

The London Assembly Economy, Culture and Skills Committee

Call for Evidence – London’s High Streets

Response from Heart of London Business Alliance

Introduction

The Heart of London Business Alliance (HOLBA) is a Business Improvement District (BID) that represents over 500 businesses in the West End of London. Its focus is to enhance the commercial and cultural vitality of one of the city's most iconic districts.

The Heart of London (HOL) area which includes Piccadilly Circus and Piccadilly, Leicester Square, Haymarket, Jermyn Street and St Martin’s is worth over £10 billion to the UK economy.¹ It supports over 100,000 direct jobs², contributes £345 million³ in business rates and attracts over 150 million visitors every year.⁴ It has a substantial economic and cultural impact, constituting 33% of the West End’s total GVA despite covering only 12.8% of its area.⁵

Despite its substantial contribution to the economy, the West End faces numerous challenges that continue to hinder its high street performance. These include: supply chain disruption; high operating costs; staff shortages; overcrowding on the streets; limited step-free access to the tube; increasing antisocial behaviour; crime and safety; footfall stagnation; lack of some basic amenities and a disconnect between public policies and decision making at a statutory level. This has particularly impacted the night-time economy which has seen a 39% drop in footfall since 2019.⁶

Furthermore, the lack of a joined up approach and unified strategies for the West End (key examples include economic development and crime) creates significant inefficiencies for

¹ Annual Economic Real Estate Report 2023 – 2024, Heart of London Business Alliance

² Latest Available GVA and Employment data from ONS

³ Annual Economic Real Estate Report 2023 – 2024, Heart of London Business Alliance

⁴ ibid

⁵ ibid

⁶ HOLBA Evening and Night-time Economy, ‘Special Area Designation for the Heart of London’, Heart of London Business Alliance, 2024 (not publicly available)

licensing, planning, safety and public realm management, undermining high street performance and leaving businesses without coordinated support. This is a key reason why HOLBA has developed a series of core recommendations to support economic and cultural growth on the West End's high streets, including the proposal to create a new dedicated Arts Quarter to optimise underutilised space and enhance economic performance. Additionally, our Placemaking Strategy has identified opportunities for targeted investment in public realm improvements across the West End's high streets to promote inclusive regeneration, with the potential to unlock nearly 10% more jobs by 2040 and achieve a 10% higher GVA for the West End than the one supported by a "do minimum" scenario.⁷

HOLBA has developed a series of recommendations to address these issues and ensure sustainable growth and regeneration of the area. This response outlines HOLBA's perspective on the key challenges facing London's high streets and proposes solutions to ensure that high streets continue to thrive economically, culturally, and socially.

It is also our view that our local authority - Westminster City Council, should be better resourced with regards to planning and the built environment. As part of wider improvements, HOLBA's status as a statutory consultee on all submitted planning applications for the Heart of London area should also be formalised.

Question 1: How have recent economic shocks, such as the COVID-19 pandemic, rising inflation, and cost-of-living pressures, impacted London's high streets?

The West End, including the Heart of London area, has shown resilience, with Gross Value Added (GVA) rebounding close to pre-pandemic levels - 99.7% and 99.4% of 2019 levels for each area respectively.⁸ However, by 2022, economic growth in the area was still below pre-pandemic forecast trends, indicating ongoing recovery challenges.⁹

Cultural venues, such as theatres, cinemas, and live shows, play a critical role in sustaining the West End's business ecosystem. These venues drive customer dwell-time and spending,

⁷ The Economic Case for Public Realm Investment in the Heart of London Area, ARUP, 2023

⁸ Evening and Night-time Vision, Strategy and Action Plan, Publica, 2023

⁹ ibid

particularly in the evening and night-time economy, where nearby complementary businesses benefit from increased patronage before and after performances. These factors, coupled with the area's diverse attractions and the mixed crowds they draw, create a unique atmosphere highly valued by both workers and visitors.

Despite these strengths however, many businesses will struggle to recoup the losses they incurred during and post the COVID-19 pandemic which triggered a significant reduction in footfall, particularly affecting the night-time economy. Footfall remains 39% below pre-pandemic levels, while inflation and the rising cost of living have exacerbated financial pressures on businesses, especially in hospitality and retail.¹⁰ Rising costs of goods, services, and labour are further squeezing already tight margins.

More broadly, these pressures are changing the shape of the creative economy, which has been synonymous with the West End, and is a crucial part of the area's dynamism but it has suffered a decline of nearly 20% over the last decade, due in part to a lack of investment in emerging industries like technology and media and the high costs of operating a business in the West End compared to other boroughs.¹¹

Additionally, the expansion of remote working policies has affected high-street businesses reliant on the daily presence of office workers, including entertainment venues, restaurants, and cafés. Nearly half of the jobs in the West End are in professional private sectors, which have seen the greatest shift towards remote working, impacting customer traffic and spending patterns in the area.

Finally, there is a growing concern, that the West End is unsafe and is a crime hotspot. The West End and St. James's wards account for 65% of all crime in Westminster, with theft comprising over 60% of these incidents, posing additional operational and financial challenges, especially for night-time venues.¹² This fact is underpinning a shift in perceptions, that the West End is unsafe, which is not good for visitors and not good for business.

¹⁰ HOLBA Evening and Night-time Economy, 'Special Area Designation for the Heart of London', Heart of London Business Alliance, 2024 (not publicly available)

¹¹ A Home for Tomorrow's Creative Innovation, Creative Innovation Discussion Paper for London's West End, Heart of London Business Alliance, 2024

¹² Cumulative Impact Assessment, Westminster City Council, 2023

Together, these factors underscore the complexity of challenges facing London's high streets, with ongoing impacts from reduced footfall, rising operational costs, shifts in workforce dynamics, and heightened crime rates shaping the landscape for local businesses.

Question 2. How effective has the support from the Mayor of London, local authorities, and central government been in helping high streets recover and adapt?

The support provided by government bodies, though helpful in some areas, has not been sufficient to fully address the complexities of the current and future challenges faced by high streets, especially in the West End. While business grants and business rates relief were essential during the pandemic, ongoing issues require a more strategic and sustained approach.

HOLBA welcomes initiatives like the London Growth Plan, which aims to drive inclusive economic growth, sustainability, and innovation. With the plan still in development, we are eager to see more detailed proposals, particularly those that address key priorities for high streets. HOLBA believes that the right focus within the Growth Plan could align with targeted interventions, such as a more joined up approach to licensing regulations and planning policy based on an agreed economic development strategy. These measures would support job creation, economic growth, and increased tax revenue, fostering an environment where high street businesses can thrive across the 24 hour economy.

The announcement of the Government's proposed industrial strategy is also well-timed. It is fantastic to see the creative industries recognised as one of the eight sectors capable of delivering long-term growth for the UK. Historically, the West End has been the heart of London's creative economy, generating an estimated £4.8 billion from its arts and culture offerings for the UK economy.¹³ The strategy provides a valuable opportunity for HOLBA, which has developed strategies and conducted research aimed at unlocking further growth potential in the West End. Key focus areas include enhancing fundamental amenities, such as

¹³ A Home for Tomorrow's Creative Innovation – Creative Innovation Discussion Paper for London's West End, Heart of London Business Alliance, 2024

more accessible transport options, alongside fostering new initiatives like a dedicated Arts Quarter and encouraging the growth of creative technology businesses to collaborate with world-class cultural institutions.

The Growth Plan's emphasis on sustainability also resonates with HOLBA's commitment to reducing emissions and advocating for retrofitting historic buildings (where appropriate). Aligning with London's net-zero goals, this approach will help the West End maintain its historic charm while advancing energy efficiency, thereby avoiding widespread vacancies due to future energy regulations.

The GLA have also been supportive to both HOLBA and WCC with the development of evening and night-time strategies following on from the launch of its own evening and night-time guidance for boroughs. Night-time footfall indices show however that London is experiencing a slower recovery compared to other major urban centres in the UK.

The High Street Data Partnership has had a positive influence on the understanding of London 24 hour economy and should be expanded where possible.

Moreover, HOLBA advocates for increased investment in the public realm—enhancing pedestrian spaces, safety, and infrastructure—to make high streets more appealing and accessible. Improved public spaces will attract more visitors, create a safer environment, and bolster the area's overall resilience. HOLBA has pursued an effective strategy of securing both private and public sector funding to drive forward its public realm agenda. Crucially though, public sector funding must be more readily available to drive private investment.

Question 4: How can community-led regeneration initiatives be better supported, and what are the key factors that contribute to their success?

Community-led regeneration initiatives thrive when they are supported by strong partnerships between local authorities, BIDs, and private sector investors.

HOLBA's placemaking strategy identifies several key factors for successful regeneration, including public realm enhancements, improved pedestrian infrastructure, and strategic

investment in green and cultural spaces. Strategic investment in public realm improvements increases footfall, dwell time and area attractiveness, whilst creating a more inclusive, sustainable and welcoming area for residents, businesses and visitors alike.

Community-led regeneration initiatives can be supported by recognising the value that BID, like HOLBA can play in convening all place based stakeholders, and our ability to raise private sector funding alongside public investment.

Question 5. How can local authorities and the Mayor ensure that high street regeneration is inclusive, and can you give any successful examples of this?

Our research has shown that supporting public realm investment in high streets generates inclusive benefits for workers, visitors and residents and London's economy beyond the West End. By 2030, improvements to the public realm as identified in our Placeshaping Strategy have the potential to support over 2,000 additional jobs in the Heart of London area by 2030 and more than 6,000 jobs by 2040.¹⁴

A programme of coordinated actions to create better public spaces could also deliver inclusive benefits by contributing to net zero, supporting a modal shift to walking and cycling, enhancing greenery and biodiversity and improving air quality. For example, the 2010 Green Light for Midtown project in New York which created a number of new pedestrian plazas contributed to an 11% increase in footfall and delivered a 40% decrease in particulate matter, significantly improving air quality.¹⁵

By 2040, the implementation of the Heart of London Placeshaping Strategy could help boost the productivity of the area to £10.9bn (+122% compared to 2022), support a 49% growth in total business rates, increase office floorspace by 11% and increase the value of commercial rents (+34%).¹⁶ The Placeshaping Strategy could also support nearly 10% more jobs in 2040 and achieve a 10% higher GVA than the one supported by a “do minimum” scenario.¹⁷

¹⁴ The Economic Case for Public Realm Investment in the Heart of London Area, ARUP, 2023

¹⁵ ibid

¹⁶ ibid

¹⁷ ibid

Access to tube stations servicing the West End is good, but this is limited by step free access and a limited night tube service specifically on a Thursday night. The lack of step-free access impacts people with mobility impairments at all times, it also challenges anyone travelling with luggage or children in buggies. The only step-free station in the area is Green Park, far from the nightlife cluster, with Tottenham Court Road to the east. Supporting the delivery of more step-free access to tubes will be important for any strategy going forward.

The West End's high street offer is shaped by local and national policies and regulation, and there has been a noticeable shift in the diversity of the offer, particularly in the nighttime economy (for example there are now no live music venues in the West End) as the licensing regime has become increasingly difficult to navigate. Inclusive regeneration must address this to ensure that the West End can continue to meet the needs of existing audiences as well as attract new ones. Additionally, key spaces and routes need to be redesigned so they are family-friendly and safer for all users, as well as introducing informal play opportunities as part of the design of schemes. Empty commercial units could be used to test the potential of experiential games, e-sports cafes and play led uses in order to attract new audiences such as local workers and families in the late evening and night.

HOLBA's suggestions for effective inclusive regeneration projects include the below:

Charing Cross Road

Context: Despite its central location and accessibility via the Elizabeth Line, Charing Cross Road suffers from poor user experience and infrastructure. The transformation of Charing Cross Road is essential for the success of the West End.

Opportunity: HOLBA's placemaking strategy proposes upgrades, such as improved crossings, tree planting, and widening footways. A benefit-cost ratio of 12.4:1 shows this transformation could boost walking and cycling, reduce emissions, and improve air quality.¹⁸

Digital Screens

Context: The West End is synonymous with a history of innovative use of lights and lighting technology and digital screens, however, current rigid regulations on the introduction of digital screens in the West End not only inhibits investment, but limits their

¹⁸ The Economic Case for Public Realm Investment in the Heart of London Area, ARUP, 2023

important social function in disseminating information about local events as well as the opportunity to become cultural assets in their own rights.

Opportunity: HOLBA emphasises the need for integration of digital screens into the public realm, particularly in the area around Piccadilly Circus and Leicester Square, to become cultural canvases that bring back spectacle to the West End, promote wayfinding and the dissemination of information around cultural events, ultimately driving place appropriate investment.

Question 6. What do you see as the main future challenges for high streets in London, and how can these be addressed?

1. Rising Operating Costs and Economic Pressures:

In 2023, nearly all hospitality businesses in the West End reported increased costs in food, wages, and energy.¹⁹ Coupled with footfall that remains 39% below pre-pandemic levels in the night-time economy, these pressures have strained profit margins.²⁰ To address this, HOLBA calls for targeted investment and support for businesses such as permanent low business rates and incentives for sustainable practices that lower operational costs and future-proof businesses.

In addition, tube and train strikes can result in a substantial loss of visitors and increase the frequency of working from home which has a devastating impact on the West End economy.

2. Transport Accessibility and Safety Needs:

Limited step-free access and a lack of safe late-night transport options create challenges, especially for those with mobility impairments. HOLBA advocates for an expansion to the night tube on a Thursday evening, increased step-free tube stations, and enhanced bus safety measures. Making the area more accessible and safer would support worker retention and enhance the visitor experience.

¹⁹ HOLBA Evening and Night-time Economy, 'Special Area Designation for the Heart of London', Heart of London Business Alliance, 2024 (not publicly available)

²⁰ *ibid*

3. Crime and Safety Concerns:

Safety is a prominent issue, with 65% of all crime in the Borough of Westminster occurring within the West End.²¹ HOLBA's proposals include a new CCTV system, enhanced street lighting, and further collaboration between stakeholders like the GLA, Metropolitan Police, and local council to develop and implement collaborative strategies aimed at improving safety and reducing crime, thus enhancing the area's appeal.

4. Licensing and Planning Rigidities:

Strict licensing laws and rigid planning frameworks have limited the diversity and flexibility of businesses operating in the West End's night-time economy, leading to a fragmented venue landscape. HOLBA supports a "Special Area Designation" for the West End to enable greater flexibility in licensing and planning, creating a regulatory environment that would allow the 24 hour economy to flourish. This designation would mirror successful international examples, like Sydney's entertainment precincts and Montreal's pilot 24-hour night-time districts.

5. Sustainability and Public Realm Needs:

The West End's crowded streets and limited green spaces affect the visitor experience and restrict available public spaces. HOLBA's Placeshaping Strategy emphasises sustainable public realm investments, such as wider footpaths, more green areas, improved wayfinding, and climate-resilient street designs. These improvements could boost footfall, support sustainability goals, and increase the area's attractiveness by 2040, potentially adding 10% more jobs and raising GVA by 10% compared to a minimal investment approach.²²

Question 7. How are sustainability and environmental concerns being addressed on your high street? What further steps could be taken to create greener, more sustainable high streets?

HOLBA is dedicated to advancing environmental sustainability across the West End, with both immediate and long-term strategies to reduce carbon emissions and enhance green infrastructure. The recent launch of HOLBA's Net Zero Carbon Strategy and Action Plan

²¹ Cumulative Impact Assessment, Westminster City Council, 2023

²² The Economic Case for Public Realm Investment in the Heart of London Area, ARUP, 2023

underscores its commitment, offering resources and guidance for businesses of all sizes to engage with sustainable practices which are urgently needed if businesses are to meet EPC targets (currently 69% of commercial buildings within the West End may be unlettable by 2030 without action to upgrade performance to minimum energy standard to EPC B or above) and support environmentally friendly tourism in the West End.

Retrofitting historic and commercial properties is a priority for HOLBA, enabling buildings in the West End to meet Energy Performance Certificate (EPC) standards. This approach aligns with London's net-zero targets and helps future-proof the West End's iconic infrastructure by reducing its carbon footprint.

To address transport-related sustainability, HOLBA's Placeshaping Strategy includes plans to expand pedestrian and cycling infrastructure. These improvements are aimed at promoting more sustainable, low-emission travel options within the West End, making the area more accessible and reducing its overall environmental impact. By prioritising pedestrian-friendly and cyclist-oriented public spaces, HOLBA supports the goal of creating a greener and more resilient high street that benefits businesses, visitors, and residents alike.

HOLBA's Net Zero Carbon Strategy encourages local businesses to adopt sustainable procurement practices and engage with local suppliers, reducing supply chain emissions. The action plan includes access to customised guidance and practical information on circular economy principles, allowing businesses to effectively manage their environmental footprint.

Further Steps for a Greener, More Sustainable High Street:

Expansion of Green Infrastructure

HOLBA's Placeshaping Strategy includes plans to expand green spaces, tree planting, and climate-resilient street designs. Enhanced green infrastructure improves air quality, mitigates urban heat, and creates an inviting environment for visitors.

Enhanced Waste Reduction and Recycling Initiatives

Strengthening partnerships with local authorities, HOLBA could further promote waste reduction, increase recycling options, and encourage the use of reusable materials. Circular

economy initiatives, like composting and upcycling, would lower the West End's environmental footprint and support a sustainable high street model.

Sustainable Mobility and Pedestrianisation

Additional steps, such as creating pedestrian-only areas, expanding low-emission zones, and supporting night-time cycling, would make the area more accessible, reduce emissions, and enhance the sustainability of high streets in the West End.

Through the Net Zero Carbon Strategy and continued sustainability efforts, HOLBA aims to position the West End as a leader in sustainable urban growth, ensuring that London's high streets contribute to both economic resilience and environmental responsibility.

Question 8. What innovative ideas or solutions do you think could help future-proof high streets against economic, social, and technological changes?

Consumer trends continue to shift from transactional to experiential, with people seeking connections to brands, culture, ideas, and people on the high street, rather than buying stuff, which can be done much more conveniently online.

HOLBA are supporting and driving a number of initiatives that would enhance this offer in the West End, whilst tying into the broader place identity of area, one synonymous with culture and the 'fun economy.' These include the following:

Arts Quarter

HOLBA supports the creation of a new Arts Quarter in the West End, which will help cultural institutions in the area to 'spill out' onto the streets and provide a unique, inclusive and immersive experience to come and experience world class art in all its forms.

The Arts Quarter would also include dedicated investment in creating a new CreaTech Innovation Hub, to revive the creative economy in the area and attract inward investment in technology and the creative industries - an exciting new growth sector. This will involve

repurposing vacant and underutilised commercial spaces into studios for the emerging creative technology industry.

Additionally, public realm improvements such as digital screens for wayfinding and cultural promotion, pedestrianisation schemes, and the development of side streets into vibrant cultural hubs will ensure that the West End remains resilient in the face of future economic and technological challenges.

A Special Area Designation for Culture and the Night-Time

The Heart of London Area is a key contributor to the West End's economy at night, and its public spaces are world-famous symbols of night-time activity – Leicester Square and the surrounding area welcomes hundreds of thousands of visitors per week. A quarter of jobs in the Heart of London are in night-time industries and it hosts 12% of night-time economy related floorspace while covering only 6% of the wider West End area.²³ All of this means that the HOLBA area has an economic and cultural significance way beyond its size, which brings specific challenges and opportunities.

A new designation would signal a major shift in the way the area is planned and managed to support and protect night-time infrastructure, venues and businesses that contribute to its economic, social and cultural vitality. Sydney is a good example as it promotes special entertainment precincts and allows later trading for businesses that host live music. Montreal is piloting 24 hour night-time districts to support the visitor economy.

Immersive Experiences and Spectacle

The West End is synonymous with a history of innovative use of lights and lighting technology and digital screen, however, current rigid regulations on the introduction of digital screens in the West End not only inhibits investment, but limits their important social function in disseminating information about local events as well as the opportunity to become cultural assets in their own rights.

²³ Evening and Night-time Vision, Strategy and Action Plan, Publica, 2023

HOLBA emphasises the need for integration of digital screens into the public realm, particularly in the area around Piccadilly Circus and Leicester Square, where they can become cultural canvases that bring back spectacle to the West End, promote wayfinding and the dissemination of information around cultural events, ultimately driving place appropriate investment.