

Darkest before the dawn: a manifesto for the night-time economy

The night-time sector is down on its knees, and badly needs support from central and local government. **Philip Kolvin KC**, Patron of the Institute of Licensing, has worked with the Night Time Industries Association to draw up a manifesto setting out a range of reinvigorating measures

Whoever said the only certainties are death and taxes was not far wrong, but not entirely right either. By January 2025, but most probably sometime this year, there will be a general election in the UK. In anticipation, that fine campaigning body the Night Time Industries Association (NTIA) is fast out of the blocks with its own manifesto: *Darkest before the dawn*. In this article I explain the manifesto and its pressing rationale.

A cliff edge

Over the past two decades, the hospitality sector has undergone a radical transformation. We have, for example, seen a rise of the experiential economy, competitive socialising, the coffee shop phenomenon, microbreweries and super-clubs. We can acknowledge and celebrate this as we do all societal and market developments, which both lead and reflect the spirit of the age.

This manifesto, however, is in response to an altogether more worrying trend, which is the ongoing and incipient collapse of the grassroots night-time economy: pubs, clubs, music venues, LGBT bars, independent restaurants and the like. The numbers are stark. In 2023, we lost two pubs and five restaurants every day, and two nightclubs and two music venues every week. The longer term trend is worse, with 31% of the club sector lost in just three years. One can quibble with the detail – for example, some smaller pubs may have been replaced with bigger ones – but the trend is unarguable.

Some of this is the simple corollary of the developing hospitality sector. At the turn of the millennium, the pound in one's pocket was not prey to the competing demands of the iPhone subscription, the gym membership, Netflix and a cappuccino at every turn.

But, of course, there are other factors at play: the cost of living, education fees, exorbitant housing costs falling

disproportionately on young people, commodity and energy costs impacting businesses, VAT and business rates which favour supermarkets and dark kitchens over licensed venues and loss-leading on alcohol in the retail sector, to take just a few examples.

There is no sign of any of this abating. The fact that Rekom, the largest nightclub operator in the country, has now fallen into administration is a flock of canaries in the coalmine, should we care to notice. Industry insiders have not written off, and many are predicting, a still more vertiginous collapse in the year ahead.

Should we care? After all, this might just be seen as the outworking of a market economy. That is why we no longer have Betamax, Caramac, Blockbuster, Walkmans and C5s, all extinct because consumer tastes moved on. I argue that we should care. My reasons are not rooted in economics. Figures suggesting that hospitality is worth over £90 billion and provides 3.5 million jobs are undeniable but unspecific. They represent the value of the hospitality sector as a whole rather than any particular element of it.

Instead, I argue that focus should be trained on the grassroots night-time economy, the bars, pubs, music venues and nightclubs, which sit at the heart of local cultural economies. Such venues – often situated in reworked buildings – old warehouses, depots, railway arches and basements – are an essential part of placemaking. They reflect local authenticity. They are often in the hands of local independent operators who are rooted to the location rather than surveying the nation for the next investable asset, and who will tend to use local labour, supply lines and contractors. And they can be relied upon to bring on the next generation of musical artists, who all hope to progress through the local musical ecology, eventually to play in larger venues as their careers develop.

In short, the grassroots night-time economy is an essential part of the UK's culture and cultural history, and for a large but largely forgotten swath of civil society – the young – it is their main or even only engagement with culture. It is also a part of the UK's culture which performs extraordinarily well, forming an important export, promoting the UK's soft power abroad, and constituting a key reason for people to live, work or invest in a town or city.

The sector's woes are not merely economic – they are political and regulatory too. This is a far cry from 2003 when the Licensing Act heralded an era of Cool Britannia founded on light touch regulation. The ink was barely dry at the Queen's printer before the worm turned. Lickety-split, we had cumulative impact policies, summary reviews, late night levies, “rebalancing” which lowered the threshold for intervention from necessary to appropriate, and much more, leaving operators to survive on rocky regulatory terrain. This trend has been complemented by a noticeably harder edge to regulation in some areas. Counter-intuitively, these developments have occurred as increasing numbers of young people are turning away from alcohol to other activities, including street food, competitive socialising and the experiential economy. An enlightened approach may involve riding the wave of these changes, but instead, again in some areas, the regulatory screw has been tightened further.

In seeking to parse these changes, I would argue that an early misstep was to pass responsibility for the night-time economy from DCMS to the Home Office. The latter specialises in organised crime, drug control, the justice system and illegal immigration. The promotion of joy is not in its portfolio.

There are at least two consequences of this shift of responsibility. The first is that nobody in government has the job of speaking up for youth culture, popular culture, the counter culture or night culture. No-one advocates for it. It is no minister's day job to care for the night. The second, linked corollary is that at central political level, the only approach to the night-time economy is to regulate it, to see it as a threat to good order and peace in the community, and to tame it, tamp it, rather than nurture it and guide it.

The manifesto

These thoughts are the soil in which the NTIA's manifesto is rooted. Its name – *Darkest before the dawn* – signifies that night culture is now in a dark place, facing a perfect storm of pressures, with local if not regional extinction of grassroots venue on the cards – at least those which have not shut already. It is, however, “before the dawn” because with the right decision made now by our political masters, we can collectively look forward to a brighter future.

The manifesto is not a party political document, but a framework for support capable of adoption by any or all parties to save the grassroots sector. At the NTIA's recent and vibrant summit in Manchester, it was gratifying to see its main tenets endorsed by a slew of Metropolitan mayors drawn from the two main parties.

There are 44 ideas in the document, spread over seven sections, but there are two fundamental themes on which all are hinged.

The first theme is that, at this time of maximum peril for the grassroots night-time economy, we have to move from just regulating it to supporting and promoting it as well. To the degree that it requires regulation, so be it. But regulation alone is not enough – the grassroots night-time economy also requires nurturing if it is not to founder.

The second responds to the question: how shall we support it? The answer is by creating a national strategy for the sector and then cascading it to local level.

To develop that slightly, the manifesto makes seven interlocking suggestions:

1. Because the sector is part of the cultural economy, it should sit within DCMS, which is the only government dept with “culture” in its title.
2. There should be a minister to champion the sector nationally.
3. There should be a national night-time economy strategy board to advise the minister.
4. There should be a national strategy, which need not be prescriptive, but should be replete with ideas and examples of best practice from across the globe.
5. At local, sub-regional or regional level there should be offices for night life, staffed up where this can be afforded, but run by BIDS or on voluntary lines where it can't; in either case advising local authorities on their night-time economies.
6. Local authorities should publish their own night-time economy strategies, taking account of national strategy and local advice.
7. Those strategies will inform planning, licensing, cultural and other relevant policies.

Darkest before the dawn

If these simple ideas are adopted, then for the first time the night-time economy will be officially recognised as important at Cabinet level and in the heart of local government. It would be a huge leap forward for the cultural life of the nation.

From those core ideas flow further sections in the manifesto, setting out more detailed ideas.

Placemaking. This section exhorts authorities to consider late-night zones, night-time enterprise zones, cultural industries' quarters, artists' quarters and cultural heritage designations of historic night-time venues. It suggests planning policies to protect local authenticity in the night-time economy, and urges better support for agent of change principles.

Licensing. The section on licensing asks for proportionality to be properly embedded in licensing legislation, for cumulative impact policies to be a last rather than first resort and for partnership to be promoted in policy. For years practitioners have debated what can be derived from police statistics, arguments which would melt away if there were a standardised approach to statistical reporting. It is suggested that remote hearings be placed on an express statutory footing, and that measures be implemented to make appeals quicker and cheaper. There is also a suggestion of exemption from licensing for small night cafes.

People. The underpinning theme is upskilling of licensing committee members, workers and responsible authorities. A recommendation is made for a local ombudsman to facilitate investment, guide applicants and mediate disputes. Street ambassadors should be promoted in national guidance, and security providers should be licensed. Further, to avoid venues being threatened by criminal conduct of some customers, national strategy should focus on the perpetrators rather than the place where they elect to commit their crimes.

Best practice. Good practice schemes such as Best Bar None, Purple Flag and Pubwatch should be promoted by government; local authorities should accredit night safety champions and promote late-night transport; and central government should encourage sustainability and foster diversity in the night-time economy. The Home Office has recently licensed a city centre drug testing facility in Bristol – a national roll-out should follow in due course.

Costs and finance. The manifesto urges financial assistance to the night-time economy, including VAT cuts reflecting the fact that the tax on hospitality is the highest in Europe. Business rates should be restructured and reduced and late-night levies abolished. There should be a review of licence fees, a national fund for the protection of cultural venues and cultural tokens for young people. To prevent a repetition of the business uncertainty during the pandemic, there should be an equitable business interruption insurance scheme backed nationally. Finally, local authorities should be empowered to impose a tourism levy to support local initiatives, be it pedestrianisation, greening, WCs or late-night transport infrastructure.

Conclusion

No doubt, there are other ideas – the NTIA enjoys no monopoly. However, what it views as non-negotiable in its manifesto is a change of mindset. Put straight, Government needs to get off the industry's back and get by its side. NTIA hopes that its sector will be represented at the Cabinet table and championed at the heart of government.

To reduce a detailed document to a single thought, it is this. We have presented our children with profound challenges to solve: economic, climate, ecological and geo-political. Can we, perhaps, also bequeath them a place to dance?

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