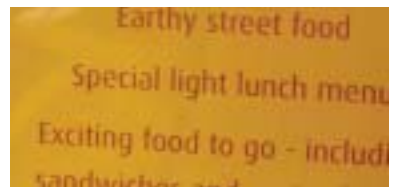


Spending Time

London's Leisure Economy



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1	Foreword
2	Executive summary
4	Introduction: The value of London's leisure economy
6	Chapter 1: London – setting the trends
18	Chapter 2: London's leisure economy
30	Chapter 3: Dining in London
38	Chapter 4: Drinking in London
46	Chapter 5: Entertaining in London
54	Chapter 6: Sporting in London
62	Chapter 7: Gambling in London
70	Chapter 8: Visiting in London
78	Conclusion
82	Appendix A: Supporting calculations
86	Appendix B: References

Foreword

We all enjoy our leisure time and as London grows in terms both of people and incomes, more people will want to enjoy a greater range of leisure activities.

Some leisure is a solitary evening with a good book. However, much of it is social and involves eating, drinking and entertainment. These are important business activities, creating jobs, opportunities and giving London part of its inimitable buzz.

Leisure, tourism and visitors are vital components of London's success. This is easy to see when we look at the effect on London's economy of the recent turnaround in visitor numbers as a result of the Iraq war and its impact on international tourism. My response was to launch the *Totally London* campaign to encourage visitors – both Londoners and other tourists – back into the capital's attractions. Following on from the success of this campaign, further activities are being planned.

This report provides an economic analysis of this part of London's life, which helps us to understand its importance to the economy and to Londoners. It brings together previously disparate research on the size and scale of

the restaurants, pubs and clubs, entertaining in theatres and cinemas, sports, gambling and visitor attractions. All of these are key parts of enjoying London.

The report estimates that a quarter of the national leisure economy is in London and that it has grown by nearly 30 per cent from 1995 to 2001. Leisure activities employ nearly 300,000 people. These are significant figures on any reading and will become more important still.

London has particular strengths in dining, theatre and cinema and visitor attractions. Although the major attractions and the central West End obviously play an important role in these activities, other centres are also becoming important – both in central London and other boroughs.

In addition, the leisure sector provides entry level and part-time jobs which are vitally important in giving the widest possible range of job opportunities to Londoners.

This report helps us to identify the opportunities and constraints that face the leisure sector. This is important to the way we support the visitor and tourist industries and provide leisure services for Londoners.



A handwritten signature in black ink that reads "Ken Livingstone". The signature is stylized, with the first name "Ken" written in a cursive-like script and the last name "Livingstone" in a more formal, slightly slanted script.

Mayor of London

Executive summary

London's leisure economy

London's population is growing, the number of jobs is rising and disposable incomes are increasing. With less time but more spending power, the way people choose to spend their time and money is changing. Increasingly, it is on activities away from home – dining, drinking, theatre and cinemas, playing and watching sport, gambling and visiting London's vast numbers of attractions.

Spending Time: London's Leisure Economy considers how leisure contributes to London's economy. It looks at demographic trends in London compared with the UK and how this drives demand for leisure activities.

The report divides the leisure sector into six activities: dining, drinking, entertaining, sport, gambling and visiting. To understand the significance of London's leisure sector, the numbers of jobs and the value of the market are compared with figures for Britain. This is the first report to bring together a range of research on these activities, using widely available economic and business data to calculate their importance to London. The retail sector is not dealt with here, but will be the subject of a separate analysis.

Leisure activities in London

GLA Economics estimates that leisure adds £9.5 billion to London's economy and £38 billion to the national economy. On these figures, London has a quarter of Britain's leisure economy, significantly more than its share of national GDP, which indicates a strong competitive advantage when it comes to leisure.

Dining

Dining out in London employs 121,000 people and generates sales of up to £4.7 billion. The market for eating out is being shaped by rising disposable incomes, demand for convenience food and intense competition between restaurants and fast food chains.

Drinking

London's bars employ 58,000 people and have sales of up to £2.4 billion. The biggest spenders in bars are people aged 18-35 and London has a higher percentage of this group than Britain as a whole. Rapid growth has been driven by the expansion of branded high street pubs.

Entertaining

London's reputation as an entertainment capital is worldwide. Its theatres employ 45,000 people, 40 per cent of the national total in entertaining,

and produce box office revenues of £450 million. The West End makes a significant contribution, although theatre attendances have been declining.

Sporting

Sport in London – spectating and participating – employs 29,000 people and generates £700 million in sales. Spectator sports account for a fifth of the market, and football has the largest share. In sports participation, fitness activities are becoming more popular with more people joining private health clubs.

Gambling

Gambling and betting employs 20,000 people in London, and has sales of almost £900 million. Casinos are particularly significant – London has 60 per cent of the nation's casino bets. Gambling is declining in popularity, but the market is being changed drastically by developments in internet gambling.

Visiting

Fifteen thousand people work in London's visitor attractions and the market is worth £380 million. The number of attractions has grown rapidly, and additions include the London Eye, Tate Modern and free entry to major museums and galleries. However, visits per attraction are falling.

The future

Leisure is one of the fastest growing sectors in London.

It will provide job opportunities for a growing number of Londoners across many parts of the city. The West End continues to grow, but in theatres and cinemas, dining and pubs and clubs, growth is more rapid outside the West End. Over the longer term, the leisure sector will create more jobs across the whole of London.

The jobs are varied and flexible, and cater for a changing workforce with different needs and demands. There are full and part-time positions, and jobs for all skill levels including entry level, managerial and professional.

A thriving leisure economy also enhances London's reputation as a world city and a major tourist destination. Restaurants, entertainment and first-rate visitor attractions draw people from all over the world.

The economic benefits of growth in leisure, such as increases in employment and incomes, are also accompanied by social benefits. Leisure activities bring people together and encourage them to go outside or away from their homes.

The challenge for governments and businesses will be to balance growth with environmental and social implications.

A coordinated policy approach will help to minimise any downsides from a growing leisure economy. For example, careful planning can help to reduce the impact on local neighbourhoods of noise and pollution from drinking and dining activities. This report also provides a picture of London's leisure sector in light of changing licensing laws and debate about late-night public transport.

Spending Time: London's Leisure Economy is a starting point for discussion about how the Mayor, the GLA group, boroughs and other London organisations and businesses can work in partnership to realise the benefits of a growing leisure economy.

Introduction: The value of London's leisure economy

Interest in the leisure economy

How people choose to spend their time is changing. It is widely acknowledged that there has been a change in the volume and nature of economic activity in leisure. Today's consumers have greater spending power and higher expectations than their predecessors.

London, as a world city, is at the forefront of change. Policy-makers, businesses and the general public have an interest in why and how the economy is changing, the implications of change, and what is being done to ensure society benefits. Specific aspects and local impacts of parts of the leisure economy are often explored, but little has been done to illustrate how the changing leisure economy is shaping London as a whole.

Spending Time: London's Leisure Economy attempts to understand some of these changes from an economics perspective. The sector is a major employer. It is expected to generate more jobs, providing a range of employment

opportunities across the city. It is also one of the main reasons why London is such a vibrant and exciting place to live and work. As London's finance and business services thrive on face-to-face contact, leisure activities also help support its world city status.

This report considers what drives people's demand for, and supply of, leisure activities. It assesses the implications for the market, businesses, employment and the geography of London. It also considers some of the policy implications the sector presents. It compliments previous work by GLA Economics, especially *Creativity: London's Core Business* and *Spreading Success: How London is Changing*.

Furthermore, the recently introduced Licensing Act 2003 will have an impact on London's leisure economy. The Act sets out to liberalise licensing laws dating from the first world war and will introduce more flexible opening hours with the potential for pubs to open 24 hours a day, seven days a week. There will be a single scheme for licensing premises and licenses will be issued by

local authorities rather than through the courts.

Defining the leisure economy

For the purposes of this report, leisure is defined as follows:

Restaurants, bars, sports stadiums and sports activities, gambling and betting, and museums and visitor attractions. The definition of leisure used in this report closely equates with the activities listed in the London Development Agency's measure of tourism and leisure in *A Review of London's Key Sectors*.

Entertainment activities such as cinemas and theatres are also considered part of the leisure economy in this report, although they are sometimes categorised as creative industries. The GLA Economics report, *Creativity: London's Core Business*, explores London's creative industries.

These activities share a common theme. Each involves people leaving their homes, moving around the city, and purchasing the experience of leisure, fun and enjoyment.

A significant part of shopping is also seen as a leisure activity – in fact, Londoners currently rate shopping for leisure as their favourite leisure activity.

However, retail is complex; it involves both the purchase of goods and experiences. While some aspects can be viewed as leisure activities, such as buying gifts, others may be chores, such as the weekly grocery shop. Retail and leisure are often interdependent. People may shop and then go to café or visit a cinema. The scale and breadth of retailing in London is so large it warrants a study in its own right, and this is something GLA Economics will return to in the future.

Some leisure activities take place in the home – watching TV, playing monopoly or hosting a party. Some leisure activities are genuine public goods, such as a stroll through the streets or a run in the park. In this report, leisure is more narrowly defined as activities that happen outside the home. It is what draws people outside their homes and workplaces to spend time and money going out and about in London.

The evening and weekend economy

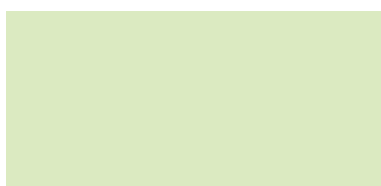
The evening and weekend economy, or similar terms such as the late-night economy, night-time economy, 24-hour city or 24-hour society have generated wide discussion.

However, these terms are not easy to define. This report avoids them because they can cause statistical and definitional confusion. Economic activities cannot be readily separated into 'when' they occur. Economic statistics on employment, output and consumption invariably measure the 'what' of goods and services.

Pubs are part of the evening and weekend economy, but they are also open during weekdays. Restaurants are busiest at evenings and weekends but

much of the trade is at weekday lunchtimes. The peak time for many visitor attractions is at weekends, but attractions are open throughout the week and some of London's galleries and museums now have late-night openings. Retail also occurs through the evenings and weekends. Shopping can be done during weekdays, weekends or at 3am in an all-night supermarket. Retail cannot be neatly placed as a time specific activity. Security and policing are as much a part of the night economy as of the day. There are night shifts in hospitals, factories, media, transport, early morning deliveries and cleaning, and people work late in offices.

There is no simple dichotomy between the evening and weekend economy and the economy as a whole.



Chapter 1: London – setting the trends

This chapter looks at some of the principal socio-economic drivers of change in London's leisure economy. It explains how the social and economic trends of a changing population and rising incomes have transformed the way that Londoners live and shaped the importance of leisure.

Social trends

Demographic change: London's growing population

London's population is growing rapidly. The total population is nearly 7.2 million people, an additional 330,000 people since 1995. This is a 4.6 per cent increase compared to a 1.5 per cent increase nationwide. There are projections for continued population growth in London with up to 700,000 more people by 2016.

In particular, London has a much larger share of people aged 19-24 years, and this group grew much faster in London than elsewhere in Britain.

London is a magnet for younger people who are drawn by work opportunities and lifestyle. Many do not have family or household responsibilities, and allocate much of their free time and income on leisure.

Time-poor families

There are 1.15 million people in London in the 35-44 age group (16 per cent) – more than the national share. The next age group, 45-54 years, represents a smaller percentage of the population in London than it does nationally with 11.5 per cent or 0.83 million people. Combined, these age groups make up 1.7 million people. The 35-44 age group is the fastest growing in London, at a rate outpacing the national

Expectations of young people

London has a high proportion of people in the 25-34 age group – 1.4 million people or 19 per cent compared with 14 per cent nationally (Chart 1.1). This age group is increasing in London but declining nationally (Chart 1.2). London also has a larger share of people in the 15-24 age group, 0.95 million or 13 per cent of its population.



Chart 1.1: Population by age

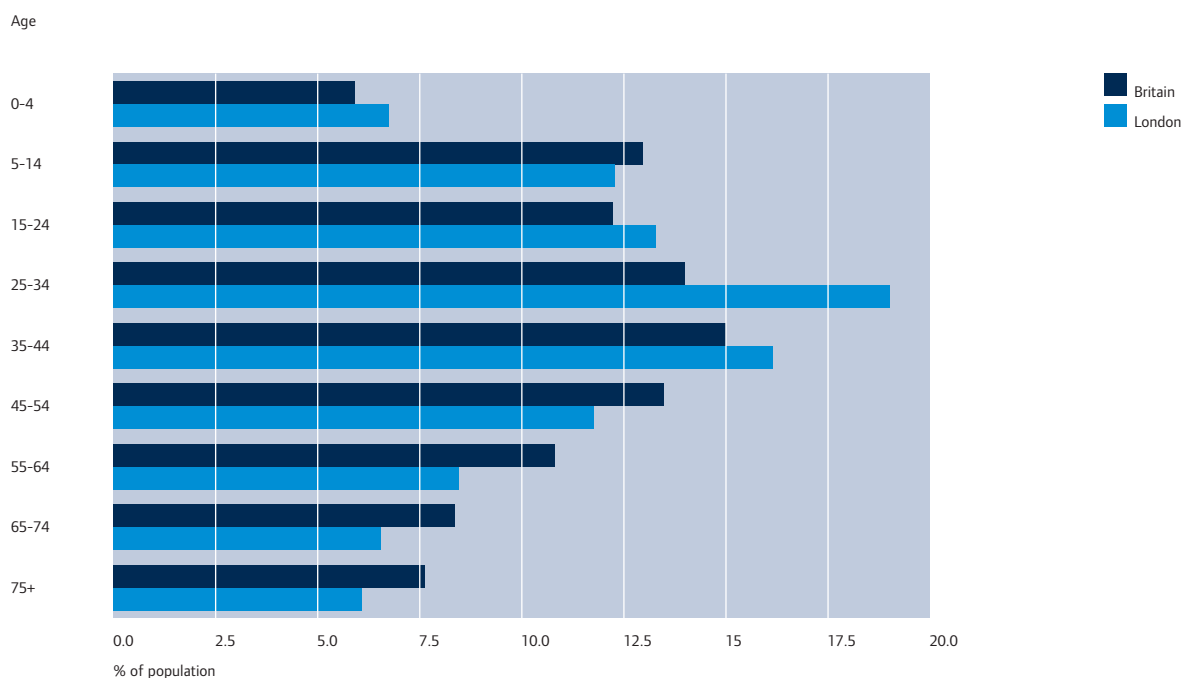
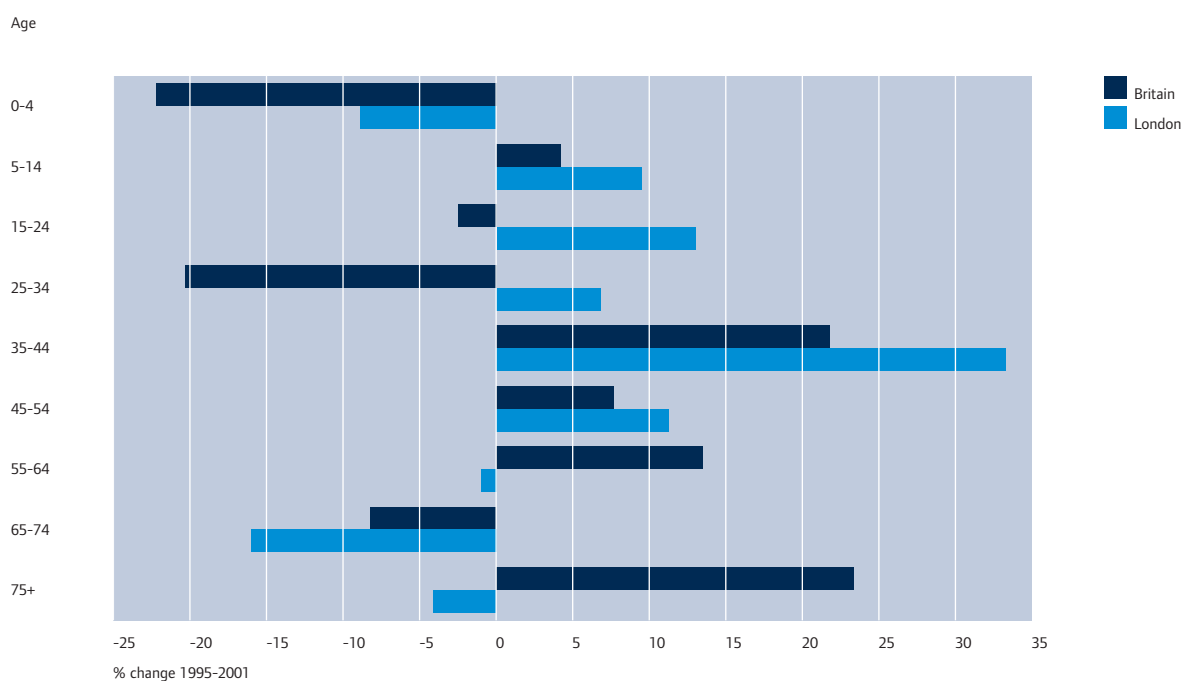


Chart 1.2: Population change



trend. The 45-54 age group has grown more slowly, but still at a faster rate than nationally.

Many people in these age groups are at the height of their incomes, but may have family and household responsibilities. They are likely to have very different requirements of the leisure economy than their younger counterparts, and often have to take the needs of children into account. This is also the group for whom time is likely to be scarcest and who will drive demand for more services outside of traditional hours.

Longer life and retirement

While Britain has an ageing population, with 19 per cent aged 55-74 years and 8 per cent over the age of 75, the picture is different in London.

Just 1.1 million people or 15 per cent of the population are in the 55-74 age group, and 0.4 million or 6 per cent are over 75. London's share of population in these groups is declining and total numbers are growing very slowly. As people get older and retire, many make the lifestyle choice to leave London for other locations.

Older and retired people are an integral part of London. Improving health and longer life expectancies mean they are often more active than before. Their needs from the leisure economy will differ in many ways from younger age groups. Their demand for leisure is not likely to be so restricted to evenings and weekends, and there may be increased demand for leisure activities during weekdays and nearer to where people live.

Economic trends: employment

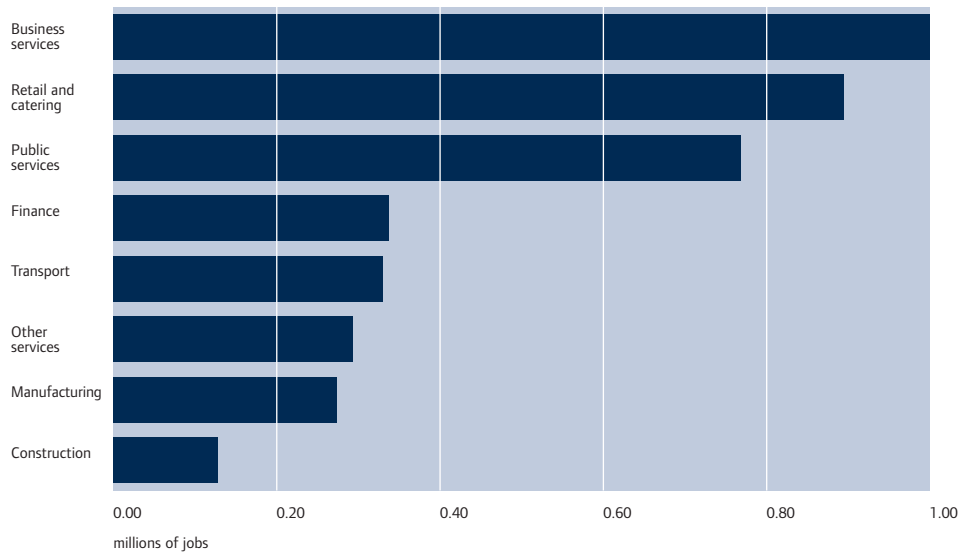
Growing employment

For the last several years, London has experienced its most substantial and sustained expansion in employment for decades. In 1995, there were around 3.5 million jobs in London. By 2001, there were a little over 4 million jobs. An extra 500,000 people with income from employment provides a boost for all of London's goods and services. Leisure activities benefit from this increased demand.

The composition of London's employment is important (Chart 1.3). Business and financial services account for 1.3 million jobs. Retail, distribution and

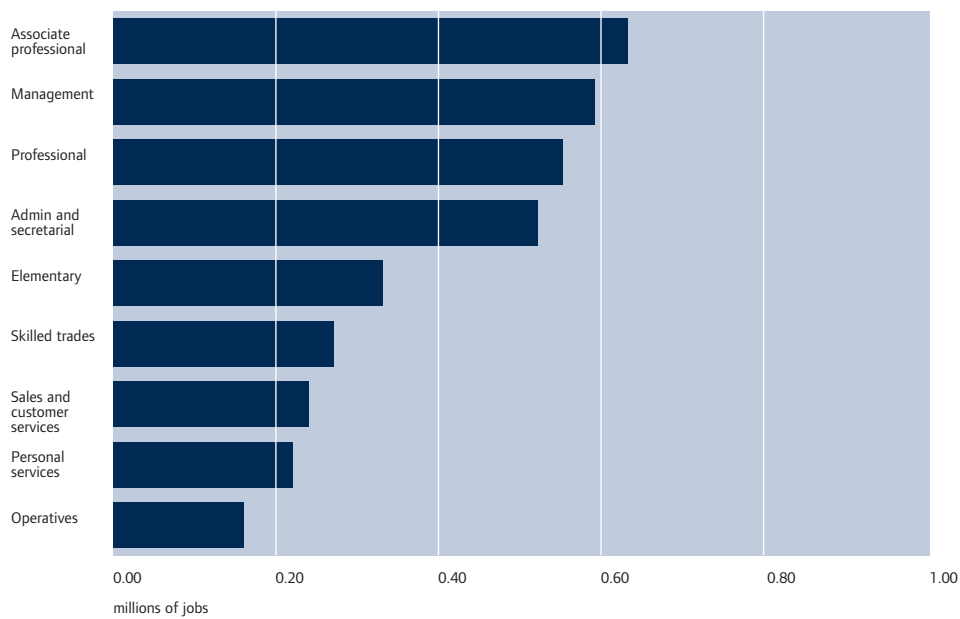
London has experienced its most substantial and sustained expansion in employment for decades

Chart 1.3: Jobs in London



Source: ABI 2001

Chart 1.4: Occupations of Londoners



Source: Labour Force Survey, ONS

catering provide 900,000 jobs. Public services provide 800,000 jobs and 300,000 are in other services including the creative and cultural industries. These sectors accounted for the majority of employment growth over 1995 to 2001.

London is, overwhelmingly, a service economy. The service sectors have accounted for the majority of the growth in jobs since 1995, while sectors like manufacturing, transport and communications have continued to decline. This shift has triggered a cycle of employment growth, with a market-led requirement for longer and more flexible times of business to trade with customers who work in similar services.

London's growth in services-led employment shapes the occupational structure of

employment. For example, skilled trades and machine operatives have become less significant. The service sector requires well-remunerated, high-tech and high-thought professionals in business and financial services, and also many public services, or the growth of lower paid, high-touch occupations interacting with customers in retail, catering and personal services.

Part-time employment and gender

The change in the sectoral and occupational structure of employment has corresponded with increased levels of part-time employment and the number of women who are working. In London, 24 per cent of jobs are part time. Part-time employment increased at a faster rate than total employment between 1995 and 2001.

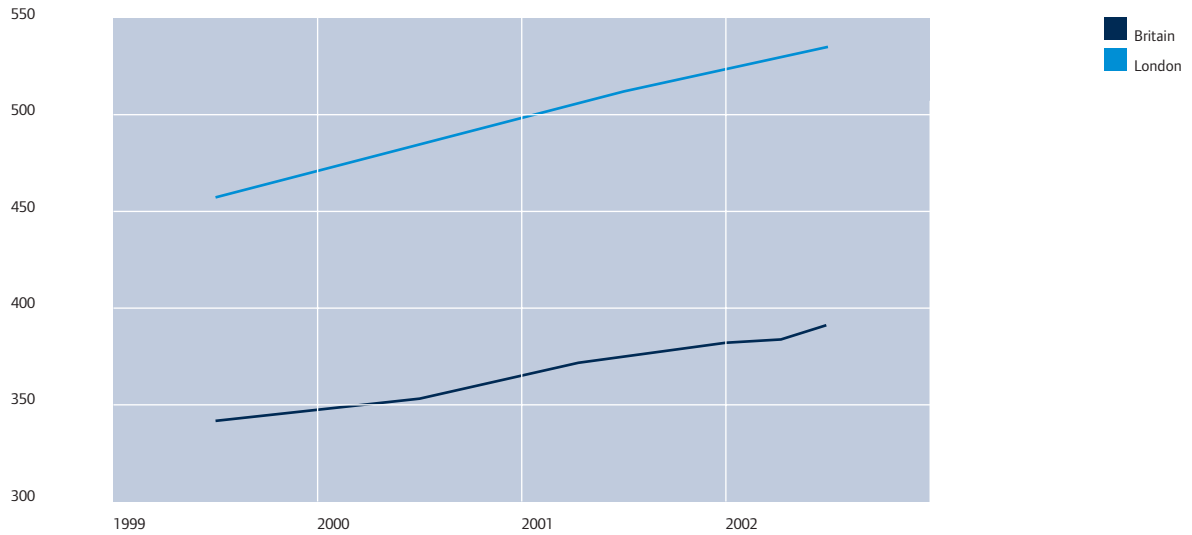
Women hold 47 per cent of jobs in London and are more likely than men to work part time. The picture for London differs from the national average. Women in employment in London are more likely to work full time than they are nationally.

This pattern reflects the expansion of services. Service sector jobs provide more employment opportunities for women and for flexible working. These changing work patterns have had important implications. The main services activities draw on a large share of female and part-time employees. More people becoming active in employment leads to a cycle of increasing spending power. This new employment means people become more cash rich, but increasingly time poor.

More people becoming active in employment leads to a cycle of increasing spending power

Chart 1.5: Wages

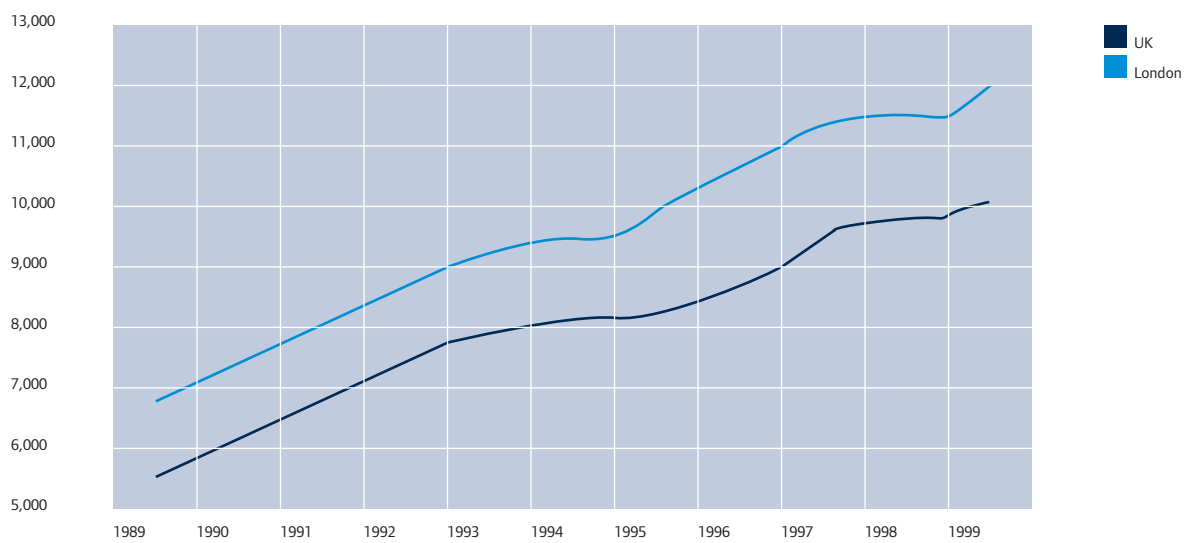
Gross weekly wage, £



Source: New Earnings Survey, ONS

Chart 1.6: Incomes

Annual disposable income per person, £



Source: Regional Accounts, ONS

Economic trends: income

The growth of earnings

London has the highest average earnings in Britain, with an average gross weekly wage of £510 – 38 per cent higher than the national average (Chart 1.5). Although the average disguises wide variations in the range of incomes, earnings in London are higher than the national average, and the wage gap with the rest of the country has continued to widen.

Over the longer term, average household disposable income per person has persistently been more than 20 per cent higher in London than nationally (Chart 1.6). As the economy has grown, the disposable incomes of households have continued to grow.

Economic trends: consumption

Changes in consumer spending

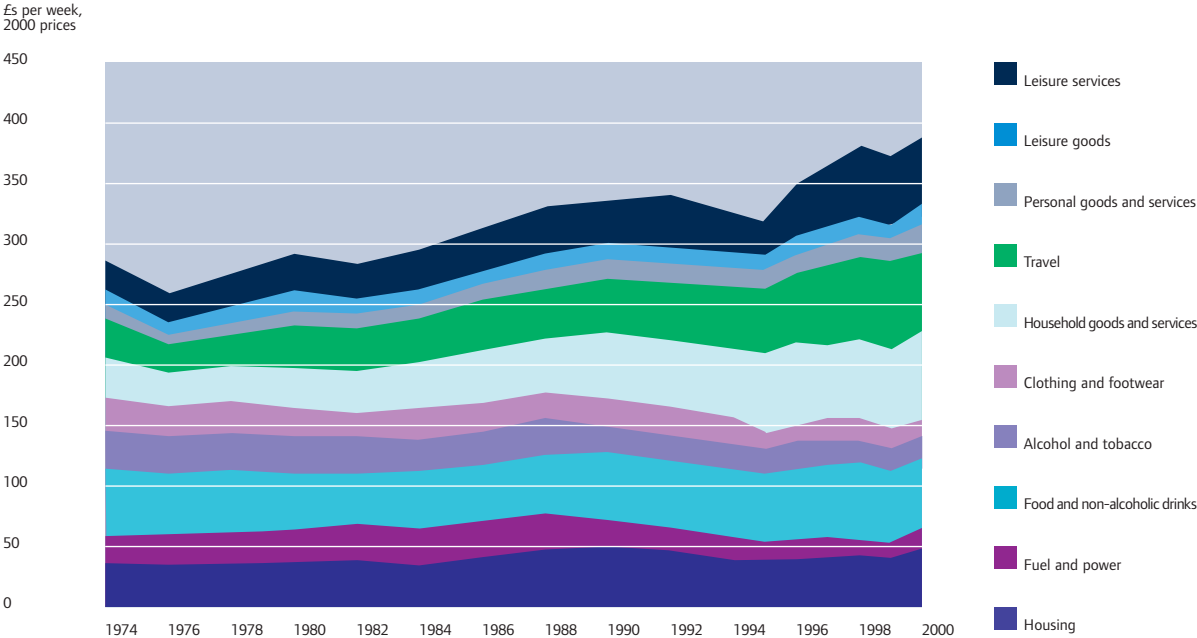
As real incomes rise, consumers have more choice about how to spend their money and have done so increasingly on leisure, recreation and culture. National household expenditure surveys highlight this picture. The average British household spent £385 per week in 2000, 37 per cent more in real terms than in 1974 when £280 was spent per week. As average household sizes diminish, the change in spend per person is even greater (Chart 1.7).

The transformation in consumer spending between 1974 and 2000 is in leisure. In 1974, the average British household spent

£13 per week on leisure goods including televisions and videos, games and sports equipment, rising to £19 in 2000, or 5 per cent of total spending. In leisure services, spending more than trebled from £16 to £50 per week. The share of total household expenditure on leisure services doubled from 6 per cent to 13 per cent. A fifth of household spending is now leisure related – more than the amount spent on the essentials of housing or food and drink. Households spent less in real terms on household fuel and power, clothing, tobacco, and food and drink in 2000 than they did in the 1970s.

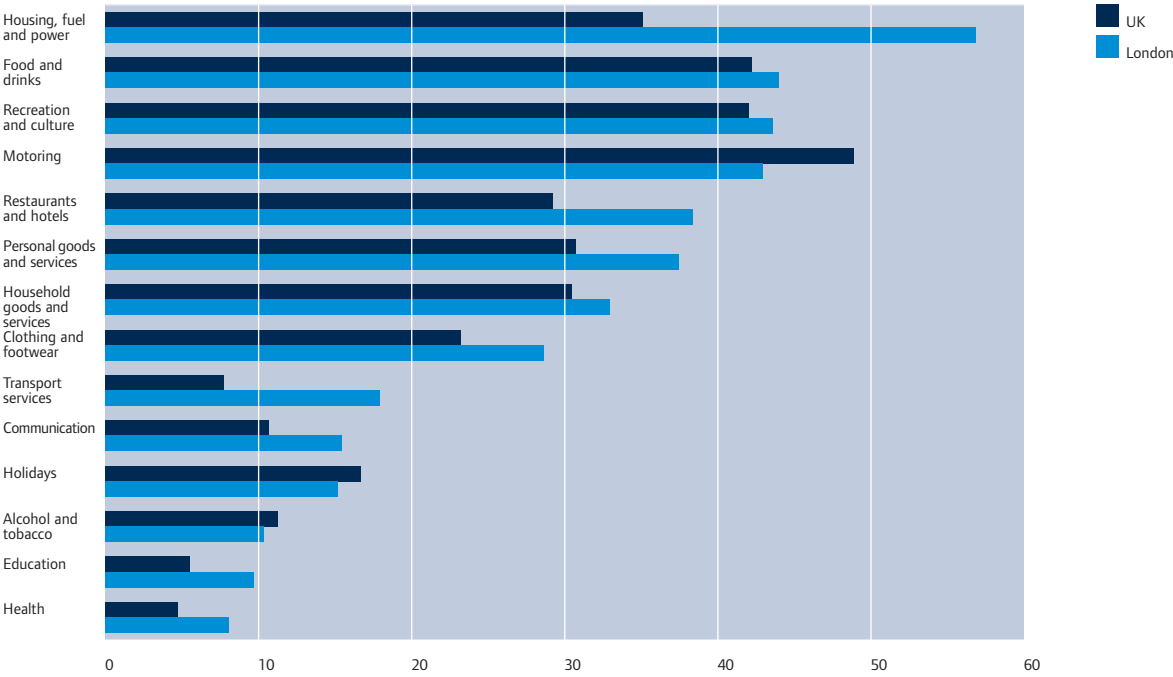
A fifth of household spending is leisure related

Chart 1.7: National household expenditure



Source: Family Expenditure Survey, ONS

Chart 1.8: Household spending



Source: Family Spending, ONS

£ per week

Spending patterns in London

The new Family Spending Survey provides a breakdown of household expenditure by regions, although the categories differ from the earlier Family Expenditure Surveys so results are not directly comparable.

London households spend an average of almost £500 per week, about 25 per cent more than the UK average. After mortgage interest repayments, council taxation and licences, London households are left with around £405 per week, 20 per cent more than the UK average, to spend on consumption.

Much of the leisure economy is captured in two household expenditure groups: (i) restaurants and hotels, and (ii) recreation and culture. London households spend 30 per cent more than the national average on restaurants and hotels. They spend only 5 per cent more than average

on recreation and culture, although this disguises spending patterns. Londoners spend less on recreation such as computer games, gardening, pets and open-air recreation but much more on entertainment and sports.

Demand for leisure

London households spend more on expenditure categories that include leisure activities (Chart 1.9):

- over £15 per week on restaurant and café meals, 40 per cent above the national average
- £10 per week on alcohol drinking outside of the home, 12 per cent above the average
- £6.50 per week on watching and participating in sports and leisure, 31 per cent more than the national average
- more than £3.30 per week on cinemas, theatres and other entertainment, 30 per cent more than the national average.

Using these categories to define leisure spending, London households spend more than £35 a week on leisure, almost 9 per cent of weekly expenditure.

Overall household figures for London differ across age groups, social groups and neighbourhoods, but show how significant the spending of London residents is in sustaining the leisure economy. Household figures for London do not include additional spending by people from outside the region who come to London for work or pleasure.

Spending by Londoners is significant in sustaining the leisure economy

Chart 1.9: Household spending on leisure

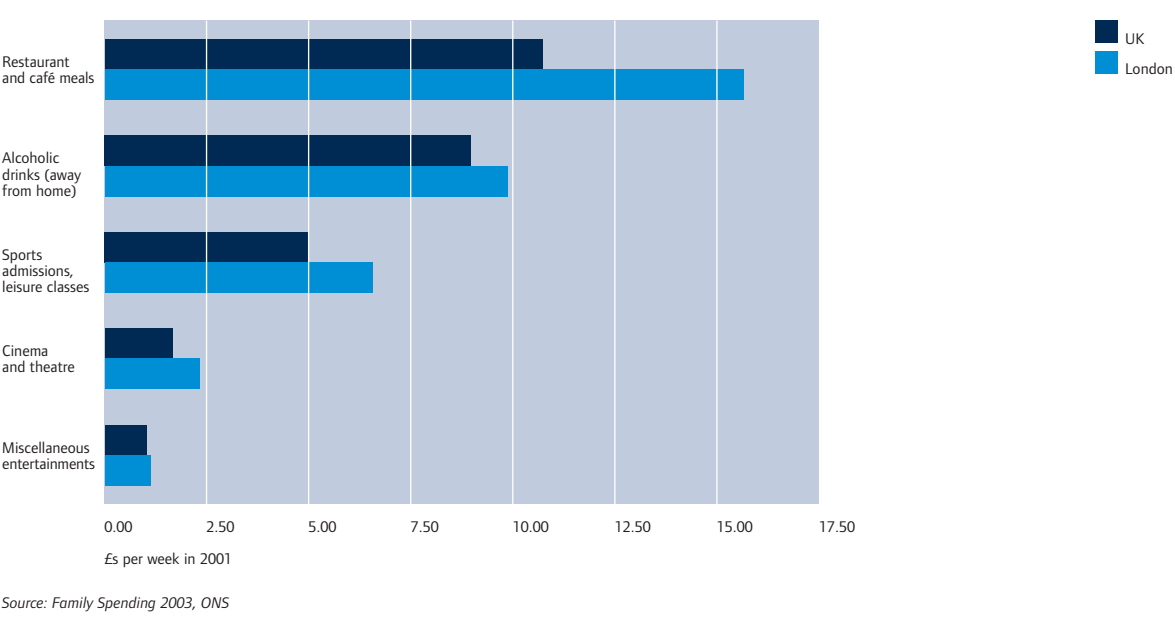
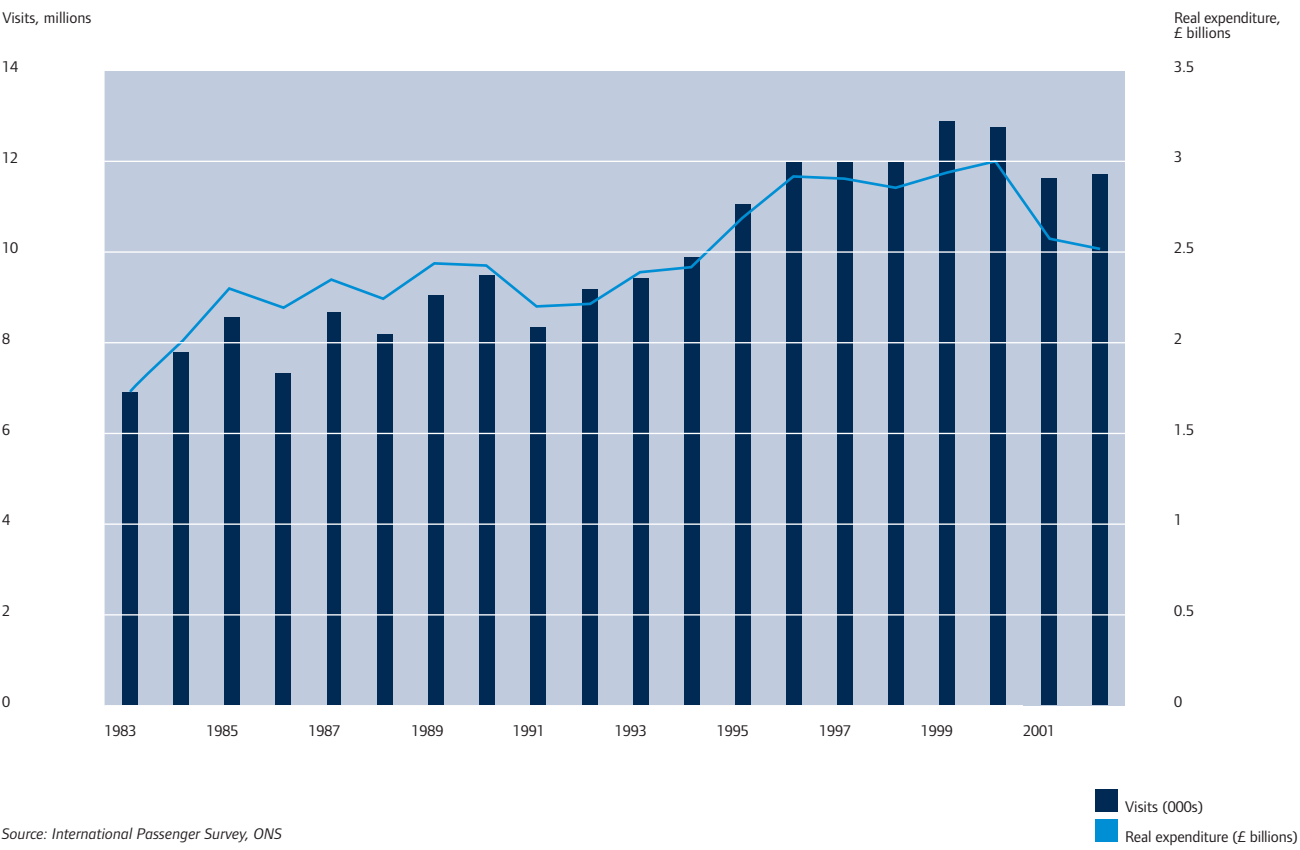


Chart 1.10: Overseas tourism in London



Economic trends: tourism

Expenditure by domestic and overseas tourists is important in sustaining the leisure economy. Tourism spending (including domestic and overseas residents staying at least one night, but not daytrippers) was worth £39 billion to the British economy in 2000, according to Visit Britain. Overseas and domestic visitors who stayed at least one night in London spent £10 billion in 2000. Domestic tourism accounts for two-thirds of tourism spending in the Britain. However, in London domestic tourists account for only a third of tourist spending, while overseas tourists account for around two-thirds. In London, overseas tourist visits and spending have been growing over the last two decades.

In a world of increasing competition between tourist destinations, London has retained its position as a major destination. The number of overseas visitors to London grew by 66 per cent between 1983 and 2002, and real spending grew by around 47 per cent.

Public policy implications

Although the rise of the leisure sector is overwhelmingly positive for London and Londoners, nonetheless some of the activities dealt with in this report have social and economic costs associated with them as well as benefits. Public policy has to address both sides of the balance sheet:

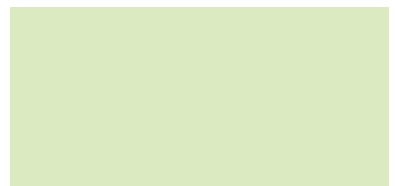
- Restaurants can be a source of noise and pollution that have an impact on local residents. The fast food culture is one of the factors behind the increase in obesity, which is a growing health concern and cause of illnesses with economic implications arising from demand for healthcare and lost working days.
- Taxation on alcoholic drinks provides substantial revenue to Government through VAT and, in some cases, excise duties. Up to a third of money spent on alcohol is paid in taxation, raising over £750 million in public revenue from London. At the same time, alcohol misuse has cost implications in terms of health costs; alcohol-related

crime and at work with lost productivity and absenteeism (see the NERA report for the GLA, *Alcohol in London: A Cost-Benefit Analysis*).

- Casinos and arcades attract visitors and bring direct benefits in jobs and income, and this is reflected in the interest shown by many towns – particularly seaside resorts – about the regenerative effects of gambling. National gambling also contributes £1.4 billion to government revenues through taxation, or equivalent to 5 per cent of bets. However, gambling can be addictive, and can lead to debt and financial difficulties.

There are many other benefits to participating in the leisure economy such as social gathering and interaction, educational benefits of museums, and pleasure from viewing works of art, all of which add to the cultural diversity of London.

How London policy makers are addressing these issues is dealt with in the conclusion of this report.



Chapter 2: London's leisure economy

This chapter identifies activities that make up London's leisure economy. Six broad groupings are used – drinking, dining, entertaining, sporting, gambling and visiting.

The activities are not mutually exclusive. A visit to the theatre may follow dining in a restaurant. There is also overlap within each activity. Meals may be served with drinks in a pub; drinks might be served with a meal in a restaurant. Economic statistics do not account for these distinctions, so analysis in this report is constrained to available data.

The starting point for economic statistics used in this report is the Annual Business Inquiry (ABI), conducted by the Office for National Statistics (ONS). The ABI provides data for employee jobs in Britain using standard industrial classifications. It does not, however, measure self-employment, which is significant in many of the leisure activities. Table 2.1 shows the ABI classifications used to estimate the size and value of London's leisure economy.

This report looks at each activity in detail. It explores their roles and market value in London's

economy, and the implications for business, people, places and policy. It sets the context by comparing leisure activities based on the numbers of jobs they sustain in London and the value they add to London's economy.

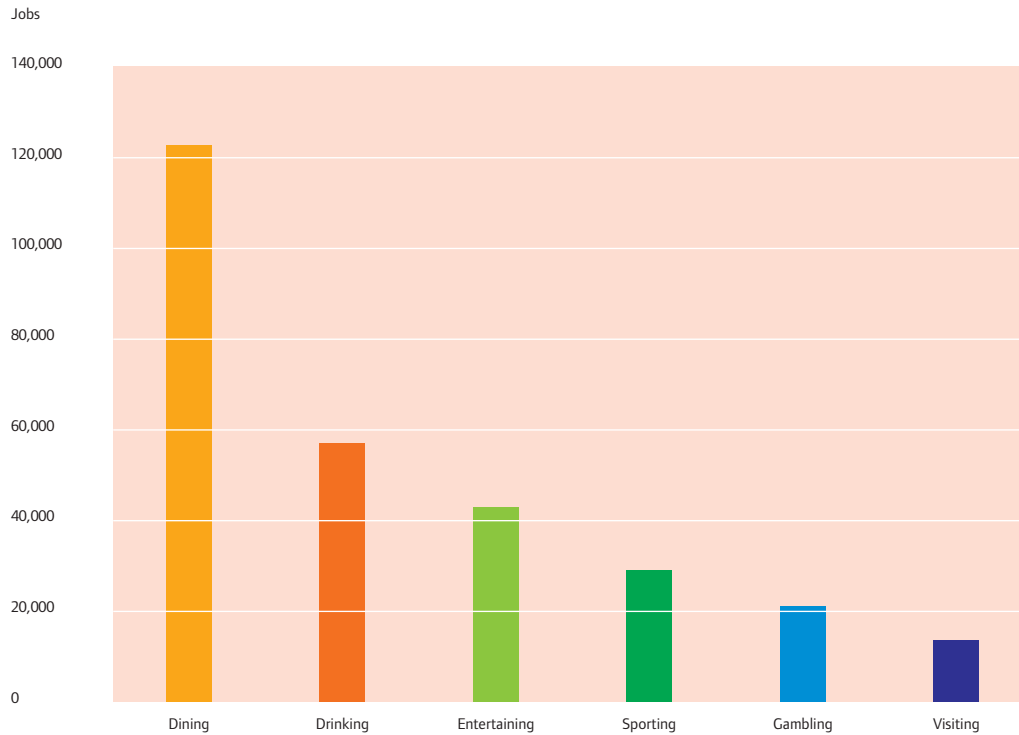
Jobs

Numbers of employees

Leisure activities in London employ almost 290,000 people (7.2 per cent of total jobs). More people are employed in leisure than in manufacturing (260,000), education (255,000) or healthcare (200,000), but less than financial services (325,000) and business services (1 million). The activities differ widely by number of employees (Chart 2.1):

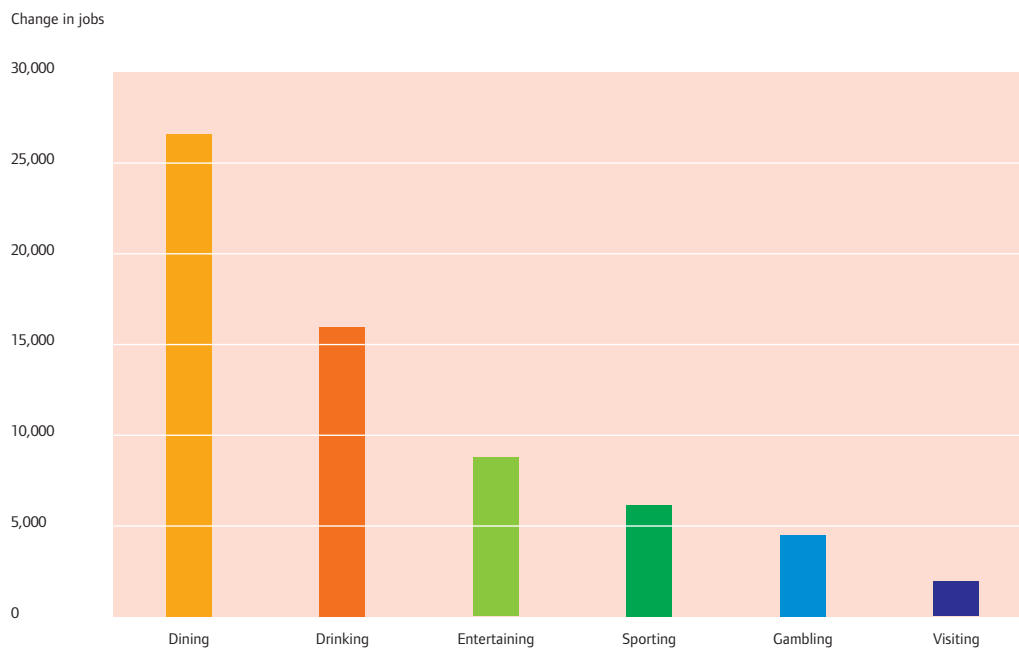
- Dining provides the largest number of jobs, with approximately 122,000.
- Drinking employs over 58,000 people.
- Entertaining creates jobs for more than 44,000 people.

Chart 2.1: Employment in London's economy



Source: ABI 2001

Chart 2.2: Growth in London's leisure jobs, 1995 to 2001



Source: ABI 2001

- Sport scores 29,000 employees.
- Gambling generates 20,000 jobs.
- Visiting attracts almost 15,000 employees.

Changing employment in London

Employment in London's leisure economy is growing (Chart 2.2). The six leisure activities combined added a net 65,000 new jobs between 1995 and 2001. Dining has seen the largest growth with almost 27,000 new jobs, followed by drinking with almost 16,000 additional jobs.

In percentage terms, the largest increase in employment is in drinking with more than

37 per cent growth, although growth has been high across all the groups with gambling up 31 per cent, dining up 28 per cent and sporting up 26 per cent (Chart 2.3). Overall, the number of leisure jobs increased by 29 per cent between 1995 and 2001, well above the 16 per cent growth in employment for London as a whole.

Leisure jobs across Britain

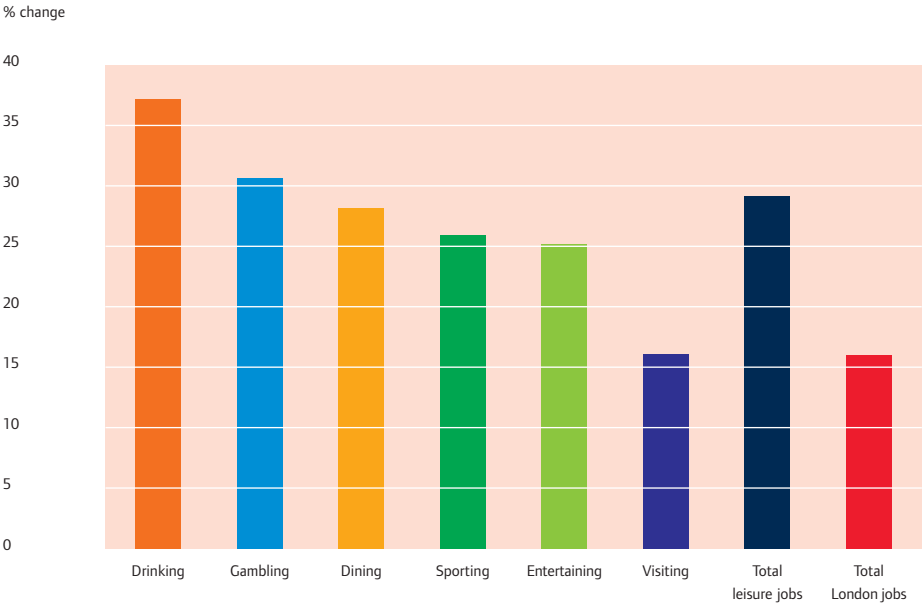
About 16 per cent of all jobs in Britain are in London. This increases to 18 per cent for the whole leisure sector (Chart 2.4). However, the relative importance to London of the activities that make up the leisure sector varies greatly:

- Up to 40 per cent of entertaining jobs are in London, with over 44,000 of 112,000 national jobs. London is overwhelmingly the entertainment centre of the nation.
- Similarly, London is the culinary heartland of Britain, with over 23 per cent of Britain's dining jobs.
- London has nearly 23 per cent of the nation's gambling jobs. Gambling is far more significant in London than the rest of Britain.
- The high number of visitor attractions in London mean it has more than 17 per cent of Britain's employment in visiting.

Table 2.1: Leisure sector industrial classifications

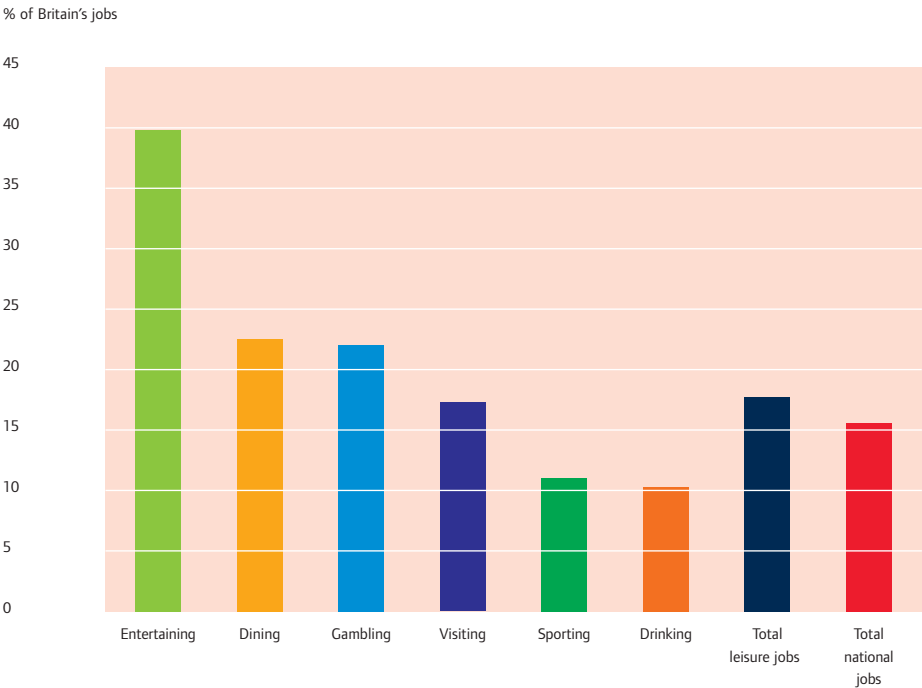
Spending Time grouping	Description	ABI standard industrial classification
Dining	Eating out in restaurants, cafés and takeaways	Restaurants: 5530
Drinking	Drinking alcoholic drinks in pubs, bars and clubs	Bars: 5540
Entertaining	Theatres, concert halls and spaces with live performances or movies	Motion picture projection: 9213 Operation of arts facilities: 9232 Artistic and literary creation and interpretation: 9231 Other entertainment activities: 9234
Sporting	Participation sports and exercise, and spectator sports	Operation of sports arenas and stadiums: 9261 Other sporting activities: 9262 Physical well-being activities: 9304
Gambling	Casinos, bingo and bookmakers	Gambling and betting activities: 9271
Visiting	Touring or viewing an attraction	Museum activities and historical sites and buildings: 9252 Botanical and zoological gardens and nature reserves: 9253 Fair and amusement parks: 9233 Other recreational activities: 9272

Chart 2.3: Change in London's leisure jobs, 1995 to 2001



Source: ABI 2001

Chart 2.4: Leisure jobs across Britain



Source: ABI 2001

- In sporting, London has just 11 per cent of the nation's jobs, less than London's share of total jobs.
- London has less than 11 per cent of Britain's drinking jobs. Pubs and bars are less important to employment in London than nationally.

The value of the market

The size of Britain's leisure markets

The markets for leisure activities are hard to define and measure. Many markets are inter-linked and some companies operate in several different markets. To ensure a consistent approach, market intelligence from ICC-Keystone has been used as base figures for the size of the national market for these leisure activities. The figures have been crosschecked against supporting market intelligence from Mintel.

The main features of Britain's leisure market are:

- Dining in restaurants, cafés, and takeaways is calculated at £15.5 billion (2002).
- Drinking in pubs, bars and nightclubs is estimated at £13.8 billion (2002).
- Entertaining box-office revenues are estimated to be £394 million from cinemas and £628 million from theatres (totalling around £1.02 billion 2000).

- Gambling is an unusual market to define as no goods or services are technically exchanged. In total, gambling is worth £28.7 billion in bets placed (2002). From this, bets placed in bookmakers, casinos and bingo are £13.1 billion and the amount kept by businesses is estimated at £2.2 billion.
- Spectator sports box-office revenues amount to £750 million, but this does not include the impact of media and sponsorship. The market value of people participating in sports and fitness is around £3 billion.
- Visitor attractions have a market value of £1.5 billion.

The total market value of the leisure sector to the national economy is £38 billion each year.

London's market share

There is a lack of data on market values for London's leisure sector. This is not surprising as even measuring London's share of national output as a whole is not possible at present. GLA Economics is reviewing the availability of London-based statistics with the Office of National Statistics.

London-specific figures are collected for some leisure markets. For example, the Society of London Theatres monitors the takings of West End productions. However,

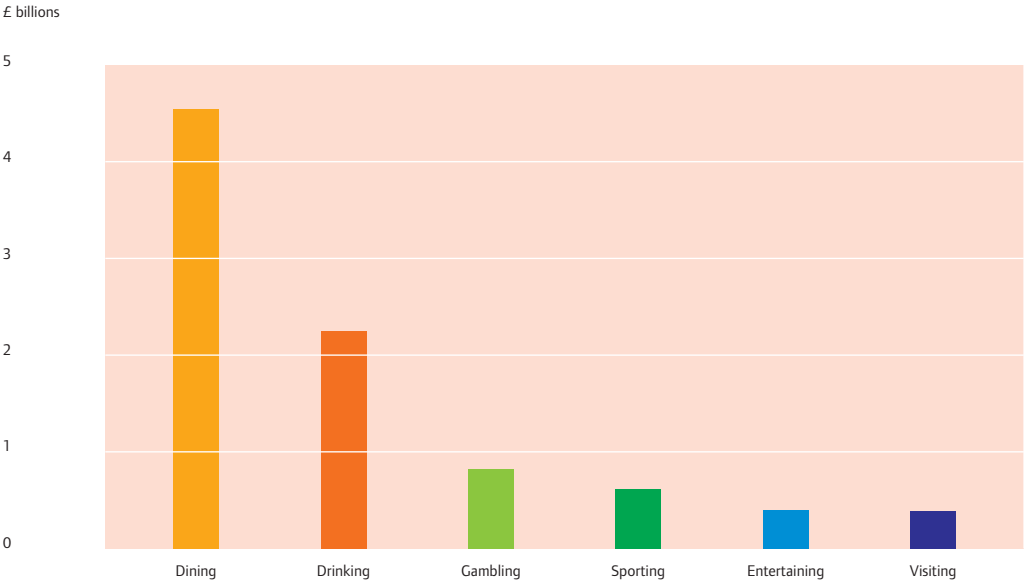
markets are usually made up of hundreds of different businesses operating in many sectors across Britain.

The more practical method for estimating market value is to take the value of the national market as reported by Keystone and derive London's contribution.¹ This method uses the number of business operations in London as a share of the national total, as recorded by business databases such as Yell Data. London's market share is then scaled upwards to account for the higher numbers of people employed by London businesses and longer working hours than the national average. The higher cost-base in London, indicated by the capital's higher wage rates, is also accounted for. (See Appendix A for an explanation of the supporting calculations.)

London has about 12 to 13 per cent of Britain's population, 16 per cent of its jobs, and around 16 to 18 per cent of the value of national output. The value of the six leisure activities to London is estimated at £9.4 billion, giving it a 25 per cent share of the national leisure economy. London's share of the leisure economy is greater than its share of the economy as a whole, and leisure is a major competitive advantage for the capital.

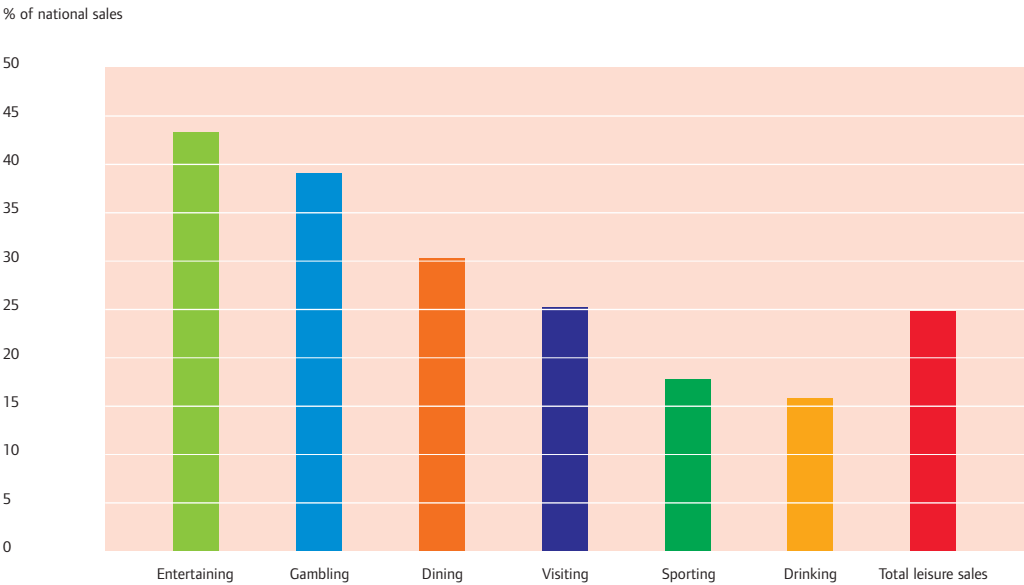
¹The value of the markets presented for London should be taken as illustrative rather than definitive.

Chart 2.5: The value of London's leisure economy



Source: GLA Economics

Chart 2.6: Market share of each leisure activity



Source: GLA Economics

Chart 2.5 shows the value of the market for each activity. Eating and drinking are three-quarters of London's leisure activities:

- Dining is the largest with a London market of £4.7 billion.
- Drinking in bars has a market of £2.4 billion.
- Entertaining is valued at £440 million.
- Sporting has a value of £690 million.
- Gambling adds £860 million to London's economy.
- Visiting is £380 million.

The composition of London's leisure economy is unique in Britain. London's competitive advantage lies mostly in its

theatres and casinos. Over two-fifths of the national market for entertaining is generated within London. Similarly, almost two-fifths of the market for gambling is in London. London also has over 30 per cent of the national market for dining and over 25 per cent for visiting.

In contrast, London's markets for sporting and drinking are less developed. London has 18 per cent of sports business nationally, in line with its share of the national economy. London has just 17 per cent of the national market for drinks. London's leisure sector is not as concentrated with bars and alcohol consumption as the rest of Britain.

Geography

Where is leisure found in London?

London's leisure economy is generally perceived to be concentrated in the very heart of London – the world famous and tourist driven West End.² In fact, around 19 per cent of jobs in London's leisure economy are focused in this area, which contributes over 55,000 jobs. The numbers are continuing to grow, with nearly 8,000 extra jobs between 1995 and 2001.

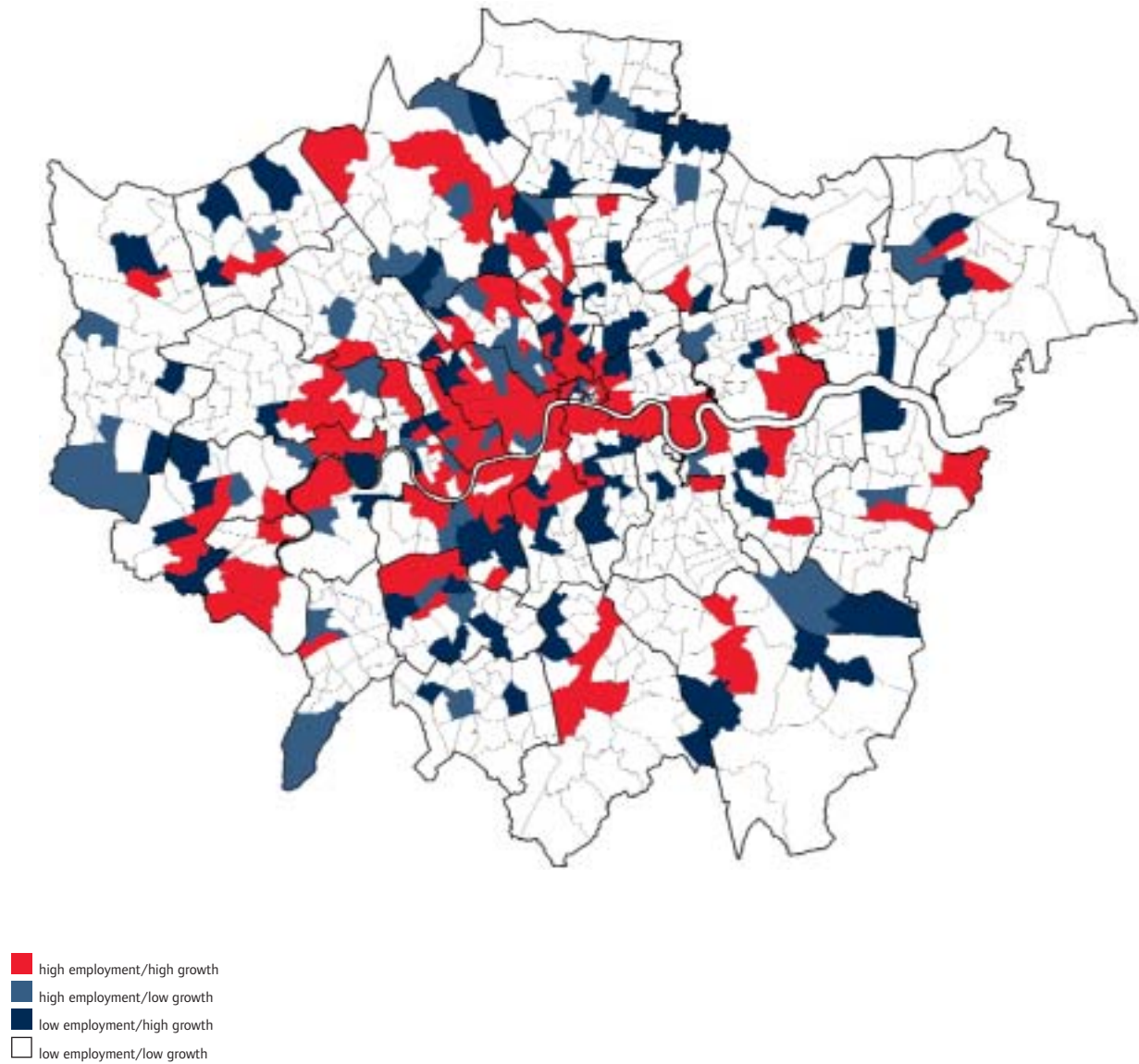
However, the leisure economy is important to all parts of London. The remaining 81 per cent of jobs are found across Greater London, particularly in the

Table 2.2: Leisure employment across London

	Total number of London's leisure jobs (2001)	% of London's leisure jobs	Change in job numbers (1995-2001)	Number of jobs per ward	Number of new jobs per ward
High employment/ high growth	161,700	56	+59,200	1,190	+440
High employment/ low growth	36,900	13	+5,200	790	-110
Low employment/ high growth	24,700	9	+12,200	260	+130
Low employment/ low growth	65,100	23	+1,700	130	-5
Total	288,300	100	+64,500	370	+80

²In this report, the West End is taken as the six electoral wards of West End, St James and Cavendish in the City of Westminster (including Covent Garden, Leicester Square and Piccadilly Circus), Bloomsbury and Holborn in Camden, and Bishops Ward on the South Bank in Lambeth. All London wards are based on 1991 ward boundaries used by the ONS.

Map 2.1: Where London's leisure jobs are located



Source: GLA Economics

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central boroughs of Camden, Islington, Kensington and Chelsea, Southwark and Lambeth, and in pockets of outer London especially to the south west in Wandsworth, Richmond and Kingston. Outside the West End, jobs in London's leisure economy grew by almost 57,000 – around 88 per cent of London's additional leisure jobs. London's leisure is growing and not just in the centre.

Employment by ward

London's 783 wards have an average of 368 leisure jobs each. The average ward added 82 new leisure jobs between 1995 and 2001.

To show the distribution of employment and dynamics of change across London on a single map, wards have been grouped into quadrants based on numbers of jobs and rates of growth:

high employment/high growth where job numbers and job growth are above the London average

high employment/low growth where job numbers are above the London average but job growth is below the London average

low employment/high growth where job numbers are below the London average but job growth is above the London average

low employment/low growth where job numbers and job growth are below the London average.

These groups are shown in Table 2.2 and Map 2.1 for all leisure

jobs in London. The same method is used for each activity discussed in this report.

London's leisure economies

High employment/high growth wards have 56 per cent (162,000) of London's leisure jobs. These also account for 44 per cent of all employment in London. Leisure jobs have grown considerably faster (by 58 per cent) than in London as a whole (which has seen growth of 19 per cent). Outside the West End, high growth areas include northern Westminster around Hyde Park, the riverside areas of Southwark and Lambeth, and parts of Kensington and Chelsea.

Emerging areas

Low employment/high growth wards have 9 per cent (25,000) of London's leisure jobs. Leisure employment in these areas soared by more than 98 per cent over 1995 to 2001, compared to 17 per cent across London. The main emerging clusters for leisure include Clapham in Lambeth, north Finchley in Barnet, and several areas in Hammersmith and Fulham and Richmond upon Thames.

Areas with weak leisure clusters

High employment/low growth wards have 9 per cent of London's leisure jobs. Leisure employment is high, but contracting. Leisure jobs fell by 12 per cent over 1999 to 2001, despite London-wide growth of 13 per cent. Some wards in Brent and Bromley experienced notable declines.

Areas without leisure economies

Low employment/low growth wards account for 30 per cent of London's leisure jobs. Their share of leisure employment declined by less than 3 per cent over 1995 to 2001.

Analysing London's leisure activities

This report analyses each leisure activity in London in turn, examining:

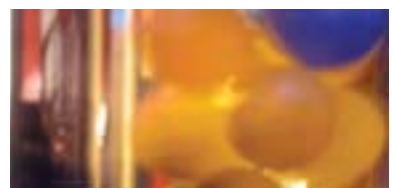
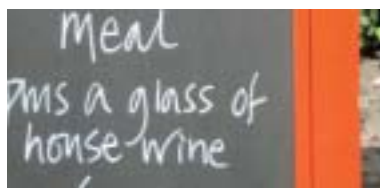
- the nature of the London market for each activity
- London's share of the national market for each activity
- the business structure of each activity
- the number of jobs and changing labour practices in each activity
- the changing spatial distribution of employment in each activity
- likely demand and supply trends for each activity.

Table 2.3 summarises the main findings for each leisure activity.

Table 2.3: London's leisure economy: a summary

Activity	Dining	Drinking	Entertaining
Market			
Market segments	Restaurants, fast food and coffee shops	Pubs, high street bars and nightclubs	West End theatre, theatres and cinemas
National sales	£15.5 billion	£13.8 billion	£1.02 billion
London sales	£4.7 billion	£2.4 billion	£0.44 billion
Business			
Structure	Independents, corporations and franchises	Managed multiples, tenancies and free houses	Private or grant-aided
Consolidation	32% of the market is corporations and franchise	Rapid growth in pubcos and branded bars	Few major cinemas, with consolidation in the West End
People			
London employee jobs	121,000	58,000	45,000
London share of Britain's jobs	23%	11%	40%
London growth 1995 to 2001	+28% (+27,000)	+37% (+16,000)	+25% (+9,000)
National growth 1995 to 2001	+27%	+20%	+26%
London pay (hourly)	£5.80 (waiters)	£5.80 (bar staff)	–
Full-time/part-time composition	60% full time	50% full time	70% full time
Places			
West End % London jobs	23%	14%	30 %
Areas of growth (% jobs)	70%	62%	61 %
Areas of decline (% jobs)	30%	38%	39%
Policy			
Policy		Liberalisation of licenses, taxation on drinks	Subsidies of arts and culture
Social benefits	Lifestyle, convenience	Lifestyle, socialising	Lifestyle, culture
Social costs	Health, obesity	Health, crime, workplace	
Future			
Demand	Long-term growth, but changing tastes	High growth, young population in London	Vulnerable to tourism changes
Supply	Saturation, more distinctive styles	Continued growth of pubcos and competition	Much of theatre is grant dependent

Sporting	Gambling	Visiting	Total (all six)
Fitness centres, sport clubs and spectator sports	Bookmakers, casinos and bingo	Historical sites, museums and other attractions	
£3.75 billion	£2.2 billion	£1.5 billion	£37.8 billion
£0.7 billion	£0.86 billion	£0.38 billion	£9.2 billion
Private, not-for-profit clubs and public sector	Private sector provision	Mix of government, trusts and private sector	
Emerging chains in fitness market	Consolidation across the markets	Mostly public sector and trusts, some private	
29,000	20,000	15,000	288,000
11%	23%	17%	18%
+26% (+6,000)	+31% (+5,000)	+16% (+2,000)	+29% (+64,000)
+32%	+18%	+5%	+23 %
–	–	–	–
56% full time	67% full time	69% full time	59% full time
5%	17%	13%	19%
75%	72%	73%	58%
25%	28%	27%	42%
Subsidies to promote sports and fitness	Liberalisation of licensing, taxation regime	Public subsidies and provision	
Lifestyle, health, social	Social, regeneration	Educational, heritage	
	Addiction issues		
Growth of 'convenient' sports	Impact of licensing change	Tourism changes	
Growth of private business. Olympic bid.	Impact of licensing change	Possible over-supply of attractions	





Chapter 3: Dining in London

The popularity of eating out is greater than ever and London offers an extensive choice of places to eat. This chapter covers dining out, when food is bought and generally consumed outside the home.

The London market: Restaurants, fast food and coffee shops

London's market for dining out is varied, ranging from gourmet meals in French restaurants to fast food burgers. The distinction between going out for a meal and going out for drinks has also become blurred as many pubs place an increasing emphasis on serving food.

The market is grouped in five broad segments:

Restaurants

Traditional restaurants where customers can be seated and alcoholic drinks are served. Most trade is in the evenings. This group includes a variety of cuisines and prices, including gastro pubs, pub restaurants, roadside restaurants and western European restaurants.

Ethnic restaurants

Restaurants where customers are seated and alcohol is served. Some also provide takeaways. Most trade is in the evenings. Most restaurants are Chinese or Indian, but a wider

range has emerged with more Thai, African and South American restaurants.

Fast food restaurants

Licensed and unlicensed restaurants where customers can be seated. Most trade is at lunchtimes and weekends, but evenings can be busy. This group includes the large market for burgers, American food, fast pizza and pasta, and traditional British fish and chips.

Fast food takeaway

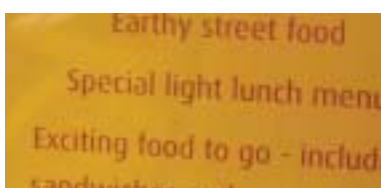
Around a third of the fast food market is takeaway meals eaten away from the premises or delivered to people's homes.

Coffee shops and cafés

These outlets mainly serve hot drinks with snacks or light meals such as sandwiches, pastries and cakes.

Drivers of demand

Nationally, 10 per cent of people eat out at least twice a week and a further 15 per cent eat out at least once a week. The main driver of this trend is increasing disposable incomes. Increasingly, dining out is seen not as luxury but as a regular part of consumption.



Another key driver is time. As a result of higher levels of employment and travel times between home and work, people have less time to prepare meals at home. These time pressures favour more fast food and takeaways.

Demand has also led to an increased supply of dining opportunities, with competitive prices, more choice and a range of established brands that people trust and visit regularly.

Other activities, such as visiting the theatre, often include eating out as part of the leisure experience. The scale of tourism in London also drives demand for dining in many areas.

Drivers of supply

Competition among restaurants has increased rapidly, with a growing range of chains and brands. The market is characterised by wide variety of products – burger bars, pubs and gastro pubs, pizza and pasta, fried chicken, roadside meals and ethnic restaurants. London's large international community and patterns of in-migration have produced a variety of ethnic and European restaurants.

The value of London's dining market

Estimates for Britain show total sales for dining of £15.5 billion in 2002. GLA Economics calculations show the market for traditional restaurants is £5 billion, fast food restaurants

is £3 billion and fast food takeaways a further £1.75 billion. Ethnic restaurants have a value of £3 billion and coffee shops and cafés are worth almost £2.7 billion.

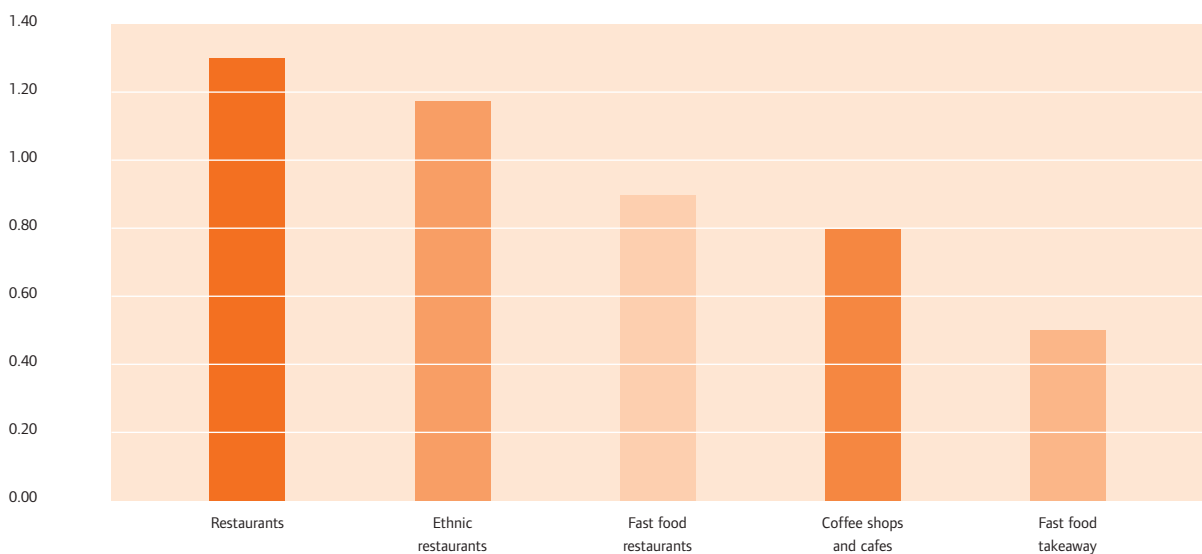
These figures hide changes in the market. Fast food burgers are worth 11 per cent of the total dining market but growth is slow. Growing markets are restaurant pubs and gastro pubs with 9 per cent of the market, and pizza and pasta restaurants with 5 per cent.

Market size

There are 6,128 licensed restaurants in London, or a remarkable 22 per cent of Britain's restaurants.

Chart 3.1: Value of dining in London

£ billions



Source: GLA Economics

GLA Economics estimates that dining was worth £4.67 billion to the London economy in 2002.

The largest share derives from traditional restaurants with a value of £1.28 billion (Chart 3.1). London has a much higher share of ethnic restaurants than the rest of Britain, with an estimated market value of £1.16 billion.

Fast food has a total value to the London economy of £1.43 billion. Over £0.9 billion is from eat-in restaurants and over £0.5 billion is fast food takeaway. Coffee shops and cafés are worth almost £0.8 billion to London's economy.

Business

Structure

There are over 35,000 licensed and unlicensed restaurants in Britain owned by 22,000 VAT registered companies. Ownership falls into three main groups:

- independents: privately run small enterprises
- corporations: restaurants sharing a name, brand and features
- franchises: independently owned restaurants licensed to trade as part of a larger brand (common in fast food).

Consolidation and small enterprises

While small, privately run enterprises make up the majority of the market, large multiple operators are shaping the dining culture of Britain.

Sixty-eight per cent of the dining market consists of independent operators. Restaurants and cafés are a market that independent entrepreneurs can readily enter. Independents are strong at the low end of the market in sandwich bars and takeaways, and the mid-market of 'white tablecloth' restaurants. Ethnic restaurants are characterised by independents and family businesses, although a few multi-outlet chains have emerged in London.

Independent operators are being squeezed by the growth of chains, especially in the mid market and the coffee shop and café market. Brands are growing through ownership and franchise. Large companies and their familiar brands dominate fast food. The burger market is led by McDonalds which has around 1,200 outlets in Britain and over 200 in London. Burger King has 700 outlets nationwide and almost 100 in London. Other recognisable fast food brands have a large presence in London, such as KFC and Pizza Hut which each have over 80 outlets in London. Chains are shaping the mid-market for restaurants, illustrated by Italian-style outlets such as Ask and Pizza Express.

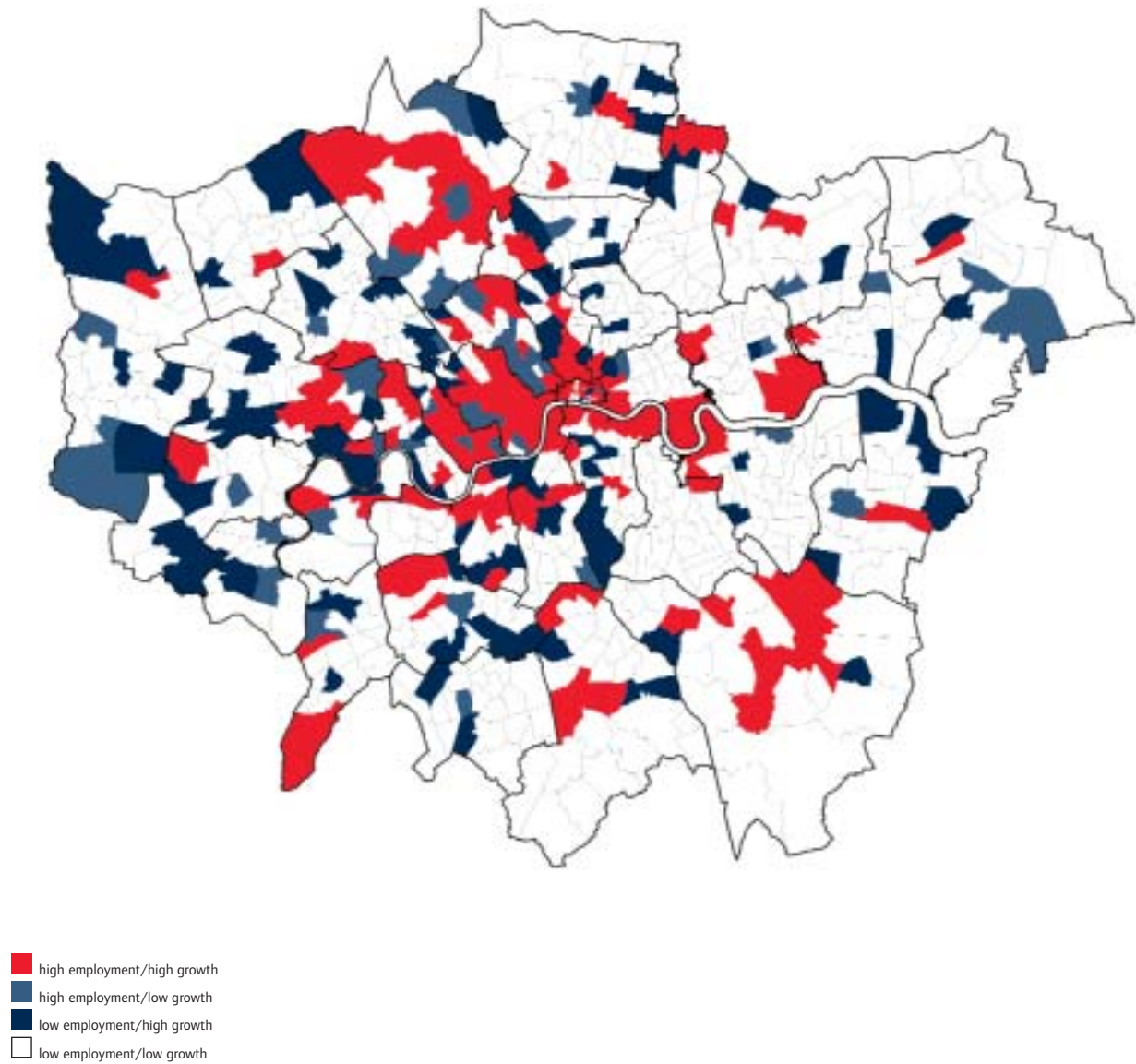
The visible growth in recent years has been in coffee shop chains. There is intense competition between hundreds of coffee shops on the high streets of central London. Starbucks is the leading chain with over 100 outlets in London. Costa Coffee and Pret a Manger have up to 90 outlets.

Table 3.1: Employment in dining

Employees in London	121,600
Share of London jobs %	3.0
Share of Britain's dining jobs %	23.1
London change 1995-2001	26,900
London change 1995-2001 %	28.3

Source: ABI 2001

Map 3.1: Where London's dining jobs are located



Source: ABI 2001, GLA Economics

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People

Jobs and workplaces

There are more than 121,000 employees working in London restaurants, over 3 per cent of London's jobs. Around 525,000 people are employed in restaurants across Britain. More than one in five of the nation's restaurant workers are in London. Dining jobs in London increased by 28 per cent over 1995-2001, one of London's best sources of employment growth. Restaurant employment across Britain grew at the same rate as London.

There are 12,000 restaurants in London, an increase of more than 28 per cent since 1995.

Restaurant workplaces in London are larger in terms of numbers of employees than the average for Britain.

Occupations

Restaurant employees work largely as waiting staff or in customer service. Almost 50 per cent are in elementary personal service or sales assistant occupations. Restaurants also employ chefs, cooks and kitchen porters, and 16 per cent work in food preparation. Sixteen per cent work as managers and 5 per cent work in cleaning occupations.

Pay and conditions

Restaurant work is generally low paid. The average national hourly wage in restaurants is 40 per cent less than the national average wage. Waiting

staff may receive tips from customers to supplement their paid income. Restaurant employees in London are paid more than their counterparts nationally. Average hourly wages for chefs are 20 per cent above the national rate for chefs and waiting staff in London earn 15 per cent more. London's kitchen porters earn 10 per cent more. Chefs and cooks are a skilled group in high demand and attract a premium wage above that of other employees.

Employment in London restaurants differs from the national pattern. Nationally, 60 per cent of restaurant jobs are part time but in London the reverse is true. Women hold 55 per cent of restaurant jobs nationally, but men hold 55 per cent in London.

Table 3.2: Dining workplaces

Workplaces in London	12,000
Share of Britain's dining workplaces %	20.5
Average employees per workplace, London	10.2
Average employees per workplace, Britain	9.0

Source: ABI 2001

Table 3.3: Pay and conditions

Wages, hourly	London £	Britain £
Waiters, waitresses	5.90	5.12
Chefs, cooks	8.00	6.70
Kitchen porters, kitchen hands	5.60	5.10
Conditions	London %	Britain %
Male full time	36	24
Male part time	20	22
Female full time	22	17
Female part time	22	37

Source: New Earnings Survey 2002, ABI 2001

Places

London-wide

London wards have an average of 156 dining jobs, and gained 34 jobs over 1995 to 2001. Map 3.1 illustrates job trends in leisure in wards across Greater London.

Sixty-one per cent of London's restaurant jobs are in high employment/high growth wards (Table 3.4). These wards gained the equivalent of 97 per cent of the net increase in jobs in London's restaurants. This is a high concentration of both employment and employment growth and shows that restaurants operate in centres where there are large numbers of other restaurants.

The West End

The West End wards have 27,400 jobs in dining, or 22.5 per cent of all dining jobs

in London. They gained 4,300 jobs over 1995 to 2001, more than 18 per cent growth. The heart of Westminster alone – West End and St James wards – generated almost 2,900 new dining jobs, or 17 per cent growth. However, the rate of growth for West End dining jobs is slower than for London as a whole, and the West End's share of London's dining jobs is diminishing as other parts of London grow.

Areas of growth

Areas with growing numbers of dining jobs are:

- Parts of north and west central London: Much of Kensington and Chelsea has growing employment in restaurants. Clerkenwell in Islington and parts of Camden also have growing restaurant clusters.

- Along the Thames: High rates of growth exist around London Bridge in Southwark and Canary Wharf in Tower Hamlets.
- South London: Clapham in Lambeth and much of northern Wandsworth have experienced high growth.
- Outer London: Restaurants are concentrated in pockets including north Finchley in Barnet, the centre of Ealing, and parts of Hammersmith which all have high rates of growth in restaurants. Parts of Bromley and Croydon have also enjoyed growth.

Areas of decline

Despite large increases in restaurant jobs in some areas, restaurant employment is either slow or falling in much of Greater London. Employment fell in much of east and south London.

Table 3.4: Location analysis of dining employment

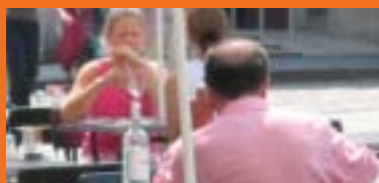
	Total number of London's dining jobs (2001)	% of London's dining jobs	Change in job numbers (1995-2001)	Number of jobs per ward	Number of new jobs per ward
High employment/high growth	74,600	61	+26,100	590	+210
High employment/low growth	14,500	12	-2,700	340	-60
Low employment/high growth	10,200	8	+6,500	100	+70
Low employment/low growth	22,300	18	-3,000	40	-10
Total	121,600	100	+26,900		

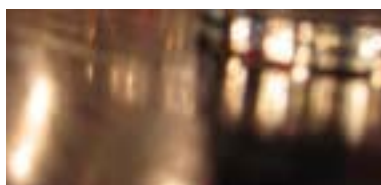
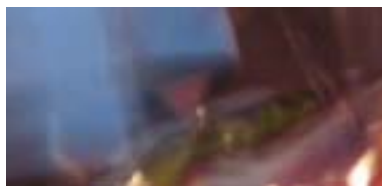
Source: ABI 2001, GLA Economics

The future

If the trends that are driving increased demand for dining – more employment and higher earnings – change, then people may choose to reduce their spending on eating out. However, the level of dining out in Britain, where up to a third of meals are away from home, is still considerably less than countries such as the United States or France where a half of all meals are consumed outside the home. There may be scope for increasing demand in London as people favour the convenience of dining out.

However, growth in the number of establishments – particularly fast food outlets – will be slower than in recent years as the market becomes saturated with outlets. Restaurants with clear and distinctive products are likely to thrive, while many mid-market independents will face increased competition.







Chapter 4: Drinking in London

Visiting bars, public houses and clubs is an enduring aspect of society and London has a long history as a centre for nightlife and drinking. This chapter covers the sale and consumption of alcohol on licensed premises.

The London market: Public houses, high street bars and nightclubs

The drinking market is very fragmented. In London, it can be grouped in three broad segments:

Traditional pubs

Often away from main centres and mainly catering for local customers, many who visit the same pub regularly.

High street bars

Found in urban centres and on high streets, usually branded and sharing a name and features with other outlets. Many are 'chameleon bars', operating as a restaurant in the day and early evenings but as a pub by night.

Nightclubs and discos

Places where the main feature is dancing to music and drinks are offered as additional items. Nightclubs are licensed, open until late and charge admission fees.

These groups overlap – many pubs are classified as hotels or restaurants. The distinction between nightclubs and high

street bars is also blurred now high street bars can open for longer hours.

Drivers of demand

Nationally, half of all adults regularly visit pubs at weekends and a fifth visit them during the week. Seventeen per cent of adults often visit pubs at lunchtimes. There are differences by age, with 84 per cent of people aged 18-24 years visiting pubs at weekends, falling to 73 per cent for 25-34 years and 52 per cent for 35-44 years. This difference among age groups has particular importance for London. The core pre-family age group of 18-24 years is larger in London than the rest of Britain. Many are students who are the focus of midweek trade. Ninety per cent of 18-24 year olds visit nightclubs, while less than a third of adults visit nightclubs. Eighty per cent of nightclub sales are generated at weekends.

Demand for drinking in bars is different from the demand for drinking alcohol which includes consumption in the home.



People's decisions to drink at home are aided by home entertainment, competitively priced drinks from supermarkets and relaxed duty free laws. Attitudes to drink driving and health form a social backdrop that affects the frequency of visiting pubs.

Drivers of supply

Changing demand results in pubs needing to try harder to entice people in. The choice of drinks has expanded, and while beer remains the bestseller customers expect to see more wines, branded spirits and soft drinks. More pubs offer meals and the contribution of food to turnover is rising. Many offer televised sport, pub games and live entertainment.

The main recent change is the rapid growth in high street branded bars. Many town centre pubs have changed into modern bars, with former high street shops and banks being converted into bars. There is intense high street competition with increasing choice for drinkers. Many bars hold late licenses and heavily discount drink prices.

The value of London's drinking market

In Britain, overall market value is static and numbers of pubs have declined for several years. There are 40,700 pubs in Britain and total sales in pubs were £13.8 billion in 2002.

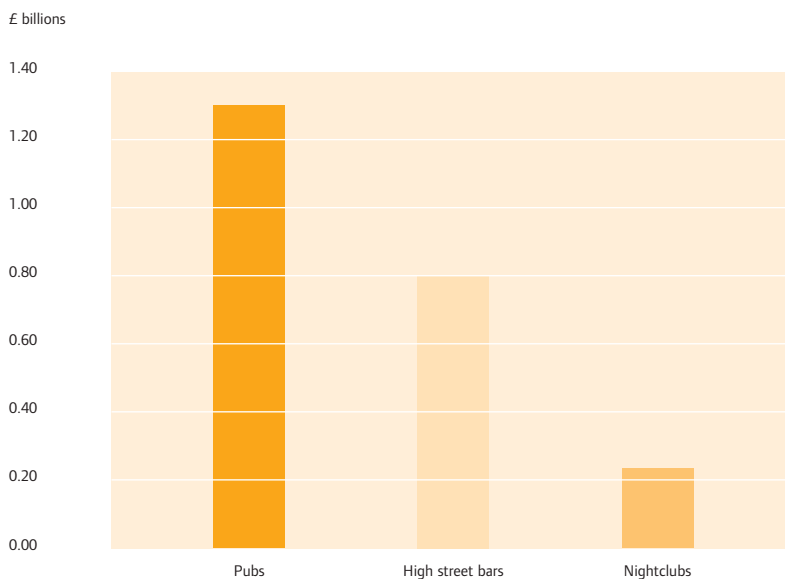
However, the market for visiting high street bars in Britain is

growing rapidly. Sales were estimated at £2 billion in 2000, rising to £2.75 billion in 2002 – about a fifth of the total market for pubs. The number of outlets has grown from 2,300 in 2000 to around 2,900 by 2002.

Six per cent of Britain's pubs can be defined as high street bars, but that 6 per cent has a 20 per cent share of the market, illustrating the competitive strength of high street bars.

The growth of high street bars has exposed nightclubs to unprecedented competition. The fall out has affected smaller, less specialised venues while larger nightclubs continue to thrive. There are 1,600 nightclubs in Britain and the market is estimated at £1.1 billion.

Chart 4.1: Value of drinking in London



Source: GLA Economics

Market size

London has 3,800 pubs, 9 per cent of Britain's public houses.

The number of high street bars is growing, mostly in centres with young, high-spending populations. London is the natural market for this growth. A sample of national chains shows a fifth of their bars are in London. Up to 600, or 15 per cent, of London's pubs are high street chains.

Nightclubs in London differ from Britain as a whole due to the scale of visitors and tourists. London nightclubs are typically licensed to open much later. There are 233 nightclubs in London, or 15 per cent of nightclubs across Britain.

GLA Economics estimates that drinking was worth £2.35 billion to the London economy in 2002.

The largest share derives from pubs with a value of more than £1.3 billion, which is likely to remain stable. The growth market of high street bars accounts for £0.8 billion and nightclubs generate £0.25 billion.

Business

Structure

The ownership of bars falls into three categories:

- managed pubs: part of much larger companies
- tenancies: the traditional pub which is leased from a brewery
- free houses: where owners buy drinks from any brewery.

Competition legislation in the early 1990s broke the links between brewers and pubs. London brewers remain pub operators, with Fullers, Smith and Turner, and Young and Co running several hundred pubs. Pub companies (pubcos) have emerged in recent years, which bring together independent pubs under management contracts. Enterprise Inns is the largest pubco and competes with Punch Taverns, Pubmaster and Scottish and Newcastle.

Consolidation and small enterprises

Intense competition for high street drinkers has enabled pubcos to expand. However, the recent economic slowdown has led some leading chains to curtail expansion plans. Pubcos such as

JD Wetherspoon, Mitchells and Butlers (All Bar One, O'Neills), SFI Group (Bar Med, Slug and Lettuce), Yates Group (Yates Wine Lodge, Bar Ha Ha), and Regent Inns (Walkabout) have strong brand recognition. High street chains compete with one another on price, but also in ambience, customer service, safety and location. Larger companies have the resources to invest in these areas that independent pubs lack.

Three-quarters of the nightclub market is dispersed across hundreds of small operators. New competition is leading to consolidation within core companies. Luminar is the largest nightclub operator, followed by First Leisure, Springwood and PoNaNa.

People

Jobs and workplaces

There are 58,400 employees in London's bars, 1.5 per cent of all of London's jobs. London generated an additional 16,000 bar jobs over 1995 to 2001, an increase of 37 per cent. This contrasts with overall job growth in London of 16 per cent. Bar employment in Britain increased

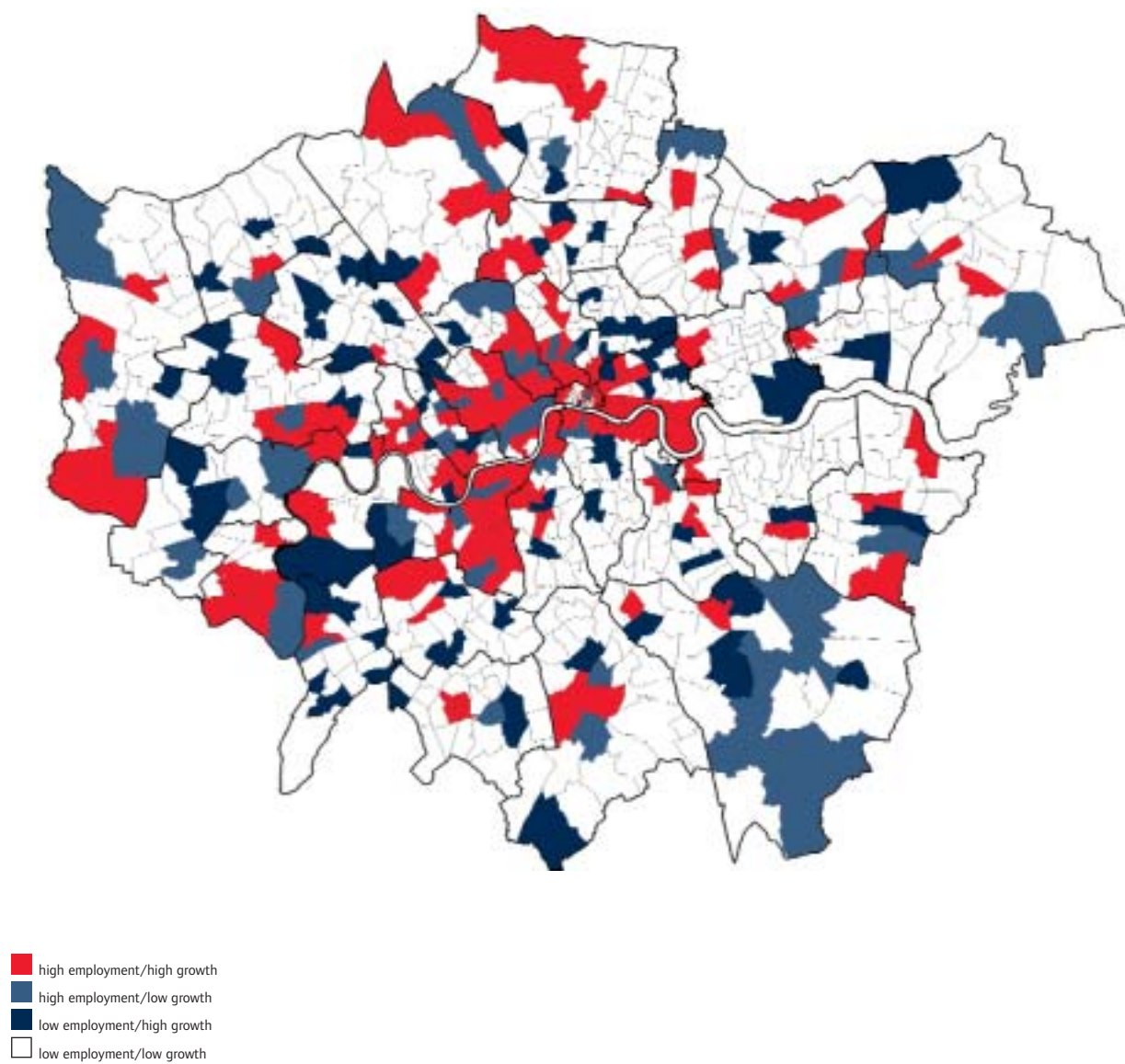
Table 4.1: Employment in drinking³

Employees in London	58,400
Share of London jobs %	1.5
Share of Britain's drinking jobs %	11.0
London change 1995-2001	15,900
London change 1995-2001 %	37.4

Source: ABI 2001

³As bar work is often casual and paid in cash, the tax-revenue method of the ABI may underestimate bar work.

Map 4.1: Where London's drinking jobs are located



Source: GLA Economics

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by 19 per cent, so growth was higher in London than nationally. Estimates derived from the Beer and Pub Association suggest there could be 10,000 self-employed licensees in London's pubs in addition to ABI-listed employees.

There are 5,700 bar workplaces in London, about one in ten of bars nationally. This is an increase of more than 12 per cent from 1995. Bars are becoming larger, with more employees in each bar.

Occupations

Bar employees are largely bar staff working in customer service. Over 40 per cent are in personal service or sales assistant occupations. Around 16 per cent are managers.

A further 16 per cent work in catering preparation trades. Cleaning occupations account for 5 per cent of employees. Protective occupations are also significant because of security in high street bars and clubs.

Pay and conditions

Overall, much bar work is relatively low paid. The average hourly wage bar work is almost 40 per cent below the national average wage. The average wage for bar staff in London is around £5.80 per hour, around 16 per cent more than bar staff nationally (Table 4.3).

More than half of bar employees in London work part time, but this is notably different from the national pattern where more than two-thirds are part time.

Nationally, bar employment is very much dependent on female part-time employees, but in London the largest group is male full-time employees.

Places

London-wide

Each London ward has an average of 75 bar jobs and gained 20 bar jobs over 1995 to 2001. Map 4.1 illustrates the performance of wards in Greater London.

London's bar jobs are concentrated in certain areas. High employment/high growth wards have 54 per cent of bar jobs. These wards generated over 16,000 additional bar jobs over 1995 to 2001, more than the total net gain in bar jobs over this time.

Table 4.2: Drinking workplaces

Workplaces in London	5,700
Share of Britain's drinking workplaces %	9.6
Average employees per workplace, London	10.3
Average employees per workplace, Britain	9.0

Source: ABI 2001

Table 4.3: Pay and conditions

Wages, hourly	London £	Britain £
Bar staff	5.80	5.00
Publicans, innkeepers	n/a	9.75
Conditions	London %	Britain %
Male full time	29	20
Male part time	24	21
Female full time	19	15
Female part time	29	44

Source: New Earnings Survey 2002, ABI 2001

The West End

Around 7,900 jobs, or 14 per cent, of London's bar jobs are in the West End. Six thousand bar jobs are found in two Westminster wards – West End and St James. The West End generated over 1,600 bar jobs over 1995 to 2001, an increase of 10 per cent but slower than London as a whole. Growth is spilling beyond the West End into less saturated areas such as Hyde Park and Victoria.

Areas of growth

Bar employment is clustering in places where there is a critical mass of bars and pubs, most notably in the following areas:

- Parts of the City of London, not typically known for leisure, have seen growth in bars as places of employment.
- Regeneration along the River Thames to the east has buoyed growth in northern parts of Southwark and Canary Wharf in Tower Hamlets.

- Parts of southern Islington, south Camden, and eastern Kensington and Chelsea have expanded in bar work.
- In south London, areas of Lambeth and Wandsworth, particularly Clapham and Balham, have grown strongly.
- In western and south-western London, Hammersmith and Fulham, Ealing and Richmond upon Thames have established themselves as centres for bars.
- Outside these areas, growth of bar employment has been scattered. Pockets of growth exist in Croydon, Hackney and Hounslow.

The locations of chain bars show where the market is growing. For example, All Bar One has almost 40 bars in London. Many are in the City for the after-work market and a similar number are in Westminster. Others are in regenerated areas of Canary Wharf and Tower Bridge, and All Bar One outlets have headed for the high streets of Kensington, Wandsworth, Islington, Ealing

and Hounslow. However, not many chains have opened in east London. The chains' geographical movements reflect the growth areas.

Areas of decline

A question mark hangs over the future of many pubs. The growth in high street chains may put local pubs at risk and bar employment has declined in much of London. Bar employment has fallen substantially in Lewisham, Greenwich and Newham, and parts of Tower Hamlets and Southwark. In some areas the decline is visible with boarded, neglected pubs. The decline is partly economic and partly cultural, particularly in areas with large ethnic communities.

Table 4.4: Location analysis of drinking employment

	Total number of London's drinking jobs (2001)	% of London's drinking jobs	Change in job numbers (1995-2001)	Number of jobs per ward	Number of new jobs per ward
High employment/high growth	31,600	54	+16,200	230	+120
High employment/low growth	8,600	15	-600	150	-10
Low employment/high growth	4,600	8	+2,700	50	+30
Low employment/low growth	13,600	23	-2,400	30	-5
Total	58,400	100	+15,900		

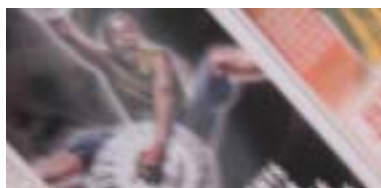
Source: ABI, GLA Economics

The future

High employment and growing earnings have propelled the expansion of high street bars. If these conditions change, people may choose to budget their spending on drinking. In the longer-term, London will continue to attract people in the age groups which drive demand for bars, particularly 18-24 and 25-34 year-olds. High street bars are geared towards the young adult market, and demand for bars is falling among older age groups. This may point to unmet demand in London for more family-friendly pubs.

Competition in London will continue to be intense. Economic slowdown will put pressure on pubs to compete on the quality of their products as well as price. This will favour larger companies and innovative small enterprises, while older, local pubs will suffer.







Chapter 5: Entertaining in London

This chapter covers London's wide range of theatres, concert halls and other performance spaces where people go to watch live performances of musicals, plays, comedies, operas, ballets and movies.

The London market: Theatres and cinemas

The entertainment market in London can be broken down as follows:

Theatres

Venues in which plays or other live dramatic performances are given to an audience. In Britain, there are two aspects to the market:

- Commercial West End theatre: privately owned theatres, largely in the West End of central London, performing without public subsidy.
- Grant-aided theatre: theatres supported or sometimes owned by the public sector. Some West End theatre is also grant-aided.

Cinemas

Venues where a motion picture is projected onto a screen for an audience.

Drivers of demand

Less than 2 per cent of people attend theatres at least once a month, while up to 15 per cent attend up to three times a year.

National theatre attendances declined during the late 1990s, mainly due to lower admissions in provincial theatres. West End theatre dominates box-office revenues, but attendance has declined since 1999. In the West End, up to a third of attendees are overseas visitors.

About 11 per cent of people visit cinemas at least once a month and a further 27 per cent visit up to three times a year. The 15-24 age group drives demand for cinemas, and many mainstream movies are targeted at this audience. Other regular cinemagoers are under 34 years and the frequency of cinema visits falls rapidly in older age groups.

The market depends on blockbuster films and seasonal peaks at Christmas and summer. Only a quarter of a movie's earnings now come from box-office sales. Cinemas and theatres also compete with home entertainment such as movies, DVDs and pay television which have eroded cinemas' advantages.



Drivers of supply

There is a mixture of grant-aided and commercial theatre in London. Commercial theatre is particularly concentrated in London's West End.

The cinema business has grown and changed in recent years, with the decline of independent one-screen cinemas in town centres and the rise of large out-of-town multiplexes. The average number of screens per cinema increased from 3.2 to 4.2 in the late 1990s. Two-thirds of cinema screens are now in multiplexes compared to a third in 1995.

The value of London's entertaining market

There are over 1,400 performance venues in Britain, including 120 theatres and 100 concert halls. There were 25 million admissions into British theatres in 2000, down from 26 million in 1995. Box office revenues were £394 million in 2000, an 18 per cent increase from £335 million in 1995.

There are 780 cinemas in Britain with 3,250 screens. The number of cinema sites increased by 4 per cent, the number of screens by 36 per cent and the number of admissions by 12 per cent over 1997 to 2001. There were 143 million admissions in 2000, generating box-office revenues of £628 million.

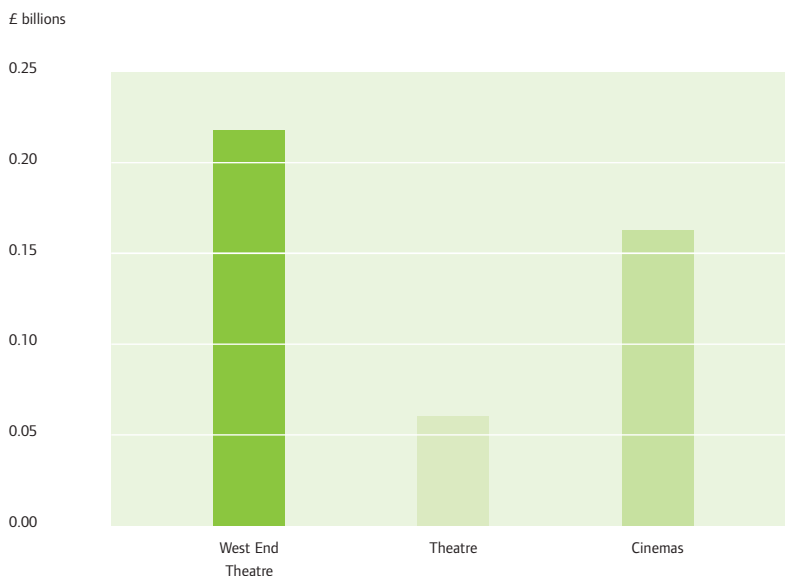
Market size

GLA Economics estimates the direct value of entertainment to London's economy is £0.44 billion.

This estimate is based on data collected by the Society of London Theatres, the share of Britain's theatres and cinemas found in London, the larger sizes of London's theatres and cinemas, and the higher costs of being located in London.

In addition to West End box office revenues of £250 million, the Wyndham Report on the economic impact of London's West End theatre states that

Chart 5.1: Value of entertaining in London



Source: GLA Economics

entertainment adds a further £680 million to the London economy from related transport, accommodation, food and merchandise.

There are over 100 theatres in London, including 50 in the West End. West End theatre is so dominant that over 45 per cent of theatre admissions and over 70 per cent of box-office revenues are in London. The market for London theatre audiences is £287 million. The West End contributes at least £220 million in sales, and theatres outside the West End are worth over £60 million.

London has 725 cinema screens, over 22 per cent of all cinema screens nationally. London has 27 per cent of national cinema admissions, or 42 million a year, and an average of 58,000 admissions for each cinema screen. London's cinema market is worth over £160 million.

Business

Structure

Commercial West End theatre and its major productions dominate the market. There is also a diverse range of grant-aided and provincial theatre across Britain. Some theatres that are considered part of the West End are grant aided, such as the Royal National Theatre and many ballet and opera productions.

Cinemas consist of a few competitive multinational players that capture three-quarters of the British market. A number of smaller independent cinemas survive, many as art houses showing independent films.

Consolidation and small enterprises

Four companies dominate commercial West End theatre. Really Useful Theatres is the largest, with 13 famous West End theatres and many successful musicals. The

Ambassador Theatre Group owns 11 London theatres and several more across Britain. Clear Channel Entertainment is an international group with four London theatres and almost 30 nationally, and Cameron Mackintosh operates seven West End theatres.

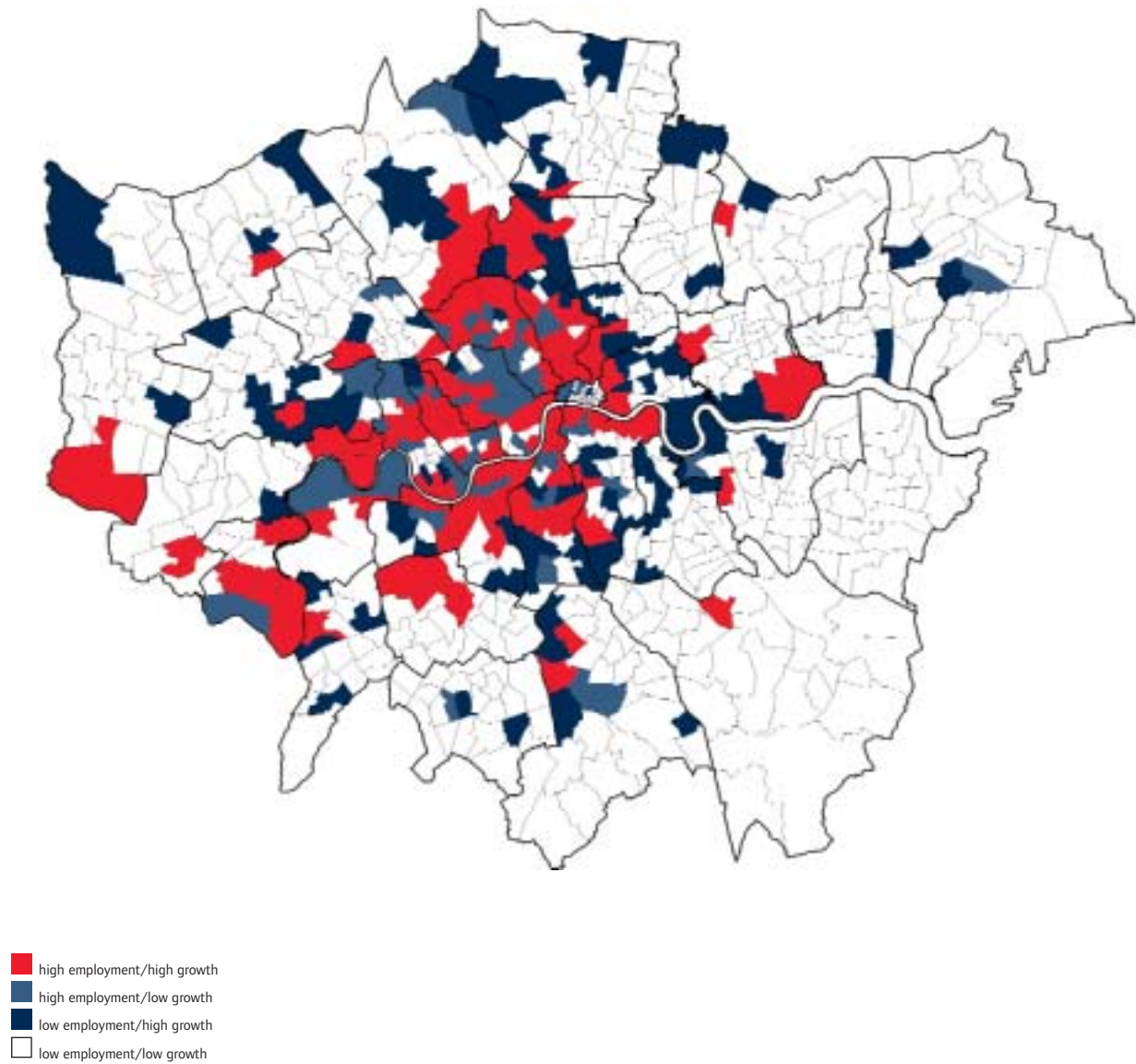
There are 190 cinema operators in Britain, but five major players dominate the market. Odeon/ABC is the largest, followed by Warner, UCI, UGC and Showcase Cinemas. These operators have over 75 per cent of the market. The number of small operators is particularly significant in London, with Mainline Picture's Screen cinemas, City Screen's Curzon cinemas and Oasis art house cinemas.

Table 5.1: Employment in entertaining

Employees in London	44,500
Share of London jobs %	1.1
Share of Britain's entertaining jobs %	39.8
London change 1995-2001	9,000
London change 1995-2001 %	25.2

Source: ABI 2001

Map 5.1: Where London's entertaining jobs are located



Source: GLA Economics

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People

Jobs and workplaces

One per cent of London's jobs are in entertainment, or 42,000 people. Nationally, around 100,000 people are employed in this business, which means around 40 per cent of Britain's entertainment jobs are in London. Entertainment is one of London's best sources of employment growth. The rate of job growth is higher in cinemas than theatres. London generated an additional 7,000 entertainment jobs in 1995 to 2001, an increase of around 22 per cent. Entertainment employment in Britain increased by 22 per cent between 1995 and 2001, similar to London. Entertainment jobs are a strong advantage for London. London has 24 per cent (4,100) of the

national total of cinema jobs, 41 per cent (5,600) of theatre jobs and 45 per cent (31,000) of artistic and performing jobs.

Occupations

Occupations in entertainment vary and official classifications do not easily apply to jobs in theatres and cinemas. In London, 40,000 people work in artistic and literary occupations. However, within entertainment people also work in management, sales and customer service and technical occupations.

Pay and conditions

Theatrical performance work has high turnover of labour and short-term contracts. The New Earnings Survey does not report wages specifically for theatres and cinemas. The closest classifications are recreation,

with an hourly wage of £12.30 and cultural activities with £8.20. Average wages for actors and musicians are 20 per cent more in London than nationally. However, the survey results are based on small samples.

Entertainment jobs are mostly full time. In London, 70 per cent are full time compared to 60 per cent for Britain. A little less than 50 per cent of employees in entertainment in London are women while 17 per cent of employees are women working part time.

Places

London-wide

Each London ward has an average of 57 entertainment jobs, with an average increase of 11 jobs over 1995 to 2001.

Table 5.2: Entertaining workplaces

Workplaces in London	420
Share of Britain's entertaining workplaces %	26.0
Average employees per workplace, London	23.5
Average employees per workplace, Britain	19.2

Source: ABI 2001. Note: ABI Classifications 9213 and 9232 only

Table 5.3: Pay and conditions

Conditions	London %	Britain %
Male full time	39	34
Male part time	13	15
Female full time	31	26
Female part time	17	25

Source: New Earnings Survey 2002, ABI 2001

Employment is concentrated in certain areas. High employment/high growth wards account for 54 per cent of London's entertainment jobs and for all of London's net growth in entertainment employment over 1995 to 2001.

The West End

Over 13,300 entertainment jobs, 30 per cent of the London total and 12 per cent of the national total, are in the West End. While the West End is the heart of show business in London and Britain, employment is growing faster elsewhere. West End entertainment jobs grew

12 per cent between 1995 and 2001, considerably slower than entertainment jobs in London as a whole.

Areas of growth

The most notable areas of growth are in Camden, Hammersmith and Fulham, Kensington and Chelsea, Islington, Lambeth and Wandsworth. The most rapid growth has been in parts of London where entertainment has a low employment base. This is particularly notable in Ealing and some north and east London boroughs such as Haringey and Hackney.

Areas of decline

There are large areas where very few people are employed in entertainment, such as outer London. Employment is falling in some central London wards of Westminster and parts of Camden, and Kensington and Chelsea. This reflects shifting patterns of entertainment employment in these boroughs.

Table 5.4: Location analysis of entertaining employment

	Total number of London's entertaining jobs (2001)	% of London's entertaining jobs	Change in job numbers (1995-2001)	Number of jobs per ward	Number of new jobs per ward
High employment/high growth	23,900	54	+10,900	190	+90
High employment/low growth	12,300	28	-3,500	240	-70
Low employment/high growth	3,300	7	+2,100	30	+20
Low employment/low growth	5,000	11	-500	10	0
Total	44,500	100	+9,000		

Source: ABI 2001, GLA Economics

The future

Spending on theatres remains low compared to many other leisure activities. There is potential to increase theatre audiences and attract younger audiences. However, demand for visiting theatres is vulnerable to changes in tourism.

Demand for visiting cinemas is likely to increase as the numbers of young people living in London grows. There is also potential to attract older audiences who do not currently visit cinemas. The success of cinemas will remain dependent upon the production of high profile films that capture a wide audience.

London's West End will continue to be one of the world's theatre capitals. The consolidation into a few large theatre companies underlines potential to invest and modernise. For example, Cameron Mackintosh has plans to refurbish its theatres. Grant-assisted theatre will always be vulnerable to government funding decisions and competing for resources against the needs of public services. Arts Council England and business sponsorship will continue to play an important role in supporting non-commercial theatre, although it is vulnerable to changes in the popularity of the lottery and the extent of business involvement.

Consolidation of cinema businesses may increase, but there will continue to be a role for London's independent cinemas alongside the multiplexes. Tighter planning regulations on out-of-town developments will favour investment in London's town centre cinemas.







Chapter 6: Sporting in London

Sport is likely to be of particular importance to London over the next few years, following the Government's endorsement of the 2012 Olympic games bid. Sporting in London includes stadiums and arenas where people go to watch professional sports being played, sports centres and playing fields where people exercise and participate in amateur sports.

The London market: Participation and spectator sports

The market for sporting is grouped in two broad segments:

Participation sports

Amateur competitive games and games that are not competitive but contribute to fitness. It includes facilities for participation but not sports goods such as clothing and equipment. The market can be thought of as fitness centres and health clubs, and sports clubs and teams.

Spectator sports

Watching sports in stadiums and arenas. This chapter covers the market for live viewing of sports, but not coverage through the media.

Drivers of demand

Nationally, half the adult population takes part in sport

or exercise. Over the age of 25, preferences move to general fitness rather than competitive sports. Top activities are walking and swimming, followed by keeping fit and aerobics.

The most popular sports played are snooker, golf, football and darts. Participation rates for many sports are low, but people who play sports such as rowing or cricket may put the activity at the centre of their lives. Participation varies by gender, with men favouring football or the gym and women favouring swimming or aerobics.

By far, the most popular live sport for spectators is football. Nine per cent of people have recently attended a professional football match. This is due to high media profile, frequent matches and the seating capacity of stadiums.



Football accounts for half of all spectators at sports events. It is followed by rugby which is watched live by 3 per cent of people, and cricket which is watched live by 2 per cent. Sports such as tennis, golf and snooker attract large television audiences but are less suitable for mass spectators or have less frequent matches.

Drivers of supply

Opportunities to participate in sports and fitness are supplied by:

- amateur sports clubs: usually not-for-profit and often voluntary
- local authorities: typically by providing parks, playing fields and open spaces, and building and running leisure centres and swimming pools

- private business: is becoming important with the growth of private clubs.

The public sector contributes to new infrastructure for participation and spectator sports. Through Sport England, the National Lottery has provided almost £1 billion in grants since 2000. This includes small grants to clubs across the country to multi-million pound support for infrastructure projects.

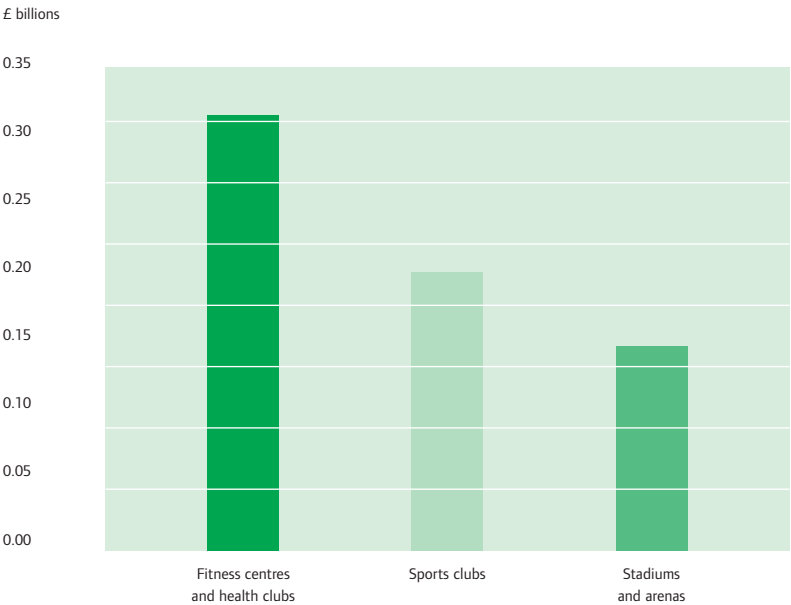
Professional football dominates the market for spectator sports. Many football clubs have invested heavily in modernising stadiums, and sports venues can also be used for entertainment.

The value of London’s sporting market

The national market for participating in sports is £3 billion. This consists of admissions, memberships and charges. About £1.5 billion is from sports clubs and the remaining £1.5 billion is memberships of private health clubs. The value of the market increased by a third over 1997 to 2002 due to rising membership of private clubs.

The national market for spectator sports is £750 million, which includes admission fees and season tickets but not spectator spending on catering or merchandise. The market value increased by almost two-thirds from 1997 to 2002, largely through major football clubs.

Chart 6.1: Value of sporting in London



Source: GLA Economics

Total consumer spending on sports is £3.75 billion. Public subsidies for sports through local authority spending and lottery grants also contribute, amounting to at least £1.4 billion a year. Business sponsorship of sports has grown over the past decade and contributes over £400 million a year, according to the Department of Culture Media and Sport.

Market size

GLA Economics estimates that the combined market for participation sports and spectator sports is worth nearly £700 million to London's economy.

London has 200 leisure centres and swimming pools and 400 private health clubs. It has 10 per cent of the country's leisure centres but an advanced market for health clubs. The market for fitness centres is estimated at £335 million. London has sports clubs for the entire range of sport, from athletics and basketball to wrestling and yoga, with a market value over £200 million.

GLA Economics estimates spectator sports, excluding media, are worth £150 million to London. London has 9 per cent of Britain's arenas but many host international and national events – tennis at Wimbledon, rugby at Twickenham and cricket at Lords and the Oval. London is also home to many national sports teams – five football premier ship clubs, nine league clubs and six rugby union clubs.

Business

Structure

The business of spectator sports is different from any other business. Football clubs acquire a loyalty through their fans that is unprecedented in other markets – the same customers attend games regardless of how dissatisfied they are with their team's performance.

Consolidation and small enterprise

People who are serious about sport join amateur clubs. Sports clubs are usually independent, not-for-profit and often voluntary organisations that encourage sports participation and competitions. All sports have

local, regional and national clubs supported by the fees and work of their members. Britain's amateur sports infrastructure is less developed than many European countries.

There are 3,000 private health clubs in Britain. Major chains are emerging, and Whitbread (David Lloyd), Fitness First, Cannons, Holmes Place, LA Fitness and Hilton (Living Well) are expanding rapidly. The nine biggest operators have 580 sites, up 50 per cent since 1999, and 1.5 million members nationwide. Private clubs have intensified competition and drawn people away from clubs and local authority leisure centres.

People

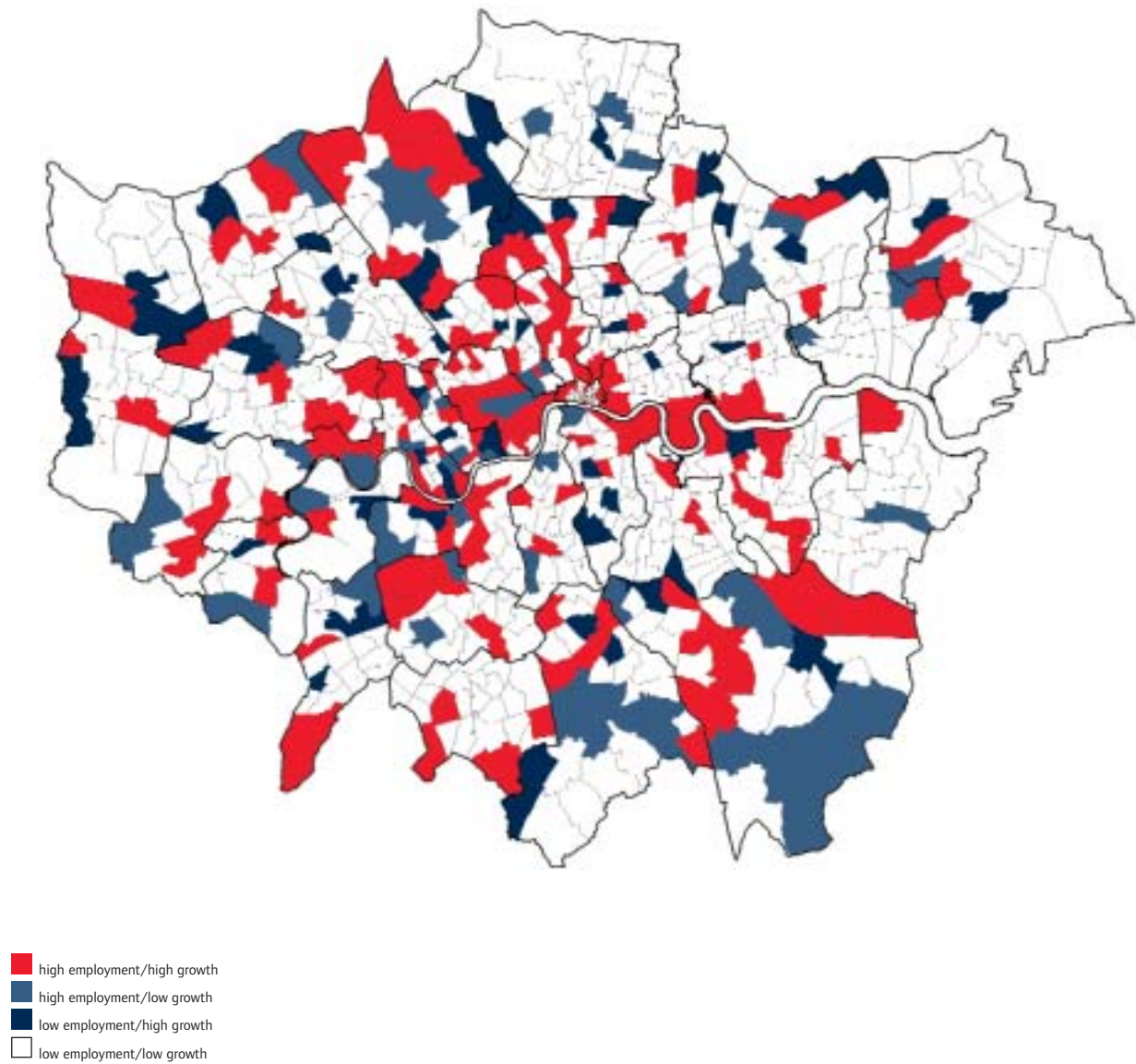
Sport is source of employment growth. London generated 6,000 new sports jobs over 1995 to 2001, a 23 per cent increase, while sport employment across Britain increased even faster by 32 per cent. There are 29,200 employees working in sport in London, 0.7 per cent of London's jobs and 11 per cent of national sporting jobs.

Table 6.1: Employment in sporting

Employees in London	29,200
Share of London jobs %	0.7
Share of Britain's sporting jobs %	11.2
London change 1995-2001	6,000
London change 1995-2001 %	26.0

Source: ABI 2001

Map 6.1: Where London's sporting jobs are located



Source: GLA Economics

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In London, there are 540 sports arena and stadium workplaces and 1,500 workplaces for sport and physical wellbeing. This is a 13 per cent decrease in sport workplaces since 1995. This decrease, alongside increases in employment, suggests consolidation in numbers of sites and the growth of large venues.

Occupations

GLA Economics estimates almost 8,500 jobs in London are in sporting and fitness occupations, up to 30 per cent of jobs in sports. Managers in hospitality services hold up to 20 per cent of jobs, with a further 20 per cent in customer and personal service occupations.

Pay and conditions

There is no accurate data on pay for sport employees in London as the sample size in the National Earnings Survey is too small. The national average wage for athletes and sports officials is up to 75 per cent above the average wage. The high pay of a few professionals skews this figure. Sport employees in London are paid up to 30 per cent more than their counterparts across Britain.

Fifty-six per cent of sport employment in London is full time. Women hold 48 per cent of sporting jobs in London, and half work full time. There are more women working full time in sports in London than nationally. Jobs in health clubs

suit flexible working arrangements as they are generally open longer hours and on evenings and weekends.

Places

London-wide

Each ward has an average of 37 sports jobs, and gained eight sports jobs over 1995 to 2001. Map 6.1 illustrates the performance of wards in Greater London.

High employment/high growth wards account for almost 71 per cent of London's sport jobs, illustrating the massive and increasing concentration of jobs within the activity.

Table 6.2: Sporting workplaces

Workplaces in London	2,000
Share of Britain's sporting workplaces %	8.8
Average employees per workplace, London	14.4
Average employees per workplace, Britain	11.4

Table 6.3: Pay and conditions

Conditions	London %	Britain %
Male full time	32	30
Male part time	20	19
Female full time	24	19
Female part time	24	32

Source: New Earnings Survey 2002, ABI 2001

Important centres

Unlike other leisure activities, sport is not concentrated in the West End which has just 4 per cent of London's sport employment. The largest concentrations of sports employment are found in Haringey, Croydon, Hammersmith and Fulham, Greenwich and north Westminster.

Areas of growth

Sports employment in London has been very mobile over the past few years, with some wards showing marked declines and other areas capturing the growth.

- Parts of the City of London, Westminster and Canary Wharf have experienced growth in sports jobs, largely because of growing numbers of health clubs close to employment centres.
- Growth is strong in areas with London's major sports arenas – Merton as home to tennis at Wimbledon, Richmond with rugby at Twickenham, and major football stadiums in Islington, Haringey, Greenwich, and Kensington and Chelsea.

Areas of decline

Much of London is characterised by low and declining sports employment. Some areas with a large concentration of sports are losing jobs, such as Enfield, Brent and Bromley.

Table 6.4: Location analysis of sporting employment

	Total number of London's sporting jobs (2001)	% of London's sporting jobs	Change in job numbers (1995-2001)	Number of jobs per ward	Number of new jobs per ward
High employment/high growth	20,600	71	+13,200	140	+90
High employment/low growth	4,200	15	-3,800	90	-80
Low employment/high growth	1,300	4	+900	20	+20
Low employment/low growth	4,200	10	-4,300	5	-10
Total	29,200	100	+6,000		

Source: ABI 2001, GLA Economics

The future

The sedentary lifestyle of many of London's workers will drive demand for places to exercise and keep fit. They will need to be open at accessible times and located close to workplaces, homes and transport. London's population will continue grow in the 15-24 and 25-34 age groups, which will increase demand for sport and fitness. Rising incomes and falling costs due to competition between health clubs will add to growing demand.

Demand for spectator sports will continue to be influenced by media coverage. High prices charged for top games and events may deter people from attending, which may provide an opportunity for smaller clubs and sports to engage new audiences.

The proliferation of private health clubs and sports facilities will see intensive competition on the price and quality of facilities and services. This will mean local authorities providing leisure facilities will need to consider their patterns of provision.

London's professional sports teams and established arenas will need to keep investing in their infrastructure. However, many smaller clubs and teams will struggle to invest, and there are constraints for development in London in terms of space and costs. The proposed move of football clubs, such as Wimbledon to Milton Keynes, away from London and the delay of Arsenal's plans for stadium development, have caused concern about the future of football in London.

The supply of sports arenas in London depends on major policy decisions. A new stadium at Wembley would return the England football team and cup finals to their historic home. A successful bid for the Olympic games of 2012 would also revolutionise London's sports infrastructure.







Chapter 7: Gambling in London

Gambling refers to activities that require a betting and gaming licence, and for which levies are payable to Customs and Excise, including casinos and bingo halls, lotteries, game machines, bookmakers and football pools.

The London market: Bookmakers, casinos, and bingo halls

This report focuses on activities where a customer visits specific premises to gamble. The market has three segments:

Bookmakers

Public places where players can place a bet and collect winnings.

Casinos

Public buildings for gambling including roulette wheels and card games.

Bingo

Public buildings that host a game in which players mark random numbers.

Drivers of demand

The share of people who participate in gambling activities is relatively low. Gambling as a whole has declined in popularity, particularly sales of football pools and the national lottery. Average weekly household spending on gambling is falling as a proportion of leisure spending.

There is an age dimension to demand for gambling. People aged 50-64, followed by 65-74, are more likely to gamble than other age groups. However, the amount gambled by people under 30 has increased sharply. Men are more likely to participate in all forms of gambling than women, with the exception of bingo. People within the lowest incomes groups spend the least on gambling, but a higher share of their incomes than other groups.

Drivers of supply

Gambling in Britain has been highly regulated and monitored. As a result, gambling businesses in Britain have gained a reputation for honesty but their growth has been restricted. The introduction of the National Lottery in 1994 changed public perceptions of gambling and introduced a major new competitor. The market has been transformed in recent years by internet technology, and internet bookmakers and casino games have added a new dimension to the economics of gambling.



The value of London's gambling market

Gambling is an exceptional market where nothing is actually purchased other than risk and the possibility winning or losing money. The actual economic value from gambling is the amount retained by the bookmaker, casino or bingo hall.

The total amount gambled in Britain in 2002 was £28.7 billion. £10.5 billion was put into games machines in pubs and arcades. Lotteries, including the national lottery, took £4.9 billion. Smaller amounts are bet on other gambling such as football pools. £13.1 billion is bet through bookmakers, casinos and bingo – 46 per cent of the total gambled.

Bookmakers take almost £8.4 billion in bets each year. Turnover is likely to increase when changes to tax laws will mean bookmakers' profits are taxed rather than bets. If 80 per cent of the amount gambled with bookmakers is returned in prize money, the economic value of bookmaking is estimated at £1.4 billion.

The British casino market takes estimated bets of £3.6 billion, reflecting 30 per cent growth over 1997 to 2001. Casinos keep 16–18 per cent of the amount bet, which was £620 million in 2002.

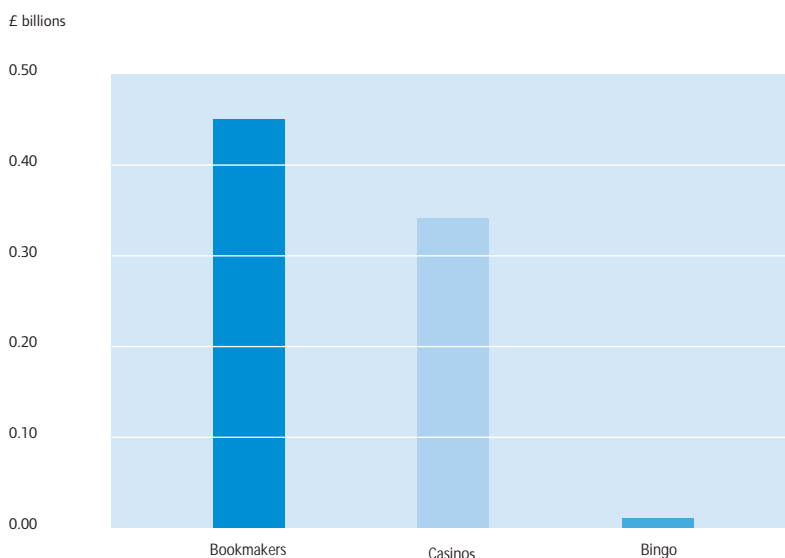
Bingo has a market value of £1.2 billion. If 80 per cent is returned in prize money, the economic value is estimated at

over £200 million. There are 690 licensed bingo halls in Britain. The number has declined in recent years, but the market has remained steady as bingo halls have become larger. Bingo admissions are estimated at 89 million a year, with 3 million people playing regularly.

Market size

GLA Economics estimates that the economic value from bookmakers, casinos and bingo was more than £2.2 billion in 2002. Amounts gambled through lotteries and other forms of gambling would considerably add to this. The estimate is based on the numbers of gambling operations

Chart 7.1: Value of gambling in London



Source: GLA Economics

in London, the longer hours and higher wages of employees in London, and established data from the Gaming Board for Great Britain.

London has 740 bookmakers, a quarter of the national total. Bookmaking in London has an estimated value of £0.47 billion from bets of £2.8 billion. London has a quarter of Britain's casinos, but more than 60 per cent of the amount bet nationally is bet in London. £2.2 billion is bet in London casinos, a 22 per cent increase over 1997 to 2001. The casino market is larger in London than the rest of Britain, but it is growing at a slower rate. The average amount spent by people visiting the capital's casinos is much higher than average. In 2002, 2.8 million people visited London's casinos and gambled £770 each on average, more than double the national average of £304.

Bingo is less popular in London than other parts of Britain. London has fewer than 50 bingo centres, less than 10 per cent of national total. The estimated value of bingo in London is

£23 million, just 11 per cent of the national total.

Business

Structure

The market for providing betting and gaming services is led almost entirely by private enterprise. The number of businesses involved with gambling in decreasing, but the growing turnover of gambling-related businesses suggests increasing market consolidation.

Consolidation and small enterprise

A few major players dominate bookmaking. William Hill is the market leader, followed by Ladbrokes, Coral and the Tote. These businesses have up to three-quarters of the market.

Larger chains have bought smaller independents in recent years, but hundreds of independent bookmakers are still operating.

Several casino companies operate in London. Grosvenor Casinos, owned by Rank, has six London casinos. London Clubs International

has six and Gala Casinos has four. Two companies dominate bingo. Mecca has 20 clubs in London and 100 more across Britain. Gala Bingo has ten clubs in London and over 160 nationally. Many smaller bookmakers are still operating and around 110 companies are members of the Bingo Association, but the two largest firms still dominate bingo in London.

People

Jobs and workplaces

In London, 19,900 employees work in gambling, around 0.5 per cent of London's jobs. In Britain, 88,000 people are employed in gambling, which means 23 per cent of gambling-related jobs are in London. Over 1995 to 2001, London generated 4,600 new gambling jobs, an increase of 31 per cent while gambling employment in Britain increased by less at 18 per cent.

London has 2,000 recorded workplaces for gambling, a small decrease of around 2 per cent since 1995. This decrease and increases in employment suggest consolidation in the number

Table 7.1: Employment in gambling

Employees in London	19,900
Share of London jobs %	0.5
Share of Britain's gambling jobs %	22.6
London change 1995-2001	+4,700
London change 1995-2001 %	30.6

Source: ABI 2001

Map 7.1: Where London's gambling jobs are located



Source: GLA Economics

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of sites and the emergence of larger venues.

Occupations

Official occupational classifications do not list croupiers, dealers or slot machine attendants. Much of gambling falls under administrative and clerical occupations in finance, which make up almost a third of gambling jobs. Other occupations include managers in hospitality and leisure services.

Pay and conditions

The average hourly wage for bookmakers in London is about 10 per cent higher than national bookmaker wages, but this figure is from a small sample size. Sixty-seven per cent of gambling employment in

London is full time, higher than the national share of 58 per cent full-time jobs. Women hold just under 60 per cent of gambling jobs in London, identical to the national average. Most of these women work full time which is much more than the national average.

Places

London-wide

Each London ward has 25 gambling jobs on average, and gained six new gambling jobs over 1995-2001. Map 7.1 illustrates the performance of wards across London. Gambling employment is concentrated in certain parts of London. The best performing

wards have 68 per cent of London's jobs in gambling and accounted for double London's net growth in gambling employment over 1995 to 2001.

The West End

The West End is a major gambling centre and home to a number of casinos. The area has 3,300, or 17 per cent, of London's gambling jobs. Gambling employment in the West End increased by 40 per cent over 1995 to 2001, much faster than the London average.

Table 7.2: Gambling workplaces

Workplaces in London	2,000
Share of Britain's gambling workplaces %	20.1
Average employees per workplace, London	9.9
Average employees per workplace, Britain	8.8

Source: ABI 2001

Table 7.3: Pay and conditions

Conditions	London %	Britain %
Male full time	33	29
Male part time	9	11
Female full time	34	29
Female part time	24	31

Source: New Earnings Survey 2002, ABI 2001

Areas of growth

Most growth has been in central London, especially the City of Westminster which gained 1,500 new gambling jobs, and Kensington and Chelsea which gained 500 jobs. Outside central London, there is little pattern in the distribution of gambling jobs. High growth wards are scattered disparately across Greater London. Not all employment in gambling and betting is associated with leisure

activities. For example, some areas are home to headquarters of betting organisations such as Tote in Putney.

Areas of decline

Many parts of London have low employment in gambling and little growth. Some areas have experienced a marked decline in gambling jobs, up to 40 per cent over 1995 to 2001.

Table 7.4: Location analysis of gambling employment

	Total number of London's gambling jobs (2001)	% of London's gambling jobs	Change in job numbers (1995-2001)	Number of jobs per ward	Number of new jobs per ward
High employment/high growth	13,400	68	+8,500	150	+100
High employment/low growth	2,000	10	-1,700	70	-60
Low employment/high growth	800	4	+400	20	+10
Low employment/low growth	3,600	18	-2,600	5	-5
Total	19,900	100	+4,700		

Source: ABI 2001, GLA Economics

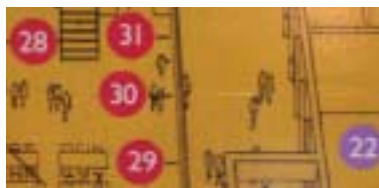
The future

The white paper, *A Safe Bet for Success: Modernising Britain's Gambling Laws*, proposed easing the rules on casino locations, allowing 24-hour opening, abolishing the 'cooling-off' period required before membership is granted, allowing bets to be placed by credit card and permitting bigger jackpots and prizes. Liberalisation would be balanced in part by introduction of a regulatory Gambling Commission. A full draft of the Gambling Bill, which would enact these changes, will be published later this year.

On past form, gambling is recession proof and short-term economic slowdown is unlikely to have much effect on demand. Gambling continues to grow, but its long-term prospects depend on the impact of deregulation. It is uncertain if giving people greater freedom to gamble will result in a large increase in gambling.

The new gambling laws will hold a clause that venues must be a minimum size. This will prevent a proliferation of smaller casinos. Growth will probably be in large multi-entertainment venues including casinos, bingo and slot machines. London's gambling businesses will be positioned to take advantage of the new laws, but the new rules will erode London's dominance in gambling by encouraging casino developments in other towns, especially seaside resorts. The continuing growth of internet technology will see a move towards online betting.







Chapter 8: Visiting in London



Visiting includes people touring or viewing a visitor attraction. This includes London's wealth of historic attractions, museums, galleries, theme parks and gardens.

The London market: Historical sites, museums and other attractions

The market for visiting London is split into three main segments:

Historical sites

Historic properties such as the Tower of London, Buckingham Palace and Hampton Court Palace; heritage centres such as Somerset House and Shakespeare's Globe Exhibition; and places of worship such as St Paul's Cathedral and Westminster Abbey. Many charge an admission fee, while some are free or ask for a donation.

Museums and art galleries

Includes the British Museum, the Science Museum, Natural History Museum and London Museum, and art galleries such as the National Gallery and Royal Academy of Arts. Many national museums provide free access, while most others charge an admission fee.

Other attractions

A mixture of attractions including wildlife parks such

as London Zoo, gardens such as Kew Gardens, leisure parks such as Chessington World of Adventures, and other attractions such as Madame Tussaud's and the London Eye. Most of these attractions charge admission fees.

Over a third of Britain's attractions have free access. The mix of admission charging and free access makes the market for visiting attractions particularly difficult to measure.

Drivers of demand

The demand for visitor attractions is from all age groups, but particularly families. Up to a third of visitors are children. Over 400 million people visited London's attractions in 2000, including Londoners and people from the rest of Britain and overseas.

People on holiday are most likely to visit attractions. In 2000, 14 per cent of visitors to Britain's attractions were from overseas and London attracts a



large number of overseas visitors. There were 18 million trips to attractions by domestic visitors staying overnight in London, 13 million by overseas residents and 169 million day trips. Overseas visitors spend the most, almost £7 billion per year. Domestic visitors staying overnight spend £3 billion, and daytrippers spend over £4.6 billion.

Finally, demand is influenced by prices. Many of London's museums, historical sites and gardens are in public ownership and subsidised, and do not charge admission fees. Government policy actively seeks to stimulate demand for visiting heritage attractions by subsidising admissions.

Drivers of supply

The growth in tourism has seen a massive increase in the number of attractions. Almost half of Britain's visitor attractions have opened since 1980, and a fifth have opened since 1990. However, the number of attractions has grown at a faster rate than the number of visitors, and visitors per attraction have been declining.

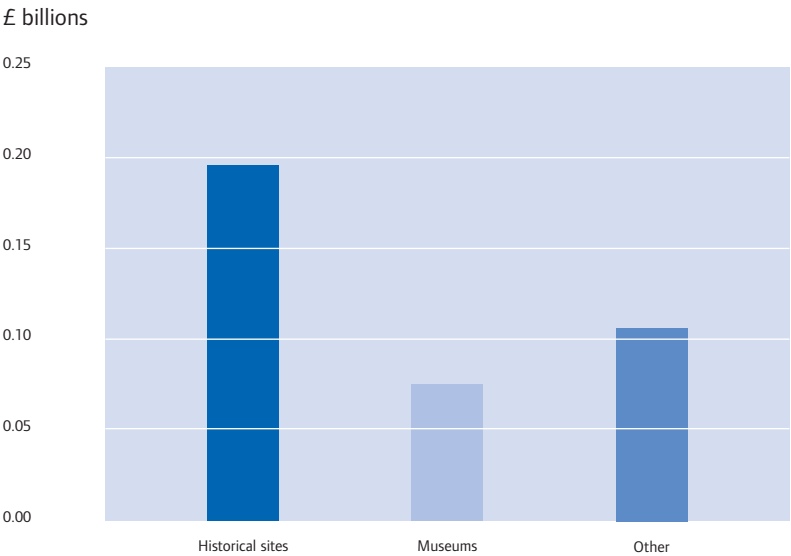
Lottery grants and European aid have subsidised new attractions across Britain. The Millennium celebrations were marked with new, publicly backed attractions including the Millennium Dome, London Eye and Tate Modern in London. The result was a large increase in the number of attractions. Some have been hugely successful and others less so.

The value of London's visiting market

There were 400 million visits to Britain's attractions in 2000, with an estimated market value of £1.5 billion. Revenue is from admissions and donations (50 per cent), retailing (40 per cent) and catering (10 per cent).

The market is more complex than accounted for by this figure, which does not consider the contribution of public subsidies. Admissions are only around 12 per cent of total income. Many of the largest museums have free entry and many other museums and historic sites are subsidised. A real market value of visitor attractions would need to investigate people's willingness to pay to visit the attractions.

Chart 8.1: Value of visiting in London



Source: GLA Economics

Market size

London has the greatest concentration of major attractions in Britain. In 2000, seven of the top ten paid attractions and five of the top ten free attractions were in London (2000 was an exceptional year as it included the Millennium Dome which had 6.5 million visitors). GLA Economics estimates the market value for visiting London's historical sites, museums and visitor attractions is £380 million.

Historical sites are the largest part of London's visiting economy at over £190 million. The most visited historical attraction in the country is the Tower of London, which drew 2.3 million visitors in 2000.

Museums contribute £70 million, although this is difficult to measure due to the effect of public subsidies. The British Museum was the top free attraction with over 5 million visitors in 2000. London's National Gallery also attracted almost 5 million and the Tate Modern attracted 4 million. All the national museums now no longer charge. The top admission charging museums of 2000 were all in London with

the Natural History Museum, Science Museum and Victoria and Albert Museum each with up to 1.5 million visitors a year.

Other London attractions, largely fee charging, privately owned attractions, had a market value of £110 million in 2000. This includes the Dome (now closed), the London Eye with 3.3 million visitors and Madame Tussaud's with 2.4 million visitors. London's biggest visitor attraction outside central London is Chessington World of Adventures in Kingston upon Thames, with up to 1.5 million visitors.

Business

Structure

England has around 4,700 visitor attractions. The structure of visiting is unusual, and three types of ownership shape the market structure:

- Public ownership: national government owns approximately 5 per cent of visitor attractions including some of the largest. Local authorities own around 22 per cent.
- Trusts or charities: English Heritage which is partly supported by government, and the National Trust which is totally independent, have

up to a fifth of England's visitor attractions. A quarter of attractions are run by other trusts and charities.

- Private ownership: less than 30 per cent of visitor attractions are privately owned.

Consolidation and small enterprise

The diversity of visitor attractions, the relative dominance of the public sector, and the role of trusts and charities make it difficult to apply traditional measures of industry concentration to visiting in London. The government directly supports national museums and devolves responsibility for other attractions to agencies and trustees. Many of these compete with one another.

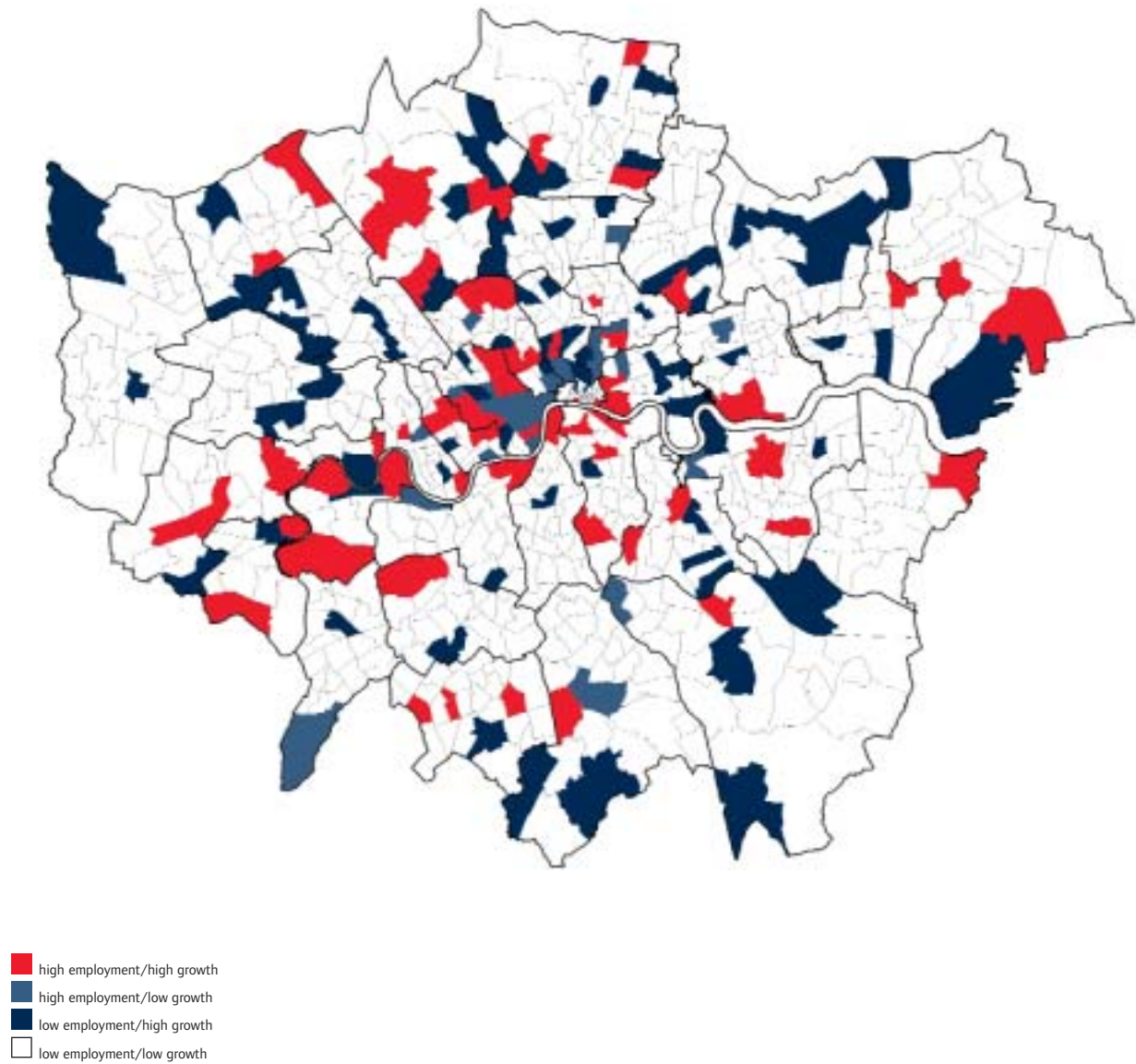
The main private sector player in London is the Tussauds Group, which operates Madame Tussaud's and Chessington World of Adventures and has a holding in the London Eye. There is a continuing role for small enterprises in small museums and galleries as over a third of Britain's museums, historical attractions, fairgrounds and amusements have turnovers of less than £100,000.

Table 8.1: Employment in visiting

Employees in London	14,800
Share of London jobs %	0.4
Share of Britain's visiting jobs %	17.2
London change 1995-2001	+2,100
London change 1995-2001 %	16.3

Source: ABI 2001

Map 8.1: Where London's visiting jobs are located



Source: GLA Economics

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People

Jobs and workplaces

There are 14,800 employees working in London's visitor attractions, 0.4 per cent of London jobs. In Britain 86,000 people are employed in visiting, meaning 17 per cent of national visitor-related jobs are in London. This includes 7,300 jobs in museums and historical sites and 1,200 jobs in gardens and zoos. London generated 2,100 new jobs, an increase of over 16 per cent over 1995 to 2001. Visiting employment in Britain increased by only 5 per cent.

Workplaces in London are much larger than the national average. There are 700 workplaces for visiting in London, down since 1995.

Occupations

GLA Economics estimates over 20 per cent of jobs in visiting fall under the ABI category of library and related professionals, namely as archivists and curators. A further 20 per cent of occupations are in leisure and travel services as travel and tour guides.

Pay and conditions

Average wages for occupations such as curators cannot be released, as the sample size is too small. However, wages for curators in London are about 18 per cent higher than the rest of Britain, suggesting employees in London's visitor attractions are paid more than their counterparts elsewhere.

Almost 69 per cent of jobs in London's visitor attractions are full time, higher than the national share of 58 per cent. Both nationally and in London, women hold just over 50 per cent of jobs in visitor attractions.

Places

London-wide

On average, London wards have 19 visiting jobs and gained three over 1995 to 2001. Map 8.1 illustrates the performance of wards across London.

Employment is concentrated heavily in certain areas. Eighty-seven wards (out of 783) account for 90 per cent of jobs in London's visitor attractions.

Table 8.2: Visiting workplaces

Workplaces in London	700
Share of Britain's visiting workplaces %	10.2
Average employees per workplace, London	21.3
Average employees per workplace, Britain	12.8

Source: ABI 2001

Table 8.3: Pay and conditions

Conditions	London %	Britain %
Male full time	38	33
Male part time	10	13
Female full time	30	25
Female part time	21	29

Source: New Earnings Survey 2002, ABI 2001

This shows a large concentration of visiting jobs. While some wards have rapidly increasing employment, others are losing substantial numbers of jobs.

The West End

Thirteen per cent, or 2,000, of London's visitor jobs are in the West End. Two Westminster wards – West End and St James – have 1,800 of these jobs. The West End lost up to 400 jobs in visitor attractions between 1995–

2001, showing growth in visitor attractions is beyond the traditional tourist centre of London.

Areas of growth

The most notable areas of growth include Kensington and Chelsea, with an extra 1,200 visiting jobs, and Richmond upon Thames which also experienced rapid growth with 1,200 new jobs. Pockets of growth were found in the City of London and Southwark.

Areas of decline

Some traditional tourist areas in Westminster have lost jobs in visitor attractions, as has Kingston upon Thames. There has been negligible growth in parts of London where visitor attractions are not a significant employer.

Table 8.4: Location analysis of visiting employment

	Total number of London's visiting jobs (2001)	% of London's visiting jobs	Change in job numbers (1995–2001)	Number of jobs per ward	Number of new jobs per ward
High employment/high growth	10,200	69	+6,700	160	+100
High employment/low growth	3,300	22	-1,800	150	-80
Low employment/high growth	600	4	+500	10	+5
Low employment/low growth	700	5	-3,300	0	-5
Total	14,800	100	+2,100		

Source: ABI 2001, GLA Economics

The future

Demand for visitor attractions is likely to grow steadily as incomes, leisure time and the market for tourism increase. In the short term, demand is vulnerable to economic slowdown and currency instability, particularly with a fall in numbers of visitors from North America and East Asia. However, economic slowdown and currency instability also affect British holidaymakers. If holidaying abroad becomes less affordable, people will refocus their travel plans to domestic tourism. This gives London an opportunity to attract visitors from within Britain.

The dramatic increase in the number of visitor attractions has slowed. There will be fewer new attractions and with the Millennium celebrations now fading into history, lottery funding has shifted away from high-profile visitor projects. Many major museums and galleries remain largely dependent on public funding and have their priorities led by government policy.

The market for visitors is competitive and London faces increasing competition to attract domestic and overseas visitors. There is growing rivalry from other British regions and cities, which have developed strategies for tourism, culture and leisure. Moreover, the revolution in air travel with low-cost carriers and cheap flights means that London now competes more directly with other European cities.





Earthy street food
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sandwiches and





Conclusion

The leisure sector is one of the fastest growing parts of London's economy. With nearly 290,000 jobs and a consumer market of £9.5 billion, it directly represents around six to eight per cent of the whole London economy.



The sector is growing rapidly and is likely to make up a substantial part of the 178,000 new jobs in 'other services' projected by 2016 in the Mayor's London Plan. Disposable incomes are rising, and it is projected that an additional 515,000 people of working age will be living in London by 2016. Clearly, there will be increased demand for more leisure services in the future.

The leisure sector has an important role to play in meeting the challenges of a larger and more diverse workforce. Leisure's job opportunities are not just in the West End but dispersed across many parts of London. In fact, the longer-term trend is for stronger growth outside the West End, particularly in theatres and cinemas, dining and pubs and clubs. Sport is growing too, and is concentrated almost entirely outside the West End.

As discussed in *Spreading Success: How London is Changing*, local job creation is important and leisure jobs will help to boost local economies across London.

In this way, the leisure sector can form an important part of strategies to ensure and improve the vitality of town centres – a key policy objective of the Mayor's London Plan.

As well as providing jobs across London, leisure provides job opportunities for the whole range of skills from entry-level opportunities to professional and managerial work. It provides a mix of full-time and part-time work for both men and women.

Leisure activities also help to create the excitement and buzz that characterise London. This is vital in sustaining London as a world city and a leading visitor destination. The importance of this is demonstrated by the Mayor's



support of the *Totally London* campaign and the *London Tourism Action Plan* produced by the London Development Agency. Leisure is also important in attracting the key global finance and business services, and the skilled staff on which they rely, to London.

Many leisure markets are being shaped by the expansion and consolidation of companies and brands. For example, a few large chains dominate the growth market of high street bars. Larger enterprises with greater resources to invest in their products, premises and above all their employees can help to generate improvements in the quality and professionalism of London's leisure economy. Consolidation may affect smaller enterprises, but overall market growth will still provide opportunities for innovative and well-run enterprises and those offering competitive products. Public sector enterprise also plays an important role in providing sports and visitor attractions, increasing access and encouraging everyone to participate.

The growth of leisure brings increases in employment and incomes and has many wider social benefits. However, there are also downsides. Some activities such as drinking and dining out can give rise to problems of noise and pollution that have an impact on neighbouring residents.

There is a need for a strategic approach to find ways of minimising harm to the community. The London Plan supports the development of Entertainment Management Zones to integrate action by boroughs and other agencies. Other initiatives might be considered such as the opportunities arising from new legislation on Business Improvement Districts.

Leisure can have other social costs. For example, excessive alcohol intake can damage personal health and increase levels of crime. Again, there is a need for a coordinated approach to policy to address these issues. This might include initiatives surrounding the physical environment, for

example, managing the layout and density of licensed premises and ensuring that issues surrounding inappropriate use of alcohol are taken into account in regeneration. This is the approach outlined in *London Agenda for Action on Alcohol*, the Mayor's policy to reduce the harm resulting from alcohol misuse and drug use in the capital.

Demand is growing for public transport at peak leisure times – mainly late evening and at weekends. Transport for London has sought to expand late-night public transport in recent years with more night bus services. Late-night leisure is likely to keep growing, highlighting the need for extended services on the London Underground and rail services through the night. Demand for safe and affordable late-night taxi services will also increase. The *Safer Travel At Night* initiative includes cooperation between Transport for London and the Metropolitan Police to tackle crime on buses and taxi touting.

The GLA provides a coordinating role to promote a strategic approach to policy in London, and effective policy making for the leisure sector involves a wide range of organisations. There are a number of actions the GLA group can take to support the Mayor's strategic priorities:

- *A fair city:* The GLA has played an essential role in establishing the Greater London Alcohol and Drug Alliance to develop, implement and evaluate programmes of action. This will help protect people who are most vulnerable to the social costs of growth in leisure.
- *A green city:* The Mayor's planning powers could be used to create a policy framework that encourages a strategic approach to this sector. The framework needs to maximise the contribution the sector can make to tackling localised problems of deprivation, strengthening town centres and improving the urban environment.
- *A prosperous city:* The London Development Agency

could encourage business support services relevant to the needs of small and growing enterprises in the leisure sector. This will help promote diversity and choice in leisure.

- *A city for people:* The work of the Skills Commission and the Framework for Regional Employment and Skills can help the sector to develop the potential of its employees for more skilled and rewarding jobs.
- *An accessible city:* Transport for London could provide an appropriate level and quality of transport services, particularly at night and over weekends. Effective policies for the leisure sector must be based on comprehensive and robust information about the sector and its contribution to London's economy. This is an important role for GLA Economics, and this report provides a start.

As Spending Time: London's Leisure Economy has shown, demand for leisure activities is set to grow in London. It is acknowledged that this

growth brings benefits and costs. There are two possible policy approaches could be taken to manage that.

First, attempts could be made to stifle growth. Given the strength of the forces driving demand, it is questionable how effective this approach would be. It would also endanger other policy objectives, such as sustaining London's world city status and ensuring enough jobs for the city's growing working population.

The second approach is to develop a coordinated set of policies and work with all the agencies that have a part to play in ensuring growth in leisure maximises the benefits.

This report provides evidence to suggest the second approach is likely to be more effective, and starts to identify some of the issues that should be addressed.

Appendix A: Supporting calculations

There are no satisfactory existing measures of market size at a regional level for each of the leisure activities. Therefore, estimates of the market size in London are produced by taking national figures from the most recent market research and disaggregating to a regional level.

The calculations are developed in the following stages:

- 1 Take national market size as reported by ICC/Keynote reports.
- 2 Use Yell Data to find number of units in Greater London and number of units in Britain as a whole. The percentage of units in London provides the base market share of London. Standard statistical sources do not break down into the necessary level of detail, for example bookmakers, bingo and casinos.
- 3 The ABI reports that there are more employees per workplace in London's leisure workplaces than there are for Britain as a whole. This ranges from 'motion picture projection' where there is an average of 1 per cent more employees per cinema in London, to visitor attractions which in London employ around 67 per cent more people per attraction than nationally. The basic market figure for London is inflated accordingly.
- 4 The ABI also provides data that shows full-time employment is much more prevalent than part-time employment in London's leisure sector compared to nationally. For simplicity, it is assumed that a full-time employee job equals 40 hours work per week and a part-time employee job equals 20 hours per week. From this, average weekly hours per employee are estimated for each activity. For example, the average employee in a London restaurant works 12 per cent longer than the typical restaurant employee in Britain. The market value for London is inflated accordingly.
- 5 Inevitably, London has higher costs than most other locations in Britain. This is indicated by the New Earnings Survey where occupational results are available by region. Earnings in London's occupations are higher than the national average. For example, people working in London's bars are paid up to 16 per cent more per hour than the national average. The London market share is adjusted accordingly for these costs.

This method provides straightforward but useful estimates of the contribution of the leisure sector to the London economy.

Table A1: Calculations of London market size

		National market size	with London's share	
		National turnover (£ billions)	Multiplied by London share of units (Yell Data)	£ billions
Drinking	Pubs	9.98	0.09	0.90
	High street bars	2.75	0.20	0.55
	Nightclubs	1.13	0.15	0.17
	Total	13.86		1.62
Dining	Restaurants	5.01	0.18	0.89
	Ethnic restaurants	3.05	0.26	0.81
	Fast food restaurants	3.06	0.21	0.63
	Coffee shops and cafes	2.67	0.21	0.55
	Fast food takeaway	1.74	0.21	0.36
	Total	15.53		3.24
Entertaining	West End theatre*	0.18	1.00	0.18
	Theatre	0.22	0.16	0.03
	Cinemas	0.63	0.22	0.14
	Total	1.02		0.35
Sporting	Fitness centres and health clubs	1.50	0.14	0.21
	Sports clubs	1.50	0.08	0.13
	Stadiums and arenas	0.75	0.12	0.09
	Total	3.75		0.42
Gambling	Bookmakers	1.41	0.26	0.36
	Casinos*	0.61	0.60	0.37
	Bingo	0.20	0.09	0.02
	Total	2.23		0.75
Visiting	Historical sites	0.54	0.17	0.09
	Museums	0.21	0.17	0.04
	Other	0.76	0.07	0.05
	Parks and zoos	0.41	0.08	0.03
	Funfairs and amusements	0.35	0.06	0.02
	Totals	1.50		0.18
		37.89		

*There are some deviations from this method:

West End theatre: Estimates of the market size for West End theatres are taken from the Society of London Theatres (figure reported by Keynote).

Casinos: Estimate for London's casinos are provided by the Gaming Board for Great Britain (figure reported by Keynote).

but bigger establishments		and employees working longer hours		for higher wages	
Multiplied by London:GB ratio of employees-workplace (ABI)	£ billions	Multiplied by London:GB ratio of average work hours per week (ABI)	£ billions	Multiplied by London:GB ratio of higher earnings (NES)	£ billions London Turnover
1.14	1.03	1.09	1.12	1.16	1.30
1.14	0.63	1.09	0.69	1.16	0.80
1.14	0.19	1.09	0.21	1.16	0.25
	1.85		2.03		2.35
1.12	1.00	1.12	1.12	1.15	1.28
1.12	0.91	1.12	1.01	1.15	1.16
1.12	0.71	1.12	0.80	1.15	0.91
1.12	0.62	1.12	0.69	1.15	0.80
1.12	0.40	1.12	0.45	1.15	0.52
	3.65		4.07		4.67
1.25	0.22	1.00	0.22	1.00	0.22
1.25	0.04	1.07	0.05	1.19	0.06
1.01	0.14	1.07	0.15	1.10	0.16
	0.40		0.42		0.44
1.27	0.26	1.05	0.27	1.23	0.33
1.27	0.16	1.05	0.17	1.23	0.21
1.27	0.12	1.05	0.12	1.23	0.15
1.27	0.54		0.56		0.69
1.13	0.41	1.06	0.43	1.10	0.47
1.00	0.37	1.00	0.37	1.00	0.37
1.13	0.02	1.06	0.02	1.10	0.02
	0.80		0.82		0.86
1.67	0.15	1.07	0.16	1.18	0.19
1.67	0.06	1.07	0.06	1.18	0.07
1.67	0.09	1.07	0.09	1.18	0.11
1.67	0.06	1.07	0.06	1.18	0.07
1.67	0.03	1.07	0.03	1.18	0.04
	0.30		0.32		0.38
					9.38

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ngôn ngữ của bạn, hãy gọi điện theo số hoặc
liên lạc với địa chỉ dưới đây.

Greek

Αν θέτε βάλει ένα αντίγραφο του
παραπάνω έγγραφου στη γλώσσα
σας, παρακαλώ να τηλεφωνήσετε
στον αριθμό ή να επικοινωνήσετε
στην παρακάτω διεύθυνση

Turkish

Bu broşürü Türkçe olarak edinmek
için lütfen aşağıdaki numaraya
telefon edin ya da adrese başvurun.

Punjabi

ਜੇ ਤੁਸਾਂ ਲਿਆ ਆਪਣੇ ਆਪੀ ਤੁਸਾਂ ਆਪਣਾ ਭਾਸ਼ਾ
ਲਿਖ ਰਾਹੀਂ ਹੈ ਜੇ ਤੁਸਾਂ ਲਿਖ ਲਿਖ ਜੇ ਲਿਖ ਕਰੋ ਜੇ ਤੁਸਾਂ
ਲਿਖ ਲਿਖ ਲਿਖ ਲਿਖ

Hindi

यदि आप इस दस्तावेज़ की प्रति अपनी भाषा में चाहते हैं,
तो कृपया निम्नलिखित नम्बर पर फोन करें अथवा दिये
गये पता पर सम्पर्क करें।

Bengali

আপনি যদি আপনার ভাষায় এই দলিলের প্রতিলিপি
(কপি) চান, তা হলে নীচের ফোন নম্বরে
বা ঠিকানায় অনুগ্রহ করে যোগাযোগ করুন।

Urdu

اگر آپ اس دستاویز کی نقل اپنی زبان میں چاہتے
ہیں، تو براہ کرم نیچے دیئے گئے نمبر پر فون کریں
یا دیئے گئے پتے پر رابطہ قائم کریں۔

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જોઈતી હોય તો, કૃપા કરી આપેલ નંબર ઉપર
ફોન કરો અથવા નીચેના સંબંધે લખો.



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