GLAECONOMICS

Devolving licensing powers to the GLA: Context, challenges and opportunities

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CONTEXT

Nightlife in London

London's hospitality, culture and nightlife are critical to the capital's success and national economic growth – with the night time economy worth £40bn[1] a year and creative industries £64bn a year ([DCMS, 2025](#)). 25% of face-to-face spending in London took place from 6pm-6am between 2022 to 2024 – rising to over a third in some boroughs. This compares to 19% in the UK ([Office for National Statistics, 2024)](#).

London's hospitality sector accounted for 445,000 jobs in 2024, which represents approximately 7% of total jobs in the capital. Over 47% of workers in the sector worked between 6pm and 6am in 2023 (GLA Economics [London at Night report](#), 2024).

Licensing and economic activity

The Licensing Act (2003) regulates the sale and supply of alcohol and certain entertainment activities in England and Wales. There are around 36,000 licensed premises in the capital – 17% of the total for England and Wales[2].

There were nearly 2,400 new applications for premises licences in London in 2023/24, with 82% granted compared to 91% across England and Wales[3]. Figure 1 shows a clear positive correlation between the number of licenced premises, job creation and by extension economic activity and growth across London boroughs.

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[1] [Londons-24-hour-economy.pdf](#)
[2] This includes around: 31,000 premises with licenses to sell alcohol; 19,000 late-night refreshment licences (anywhere selling hot food or drinks after 11pm); 2,000 24-hour alcohol licences. Source: GLA Economics, [2024](#).
[3] Important to treat this data with caution as there are data gaps across some local authority areas as well as reporting errors.

Figure 1: Correlation between issued licenses and jobs by borough
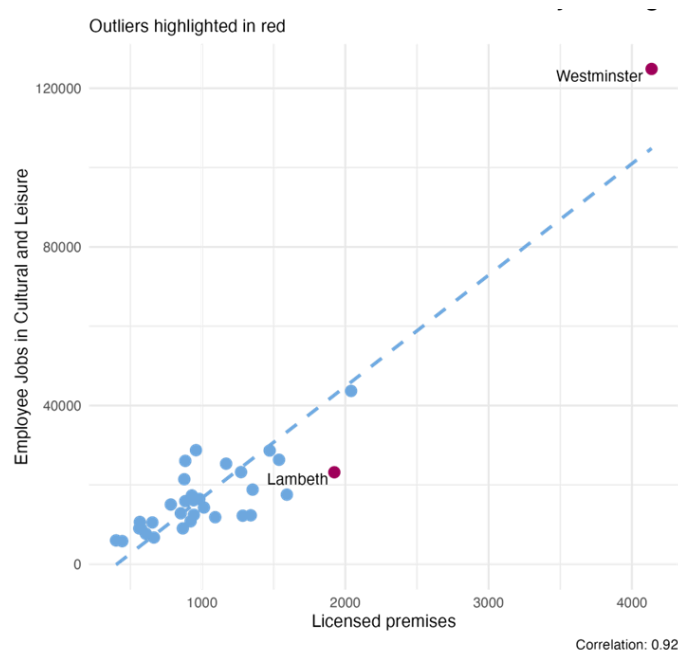
Source: BRES and Home Office[4]

THE CASE FOR REFORMING THE LICENSING REGIME

Despite how vital nightlife and after-hours culture are to London's economy, businesses are under pressure from rising costs and bureaucratic red tape. Licensing is a big part of this, with the current licensing system often seen by venues as inconsistent, lacking transparency, and overly weighted toward objections.

Many businesses say that the current system has prevented opportunities for London's culture and hospitality to thrive after dark, such as through later opening hours and al fresco dining, and they cite that the current system is:

- Fragmented and complex: each borough designs and implements its own licensing regimes.
- Unequal: it leads to spatial imbalances and penalises SMEs and businesses owned and operated by individuals with protected characteristics.
- Not evidence-based: decisions are not always based on clear and consistent evidence, and the system is different relative to those in place in other global cities.
- Not joined up: examples of systematic failures where planning permissions have been granted but licensing applications for the same proposals were refused.
- Costly: businesses face high administrative costs, over 50 licencing conditions, and license reviews that cost £17,000 on average to defend.

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[4] Note: Westminster and Lambeth are outliers (highlighted in red) due to data issues for these boroughs (e.g., missing data for Westminster in 2021/22 and considerable variation in numbers reported year on year)

Meanwhile, survey evidence shows strong support from Londoners for a more inclusive, diverse and flexible night-time offer. For example:

- 45% of Londoners have ended a night out before midnight, despite wanting to stay out later (The Standard, 2024)
- 89% of Hackney residents cite food as their main reason for going out after 6pm – with 70% calling for more outdoor dining and night markets (Hackney, 2025)
- Around a third of Brixton nightlife customers raise concerns about limited entertainment choices (28%) and ambience (32%) (Brixton, 2024)

OPPORTUNITIES FOR GROWTH: LEARNING FROM ABROAD

Other cities have been reforming their licensing system without following a borough-level licensing model. In particular, the evidence shows that a strategic city-wide authority or governing entity is effective at managing risks.

As an example, in New York City (NYC), the Mayor of New York has considerable influence over licensing rules and regulations compared to London. New York's Mayor can set licensing policy priorities, propose changes to state laws that govern licensing, appoint key officials in licensing-related agencies, and launch initiatives to support SMEs and other businesses in need. For example, in 2023 the Mayor of New York City launched the city-wide 'CURE' (Coordinating a United Resolution with Establishments) initiative to improve public safety responses to nightlife establishments, more equitably engage with nightlife business owners, and reform punitive venue-based measures under the previous MARCH (Multi-Agency Response to Community Hotspots) programme.

Using data from a 2019 report on nightlife in NYC[5] total monthly night-time spending on night-time dining equalled an estimated $500 million in 2016 ($653 million in 2024 dollars, or £490 million). In 2024, this compares to approximately £400 million per month in London.

To estimate the economic impact of this difference in expenditure, and assuming a spending multiplier of 2.0[6] (i.e., a £1 increase in retail and food spending leads to a £2 boost to GVA), London's GVA could be boosted by around £2 billion per year if we enhance our restaurant licencing regulations so that we could match spending levels in NYC.

Other global cities demonstrate that a strategic city-wide authority or governing entity is effective at managing risks. As an example, the government of New South Wales (Australia) introducing a "Data After Dark" platform to track key trends and metrics related to the night-time economy, including noise levels and community impact, to drive evidence-based measures that manage trade-offs.

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[5] https://www.nyc.gov/assets/mome/pdf/NYC_Nightlife_Economic_Impact_Report_2019_digital.pdf The report suggests total output of the food service sector in NYC is $12 billion per year. Assuming a retail spending multiplier of 2.0 (no specific food-service multiplier for NYC is available), this would suggest $6 billion in spending on food per year, or $500 million per month.

[6] Estimates for spending multipliers in developed countries range between 1.5 and 2.0 (see UK ONS Input-Output Tables and US Bureau for Economic Analysis RIMS II Multipliers for examples).

NEXT STEPS FOR LONDON

Reforming London's licensing regime so that powers rest with the GLA as a strategic authority is likely to mitigate some of the burden businesses face, bringing London more in line with regimes in other cities like New York.

In April 2025, the Government announced that London will pilot new strategic licensing powers for the Mayor (Gov.UK, 2025). A pilot scheme is being devised by Government and the GLA that aims to give greater clarity and consistency for businesses and recognises the economic, culture and social value of licensed premises.