

UNLOCKING GROWTH BY VITAL SUPPORT FOR NIGHT-TIME ECONOMY SMEs

NTIA NIGHT TIME
INDUSTRIES ASSOCIATION

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This briefing sets out priority policy support, fiscal and non-fiscal, for the UK's **£153 billion night-time economy (NTE)** to: a) prevent unsustainable closures, job losses and economic contraction; and b) unlock vast potential and growth across local, regional and national economies. Key background and statistics informing these are annexed.

1. Urgent Economic Support and Fiscal Headroom for SMEs

- A. **Adjust Employer NIC thresholds** for cultural and hospitality SMEs, scaling contributions based on turnover to boost job creation, protecting the most vulnerable.
- B. **VAT reduction to 15% for NTE businesses** covering food, alcohol, and tickets, bringing us closer to European tax standards and boosting business and consumer confidence.
- C. **Provide targeted Business Rate Relief for grassroots and cultural SMEs** by revenue banding until reform is implemented, while removing the relief cap of £110,000, a proportionate approach increasing tax revenue while minimising closures.
- D. **Expand energy relief, cap or subsidy schemes** for nightlife venues, preventing closures due to unsustainable all-time-high costs.

2. Safe Streets and Infrastructure with Effective Security Partnerships

- A. **Increase police presence on streets at night** by deploying more officers on patrol and in dedicated night safety hubs to enhance visibility and deter crime, particularly in high-footfall areas and nightlife districts.
- B. **Strengthen public-private security partnerships** through NTE forums to foster collaboration between law enforcement, local authorities, and businesses, leveraging best practices from successful local initiatives.
- C. **Invest in critical safety infrastructure** by committing funding for improved street lighting, CCTV coverage, and safer public transport options to create a more secure environment for residents and visitors.

3. Ensuring NTE Access by Transport

- A. **Develop a Comprehensive National NTE Transport Strategy** with an integrated transport strategy that aligns services with night-time demand, ensuring close collaboration with NTE representatives, including SMEs, to enhance accessibility and efficiency.
- B. **Expand Late-Night Public Transport Coverage** including a national target to increase late-night public transport availability by 20% within five years, with a focus on improving services in underserved areas.
- C. **Invest in Sustainable and Inclusive Night Transport** by supporting the development of eco-friendly night-time transport solutions, including low-emission services, and introduce incentives for private 24-hour transport providers to enhance accessibility and reliability.

4. Licensing and Planning De-regulation and Easements to Stimulate Growth

- A. **Enhance licensing decision-making efficiency** by improving the effectiveness and consistency of national licensing frameworks through a balanced, growth-focused regulatory approach that ensures proportionality while minimising unnecessary restrictions. Explore opportunities for deregulation and simplification within licensing and planning processes.

- B. **Accelerate proceedings and reduce costs** by streamlining application, appeal, and review processes through adopting more efficient hearing methods, such as remote proceedings led by regional licensing judges, to lower costs and minimise delays.
- C. **Ease regulations on multi-use and industrial spaces** by reducing bureaucratic barriers, while fostering community ownership and investment through initiatives like the Restoration Fund and other supportive measures.

5. Data-Driven Policy and Strategic Investment

- A. **Create a centralised NTE data platform to track trends** in footfall, transport demand, and economic impact, providing evidence-based insights for policy decisions.
- B. **Publish regular NTE impact reports** to ensure government and local authorities make informed choices grounded in data rather than assumptions. Align ONS data with industry classifications that meet global standards for better comparability.
- C. **Ensure policy and regulatory decisions use data and consistency, not stigma** by requiring the National Police Chiefs' Council to collaborate with government departments and trade associations, ensuring any restrictions are supported by clear statistical evidence.

6. Nightlife-Inclusive Modern Cultural Policy

- A. **Reframe heritage, community protection and listing schemes for nightclubs and music venues to reflect contemporary culture**, ensuring they are valued alongside traditional spaces such as galleries, museums, and theatres, including under National Portfolio schemes.
- B. **Ensure Government support and strategy includes nightlife culture and its value**, such as through the Arts Everywhere Fund, Sector Plan, and Growth and Innovation funds.
- C. **Prevent planning policy from closing cultural NTE spaces** by incorporating explicit support for the NTE into the National Planning Policy Framework. This should promote consistent application of the Agent of Change principle, integrated planning and licensing, and balanced noise complaint management. Additionally, this approach will streamline housebuilding by reducing the risk of late-stage challenges.

7. National Leadership and Strategy For The NTE

- A. **Appoint a dedicated Minister for the Night-Time Economy** to provide clear leadership, efficiencies, and integration into broader Government strategy and priorities.
- B. **Mandate local NTE strategies** for all local authorities, ensuring alignment with national policy while addressing regional needs and devolution.
- C. **Develop a National NTE Strategy**, led by a NTE Strategy Board with input from regional representatives, including Mayors, strengthening devolution and empowerment aims.

Annex A: Value, issues and potential of the NTE

- The NTE is the vast economic activity between 6pm-6am and the supply chain networks that support it: clubs, pubs, bars, promoters, security firms and much more, predominantly led by independent entrepreneurs.
- The UK's **£153 billion NTE** has been core to our cultural and economic history, vital for fostering creativity, innovation, and the grassroots movements that define it.
- The NTE **supports over 2.11 million jobs** and is one of the largest employers of under-30s, with shared policy needs and vast growth potential.

Issues and Closure Rates:

- Spiralling costs for supply chains, staffing, energy and rent, combined with drastically reduced consumer spending, high VAT, business rates and alcohol duties - plus repayments on pandemic loans - has created a **cost of business crisis**.
- **The risks of doing business** for NTE SMEs is also a uniquely pressing challenge. Crippling licensing and planning issues are widespread, as are increased regulatory pressures. This reflects the distinct lack of support or recognition of worth for nightlife culture and business, compared to other cultural, grassroots or community spaces.
- Over the past four years, these have resulted in the **closure of over 23,000 NTE businesses, leading to a staggering £95 billion in lost revenue. Since March 2020, we have lost 32.7% of the nation's nightclubs**, grassroots spaces for electronic music, a leading UK genre.

Key Trends and Statistics from Annual NTE Report 2024 by NTIA/CGA by Neilson:

- Totalling 2.11 million jobs in 2023, and within this the Night-time Cultural Economy employed 471,000, however employment in key areas has seen sharp declines:
 - Licensed club employment fell from 88,300 in 2022 to 68,200 in 2023.
 - Pub and bar employment dropped from 540,400 in 2022 to 474,300 in 2023.
- Despite a post-pandemic rebound, growth across all sectors has slowed since 2023, emphasising the broader economic pressures on the industry. The UK's NTE remains a major economic force, but growth is slowing due to rising operational costs, with the key measure of industry productivity, GVA, indicating clear stagnation.
- The industry has demonstrated resilience, but economic pressures require urgent attention to prevent unsustainable business loss, and sustain long-term growth.

Impact and Prospects Post-Autumn Budget:

- Once a vital engine of the national economy, NTE SMEs are now in severe jeopardy:
 - **90% of NTE SMEs now report devastating financial impacts** - forced to cut staff numbers and hours, operating hours and essential investments.
 - **40% are warning they will be forced to close within six months** unless urgent support is provided, a recent survey of over 500 businesses showed.
- The conditions heading into 2025 are proving even worse than the challenges faced during the pandemic, with disastrous consequences clearer by the day.

Potential of the NTE and Need to Act:

- NTE closures not only impact their immediate community but the local and supply chain economies, plus thousands of jobs they support. It is integral to our national identity, the grassroots spaces where communities create culture and progress to mainstream success - all where vital economic activity is generated.
- If the Government is pro-growth, business and stability, its recent policies are proving a final nail in the coffin for the very industries that drive its priorities: from economic vitality to culture, cohesion, talent, creative industries, tourism, soft power, access, innovation and growth - across local, regional and national economies.
- Our industry is not just about entertainment, it represents untapped economic and societal value of scale. It is clear that it must now be prioritised and supported.

Annex B: NTIA reports and consumer research evidencing NTE impact and support

1. [Night-Time Economy Tracker - February 2025](#) - NTIA CGA by NeilsonIQ.
2. [Electronic Beats, Economic Treats - NTIA Electronic Music Report February 2025](#)
3. [2024 Night Time Economy Report](#)
4. [NTIA Manifesto](#) - provides more information on most above asks.

Annex C: Obsurvant consumer survey of 2001 young people summary - full results in separate attachment - February 2025

- **Declining Nightlife Engagement:** 61% of respondents reported going out less frequently in the past year, with only 16% stating they go out more after 10pm.
- **Financial Pressures:** 68% of young people said the current economic climate has reduced their participation in night-time activities, and 53% reported spending less on going out compared to last year.
- **Safety Concerns, Especially Among Women:** Almost a third of respondents feel negative emotions when out at night (e.g. fear, anxiety, uneasiness or being unsafe) with women significantly more likely to report these concerns.
- **Transport Barriers:** Over half of women surveyed expressed concerns about travelling late at night. 69% of all respondents stated that better late-night transport options would encourage them to stay out later.
- **Lack of Confidence in the Government:** Over half of respondents, particularly those who feel unsafe, expressed low confidence in the Government's ability to address their concerns. Notably, 89% of those who feel unsafe, anxious, uneasy or fearful, do not have confidence in the Government's ability to address these issues.

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ABOUT THE NTIA

The NTIA is the leading voice for the UK's night-time economy, advocating for the interests of businesses, workers, and consumers within the sector. The NTIA works to influence policy, promote innovation, and ensure the sustainability of nightlife culture.

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