

LONDON ASSEMBLY



City Hall

Kamal Chumchie Way
London E16 1ZE
Tel: 020 7983 4000
www.london.gov.uk

Bassam Mahfouz

Chair of the Economy, Culture and Skills Committee

Sir Sadiq Khan
Mayor of London
(Sent by email)

22 July 2026

Dear Sadiq,

The Economy, Culture and Skills Committee recently held a meeting to discuss your plans for a strategic licensing pilot in London, where we heard about the challenges London businesses face in the current licensing regime and how these can be addressed. I would like to set out our conclusions in this letter.

Our guests for this discussion were Brian Hook of the Arts Theatre, licensing solicitor Alun Thomas and Jim Cathcart of UKHospitality. We also heard from your Deputy Mayor for Culture and the Creative Industries Justine Simons OBE, and Marsha Kuye MBE, Head of Licensing and 24-Hour London, who told us about the aims of your pilot.

The opportunity

Deputy Mayor Justine Simons told the Committee that there is significant economic and cultural potential in reforming licensing in London:

“nightlife is really central to our success as a global city. It is worth £21 billion every year to the London economy, and 1.4 million Londoners work in the nighttime economy... It is about our sense of belonging to this city. It is about our identity, our reputation, our community, our human connection.”¹

¹ [Transcript of Economy, Culture & Skills Committee meeting](#), 24 June 2026, panel 2 page 1

The Deputy Mayor also advised that the GLA has data showing that if the Mayor of London had the same licensing powers as the Mayor of New York, there would be a £2 billion boost to the economy.²

Current challenges

Jim Cathcart of UKHospitality explained to the Committee that the original intention of the Licensing Act 2003 had been to encourage flexibility in licensing decisions, but that over two decades later there is still a rigid approach in areas of the capital:

“one of the challenges facing businesses when it comes to licensing, certainly in parts of London, is that while the Licensing Act... was designed as permissive in that every business or licensed premises should be judged on its own merits when applying for an application or opening up as a new venue, what we have seen over the last 15 years or so is a layering on top – not in every area of London – of extra levels of inflexibility, in essence.”³

There is an inconsistent approach to licensing between boroughs, with some operating stricter policies, for instance restricting alcohol sales earlier in the evening.⁴ These policies may reflect the priorities of local communities and their elected representatives, but can also make opening and running licensed premises more difficult for businesses. Alun Thomas – a partner at the solicitors Thomas & Thomas Partners LLP who has represented an internationally renowned jazz venue originally refused a late-night license in London – told us how this is affecting business trying to open new locations in London. He suggested the cumulative impact areas⁵ created by boroughs can be a challenge:

“hospitality businesses at the moment need everything that they can get to survive and when they are applying for licences, particularly in cumulative impact areas, this can be very difficult. It is difficult getting the licence in the first place. It is getting the right licence that they need. In some areas it is difficult or impossible to be able to serve alcohol without food, even up to 9pm. That is how difficult it is in some parts of London.”⁶

Licence restrictions

Our meeting had a particular focus on the theatres in London, a sector in which London is seen as a world leader. Brian Hook is an Olivier Award-winning producer who owns the Arts Theatre, which is about to open a new temporary venue at Marble Arch. He told us:

“There are probably eight or ten things that I could point out in our licence... that feel like somebody trying to get a win and a tick box rather than somebody looking at the business that I have and going, ‘Right, how can we help? How do we help you manage this? How can we make it a success for you?’”⁷

² [Transcript of Economy, Culture & Skills Committee meeting](#), 24 June 2026, panel 2 page 1

³ [Transcript of Economy, Culture & Skills Committee meeting](#), 24 June 2026, panel 1, page 2

⁴ Alun Thomas, [Transcript of Economy, Culture & Skills Committee meeting](#), 24 June 2026, panel 1, page 7

⁵ These are areas where a borough has deemed there to be a high concentration of licensed premises and can implement a more stringent or restrictive policy when deciding license applications.

⁶ [Transcript of Economy, Culture & Skills Committee meeting](#), 24 June 2026, panel 1, page 1

⁷ [Transcript of Economy, Culture & Skills Committee meeting](#), 24 June 2026, panel 1, page 14

A specific example given by Mr Hook was a licence condition stating that only ticket holders for a show were allowed to buy alcohol at the venue:

“pre and post show, the ability for theatres to support themselves, when funding is drying up and things are being removed there, get fewer and fewer. That is felt less in the West End because of the economies, our ticket sales and our ticket prices, but if you look at any immersive theatre show outside of the immediate [area] – and they are still within Westminster, still very much within central London – they will fall foul of that. They will not be able to use their space outside of those ticket sales.”⁸

National comparisons

Brian Hook told us that he had found other cities in the UK to be much more welcoming to his licensing applications for theatre venues than some London boroughs have been:

“I have also spent my career working up and down the country putting on plays, taking over venues and building theatres... The open arms that we get in Manchester, Sheffield, York, and Wales, places that you would think on paper would not be used to the sort of operation that we do and how we do it, and the welcome approach there, versus a very constrained view of what we do [in London]. Certainly I have to fight the case every time I go to planning or licensing hearings and committees about why culture is important, our cumulative impact financially, the sheer amount of money that we bring to secondary and tertiary economies, and the vast, outsized impacts that theatre and late-night entertainment have on the immediate surroundings. That is a given wherever I go outside of London. I have had brilliant experiences and I am very grateful to operate the businesses that I operate, but it is markedly different, the approach.”⁹

The Deputy Mayor similarly told us that London as a whole falls behind the rest of country in its rate of license approval:

“licensing is the area that we are falling behind in. We know that in London 82 per cent of licences get approved and the national picture is that 91 per cent of licences get approved. Even that statistic alone tells you that that is lost growth for London. If we could even get up to the UK-wide figure in terms of percentage of approvals, that alone would really give us a big boost. Yes, this is really about bringing licensing into the strategic thinking of London.”¹⁰

New Mayoral powers

You have set out proposals for the use of new statutory Mayoral powers in order to boost London’s nighttime economy. One of the most consequential new powers will be the ability to ‘call-in’ licensing applications from boroughs, where these are of strategic importance.¹¹

⁸ [Transcript of Economy, Culture & Skills Committee meeting](#), 24 June 2026, panel 1, page 11

⁹ [Transcript of Economy, Culture & Skills Committee meeting](#), 24 June 2026, panel 1, page 8

¹⁰ [Transcript of Economy, Culture & Skills Committee meeting](#), 24 June 2026, panel 2, page 1

¹¹ Mayor of London, [London Strategic Licensing Pilot: Consultation document](#), 2026

Jim Cathcart told the Committee that the definition of ‘strategic’ will be important to get right, and he advised against using a narrow, quantitative definition:

“reading the consultation that was published a couple of months ago now, I think you are talking about strategic almost in terms of size of new development or size of business, done by rateable value. It would be interesting to see other types of strategic areas or businesses, when it comes to licensing, being recognised. By that, I mean that rather than just big, new developments falling into scope for this, perhaps existing businesses or areas of London where there is a particular type or mix of hospitality businesses that lend an area a certain character should potentially fall into scope, recognising of course that you do not want every single application to be called into question.”¹²

The Deputy Mayor stated that the preference will be for the GLA to work in partnership with boroughs (see below), and that the use of call-in powers would be a “last resort” option.¹³ Alun Thomas argued earlier that using call-in powers at an early stage may be beneficial:

“I know it has been said that those changes and that discretion will be used sparingly but we are at a crossroads – economically, at least – at the moment and I would urge any discretion to call-in applications to be used prudently but not necessarily sparingly. It is important that the right message goes out at the outset, particularly in relation to premises in cumulative impact areas and others of strategic importance.”¹⁴

Working with boroughs

You have published a draft London Strategic Licensing Policy, which we note that boroughs will need to ‘have regard to’ when exercising their licensing functions.¹⁵ We would urge that you work proactively with boroughs to develop a shared approach to licensing, as far as possible. We were encouraged to hear the Deputy Mayor discussing work so far in this area:

“When I hosted the roundtable with boroughs, the top thing that came through was they want a shared vision. We all agree with that. We all want a shared vision. They want us to define ‘strategic’, and that work is happening. It will be part of the secondary legislation process. They want balance. They want community, nightlife, safety and businesses working together. They want to bring people together. This is what boroughs said really clearly, ‘We want to work collaboratively with all the different parts of London planning, licensing, police, councils and so on.’”¹⁶

Delivering the new service

The Committee heard about the steps being taken in order to allow the GLA to exercise its new powers effectively. Marsha Kuye, Head of Licensing and 24-Hour London, explained that work is ongoing to

¹² [Transcript of Economy, Culture & Skills Committee meeting](#), 24 June 2026, panel 1, page 3

¹³ [Transcript of Economy, Culture & Skills Committee meeting](#), 24 June 2026, panel 2, page 6

¹⁴ [Transcript of Economy, Culture & Skills Committee meeting](#), 24 June 2026, panel 1, page 2

¹⁵ Mayor of London, [London Strategic Licensing Pilot: Consultation document](#), 2026

¹⁶ [Transcript of Economy, Culture & Skills Committee meeting](#), 24 June 2026, panel 2, page 6

consider what information and resources are needed at the GLA in order to check licensing applications – noting that around 4,000 of these are made in London every year:

“The key thing for us is making sure we are quite clear about what the information is that we need to be able to process, looking at those applications, understanding what is in those applications, and ensuring that any internal procedures and internal training aligns to that. We are also gathering learning that we are learning from boroughs from our sounding board. We meet with them monthly around what the key considerations are that we need to consider as becoming a responsible authority for London. We are doing a lot of engagement to understand what that means for us in order to be able to understand statistically what that means in terms of resources to be able to manage that level of volume.”¹⁷

The GLA will need to recruit new staff in order to deliver the new function. Ms Kuye noted a possible concern from boroughs that the GLA may be hiring from the same pool of licensing officers that boroughs recruit from.¹⁸ This may have unintended negative consequences for the sector, which need to be managed carefully.

Marsha Kuye also highlighted the importance of producing better data on licensing in London:

“one of the things that we want to be able to focus on is data. As we have started this project, we have struggled a lot with data. As mentioned previously by Justine, you have a lot of different boroughs using different systems in different ways, which makes it very difficult to be able to collectively across London understand what this landscape looks like in practice in order to enable us to make better decisions. Data is another key thing that we would like to be able to focus on in this project as well.”¹⁹

Conclusions

In conclusion, I would like to share the words of Brian Hook about the the possible benefits to London of a new approach to licensing, if we can get this right. Referring to theatres:

“It is not just whether we can build and make ourselves more sustainable. It is that outsized impact on our audiences and then what we can do for London and for tourism and for people coming and seeing our shows as well. I am really excited about it. A few changes in the right direction will make an outsized impact.”²⁰

We believe that the new licensing powers available to the Mayor have potential to boost London’s nighttime economy, and improve the cultural offering to Londoners and visitors. There are important considerations to be taken into account. In further developing your proposals we would suggest addressing:

¹⁷ [Transcript of Economy, Culture & Skills Committee meeting](#), 24 June 2026, panel 2, page 10

¹⁸ [Transcript of Economy, Culture & Skills Committee meeting](#), 24 June 2026, panel 2, page 10

¹⁹ [Transcript of Economy, Culture & Skills Committee meeting](#), 24 June 2026, panel 2, page 4

²⁰ [Transcript of Economy, Culture & Skills Committee meeting](#), 24 June 2026, panel 1, pages 15-16

- Working with boroughs to develop a shared vision for licensing in London that reduces inconsistencies between boroughs, while ensuring appropriate conditions are in place for parts of the city depending on their use and character.
- Proactively engaging with the theatre sector and similar cultural venues to ensure that their specific needs and challenges are taken into account in GLA and borough licensing decisions, keeping London at the cutting edge of this industry globally.
- Calibrating your approach to the use of call-in powers, ensuring an appropriate definition of 'strategic' is developed and that the powers are used effectively to shape London's approach to licensing and support businesses to open and grow.
- Establishing the resource needs of the new function within the GLA, and developing a new approach to licensing data in order to inform future policy and key decisions.

Yours,

A handwritten signature in dark ink, appearing to read 'Bassam', written in a cursive style.

Bassam Mahfouz

Chair of the Economy, Culture and Skills Committee