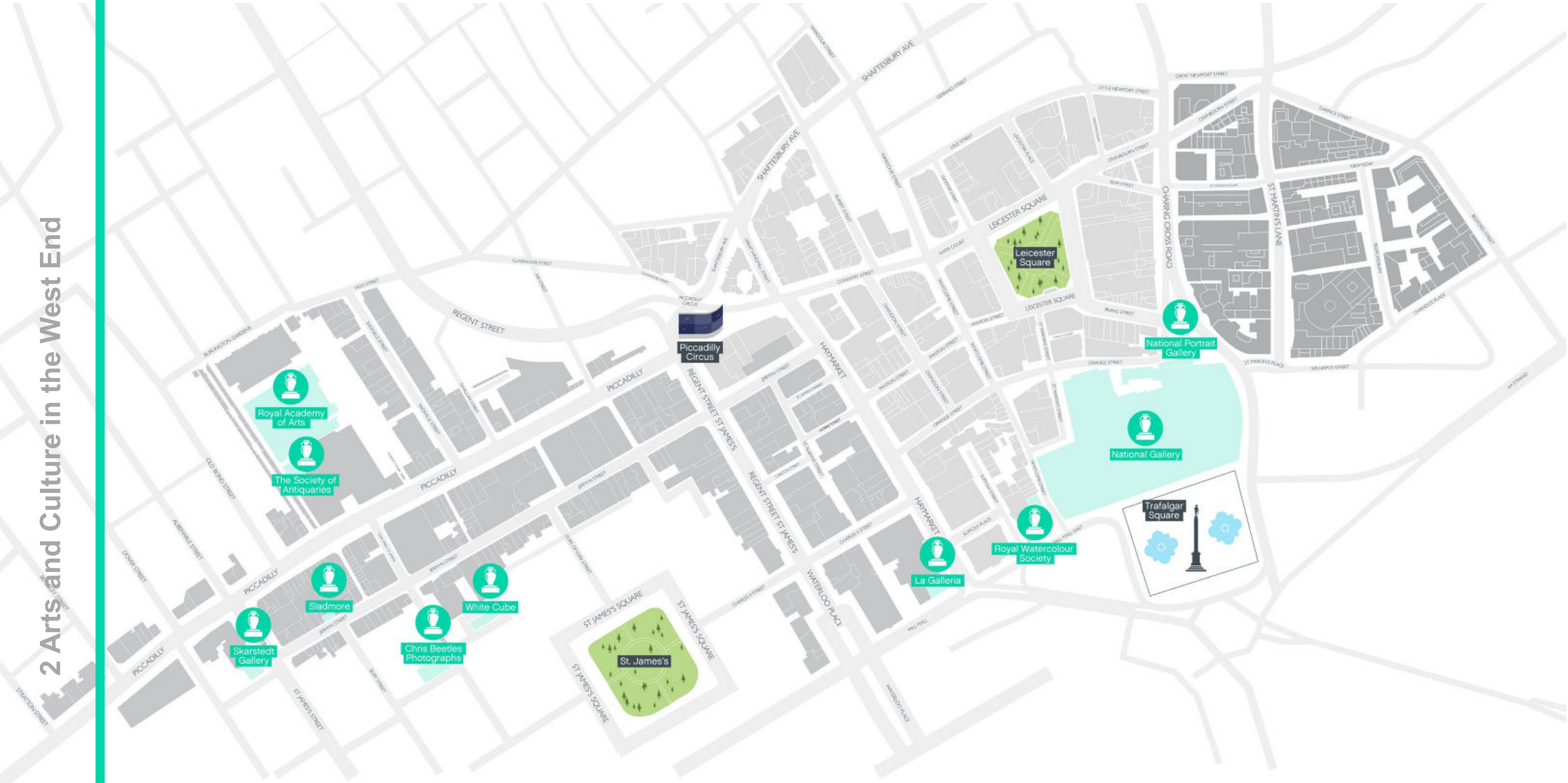
45%

Top 10 most popular attractions in the UK (annual attendance, millions)



Source: Association of Leading Visitor Attractions

The fine arts cluster in the Heart of London



The fine arts cluster in the Heart of London

Museums and galleries are important attractors. In 2018, 18 DCMS sponsored museums and galleries saw almost 50 million visits[1]; over three times more than total attendance at games of the football Premiership that year.

Almost half (48%) of those 50 million visits were made by visitors from overseas. For the British Museum and the National Gallery that ratio was 65%[2]. Visiting museums and galleries was one of the most popular activities among overseas visits to London – featuring in 40% of overseas visits in 2018[3].

Share of overseas visitors in total number of visitors[4]

	2011	**2018**	*Change*
British Museum	60%	64%	*+4%*
Tate Gallery Group	51%	44%	*-7%*
National Gallery	58%	66%	*+8%*
Natural History Museum	52%	58%	*+6%*
Victoria and Albert Museum	43%	39%	*-4%*
Science Museum Group	21%	33%	*+12%*
Royal Museums Greenwich	57%	70%	*+13%*
National Portrait Gallery	40%	39%	*-1%*

Top activities of overseas visitors in London in 2018[5]:

1. Dining in restaurants (77%)
2. Shopping (62%)
3. Sightseeing famous monuments/buildings (48%)
4. Going to the pub (44%)
5. Visiting parks or gardens (42%)
6. **Visiting museums or art galleries (40%)**

3. The economic contribution of arts and culture

The direct economic contribution of the arts and culture sector in the West End

According to our analysis, the **West End Cultural Sector's GVA amounted to £4.8 billion in 2018** (in 2018 prices) and it accounted **almost one fifth of the whole cultural sector's output in London**.

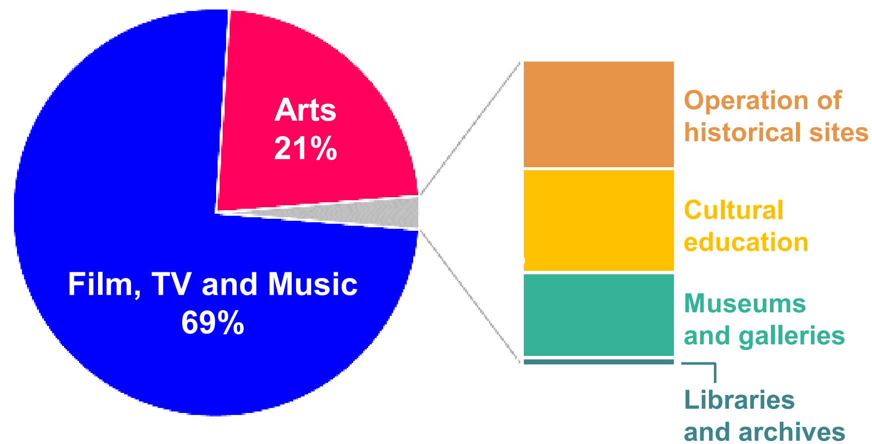
The significant majority of the £4.8 billion was generated by the 'film, TV and music' industry – 69%. The second largest cultural subsector in the West End is 'arts', which includes theatres and other performing arts – accounts for 21% of the Cultural Sector output in the West End.

£4.8 billion
Total Cultural Sector in the West End in 2018

23%
of the Cultural Sector in 2018 in London

1%
of the total GVA in 2018 in London (£450 billion)

Composition of Cultural Sector GVA in 2018 in the West End



Source: Arup analysis, for details please refer to Appendix 5

The direct economic contribution of the arts and culture sector in the West End

The chart to the right shows the contribution of each West End cultural sector in £m and as a percentage relative to the total value of London cultural sector.

20%

The West End accounts for 20% of London's 'arts' and 'film, TV and music' sectors in terms of GVA

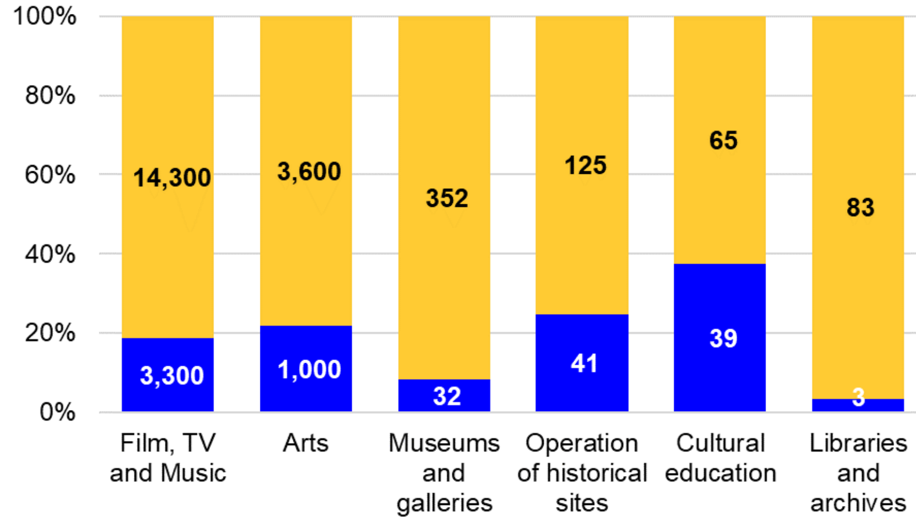
8%

of the London's 'museums and galleries' economic output is generated in the West End

40%

The West End accounts for almost 40% of the London's 'cultural education' sector

Cultural Sector in 2018 in the West End and the rest of London (%) and total values of GVA (£ million)



Source: Arup analysis,
for details please refer to Appendix 5

The direct economic contribution of the arts and culture sector in the West End and the Heart of London

The Heart of London makes a unique contribution to the economic success of the wider West End, London and UK economies by attracting millions of visitors to London. In terms of direct economic output, it accounts for almost half (44%) of the West End's output from the 'operation of historic sites' and 25% of the output produced by 'museums and galleries'.

£430 million

Total Cultural Sector in the Heart of London in 2018

44%

The Heart of London accounts for 44% of the West End's 'operation of historic sites' sector

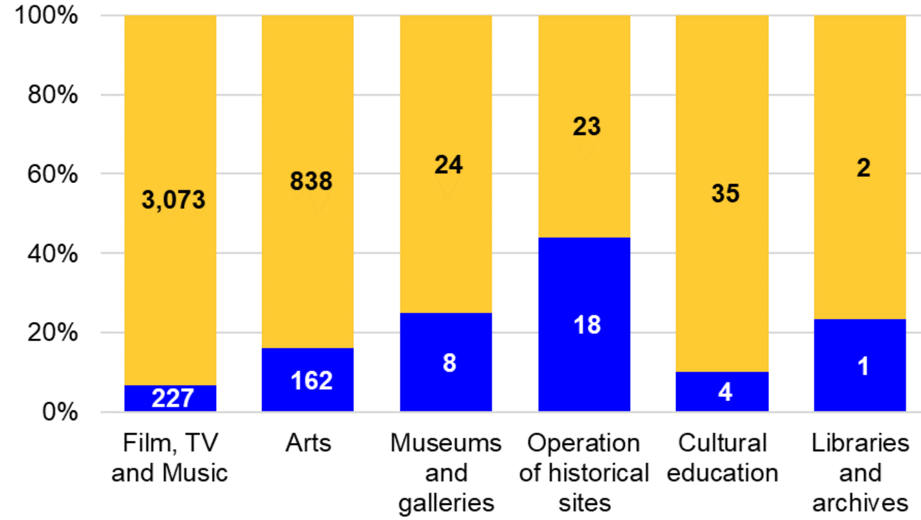
25%

The Heart of London accounts for 25% of the West End's 'museums and galleries' direct economic output

10%

The Cultural Sector accounts for 10% of the Heart of London area's economic output

Cultural Sector in 2018 in the Heart of London and the rest of the West End (%) and total values of GVA (£ million)



Source: Arup analysis,
for details please refer to Appendix 5

The direct economic contribution of the arts and culture sector

Summary of the Cultural Sector Gross Value Added in 2018 (2018 prices)

	London	West End	Heart of London	Heart of London culture out of Heart of London Total GVA
Film, TV and music	£17.6bn	£3.3bn	£227m	4.6%
Arts	£4.6bn	£1bn	£162m	2.8%
Museums and galleries	£384m	£32m	£8m	<1%
Operation of historical sites	£166m	£41m	£18m	<1%
Cultural education	£104m	£39m	£4m	<1%
Libraries and archives	£86m	£3m	£0.7m	<1%
Radio	*currently not available*	*currently not available*	*currently not available*	*currently not available*
Photography	*currently not available*	*currently not available*	*currently not available*	*currently not available*
Total Cultural Sector	**£23bn**	**£4.8bn**	**£431m**	**10% of £4bn**

Source: DCMS for London estimates, Arup for West End and the Heart of London estimates, all in 2018 prices. Subcategories do not sum to totals as the list does not include the radio and photography subsectors. The reason for that is that DCMS has temporarily withdrawn reporting on those subsectors due to methodical challenges, so we do not have figure to refer to.

The direct economic contribution of the arts and culture sector in the West End

There are three important culture clusters in the Heart of London area around theatre, film, and fine arts. **This section of the report shows the scale of those culture activities in the national economy.**

Department for Culture, Media and Sport's (DCMS) provides the most reliable data available at various aggregate geographic levels, however their categorisation does not always entirely aligns with the categories we focus on in Heart of London area.

When we think about the fine arts institutions in the Heart of London area, we can compare the data with DCMS estimates for 'museums and galleries' category, which includes any institutions registered under 91.02 SIC2007 code 'museums activities'.

DCMS Arts category covers four SIC2007 sectors, from 90.01 to 90.04: 'performing arts', 'support activities to performing arts', 'operation of arts facilities' and 'artistic creation'. We can therefore use it when thinking about the breadth of theatre sector in the Heart of London and of supporting ecosystem of related businesses such as production companies, lighting specialists, set designers, wardrobe technicians, costumiers and specialist fabricators.

DCMS 'film, TV and music' category is relatively the broadest and includes motion picture production, post-production, distribution, projection and TV broadcasting activities, but also reproduction of recorded media, manufacture of musical instruments and retail sail of music and video recordings. It is important to recognise that filming brings together and supports an ecosystem of storytelling, visual performance, music, and craftsmanship.

The direct economic contribution of the arts and culture sector in the West End

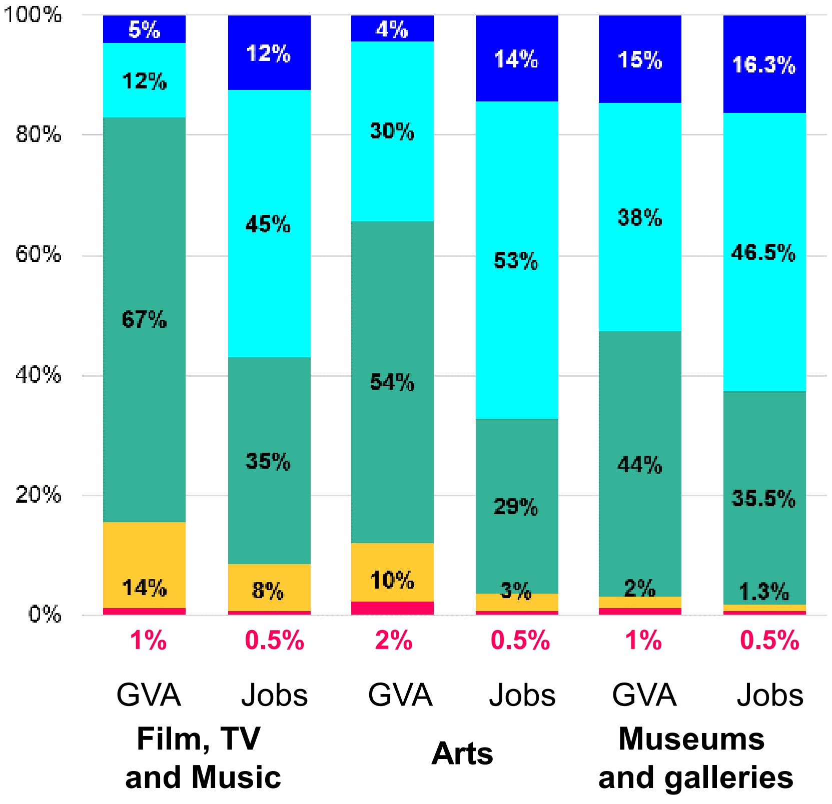
The graph on the right shows the direct economic contribution to the UK Cultural Sector by geographic areas:

- **Heart of London,**
- **West End excl. Heart of London,**
- **London excl. West End,**
- **England excl. London,**
- **UK excluding England.**

This shows three key messages:

1. **Heart of London area accounts of 0.5% of all UK Cultural Sector jobs and 1-2% GVA** in each of the three subsectors.
2. **London accounts for half or more UK GVA** in the presented Cultural Sub-sectors. For 'museums and galleries' this contribution is slightly lower than half (44%), but in 'arts' it amounts to 54% and in 'film, TV and music' industry it reaches 67%.
3. **Cultural Sector productivity in London is generally higher than in the rest of the UK**. In the 'film, TV and music' and 'arts' subsectors London's contribution to the national GVA is almost twice as high as for employment. For instance, in 'arts' London accounts for 32% of UK employment and 66% of the sector's GVA.

Structure of UK Total Cultural Sector GVA and Employment in 2018 by geographic area



4. The impact of COVID-19

The impact of COVID-19

Estimating the effect of the pandemic

The arts and culture industry in London is among the most exposed sectors of the UK's economy. The nature of its consumption involves public gatherings and physical interactions, while business models also rely heavily on globalised, travel-dependent supply chains, both upstream and downstream.

The current pandemic and resulting restrictions in people's movement, gathering and travelling is impacting the sector through a set of demand and supply constraints. The relative importance of both sides can vary depending on the characteristics of each subsector. For instance, public social distancing requirements hugely impacts on demand for performing arts, whilst having less of a (direct) impact on television production activities. Television production activities on the other hand will likely suffer from negative supply chain impacts such as the cancellation of programming.

Our model takes into account a set of demand and supply parameters for each of the arts and culture sub-sectors. They are listed in detail in Appendix 2 and used in line with the formula presented on page 66. Selection of the parameters was informed by a workshop we held with representatives of major cultural institutions in the Heart of London area.

Demand-side factors:

- Dependence on demand from **international tourism;**
- Dependence on demand from **domestic tourism;**
- Dependence on demand from **local footfall** – this includes London people living, working and generally passing through the area, for instance visiting friends or going to a restaurant.

Supply-side factors:

- Vulnerability to **supply chain** turbulences associated with its globalised nature;
- Importance of **agglomeration** benefits – people working together, able to share and discuss ideas and thoughts, or complement each other in a production process.

The impact of COVID-19

Basics of the modelling

Our model allows us to estimate:

- The Gross Value Added (GVA) which would have been expected in the West End and the Heart of London area in the arts and culture sector between 2020 and 2024 in normal circumstances, i.e. had the pandemic not happened ('baseline scenario'). For details please refer to Appendix 4.
- The GVA which is likely to be generated in the West End and the Heart of London area in the Arts and Culture sector between 2020 and 2024, depending on how the pandemic situation evolves ('future scenarios').
- Comparing annual GVA values estimated in the future scenarios with the values estimated in the baseline scenario allows us to estimate the likely GVA impact of the pandemic.
- We also conducted sensitivity analysis to show the sector's sensitivity to individual changes in demand or supply factors, as opposed to multiple taking place at once in our future scenarios.
- We then present potential economic impact to follow from recovery solutions, depending on what their major goal is – i.e. whether it is aimed at influencing demand or supply forces in the sector.

Baseline scenario

Future scenarios

Sensitivity analysis

Impact of recovery measures

The impact of COVID-19

Estimating the effect of the pandemic: Sensitivity analysis

Scenarios assume changes happening in several dimensions. This section shows the level of sensitivity of the model to changes in individual parameters. This is presented in the table below.

The table shows what would be a difference in annual GVA estimated in each example compared to the annual GVA estimated in the baseline No-Covid scenario. For the purpose of this sensitivity analysis we assumed no employment growth in any scenario and no growth of the baseline productivity levels in the period between 2019 and 2024. The only change is the percentage impact assigned to each category of either demand or supply factors.

Therefore, for instance, if the only change in the model (compared to a baseline year) is a decrease of local footfall by 20%, total GVA in that year would be estimated to be 5% lower than in the baseline. However, if -20% decrease happened to international tourism only (with no change in local footfall and domestic tourism), the resulting impact on total GVA that year would be minus 2%. It shows that in this model local footfall is overall more important for the sector in the West End than international tourism. Naturally we are aware of the importance of international tourism for subsectors like theatres and galleries, but given the sector's definition we are using (Appendix 1) this does not come out equally strongly when thinking about the sector as an aggregate, which contain variety of additional activities, such as television production, radio broadcasting, sound recording and others.

There is also a significant difference in sector's sensitivity to either of the supply forces. Supply chain impacts has greater influence on the final GVA than decrease in agglomeration economies. For instance, individual negative supply chain impact of 50% leads to a decrease in GVA by 18%, while the same negative impact on agglomeration benefits leads to a decrease in total GVA by only 9%. This reflects the sector linkages to the global and national economy and sectors supply chains, which was strongly highlighted during our discussion with major local stakeholders.

Sensitivity of modelled GVA outputs for the West End

	Decrease by x% in:	-20%	-50%	-100%
Demand side	Local footfall	-5%	-14%	-27%
	Domestic tourism	-1%	-4%	-7%
	International tourism	-2%	-5%	-11%
	All demand categories	-9%	-23%	-45%
Supply side	Supply chain impacts	-7%	-18%	-36%
	Agglomeration benefits	-4%	-9%	-19%

The impact of COVID-19

Estimating the effect of the pandemic: Sensitivity analysis for the Heart of London area

Results of the sensitivity analysis are broadly similar for the sector in Heart of London area, but there is one key difference. **Changes in international tourism are relatively more important for the Heart of London than for the Wider West End.**

For instance, if the volume of international tourism halved, West End would lose around 5% of its GVA, while the Heart of London would lose 9%. **If the whole international tourism market was lost (with no changes in other dimensions), the Heart of London area would loose almost one fifth (18%) of its economy.**

It is unlikely that the whole of international tourism would disappear while everything else remains they same, which is why the results of our four combined scenarios are different and in most cases showing higher negative impacts on total GVA. However a sensitivity analysis helps understand the relative importance of the assumptions listed in Appendix 2.

Sensitivity of modelled GVA outputs for the Heart of London area

	Decrease by x% in:	-20%	-50%	-100%
Demand side	Local footfall	-6%	-15%	-30%
	Domestic tourism	-2%	-5%	-11%
	International tourism	-4%	-9%	-18%
	All demand categories	-12%	-29%	-58%
Supply side	Supply chain impacts	-6%	-14%	-28%
	Agglomeration benefits	-3%	-7%	-14%

The impact of COVID-19

Estimating the effect of the pandemic: Future Scenarios

The short-term uncertainty surrounding possible infection waves and the associated government responses in the UK and abroad, the uptake levels in digital technologies and the behaviour of residents and visitors in and to London will all help to determine when and how the arts and culture sector will recover.

We developed four scenarios to analyse the likely impact of future developments.

1. Repeated lockdowns

- Several new waves of Covid-19 occur.
- Essential travel only is formally recommended by the Government.
- Rapid digitalisation takes place.
- The world economy is struggling.

2. Strict rules

- The fast mutation of Covid-19 means that the virus is a step ahead of vaccines.
- Strict social distancing remains in place.
- Rapid digitalisation takes place.
- The world economy stabilises with regional lockdowns.

3. Seasonal Covid-19

- Vaccine provides only limited protection, so Covid-19 becomes like a seasonal flu.
- Softened and often seasonal yet social distancing remains.
- Wide-ranging improvements in digitalisation.
- The world economy is recovering.

4. **Return to normality**

- An effective and cheap vaccine provides lasting protection.
- No social distancing is needed anymore.
- Wide-ranging improvements in digitalisation.
- The world economy is recovering.

The impact in 2020 has been estimated using a combination of those scenarios. We assumed that:

- In January and February the economy was performing as 'business as usual' (i.e. no impact on the demand and supply factors described before),
- Between March and August the economy was in a stated of lockdown,
- Between September and October we will be dealing with a "Strict rules" situation,
- In November and December we will be living in a "Seasonal Covid-19" world.

The impact of COVID-19

Estimating the effect of the pandemic: Future Scenarios

In each of the Future Scenarios the demand and supply factors are affected in the ways presented below. As presented on the next page, each percentage is used to calculate weighted average demand and supply impacts for each sector, depending also on the sector's dependency on demand and supply factors. See page 50 for an explanation of assumptions on employment change. The rationale for assumed demand and supply impacts is presented in Appendix 3.

Future Scenarios for years 2021 – 2024:

1. Repeated lockdowns
2. Strict rules
3. Seasonal Covid-19
4. Return to normality

DEMAND FACTORS		
LOCAL FOOTFALL	**DOMESTIC TOURISM**	**INTERNATIONAL TOURISM**
Essential travel only **-67%**	Essential travel only **-93%**	Essential travel only **-97%**
Social distancing **-45%**	Social distancing **-49%**	Social distancing **-73%**
Return to normality **-26%**	Return to normality **-24.5%**	Return to normality **-36.5%**

SUPPLY FACTORS	
SUPPLY CHAIN EFFECT	**AGGLOMERATION BENEFITS EROSION**
Strong **-30%**	Strong **-30%**
Moderate **-20%**	Moderate **-20%**
Light **-10%**	Light **-10%**
Almost neutral **-5%**	Almost neutral **-5%**

JOBS CHANGE
-95%
-95%
-76%
+4%

The impact of COVID-19

Estimating the effect of the pandemic: Assumptions on jobs numbers

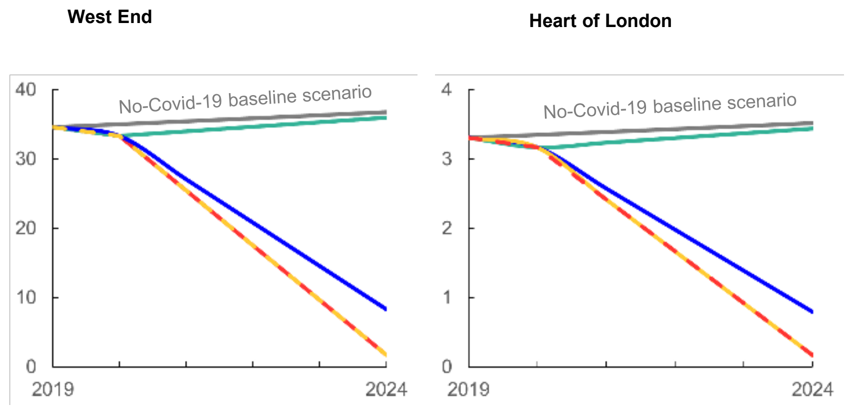
The assumptions for the trajectory of employment change are based on the results of Arup's own model of the economy of the City of Westminster. High level employment projections have been generated for five broad categories of employment. We use the results estimated for the entertainment sector to inform our analysis of the arts and culture sector in the West End and the Heart of London areas.

By way of example, as can be seen, in the seasonal Covid scenario the total number of arts and culture jobs in the West End and the Heart of London decrease by 76% between 2019 and 2024, whilst in the Return to normality scenario job numbers increase by 4%.

Scenario:	Repeated lockdowns	Strict rules	Seasonal Covid	Return to normality
Model outputs for City of Westminster total employment change between 2019 and 2024:				
Office	-95%	-95%	-74%	-24%
Retail	-95%	-87%	-57%	-7%
Food and beverage	-93%	-73%	-47%	+4%
Entertainment	-95%	-95%	-76%	+4%
Hotel	-95%	-95%	-76%	+4%
Estimates of the West End and the Heart of London Arts and Culture employment change by scenario:				
2024 vs 2019:	**-95%**	**-95%**	**-76%**	**+4%**

Source: Arup

Number of jobs in arts and culture by scenario (000s) between 2019 and 2024



Source: Arup

The impact of COVID-19

Estimating the effect of the pandemic on the arts and culture sector: Results for the West End

This section presents the results of our analysis of the potential impact of the ongoing public health crisis and related restrictions on the economic output of the arts and culture sector in the West End.

The modelling indicates that there are very large negative impacts in three out of four analysed scenarios.

Under the worst-case scenario there could be a total loss of £18.5bn in the period from 2020 to 2024, 73% lower than what would have likely been generated had the pandemic not happened.

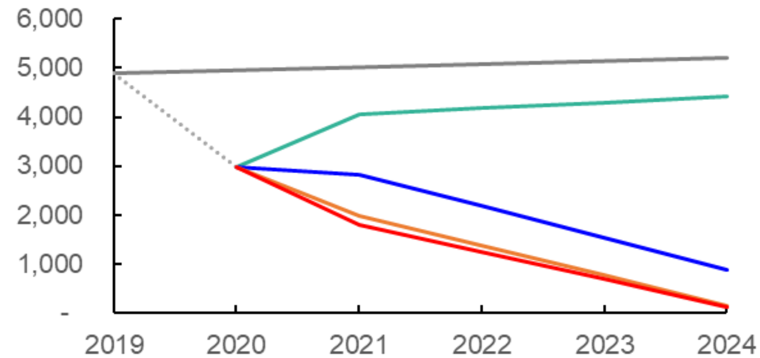
If London continues to be impacted by ‘seasonal outbreaks’ of Covid-19, it could cost the West End’s economy £15bn between 2020 and 2024, a loss of 59% compared to what would have happened in the No-Covid scenario.

Even in a ‘return to normality’, the pandemic would result in total GVA generated between 2020 and 2024 that is 21% below baseline No-Covid estimates, which is a total loss of £5.4bn to the output of the West End arts and culture sector over the five-year period.

In addition, there also would likely be a negative impact on restaurants, pubs, bars and shops, which rely on theatre visitors spending time and money in the West End.

	Difference in total GVA produced from 2020 to 2024 vs No-Covid scenario	**Difference in annual GVA level in 2024 vs level in 2019**
No-Covid-19	-	6%
Return to normality	-21%	-10%
Seasonal Covid-19	-59%	-82%
Strict rules	-71%	-97%
Repeated lockdowns	-73%	-97%

Estimated change in total GVA generated by the arts and culture sector for the West End area in different scenarios between the end of 2019 and 2024 (£m, 2019 prices)



Source: Arup

The impact of COVID-19

Estimating the effect of the pandemic on the arts and culture sector: Results for the Heart of London area

The impact modelling results for the Heart of London area are very similar to the estimates for the Wider West End. Where differences exist, these reflect the different relative sectoral compositions within both boundaries.

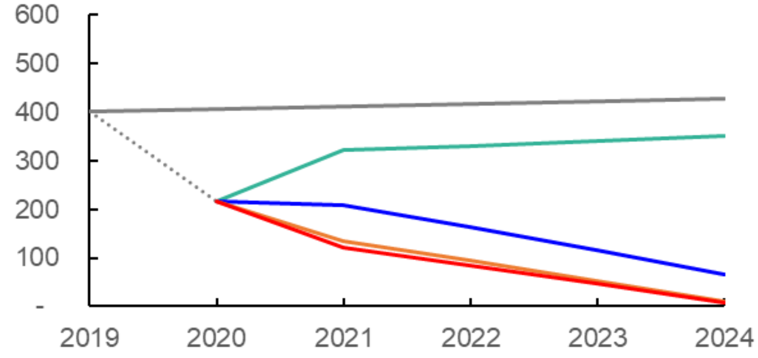
Under the worst-case scenario there could be a total loss of £1.6bn in the period from 2020 to 2024, 75% lower than what would have likely been generated by the arts and culture sector had the pandemic not happened.

If London continues to be impacted by 'seasonal outbreaks' of Covid-19, it could cost the Heart of London's arts and culture economy £1.3bn between 2020 and 2024, a loss of 61% compared to what would have happened in the No-Covid scenario.

Even in the 'return to normality' scenario, the pandemic would result in total GVA generated between 2020 and 2024 that is 23% below baseline No-Covid estimates, which is a total loss of £0.5bn to the output of the Heart of London arts and culture sector over the five-year period.

	Difference in total GVA produced from 2020 to 2024 vs No-Covid scenario	Difference in annual GVA level in 2024 vs level in 2019
No-Covid-19	-	7%
Return to normality	-23%	-12%
Seasonal Covid-19	-61%	-84%
Strict rules	-73%	-98%
Repeated lockdowns	-75%	-98%

Estimated change in total GVA generated by the arts and culture sector for the Heart of London area in different scenarios between the end of 2019 and 2024 (£m, 2019 prices)



Source: Arup

5. Potential survival and recovery measures

Potential recovery measures

Credit: Heart of London Business Alliance

The situation is the West End is worsening by the day. Without mitigation, we **risk the near-extinction of the arts and culture sector** in the Heart of London area, permanently removing a piece of London's cultural offer and the UK's soft power abroad.

The West End's arts and cultural sector needs urgent and sustained government support for it to **survive**, **recover** and then **thrive** again. Support for the arts and culture sector is also important for the West End's survival and recovery as an eco-system of interdependent businesses and institutions. We recommend that support needs to come in three strands.

This three strand approach will not only directly benefit the arts and cultural sector but also the London and U.K supply chain of jobs and businesses that service the West End art's and culture sector; and the eco-system that is the West End, which relies on the world class theatres, galleries and cinemas to attract visitors and spending to hotels, restaurants, shops and bars.

Appendix 6 provides more detail on potential and additional measures that could be introduced as part of the three strands. Ideally these should be delivered as a collaborative approach by government at the national, regional and local level, businesses and also the West End's Business Improvement Districts.

Potential recovery measures

1. SURVIVE: Current Covid-19 Pandemic Phase

Support for the **people** who work in the **arts and cultural** sector and support for the sector's **institutions**. The current package of loans, grants, job retention, tax cuts, the Winter Economy Plan and other government measures are welcome, but very simply the arts and cultural sector's workers, venues and institutions need direct financial support until the pandemic is over if the sector is to survive and remain largely intact.

2. RECOVER

Demand-side: **Encourage the return of the West End's markets**, re-establish the habit of visiting the West End and confidence in people to return in the numbers seen before the pandemic. This will require investment in a **global destination marketing campaign**, structured around the offer and principles of the Heart of London Cultural Strategy, as well as the West End's wider offer, to **entice London, domestic and international audiences back to the West End**.

Supply-side: **Underwriting the investment in and risk of re-opening**. A government backed scheme is required to cover the costs of the reopening of venues, including rehearsals and other preparations, fund the difference between ticket sales and break-even point and cover the cost of cancellation in the event of further movement restrictions.

3. THRIVE: Build Back Better

Requires delivering **smart opportunities** to support and invest in the sector in ways that enhances it offer, **reduces operational costs** and also contributes to wider policy goals. Amongst these include investing in retrofitting older, often historic and listed-status, buildings to improve their environmental performance but also reduce their running costs, thereby making theatres and galleries economically and environmentally a lot **more sustainable**.

In parallel, this is an ideal time to invest in the West End's public realm, transport infrastructure, walking and cycling routes. This is an opportunity to create a rich and curated cultural experience starting from the West End's gateways through to the theatre and gallery entrances, so it does truly feel like a renewed West End and can compete globally with other destination cities as a place to visit, work and invest.

Potential recovery measures

The impact of increased footfall

Taken together, these recovery measures are expected to lead to an increase in footfall, and a corresponding positive impact on the arts and culture sector. Our model allows us to estimate the results of such a change, and using the Seasonal Covid scenario as the reference, we have estimated the impact on GVA if consumer demand increases by 10%, 20% or 30% from the baseline, as a result of implementing the recovery measures. This work is illustrative only; we have not carried out modelling of the impact of the recovery measures on footfall, but of the impact of visitor numbers on the economy.

The graphs on the next pages show the impact in the West End and Heart of London following three different scenarios that model a 10%, 20% and 30% increase in local, domestic and international footfall, using the Seasonal Covid scenario as a baseline.

Potential recovery measures

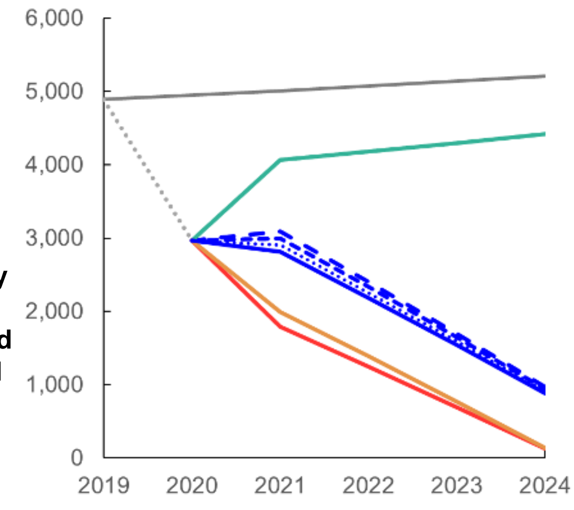
The impact of increased footfall: the West End

Our model suggests that a 10% improvement in local, domestic and international footfall as a result of implementing the recovery measures would lead to an improvement of 2% annual GVA in the West End, or an improvement of around £0.2bn above the Seasonal Covid scenario by 2024.

A more substantial increase in footfall, of 20% and 30% above the Seasonal Covid level, would lead to an increase of 5% or 7% (£0.5bn or 0.7bn) respectively by 2024.

	Relative annual GVA in 2024 vs in 2019	Total difference in output produced in 2019-2024 compared to No-Covid Scenario	Total above the Seasonal Covid Scenario in 2019-2024
No-Covid-19 scenario	6%	-	-
Return to normality	-10%	-£5.4bn	n/a
Seasonal Covid-19 +30%	*-80%*	-£14.2bn	7% (£0.7bn)
Seasonal Covid-19 +20%	*-80.7%*	-£14.5bn	5% (£0.5bn)
Seasonal Covid-19 +10%	*-81.3%*	-£14.7bn	2% (£0.2bn)
Seasonal Covid-19	-82%	-£15bn	n/a
Strict rules	-97%	-£18.1bn	n/a
Repeated lockdowns	-97%	-£18.5bn	n/a

Estimated change in total GVA generated by the arts and culture sector for the West End area between 2019 and 2024 (£m, 2019 prices)



Source: Arup

Potential recovery measures

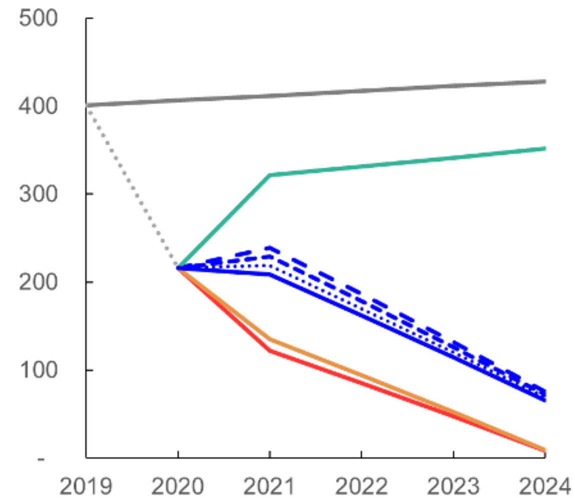
The impact of increased footfall: the Heart of London

For the Heart of London area, given the particular reliance on cultural venues and galleries, the GVA is more sensitive to local, domestic and international footfall. Here, a 10% increase in visitor numbers would lead to an improvement of 4% annual GVA (£0.03bn). **A 30% increase is modelled to lead to an increase in GVA of 11% (£0.08bn) above the Seasonal Covid scenario by 2024.**

These additional visitors appear to significantly mitigate the loss to many businesses, with the impact being particularly pronounced in the early years. As such, we recommend a focus on footfall, with efforts to re-introducing visitors to the West End and the Heart of London area, as soon as government guidelines allow.

	Relative annual GVA in 2024 vs in 2019	Total difference in output produced in 2019-2024 compared to No-Covid Scenario	Total above the Seasonal Covid Scenario in 2019-2024
No-Covid-19 scenario	7%	-	-
Return to normality	-12%	-£524m	n/a
Seasonal Covid-19 +30%	*-81%*	-£1.23nn	11% (£0.08bn)
Seasonal Covid-19 +20%	*-82%*	-£1.26bn	7% (£0.05bn)
Seasonal Covid-19 +10%	*-83%*	-£1.29bn	4% (£0.03bn)
Seasonal Covid-19	-84%	-£1.3bn	n/a
Strict rules	-98%	-£1.57bn	n/a
Repeated lockdowns	-98%	-£1.6bn	n/a

Estimated change in total GVA generated by the arts and culture sector for the Heart of London area between 2019 and 2024 (£m, 2019 prices)



Source: Arup

Final comments

The West End's arts and culture sector is a unique aspect of London's international appeal and also **crucial to a thriving West End ecosystem**. Covid-19 and the subsequent economic impacts have introduced a severe challenge to the arts and culture sector, which if not directly supported, could be irreversibly catastrophic. Decline, however, is not inevitable.

The arts and culture sector needs support in three strands: **survival**, **recovery** and finally to **thrive**. Support for the arts and culture sector is not only essential to secure its survival but also can **benefit the wider and interdependent West End economy of restaurants, cafes and shops**, which rely on theatres, galleries and cinemas to attract audiences. Finally, support can also benefit the London and national supply chain of businesses that serve the arts and culture sector.

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Appendices

Appendix 1: Definition of the Cultural Sector

DCMS has proposed a definition of the Cultural Sector that best reflects UK policy based on the availability of data through the existing standard industrial classification (down to 4 digits). DCMS have defined the Cultural Sector as those industries with a cultural object at the centre of the industry. Based on this principle the 4-digit SICs proposed to make up the Cultural Sector are shown in table below.

Table 2.5 Standard Industrial Classifications used in Cultural Sector sub-sector estimates

Cultural Sector sub-sectors	SIC07	Description
Arts	90.01	Performing arts
	90.02	Support activities to performing arts
	90.03	Artistic creation
	90.04	Operation of arts facilities
Film, TV and Music	59.11	Motion picture, video and television programme production activities
	59.12	Motion picture, video and television programme post-production
	59.13	Motion picture, video and television programme distribution
	59.14	Motion picture projection activities
	60.2	Television programming and broadcasting activities
	59.2	Sound recording and music publishing activities
	18.2	Reproduction of recorded media
	32.2	Manufacture of musical instruments
	47.63	Retail sale of music and video recordings in specialised stores
Radio	60.1	Radio broadcasting
Photography	74.2	Photographic activities
Crafts	32.12	Manufacture of jewellery and related articles
Museums and Galleries	91.02	Museum activities
Library and archives	91.01	Library and archive activities
Cultural education	85.52	Cultural education
Heritage	91.03	Operation of historical sites and buildings and similar visitor attractions

Appendix 2: Demand and supply factors

This and the nest page list demand and supply assumption we made for each sub-sector of the Cultural Sector, which are then used as per the formula on page 74.

	Demand and supply weights		Demand factors			Supply factors	
	Importance of demand impacts	Importance of supply impacts	Dependency on international mobility (business and leisure)	Dependency on domestic (but non-local) mobility (business and leisure)	Dependency on locally generated footfall	Supply chain interdependency	Importance of agglomeration
Printing and reproduction of recorded media							
Reproduction of sound recording	20%	80%	10%	10%	80%	50%	50%
Reproduction of video recording	20%	80%	10%	10%	80%	50%	50%
Reproduction of computer media	20%	80%	5%	5%	90%	50%	50%
Other manufacturing							
Manufacture of jewellery and related articles	20%	80%	10%	10%	80%	80%	20%
Manufacture of musical instruments	20%	80%	10%	10%	80%	80%	20%
Retail sale of other household and cultural equipment in specialised stores							
Retail sale of musical instruments and scores in specialised stores	80%	20%	50%	30%	20%	95%	5%
Retail sale of music and video recordings in specialised stores	80%	20%	50%	30%	20%	95%	5%
Retail sale of watches and jewellery in specialised stores	80%	20%	50%	30%	20%	95%	5%
Retail sale in commercial art galleries	80%	20%	50%	30%	20%	95%	5%
Publishing of books, periodicals and other							
Book publishing	20%	80%	10%	20%	70%	50%	50%
Motion picture, video and television programme activities							
Motion picture production activities	80%	20%	10%	10%	80%	80%	20%
Video production activities	20%	80%	20%	10%	70%	80%	20%
Television programme production activities	20%	80%	10%	20%	70%	80%	20%
Motion picture, video and television programme post-production activities	20%	80%	20%	10%	70%	80%	20%
Motion picture distribution activities	80%	20%	15%	10%	75%	80%	20%
Video distribution activities	80%	20%	5%	10%	85%	80%	20%
Television programme distribution activities	20%	80%	5%	15%	80%	80%	20%
Motion picture projection activities	80%	20%	10%	10%	80%	80%	20%

Appendix 2: Demand and supply factors

	Demand and supply weights		Demand factors			Supply factors	
	Importance of demand impacts	Importance of supply impacts	Dependency on international mobility (business and leisure)	Dependency on domestic (but non-local) mobility (business and leisure)	Dependency on locally generated footfall	Supply chain interdependency	Importance of agglomeration
Sound recording and music publishing activities							
Sound recording and music publishing activities	20%	80%	10%	10%	80%	50%	50%
Programming and broadcasting activities							
Radio broadcasting	20%	80%	10%	15%	75%	50%	50%
Television programming and broadcasting activities	20%	80%	10%	15%	75%	50%	50%
Other professional, scientific and technical activities							
Portrait photographic activities	80%	20%	5%	15%	80%	50%	50%
Other specialist photography (not including portrait photography)	80%	20%	15%	10%	75%	50%	50%
Film processing	80%	20%	5%	5%	90%	50%	50%
Other photographic activities (not including portrait and other specialist photography and film processing) nec	80%	20%	10%	10%	80%	50%	50%
Other education							
Cultural education	80%	20%	20%	10%	70%	50%	50%
Creative, arts and entertainment activities							
Performing arts	80%	20%	50%	25%	25%	80%	20%
Support activities to performing arts	80%	20%	50%	25%	25%	80%	20%
Artistic creation	80%	20%	50%	25%	25%	80%	20%
Operation of arts facilities	80%	20%	50%	25%	25%	80%	20%
Libraries, archives, museums and other cultural activities							
Library activities	80%	20%	20%	20%	60%	50%	50%
Archive activities	80%	20%	20%	20%	60%	50%	50%
Museum activities	80%	20%	60%	30%	10%	50%	50%
Operation of historical sites and buildings and similar visitor attractions	80%	20%	60%	30%	10%	50%	50%

Appendix 2: Demand and supply factors in the economic model

Importance of **demand** factors

×

Dependency on **international visitors** × Change in **international visitors** in a given scenario

\+

Dependency on **domestic visitors** × Change in **domestic visitors** in a given scenario

\+

Dependency on **local footfall visitors** × Change in **local footfall** in a given scenario

\+

Importance of **supply** factors

×

Dependency on **supply chain impact** × Supply chain and global economy situation in a given scenario

\+

Dependency on **agglomeration benefits** × impact on agglomeration benefits in a given scenario

=

Impact on sectoral GVA per job

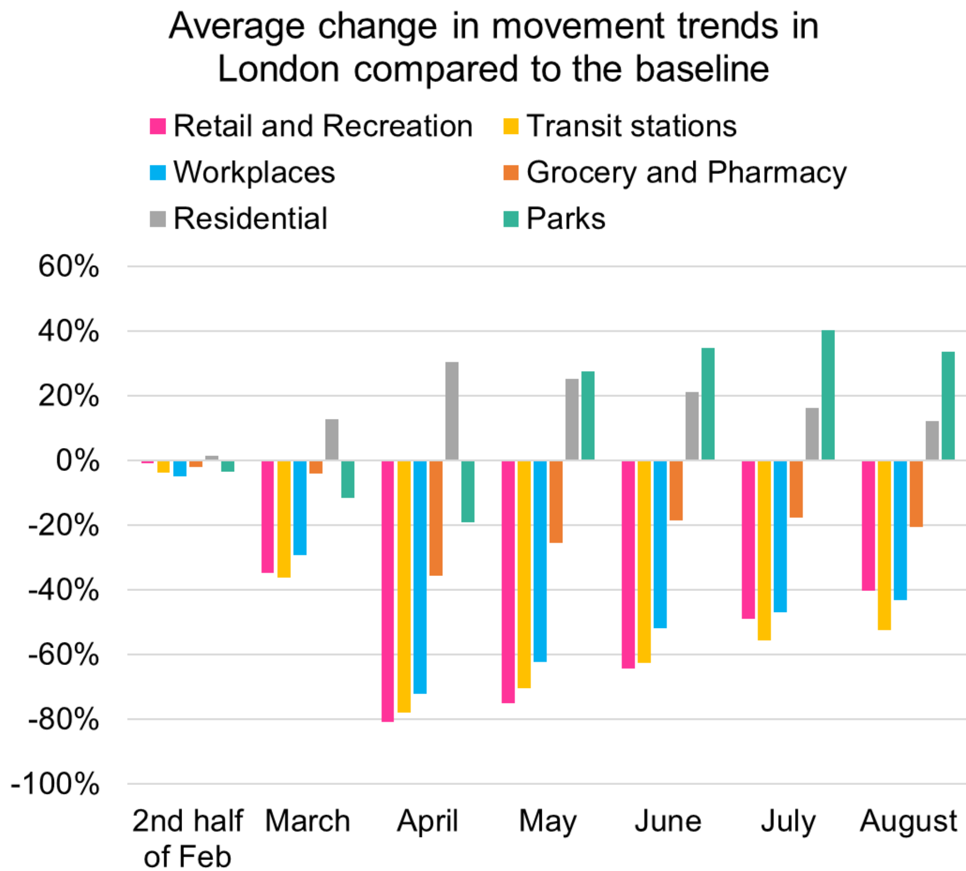
Appendix 3: Assumptions on impact on demand and supply

We used three main sources to formulate assumptions on the Covid impacts on demand factors:

- **Google Mobility** data for local footfall,
- **VisitBritain** forecasts for domestic tourism,
- **UK Civil Aviation Authority** for international tourism.

Google Mobility provides insights on daily changes in movement trends, by category of places, in relation to the baseline, which is a corresponding day of the week during period between 3 January and 6 February 2020.

The graph on the right shows for instance that average movement in London in April decreased by almost 80% in retail, recreation, offices and on public transport, and 36% in grocery shops and pharmacies. In order to arrive at an estimate for decrease in local footfall in the worst case scenario ("Essential travel only"), we took an average of impacts in the worst month so far, April, across all the months for four categories mentioned above. That average amounts to a decrease of 67% and this is an impact assumption we use for local footfall in the Repeated lockdowns and Strict rules scenarios.



Appendix 3: Assumptions on impact on demand and supply

Local footfall
In order to arrive at an estimate for decrease in local footfall in the worst case scenario ("Essential travel only"), we took an average of impacts in the worst month so far, April, across all the months for four categories mentioned above. That average amounts to a decrease of **67%** and this is an impact assumption we use for local footfall in the Repeated lockdowns and Strict rules scenarios.

For the medium case ("Social distancing") we used an average from last three months – June, July and August – as the time when situation started to stabilise and become less extreme. This average, for the same four categories, amounted to **-45%**.

For the low case, "Return to normality", we used an average impact from March, where the pandemic was just starting and the monthly impact was the lowest so far (average **-26%).**

DEMAND FACTORS		
LOCAL FOOTFALL	**DOMESTIC TOURISM**	**INTERNATIONAL TOURISM**
Essential travel only **-67%**	Essential travel only **-93%**	Essential travel only **-97%**
Social distancing **-45%**	Social distancing **-49%**	Social distancing **-73%**
Return to normality **-26%**	Return to normality **-24.5%**	Return to normality **-36.5%**

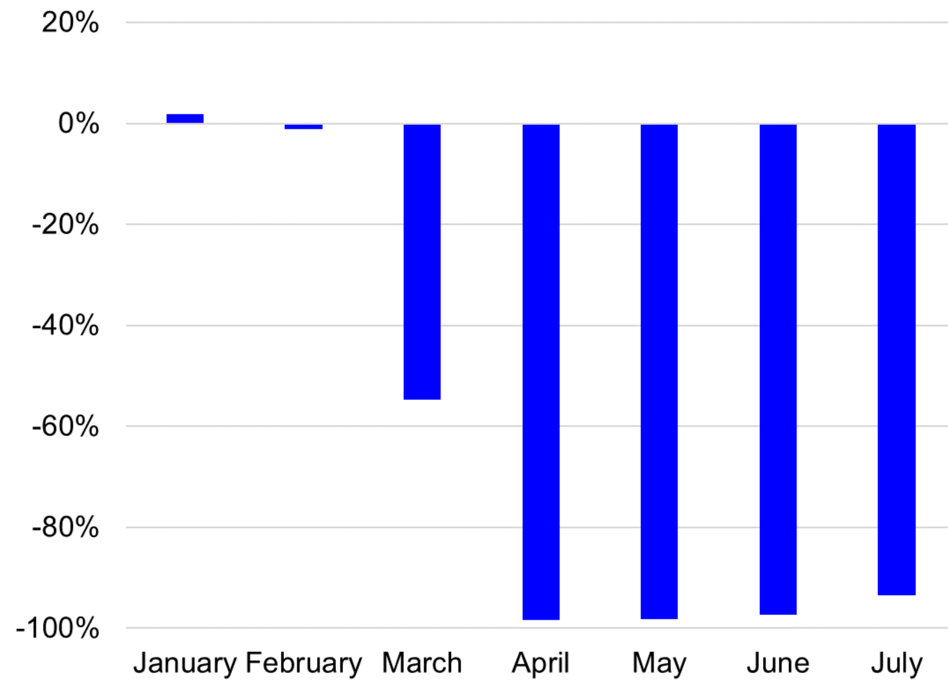
Appendix 3: Assumptions on impact on demand and supply

International tourists
Number of international passengers arriving at London airport in April, May, June and July 2020 was on average **93%** lower than in the same months last year. We use that number to reflect impact on domestic tourism in our worst case option, "Essential travel only", which is then used both in the Repeated lockdowns and Strict rules scenarios.

On 25 August 2020 VisitBritain updated its forecast for inbound (i.e. international) tourism to the UK in 2020. They acknowledged that "from mid-March to mid-July, COVID-19 triggered a near-total shutdown in international tourism to/from the UK". Based on the information available in the end of August and a set of assumptions, VisitBritain forecasts that international tourist flow to the UK will decline by **73%** to 11 million visits in 2020 compared to 2019. We use this as our medium case parameter in the "Seasonal Covid" scenario, and then halve it for the most optimistic scenario (**-36.5%** in the "Return to normality"), which is broadly in line with 2021 forecasts from International Air Transport Association (IATA)

https://www.visitbritain.org/2020-tourism-forecast
https://www.iata.org/en/pressroom/pr/2020-07-28-02/.

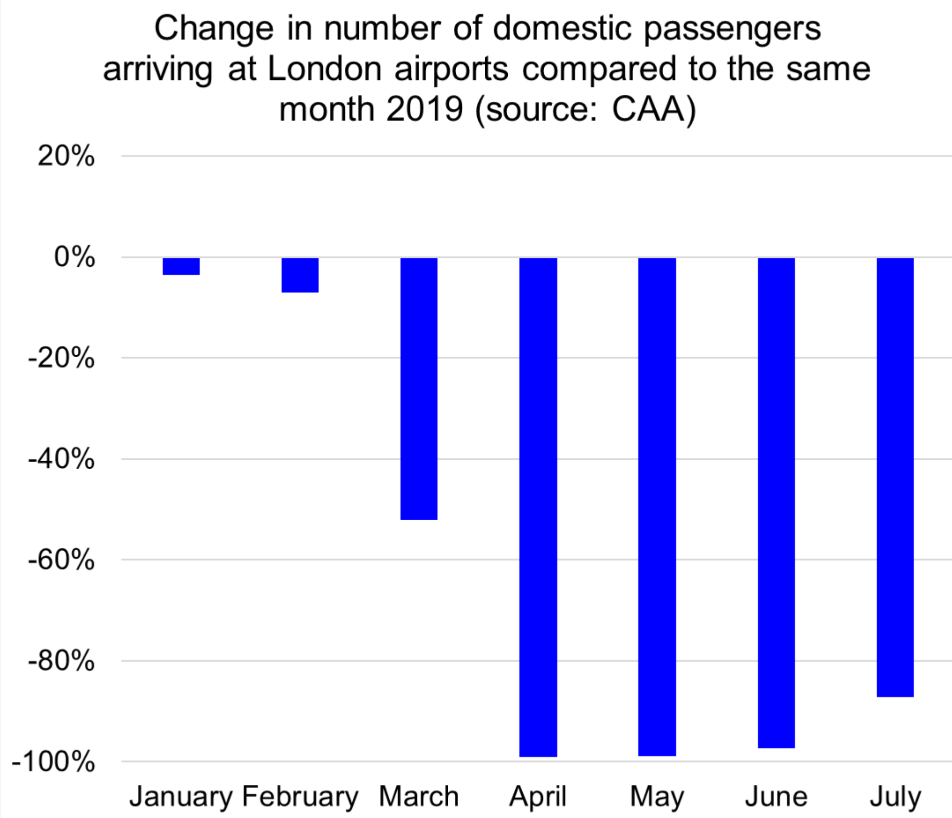
Change in number of international passengers arriving at London airports compared to the same month 2019 (source: CAA)



Appendix 3: Assumptions on impact on demand and supply

Domestic tourists
Number of domestic passengers arriving at London airport in April, May, June and July 2020 was on average **97%** lower than in the same months last year. We use that number to reflect impact on international tourism in our worst case option, “Essential travel only”, which is then used both in the Repeated lockdowns and Strict rules scenarios.

VisitBritain forecast for domestic tourism in the UK in 2020 is currently at **-49%** compared to last year and we use it as our medium case, in the “Seasonal Covid” scenario. Just as in the case of international tourism, we halve this number to **-24.5%** to use a parameter for the Return to normality scenario.



Appendix 4: Estimating the No-Covid Baseline Scenario

Baseline Scenario: If the pandemic had not happened.

The GVA contributions of various Arts and Culture subsectors are estimated by multiplying the number of jobs in a given sub-sector by the value of GVA per job in a given sub-sector. The critical inputs include:

- the number of jobs in each subsector for years between 2019 and 2024, and
- the value of GVA per job in each subsector for years between 2019 and 2024.

Data sources

Historical employment data are available through ONS (BRES) (currently until 2018), access to detailed sectoral GVA per job values is much less straightforward. Available sources provide data for different years and with different sectoral breakdowns. In the appendix we describe how we used available sources to arrive at assumptions used in the model. Primary sources included the following:

- Estimates of GVA per job produced by GLA Economics for London at SIC Division level (2 digit), for years 2009 – 2012, accessible through the London Datastore;
- GLA Economics Working Paper 89, “London's creative industries - 2017 update” by Christopher Rocks, published in July 2017; GVA per job estimates for 2015 are provided for broad categories of creative sectors, not directly aligned with SIC 2007 classification;
- an Arts Council England report “Contribution of the arts and culture industry to the UK economy”, published in April 2019 by the Centre for Economics and Business Research (Cebr), where average GVA per job estimates are available for the period 2009 – 2016, but for selected SIC Division codes only.

Appendix 5: Detailed data on direct economic contribution

Cultural Sector Gross Value Added in 2018 (2018 prices)

	London	West End
Film, TV and music	£17.6bn	**19% of London** £3.3bn
Arts (incl. Theatres)	£4.6bn	**24% of London** £1bn
Museums and galleries	£384m	**8% of London** £32m
Operation of historical sites	£166m	**25% of London** £41m
Cultural education	£104m	**38% of London** £39m
Libraries and archives	£86m	**4% of London** £3m
Total cultural Sector	£23bn	**23% of London total** £4.8bn

According to our analysis, the **West End cultural sector's GVA amounted to £4.8 billion in 2018** (in current prices).

This accounts for:
- **23% of all London's arts and culture** sector output
- **1% of all London output in 2018** (which was £450 billion).

The total arts and culture contribution generated in the West End included:
- 64% (£3.3 billion) generated by the film, TV and music industry
- 21% (£1 billion) generated by the arts industry
- 1% (£32 million) generated by the museums and galleries industry.

Source: DCMS for London estimates, Arup for West End and Heart of London estimates, all in 2018 prices. Subcategories do not sum to totals as the list does not include the radio and photography sector. The reason for that is that DCMS does not provide GVA estimates for those two sectors due to methodical challenges, so we do not have figure to refer to.

Appendix 5: Detailed data on direct economic contribution

Cultural Sector Gross Value Added in 2018 (2018 prices)

	West End	Heart of London
Film, TV and music	£3.3bn	**7% of the West End** £227m
Arts (incl. Theatres)	£1bn	**15% of West End** £162m
Museums and galleries	£32m	**26% of West End** £8m
Operation of historical sites	£41m	**42% of West End** £18m
Cultural education	£39m	**11% of West End** £4m
Libraries and archives	£3m	**23% of West End** £0.7m
Total cultural Sector	£4.8bn	**8% of the West End** £431m

According to our analysis the **Heart of London area accounted for**

- **2% of all London's arts and culture sector output**
- **8% of the sector's output in the wider West End.**

In 2018 that amounted to £431 million (in 2018 prices).

The total arts and culture contribution generated in the Heart of London area included:

- 53% (£227 million) generated by the film, TV and music industry
- 37% (£162 million) generated by the arts industry
- 4% (£18 million) generated by the operation of historic sites
- 2% (£8 million) generated by the museums and galleries sector.

Source: DCMS for London estimates, Arup for West End and Heart of London estimates, all in 2018 prices. Subcategories do not sum to totals as the list does not include the radio and photography sector. The reason for that is that DCMS does not provide GVA estimates for those two sectors due to methodical challenges, so we do not have figure to refer to.

Appendix 5: Detailed data on direct economic contribution

Cultural Sector Gross Value Added (2018 prices)

	Heart of London Arts and Culture 2018	of Heart of London Total GVA
Film, TV and music	£227m	4.6%
Arts (incl. Theatres)	£162m	2.8%
Museums and galleries	£8m	<1%
Operation of historical sites	£18m	<1%
Cultural education	£4m	<1%
Libraries and archives	£0.7m	<1%
Total	**8% of the West End total £431m**	10% of £4bn

According to our analysis, **arts and culture accounted for around 10% of all direct economic output produced in the Heart of London area.**

The majority of that was generated by the film, TV and music industry (4.6% of the Heart of London total GVA).

The arts sector contributed a further 2.8% to the total output in the area.

Source: DCMS for London estimates, Arup for the West End and the Heart of London estimates, all in 2018 prices. Subcategories do not sum to totals as the list does not include the radio and photography sector. The reason for that is that DCMS does not provide GVA estimates for those two sectors due to methodical challenges, so we do not have figure to refer to.

Appendix 6: Potential survival measures

The situation in the West End is worsening by the day. **Without mitigation, we risk the near-extinction of the arts and culture sector in the Heart of London area, permanently removing a piece of London's cultural offer and the UK's soft power abroad.** Government support is needed now to sustain the Heart of London's and the wider West End's rich cultural offer during a period in which significant restrictions still apply, so that the customer offering, post-pandemic, is broadly intact. This support could include:

- Sustaining the sector's workforce through continuation of the Job Retention Scheme until mass gatherings are permitted under government Covid-19 guidelines (in line with DCMS Select Committee recommendations).
- A business rates holiday for all venues until March 2022.
- Provide grant funding to help make venues Covid-19 secure (see the Society of London Theatre's submissions to the DCMS Select Committee).
- Government underwrites shortfall in box-office receipts to venue's breakeven point.
- Reduce VAT to 5% or less on admission charges/tickets for (currently) non-exempt forms of entertainment (such as 'commercial' performances).
- Provide tax relief for supply chain businesses that supply the Arts and Culture sector (DCMS Select Committee).
- Provide tax breaks for investment into the sector – for example on the form of a new Cultural Investment Participation Scheme (see SOLT's proposals).
- Invest in retrofitting arts and culture buildings to improve their environmental performance, thereby reducing their operational costs and also positively influencing the Climate Emergency.

Appendix 6: Potential recovery measures

Barriers to recovery

Even once government guidelines and rules are relaxed, office workers, tourists and other customers may not choose to visit the West End including the Heart of London area for a variety of reasons, including:

- Perception of a lack of safety inside venues (a reluctance to be in crowded spaces such as restaurants and theatres).
- Lack of ability to plan ahead, in the face of changing government guidelines, including the ability to get a refund in the event of a cancellation of one element of a day out, or weekend away.
- Fear of safety on public transport.
- Magnitude of venue entrance fees and other costs, such as hotel accommodation, in the light of deteriorating economic conditions.
- Lack of convenience (especially for those that would have previously worked in the area, and accessed cultural opportunities at lunchtime or after work).
- Supply side issues, such as venues not being open, and a reduced choice of offers, or time slots.
- The requirement to book ahead resulting in reduced opportunity for spontaneous decisions to visit the Heart of London area, or spontaneous opportunities to extend a day out through visiting an additional attraction.
- Behavioural factors, and a lack of Fear Of Missing Out that has so long been associated with big city work and leisure opportunities ("no one else is going into central London so why should I bother?").

Our suggested recovery measures, over the following pages, seek to address many of these. At the same time, the pandemic has **created positive trends** that the Heart of London area is well-placed to harness, that we aim to reflect as well, including:

- A move to more active travel.
- Greater volume of social activity outdoors.
- Increased community spirit and cohesion.

Appendix 6: Potential recovery measures

Domestic market footfall and the overall economic and supply chain factors are the most important drivers of the arts and culture sector in the West End. In addition, international tourism is particularly important for the economic viability of major culture institutions in the capital.

International tourism will stay suppressed as long as the pandemic is not contained globally and until travelling restrictions are lifted. Even then, there will be a degree of inertia, potentially reduced demand due to economic conditions, and a reluctance to travel far from home, or to an area perceived as risky or unknown. Tourists will return when they know that they are able to enjoy London safely. Safety and comfort of people must be a priority.

According to a recent Morgan Stanley survey conducted in mid-July 2020, UK workers were coming back to the office slower than people in other European countries, with only one-third of UK white-collar employees having returned to work at least one day per week, compared with around 75% in France, Italy, Spain and Germany.

Safety in the workplace and the need for a Covid safe commute are the two key personal concerns that remain in place when government guidance has been lifted.

People in England being encouraged to walk or cycle. Initiatives to encourage active travel modes are important and should be continued. At this critical time the West End urgently needs permanently widened footways, new traffic-free spaces and high quality cycle routes to the heart of the West End. Of the government's own proposals, frequent testing of the population, with rapid results, which would allow for the form of passporting in the event of a negative test, appears to offer significant benefits to the businesses in the Heart of London area and wider West End.

Beyond the survival period, there are a number of measures that can be planned now, so that when government restrictions are lifted, and many venues and spaces are able to return to a near-normal level of capacity, recovery is achieved more quickly, and without a sustained uncertain period. We divide these into calls on government, the Mayor of London, Westminster City Council, and actions for the Heart of London Business Alliance, and businesses. Many of these activities require cross sector working. Where possible, they respond to the barriers on the previous page.

Appendix 6: Potential recovery measures

<u>**For government (central government, Mayor of London, Westminster City Council) to fund and/or support**</u>

Direct financial support to the sector:
- Government matches box-office receipts one for one until a vaccine or another solution is found.
- Reduce VAT to 5% on admission charges/tickets for (currently) non-exempt forms of entertainment (such as ‘commercial’ performances).
- Provide tax relief for supply chain businesses that supply the Arts and Culture sector (DCMS Select Committee).
- Provide tax breaks for investment into the sector – for example on the form of a new Cultural Investment Participation Scheme (see SOLT’s proposals)
- Invest in retrofitting older cultural arts buildings to improve their environmental performance, thereby contributing to reducing emissions and also operational costs.
- Introduce a scheme to cover the costs of the reopening of venues, including rehearsals and other preparations.

Lower the costs of a visit:
- Launch a “Go Out to Help Out” scheme similar to “eat out to help out” whereby the government pays up to £25 of the price of an admission to a cultural event, theatre show and so forth.
- Offer free/discounted public transport to anyone with a valid booking for an arts and culture event in the West End (or Greater London).
- Offer public transport discounts including free travel at weekends, and / or free travel all week.

Make it easier to visit:
- Allow customers to pay nothing until the day before and underwrite free cancellation and insurance of the whole package. If one element does not go ahead, then the customer can cancel and no money is charged.
- Improve the simplicity in pricing. A fixed fee for packages (e.g. a theatre show for £20 regardless of show and seats, first come first served, theatre plus 2 course meal in restaurant £40, the above plus hotel £200.

Appendix 6: Potential recovery measures

For government (Mayor of London, Westminster City Council and central government) to fund and/or support (cont.)

Reduce the perceived risk of a visit:

- Launch a global post-Covid cultural destination campaign.
- Launch a tie-in with electric or low emission taxis for a fixed fee of (say) £10 single to the Heart of London and wider West End area, if booked along with a venue entrance.
- Increase uptake of active travel, including cycling. This should include creating more space for people to walk and cycle safely, temporary cycle lanes and wider pavements as conceptualised in the Heart of London's Placeshaping Strategy, TfL's Streetspace for London and the government's Gear Change strategy.
- Incentive programme to promote wider take up of electric bikes for Westminster workers – increasing the catchment of this active (and socially distant) mode of commuting.

Increase the number of reasons to visit:

- Endorse and deliver the Cultural Heart of London Strategy.
- Fund and implement the Heart of London Business Alliance's public realm, walking and cycling programme on an accelerated basis, creating safer gateways to the West End that facilitate social distancing and also new places and destinations, including a Cultural Quarter around Panton Street and a traffic-free St Martin's Lane.
- the number of leisure hours in the calendar. This could be by extend British Summer Time in 2020 (or 2021) to November, or all year round (increasing the length of light evenings), an additional bank holiday, and / or a Sunday trading hours extension.

Appendix 6: Potential recovery measures

For Heart of London Business Alliance as an organisation

Create a buzz:
- Create activities to attract domestic London audience.
- Create exclusivity by tying in offers with universities or local workplaces.
- Encourage younger audiences, so that days and nights out become the norm among their social cohort, and use this to drive a form of fear of missing out.
- Target free tickets to NHS and other key workers.
- Offer discounted tickets to schools and colleges.
- Recruit allies in the press. Emphasise the fun of the West End (this is what we have all been missing during lockdown).
- Develop a celebrity driven campaign to promote the ease and safety of visiting The West End Develop three campaigns – London & South East, Rest of UK and Overseas Markets

Make it easier to visit:
- Make a day and night out as easy as an online one-click delivery; explore opportunities for a single website, whereby customers can book a bundle of activities without having to go onto individual websites, check start times and make separate arrangements.

Jointly campaign with those that have a shared interest:
- Join with the CBI, the rail industry, TfL and other allies to campaign for safe return of the corporate and other workers to London.

For Heart of London members and businesses

Take the sector to the people, and to outdoor venues:
- Endorse and adopt the Cultural Heart of London Strategy.
- Consider “drive in” productions - a “night out of town”.
- ‘Theatre without Walls’ - create (say) 50 temporary theatre and other outdoor performance spaces e.g. in the Royal Parks for 2021 and 2022 and traffic-streets in the West End.
- Offer venues to be spaces for community use. Theatres to put on a number of plays per year that were written by locals. Local schools could use the additional space as classrooms.
- Offer to contribute to other government policy areas (in exchange for govt support).

Make it safer to visit:
- Join UK “Good to Go” scheme, the official UK mark to signal that a tourism and hospitality business has followed Government and industry COVID-19 guidelines to maintain cleanliness and aid social distancing.

Appendix 6: Potential recovery measures

Recovery measures contribute to the removal of barriers

	How they are addressed by recovery measures:							
Barriers to visits:	Make it easier to visit	Reduce the perceived risk of a visit	Lower the costs of a visit	Increase the number of reasons to visit	Direct financial support to the sector	Create a buzz	Jointly campaign	Take the sector to the people
Perception of a lack of safety		✓						✓
Lack of ability to plan ahead	✓	✓						
Fear of safety on public transport	✓	✓					✓	
Magnitude of venue entrance fees			✓	✓	✓			
Lack of convenience	✓			✓				✓
Supply side issues such as availability	✓				✓			
The requirement to book ahead	✓			✓				
Lack of a Fear Of Missing Out (FOMO)				✓		✓	✓	✓