

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2243

Title: New Year's Eve 2018

Executive Summary:

The New Year's Eve Fireworks provide a fantastic showcase opportunity for London, nationally and internationally. Millions of people globally watch the fireworks through media outlets, keeping London on the world stage and in people's minds and hearts. The positive profile of London which the fireworks contribute to, can encourage people to want to study, do business or work in London, as well as visit – whether for the fireworks themselves, or at another time, supporting London's economic development.

The event's increased popularity over the years, drawing hundreds of thousands of people to central London, resulted in the need to introduce ticketing in 2014, in order to combat safety concerns. The impact of ticketing on crowds has been a success with reduced crowds outside of the viewing areas. The ticketing charge covers only the costs of implementing the ticketing system and additional infrastructure required to manage it.

Sponsorship and concession revenue is sought to offset some of the event costs, but this is not guaranteed.

Decision:

That the Mayor approves:

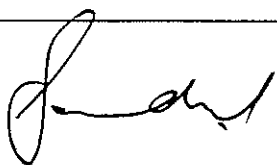
1. the GLA net expenditure of £2.3m, noting this is based on forecast ticket and concession income of £950,000, to deliver the 2018 New Year's Eve event;
2. a delegation, in relation to the 2018 New Year's Eve event to the Executive Director Resources, without reference to a further Decision form to receive and spend ticket, sponsorship and concession income.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision, and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

12/4/18

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1 This paper requests that the GLA allocates £2.3m to the 2018 New Year's Eve Fireworks event and covers the financial risk associated with unconfirmed ticket sales, sponsorship and concessions income.
- 1.2 The New Year's Eve Fireworks provides a focal point for New Year's Eve generating significant a national and international promotion for London, as well as bring significant economic benefit.
- 1.3 Millions of people globally watch the fireworks through media outlets, keeping London on the world stage and in people's minds and hearts. The positive profile of London which the fireworks contribute to, can encourage people to want to study, do business or work in London, as well as visit – whether for the fireworks themselves, or at another time, supporting London's economic development. Ticketholders alone attending on night, bring an economic benefit of £6.5m to London.
- 1.4 However, the event became a victim of its own success in terms of the size of the 'live audience' wishing to come to see the event. Over the years the numbers of people coming into London on New Year's Eve had become unsustainable, creating significant crowd control issues and safety concerns. The pressure put on our emergency services and local authorities became unsustainable.
- 1.5 The event in 2013 specifically encountered significant crowd management issues, with crowds in the region of 500,000, a large proportion of which was unable to watch the fireworks and instead was caught up in crowd congestion throughout the city and well away from the river Thames. The statutory agencies and emergency services strongly recommended that the event format needed to change for them to continue to support it.
- 1.6 As a result, in 2014 a paid-for-ticketing plan was introduced to help reduce the crowds turning up to the event, many of whom, as noted above were unable to see the event.
- 1.7 The price point for the ticket was set at £10 (and has remained at this level each year since), which covered the costs of implementing the ticketing system (i.e. ticketing agency, VAT, ticket distribution, increased marketing, infrastructure and stewarding to manage ticket entry points). Thus, the change in format to include ticketing was broadly cost-neutral on the overall budget for the event.
- 1.8 Debriefs from the statutory agencies every year since ticketing was introduced have indicated that the ticketing model has been a success in reducing the wider crowd impacts previously seen, and with reduced pressure on police, ambulance and transport services.
- 1.9 Whilst there has been this reduction in crowds turning up trying to view the fireworks, there is still constant pressure on the areas on the periphery of the event viewing areas, where there are partial views of the fireworks. This is compounded by the media frequently reporting 'places to view the fireworks without a ticket'.
- 1.10 The formal viewing areas for which a ticket is required has also been impacted each year, with reduced ticketing capacities due to areas of land being used for works (e.g. Thames Tideway Tunnel, Cycle Super Highway), in addition, the new residential development around Jubilee Gardens has the added impact of more residents needing access, and therefore needing to reduce our paid for ticketed capacities in these areas.

- 1.11 We have tried to offset the impact of the reduced capacities in some of the viewing areas, by extending the viewing area along the Embankment towards Blackfriars. However, clearly the further the viewing areas are extended, the customer experience is impacted, and rightly, when people have paid for a ticket, they have a level of expectation of the experience they will receive. We will continue to work to address improving the customer experiences within the available resources.

Delivering the New Year's Eve plan (2018)

- 1.12 Whilst all agencies agree that crowds have significantly reduced outside of the viewing areas since pre-2013 levels, the 'hot-spots' outside of the viewing areas, where people have some view of the fireworks, have seen increased challenges (e.g. Lambeth Bridge). This was broadly expected, as people become more familiar with the ticketed areas over the years and due to social media and some media outlets 'advertising' where people can get a view without a ticket.
- 1.13 We will continue to review these areas and work with partners to develop plans to mitigate or manage issues within the available resources. The event viewing/ticketed areas will be reviewed again for 2018, as part of the on-going review and planning process.
- 1.14 The event footprint and operational plans will also be reviewed for 2018, within the available resources, alongside key partner agencies including the MPS, TfL, impacted local authorities, The Royal Parks, landowners and businesses and residents.
- 1.15 The Metropolitan Police is continuing to focus resources on core policing activities in light of heightened security. This also impacts on the stewarding requirement for the event for example increasing bag searches. The considerable stewarding resources will be fully reviewed in 2018.

Cost implications of delivering the New Year's Eve event

- 1.16 The cost of delivering New Year's Eve had increased significantly over the years, mainly due to the increased numbers of people turning up in central London and the growth of the event footprint and plans required to mitigate the crowd management issues that ensued.
- 1.17 Whilst the ultimate aim would be to reduce costs since the implementation of ticketing, due to a more contained event footprint, this in reality cannot be guaranteed. As noted above, areas outside the viewing areas and event footprint where there are partial views can become more congested over time requiring further crowd management mitigation in areas that currently have no, or minimal, infrastructure or stewarding. In 2017, for example, Lambeth Bridge required further management, and currently there is pressure in other areas of London to extend our plans to deal with gathering crowds. There is also a need to maintain the infrastructure and stewarding plan which has been developed over the years, to ensure that areas now managed well, continue to be so.
- 1.18 The ticketing model does however, enable an increased level of confidence in the numbers of people attending not spiralling out of control, and therefore, enable costs to be broadly maintained.
- 1.19 The event production contract is not a fixed price contract, as it is not possible to fully determine all the costs upfront. This is due to the dynamic planning process involving multiple stakeholders, partners and landowners, who can all have an impact on the final costs. Changes in the London landscape (for example buildings, roads, stations and access points) can all potentially change during the planning process, which can also impact on costs. That said, we work closely with our event producer and event stakeholders, and over the years have tried to contain these costs, adapting the available budget to accommodate increases where possible.

Potential Revenue Streams at the New Year's Eve event

- 1.20 There are several options, indicated below, for generating revenue to offset the financial risk for the event, however, these remain uncertain and cannot be guaranteed.

- 1.21 **Sponsorship:** There has been limited degrees of success in securing a sponsor for New Year's Eve, with significant sponsorship levels only achieved in 2008, 2013 and 2015. This is due to the limited brand opportunities and benefits that a sponsor could achieve; particularly since potential sponsor rights that could be offered are in many cases subject to approval by third parties and the statutory and licensing agencies and are not within the GLA's control.
- 1.21.1 That said, the introduction of ticketing and the enhanced communications campaign does afford significantly more opportunities for potential sponsors to engage and achieve brand value in return for their sponsorship. As such the commercial partnerships team will commence planning brand engagement tactics, reviewing the approach and target organisations and put out a sponsorship proposition to market in April 2018.
- 1.22 **Food & Drink Concessions:** For the first time in 2014, Westminster City Council and the Licensing Operational Planning Safety Group (LOPSG) group agreed to approve concessions at the New Year's Eve event. However, the restrictions put on concessions, in terms of location, set up and trading times, and items permitted to sell does limit their ability to earn revenue and in turn, commercial rates they are charged. Despite this, some income is raised from this to offset costs.
- 1.23 **Audience Capacity:** In 2017, ticketed audience capacity was 103,322 (a reduction from 109,887 in 2016). The ticketed audience capacity is also limited by the need to make an allowance for access to/from properties within the ticketed viewing areas by local businesses and residents. As the landscape within the viewing areas can be dynamic (e.g. impacts from building/development works, Thames Tideway Tunnel, etc) the audience viewing areas, and capacities, are reviewed as part of the annual planning process. Any potential increase in ticketed viewing space and audience capacity (e.g. that previously achieved by creating a ticketed area on Waterloo Bridge in 2016 and possibly future inclusion of other spaces to the ticketed area) would need to be approved by the LOPSG multi-agency process.
- 1.24 **Ticket Price:** The ticket price, to date, has been set at £10 to cover the cost of implementing the ticketing system, as noted in point 1.7.
- 1.25 It is expected that revenue from the outlined income sources above will be used to reduce the net cost of the project; however, these income sources do present varying degrees of uncertainty in realising the target revenue.

Event Producer Contract - Procurement

- 1.26 The GLA has carried out a mini-competition from its Events Framework for the delivery of the 2018 Fireworks event, and subject to formal approval of expenditure via this MD, Jack Morton Worldwide will deliver this contract in 2018.
- 1.27 A further call-off procurement exercise will be undertaken later in 2018, once the new Events Framework is established, to appoint an event producer for the 2019, 2020 and 2021 New Year's Eve Fireworks. This will be a 1+1+1 contract with each event subject to budget and commercial approval.

2. Objectives and expected outcomes

- 2.1 The key objectives for the New Year's Eve Fireworks are based on:
- National and international promotion for London
 - Economic benefit to London

- 2.2 The New Year's Eve Fireworks display provides a fantastic showcase of London nationally and internationally. In 2017, the fireworks were viewed by 9.97m people on BBC1 alone (54.5% of the audience share), and a further 1.3m and 1.1m watching globally on BBC One Facebook and BBC Youtube respectively. Sky and other national broadcasters provided further coverage around the world. Millions more people globally have seen parts of the fireworks as many world cities bring together a montage of city displays as part of their news coverage, the audience of which is not captured.
- 2.3 A further 21.5m people were reached through print media published internationally between 30 December and 3 January.
- 2.4 With ticketholders from London (34%), the rest of the UK (42%), and around the world (24%), representing nearly 100 countries, the New Year's Eve Fireworks is a truly global event. The full economic benefit, nevertheless, is difficult to capture, as people may be inspired to come to visit London, at any point throughout the year, as a result of seeing the Fireworks through the media, and we would not be able to capture the economic benefit of this. However, from research undertaken at the event to establish what visitors' additional spend is, as a result of coming to the event, there was an economic benefit of over £6.5m from ticketholders alone.
- 2.5 Similarly, the positive profile of London which the Fireworks contribute to, can encourage people to want to study, do business or work in London, as well as visit. In 2017, of those interviewed in a post-event survey, 77% agreed that the Fireworks put London in a positive light. Additionally, 92% said they would visit London again in the future, and indeed 88% separately responded that they would recommend visiting London to a friend. With 81% of the respondents saying it was the first time they'd attended the event, we are reaching new audiences.
- 2.6 For 2018, we would expect similar levels of media profile, economic benefit and positive audience engagement.

3. Equality comments

- 3.1 Under Section 149 of the Equality Act 2010, as a public authority, the Mayor of London must have 'due regard' of the need to:
- eliminate unlawful discrimination, harassment and victimisation; and
 - advance equality of opportunity and foster good relations between people who have a protected characteristic and those who do not.
- 3.2 New Year's Eve fireworks is aimed at bringing people from different communities together, celebrating London's diversity and helping to foster good relations between communities. This is achieved through a broad and targeted approach to marketing channels encouraging people from different communities to attend.
- 3.3 An access assessment has been completed for the New Year's Eve fireworks with independent disability access specialists Attitude is Everything. Recommendations from this assessment have been implanted into the event planning including providing a dedicated viewing area for people with disabilities and mobility, with access to a support line in the lead up to the event to discuss access requirements.
- 3.4 The event will be accessible to all via national media coverage and live broadcast on national and international television.
- 3.5 Tickets are set at the lowest possible price point in order to maintain affordability and accessibility for public attendance at the event whilst broadly offsetting the cost of ticket implementation.

4. Other considerations

4.1 We have noted the following key risks associated with this decision:

- 4.1.1 **Sponsorship:** It cannot be guaranteed that sponsorship will be secured, particularly as this has historically been difficult to achieve.
- 4.1.2 **Ticket sales:** There is a risk that tickets do not sell out, thus not covering the cost of the ticketing operation. However, given the evidence of demand through ticket sales over the last 3 years – and the speed at which tickets are sold, this is deemed a minimal risk.
- 4.1.3 **Communications campaign:** An extensive communications campaign is required to ensure that people are aware that the event is ticketed (as evidence shows that this is still not fully known, and people continue to turn up to the event without a ticket). It is also needed to try and counteract other social media messaging and media communications telling people that you can still watch the event without a ticket.
- 4.1.4 **Event scope increases:** As evidenced over the last 4 years of ticketing, there is a build-up of non-ticket holders in areas with partial views that need significantly more resources to manage safely. To help manage this risk, there is continued engagement with landowners and emergency services to review and monitor. Further work is also needed with the media to educate them on the risks of promoting vantage points.

4.2 Relevant Mayoral objectives and Priorities include:

- 4.2.1 **Manifesto Commitment – protecting and promoting our cultural riches:** Build on London's vital tourist industry by promoting the city's cultural riches – our fashion, music, design, film art, and architecture – to Londoners, the rest of Britain and the world.
- 4.2.2 **City for all Londoners/Access to the Arts:** Making London a fairer and more tolerant city open and accessible to all, and one in which we can all live and prosper free from prejudice. Enabling all Londoners to benefit from the city's fantastic arts and culture.

4.3 Consultations that have taken place include:

- 4.3.1 Extensive consultation with all operational agencies including but not limited to Metropolitan Police, TfL, British Transport Police, London Ambulance Service, London Fire Brigade, Westminster City Council, City of London, The Royal Parks, Borough of Lambeth and Borough of Southwark.
- 4.3.2 Consultation will also be carried out by the event production company as part of their delivery role with all residents and business affected by the event, and the outcome of all such consultation will be factored into the delivery of the event as appropriate.

5. Financial comments

- 5.1 The expenditure for the delivery of the New Year's Event for 2018 will be via a combination of GLA funding, ticket revenue, sponsorship and concession income. The ticketing price is broadly designed to cover the cost of ticket implementation.
- 5.2 In line with previous year's events, the GLA will underwrite the sponsorship, concessions and ticket revenue for the 2018 event, all of which have yet to be secured.

6. Legal comments

- 6.1. It is planned that certain highways will be closed to vehicular and pedestrian traffic (with exceptions) for the purposes of the New Year's Eve Fireworks, through Traffic Regulation Orders made under section 16A of the Road Traffic Regulation Act 1984.
- 6.2. Section 93 of the Local Government Act 2003 empowers the GLA to charge for the provision of discretionary (as opposed to required) services, to those agreeing to the provision of such services (subject to a restriction that the income from charges should not exceed the costs of provision). Each person's agreement to the provision of the service (access to the best viewing areas for the fireworks, on a restricted highway) is inherent in the purchase of a ticket.
- 6.3. The GLA is not the highway or traffic authority for the highways in question. It is understood that the GLA will seek formal consent of TfL and the highway authorities for the roads in question to charge for this event. It is understood that this will be done through a Memorandum of Understanding.
- 6.4. The proposals set out in this paper appear to fall within the Authority's general powers under sections 30 and 34 of the Greater London Authority Act 1999 (the 'Act') which allows the Mayor, acting on behalf of the Authority, and after appropriate consultation, to do anything which the Mayor considers will further or which may be considered facilitative or conducive to economic and social improvement in Greater London.
- 6.5. Officers must ensure that:
- (a) any proposed contracts or variations of contracts with event managers, sponsors or other entities will need to be reviewed by Legal Services and executed by the GLA counterparts before commencement of the same; and
 - (b) no reliance is placed on third party funding (whether from ticketing sales, sponsorship or otherwise) until legally binding arrangements for the provision of the same are in place.
- 6.6. The Mayor may delegate the exercise of the GLA's powers to the Executive Director Resources pursuant to section 38 of the Act should he wish.
- 6.7. In taking the decisions requested, the mayor must have due regard to the Public Sector Equality Duty, namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity between persons who share a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and persons who do not share it and foster good relations between persons who share a relevant protected characteristic and persons who do not share it (section 149 of the Equality Act 2010). To this end, the mayor should have particular regard to section 3 (above) of this report.

7. Planned delivery approach and next steps

Activity	Timeline
2018 event proposal and indicative budget	January 2018
Production contract finalised	9 March 2018
Sponsorship proposition formally out to market	2 April 2018
Announcement	tbc
Ticket sales (tbc)	September 2018
Final evaluation start and finish (self/external)	August 2018-Jan 2019
Delivery End Date	1 January 2019
Project Closure:	1 March 2019

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after approval or on the defer date.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

If YES, for what reason:

Until what date: (a date is required if deferring)

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – YES

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Kim Hobbs has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Martin Clarke has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Leah Kreitzman has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 5 March 2018.

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature *ML Delle*

Date 5.3.18

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature

D. Bellamy

Date 5/3/2018.