

NIGHT TIME ECONOMY REPORT 2024

Presented by the **NTIA** | NIGHT TIME INDUSTRIES ASSOCIATION



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Foreword



Michael Kill
CEO

NTIA | NIGHT TIME
INDUSTRIES ASSOCIATION

As we delve into the pages of the NTIA Night-time Economy Report 2024, we are met with a comprehensive analysis that not only sheds light on the current state of the UK's Night Time Economy (NTE) but also navigates through the intricate web of challenges and opportunities that define this vital sector. This report, the third in its series, stands as a beacon of invaluable intelligence, empowering the Night Time Industries Association (NTIA), its members, and partners to advocate for the essential support needed to sustain and elevate this vibrant ecosystem.

At its core, this report unveils the undeniable significance of the UK NTE to the nation's economic landscape. With each page turned, we are confronted with statistics that underscore the immense volume and value embedded within the nocturnal tapestry of our cities and towns. From bustling clubs to intimate live music venues, the NTE serves as a cultural cornerstone, enriching our social fabric while contributing significantly to our economic prosperity.

For the first time, this year's report ventures beyond overarching figures, delving into a nuanced breakdown across the four nations of the UK. This nuanced approach not only offers a benchmark for future performance but equips policymakers across Cardiff, Belfast, Edinburgh, and Westminster with vital insights to drive informed decision-making and advocate for robust support.

As we traverse through the findings, it becomes evident that the NTE has weathered storms of uncertainty, from the shadows cast by the pandemic to the winds of inflation. While consumer spending surged in 2022, reflecting a pent-up demand for social engagement, underlying challenges persist, threatening the sector's sustainability. The emergence of 'future trends' illuminates the evolving landscape, where the convergence of experience-led socialising and technology reshapes the nocturnal experience, challenging traditional paradigms and beckoning for innovation.

Amidst the gloom that shrouds the industry, this report serves as a beacon of hope, highlighting the resilience and dynamism inherent within the NTE. With each statistic, it reaffirms the sector's undeniable contributions, both economically and culturally, underscoring its pivotal role in the fabric of our society.

Yet, as we celebrate the triumphs, we must heed the clarion call for action. The challenges posed by the pandemic and the looming spectre of economic uncertainty demand concerted efforts to safeguard the NTE's future. As we navigate the complexities ahead, let this report serve as a compass, guiding our collective endeavours to ensure a thriving, resilient Night Time Economy for generations to come.

In summary, the NTIA Night-time Economy Report 2024 offers a poignant narrative, one that encapsulates the essence of the NTE while illuminating the path forward. May its insights ignite conversations, inspire action, and pave the way for a brighter, more vibrant nocturnal landscape.

Michael Kill, CEO

Night Time Industries Association



Alistair Turnham
Founder – MAKE

The UK Night-time Economy Report 2024 tells us three important things. Firstly, how after Covid-19 pandemic restrictions ended and the doors were thrown fully open in 2022, people came back to the night in their droves. They spent more than ever before, something that most operators saw night after night. People love the night... don't let anyone tell you otherwise. But by 2023 the pandemic rent and debt hangover, as well as the cost of living and the 'cost of doing business' crises were really biting; yet the ONS figures are too far behind to truly show the pain the sector is feeling right now.

We can't wait for new figures for local and central government to act. Secondly, the report shows the pace of product and lifestyle change and innovation in the night-time sector is accelerating... fast: the industry and policymakers must adapt to seize this change. Thirdly, and finally, despite all the record numbers of venue closures, there are those operators who keep the faith, who keep investing in their workforce and their venues. We owe it to them to champion the night-time economy – one of the UK's most important cultural and economic industries – at the highest political level in this election year.



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SECTION 1:
SUMMARY

SUMMARY

BACKGROUND

- This NTIA Night-time Economy Report 2024 is the third iteration of the study. The report provides invaluable intelligence that allows the NTIA, its members and partners to argue for the support the sector needs to survive, as well as to continue building the argument that the night-time economy is critical to the wider UK economy.
- The study provides comprehensive statistics about the volume and value of the UK Night-time Economy (NTE) and, within this, the critical Night-time Cultural Economy (NTCE) subsector that the NTIA was formed to support and drive forward.
- For the first time, the 2024 NTIA Night-time Economy Report starts to break down the figures for all four UK nations. This allows us to benchmark future national performance. But it also means that each nation's night-time advisers now have the vital intelligence with which to lobby policymakers in Cardiff, Belfast and Edinburgh, as well as Westminster, for more full-blooded support for this culturally and economically vital industry.
- The report's findings are divided into two main sections; the first is the statistical evidence base of the 'volume and value' of the UK NTE.
- The second is a new section for 2024, looking at 'future trends'. This takes the current temperature of key NTE sectors (such as clubs, live music venues and festivals) and then 'horizon scans' for further threats and opportunities in these subsectors. The rationale behind this is to help all of us articulate to policymakers and the media what needs to change if we are to build a more robust and resilient UK NTE of the future.

FINDINGS – UK NTE VOLUME & VALUE

- **Consumer spend** in the UK Night-time Economy was worth £136.5bn in 2022.¹ This is substantially up from a Covid-19 impacted 2021 when it dipped to £95.7bn. It reflects a strong appetite amongst the public, particularly younger people, to get back out and socialise after the pandemic.
- In absolute terms, this is a significant rise from £121.3bn in 2019 – the final pre-pandemic year. However, when adjusted for inflation over the last three years, in real terms the large rises in inflation have essentially wiped out any turnover gains that the NTE has made. It has been a period of financial stasis.

¹ Based on the latest available ONS figures, which are not currently available for 2023. It is vital to highlight that the trading environment for the night-time economy has further deteriorated since 2022.

- The UK NTE has also 'lost' – due to the pandemic and inflation – around £95bn over this period. This is key because it is money that cannot now be invested in improving customer experiences, marketing to drive participation, investing in programming and ensuring future resilience for the sector.
- Of this £136.5bn which was spent in the UK's NTE, £117bn was spent in England, £10.3bn in Scotland, £5.9bn in Wales and £3.3bn in Northern Ireland.
- The UK Night-time Cultural Economy² was worth £38.3bn in 2022 (up from £23.8bn in 2021). Superficially, this looks positive, but in 2019 the NTCE was already turning over £37.2bn. In absolute terms this is a 3% rise pre- and post-pandemic. However, in real terms this is actually a substantial reduction in income because it does not consider inflation.
- This is one of the biggest stories emerging from this year's study and reflects the scene on the ground where underground clubs, grassroots music venues and arts centres continue to close at an unprecedented rate.
- **Employment** in the UK NTE was at 2.08m in 2022. Within this subsector, the NTCE sustains around 452k jobs.
- Apart from 2020, when both subsectors dipped, employment has grown year-on-year in our industry and is now ahead of 2019 by around 6%. This is a testament to the resilience of business owners and faith in their venues and artistic offer.
- Of these 2.08m NTE jobs, 40k are in Northern Ireland, 1.83m are in England, 137k are in Scotland and Wales sustains around 72k of them.
- **Firm** numbers in the UK NTE have continued to grow slowly, and there are now around 149k NTE businesses operating in the UK.³ In the UK NTCE the number of firms is around 36k.
- Within this total, in Scotland there are 12,600 NTE firms and in Wales there are 4,800. Northern Ireland's NTE supports 2,735 firms and in England there are around 130k 'after dark' businesses.
- **Gross Value Added or GVA** is the key government measure of sectoral performance. Simply put, it is the value a business generates over the cost of its inputs.
- GVA generated for UK plc by the NTE was £43.5bn in 2022. This is below 2019's £47.5bn, substantially so when adjusted for inflation. This is another indicator of how the NTE subsector appeared, on the surface, to have recover in 2022 (e.g. in

² Note. The Night-time Cultural Economy is that part of the NTE that is focused on venues where the main reason for attending is cultural, e.g. live music, DJs, cinema, theatre, comedy etc.

³ Note: this figure is not for separate venues but covers all companies ranging in size from large multiple operators to the smallest venues.

terms of consumer spend increases), but in terms of its underlying fundamentals, e.g. its productivity and profitability, it is a sector that remains hobbled.

- **Supply chain** spending in the NTE is key to an army of specialist suppliers and freelancers. In the UK NTE, spending on suppliers has not returned to pre-pandemic levels and is down from £57.8bn in 2019 to £45.2bn in 2022.
- This reduction in supply chain purchasing is another key indicator of a sector that is trying to cut costs, even with positive uplift in consumer spend in 2022. Much of this uplift in NTE income in 2022 is likely to have been directed at repaying loans and rental back payments.

FINDINGS – UK NTE TRENDS

- The 'shift to experience-led' socialising. Whilst the degree varies by format, no matter what the venue or artform, the experience and the setting is more important than ever.
- Experiential is now in a symbiotic relationship with social media; this is now a critical determinant in how younger audiences choose what to do on nights out (or indeed if they choose to go out at all!).
- There is a fundamental schism between younger audiences (under 30s) and their parents: traditional models of night-time socialising are increasingly challenged, and even those that are authentic and deeply cultural (e.g. underground clubs, grassroots music venues and theatre) cannot expect their artistic excellence and innovation alone to attract audiences.
- The rise of technology in mediating the after dark experience is paramount – both in the production and consumption of the night-time economy. Indeed, technology is now challenging the very need for a night out when (nearly) every physical experience can be delivered in the home, even if it is a pale imitation of the real deal.

CONCLUSION

- Given a climate of overarching gloom in the industry, there are some positives in this year's NTIA UK Night-time Economy Study. Consumer spending was up in 2022 substantially – so the demand was there (but will it be in 2023's figures from the ONS?). Jobs in the NTE and NTCE were up, as was new firm creation (albeit the high-level ONS data almost certainly masks the closures taking place).
- We must also remind ourselves (and others) that the NTE is one of the UK's most important industries, contributing £136.5bn and 2.08m jobs to UK plc.

- However, the problems precipitated by Covid-19 and the first year of the cost-of-living / cost-of-doing-business crisis is one that is substantially affecting the underlying sustainability of the NTE (and in particular the NTCE, which is considerably more fragile). In summary, this year's report is a mixed picture, but one where the challenges still substantially outweigh the strengths.



Sacha Lord
Night Time Economy Advisor
for Greater Manchester

I commend the NTIA Night-time Economy Report 2024 for its comprehensive analysis of the UK's Night Time Economy (NTE). This report not only highlights the economic significance of the NTE but also delves into the challenges and opportunities shaping its future. Its nuanced breakdown across the four nations of the UK provides invaluable insights for policymakers, empowering them to make informed decisions and advocate for robust support.

Despite the hurdles posed by the pandemic and economic uncertainty, the report underscores the resilience of the NTE and its cultural importance. Let us use this report as a compass to navigate the complexities ahead and ensure a thriving and resilient Night Time Economy for generations to come.



SECTION 2:
FINDINGS:
VOLUME & VALUE

2. FINDINGS – VOLUME & VALUE

2.1 BACKGROUND

This volume and value of the UK NTE section shows the findings of the statistical research divided into five main data sources:

The first is the demand-led side of the night-time economy – what are the trends in **consumer spend** in the various subsectors that are of interest to the NTIA and its members.

The second is focused on the **jobs** created and sustained by the UK's night-time industries.

Thirdly, the report sets out the number of **firms** operating 'after dark'.

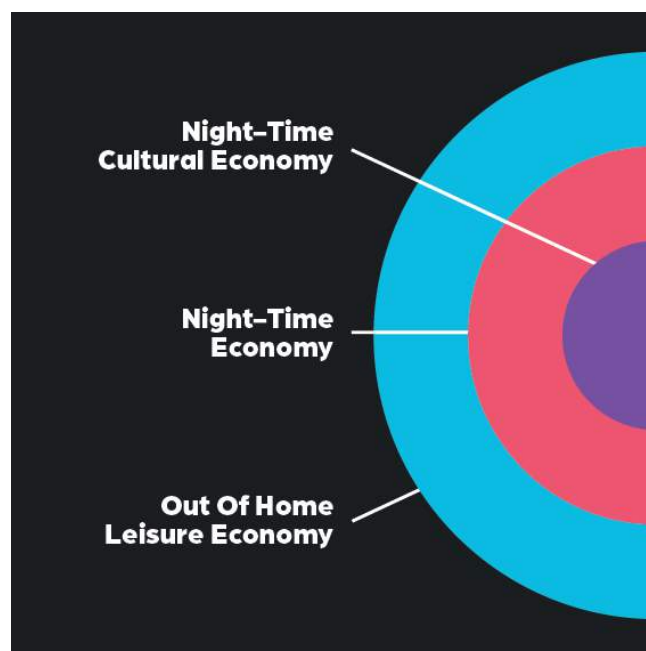
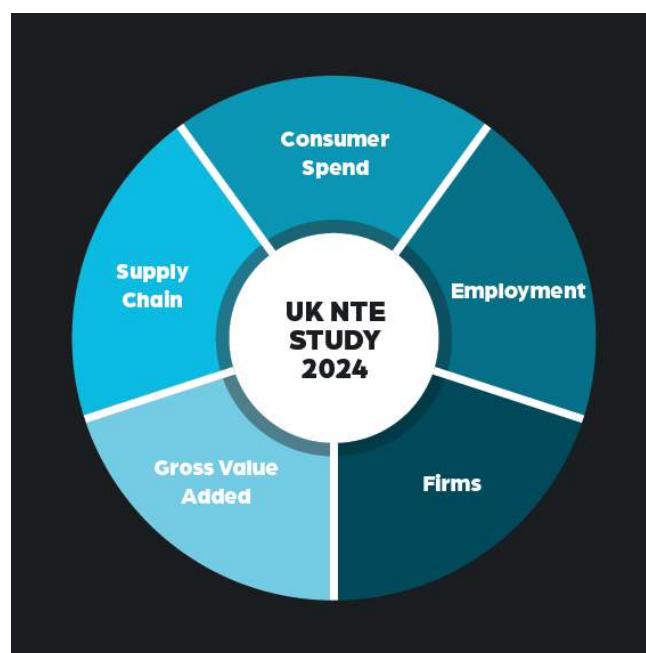
The fourth metric is '**gross value added**' (GVA) and is HM Treasury's, and the other three countries' administrations' key metric of the value a sector brings to the economy.

Finally, the report sets out the **supply chain** value generated by firms in these sectors in support of the wider economy. The purchasing power of the NTE is key because the night-time industries are customer facing and thus support multiple firms and jobs in the supply chain, many of which are unique and could not sell into other industries if the night-time economy were to disappear.

The data is then shown by three sectors that have been devised by the NTIA:

The **Night-time Cultural Economy / NTCE**. This is the parts of the NTE that are driven by cultural, artistic and event activity, and where alcohol drinks, food etc., are secondary.

The **Night-time Economy / NTE**. This is the broader night-time economy of all relevant activities and businesses that are driven by their night-time trade between 6pm and 6am.



The wider **Out of Home Leisure Economy**. All expenditure in the relevant sectors that contribute to the night-time economy and at all times of day. This is the largest category and used mainly for context.

The researchers have worked with the NTIA to develop a unique model that apportions activity levels throughout the day and night using known spending and trading patterns by industry and subsector across a 24hr period.⁴



Carly Heath
Night Time Economy Advisor
Bristol City Council

The night time economy is an important economic driver for high streets all over the UK. Despite ongoing pressures, the sector is resilient and continues to innovate for new audiences, and deliver positive experiences for our communities.

The data in this report demonstrates how vulnerable the sector is to inflation, particularly the Night Time Cultural Economy (NTCE). The NTCE is a vital talent pipeline for British music, and the mounting evidence demonstrates a critical need to support culture on our high streets – particularly for our fantastic network of independent music venues, nightclubs, theatres, cinemas, pubs and bars.

⁴ Some data, particularly that from the ONS and government sources, is available only until 2022 and even sometimes this remains an estimate of the respective agency. So where possible, provisional figures have been developed using data from multiple sources to create synthetic estimates for the purposes of this year's report. It will be possible to validate these when this study is repeated.

2.2 CONSUMER SPEND

2.2.1 Consumer spend by subsector

The table below shows the historic change (unadjusted for inflation) over the past ten years in consumer spend in the Night-time Cultural Economy, the wider NTE and the Out of Home Leisure subsectors.

Figure 1. UK Consumer spend (£M) by subsector 2013 to 2022

Year	NTCE (£000m)	NTE (£000m)	Daytime (£000m)	OoHLE (£000m)
2013	£26,897	£90,743	£44,836	£135,579
2014	£29,916	£97,125	£48,223	£145,349
2015	£30,897	£101,266	£49,820	£151,087
2016	£31,577	£105,944	£51,265	£157,210
2017	£33,857	£113,128	£53,919	£167,047
2018	£34,171	£115,887	£55,379	£171,265
2019	£37,187	£121,336	£58,217	£179,553
2020	£28,732	£78,474	£46,099	£124,572
2021	£23,792	£95,743	£48,692	£144,435
2022	£38,283	£136,468	£64,046	£200,514
Change: 21 to 22 £	£14,491	£40,725	£15,354	£56,079
Change: 21 to 22 %	60.9%	42.5%	31.5%	38.8%

Source: ONS with modelling based on historic CGA data provided by NTIA

Night-time Cultural Economy

- In 2022 consumer spend in the Night-time Cultural Economy was £38.3bn.
- The NTCE saw a substantial increase in consumer spending from £23.8bn in 2021 to £38.3bn in 2022. This is an increase of £14.5bn (+60.9%) and a significant apparent bounce back post-pandemic.
- This put spending in the NTCE slightly ahead of its historic previous high in 2019 (when it was £37.2bn).
- This is some good news compared to the last UK NTE Study when figures showed that in 2021 the Night-time Cultural Economy did not recover (whereas the OoHLE and NTE sectors did in 2021), and spending fell a further £4.9bn.
- However, it should be remembered that this £14.5bn increase in 2022 is not adjusted for inflation (see tables below) and in reality, the increase in spending over the past five years has not kept pace with inflation and the sector income has shrunk.

Night-time Economy

- The value of consumer spending in the UK NTE in 2022 was £136.5bn.
- The UK NTE saw an increase of £40.7bn (or +42.5%) in consumer spending in the 12 months of 2022, up from £95.7bn in 2021.

- This put spending well ahead of the best pre-pandemic year of 2019 (when it was £121.3bn). However, even with this significant uplift in spending, this is mostly wiped out when inflation is considered (see below).

Out of Home Leisure Economy

- The value of the OoH Leisure Economy to the UK was £200.5bn in 2022. This was up £56.2bn (+38.8%) since 2021. However, like the NTE above, despite this increase, it has, to all intents and purposes, been wiped out by the rise in inflation.

Daytime Economy

- As a counterpoint to the figures above, it is useful to understand the value of the the leisure and hospitality element of the Daytime Economy to the UK. In 2022 this was approximately £64bn. This was up from £48.7bn in 2021, an (unadjusted for inflation) change of +31.5%. This is a significantly lower rise than the increases in spending in both NTE and NTCE in 2022.
- It is also worth noting the relative importance of the night-time economy vs the daytime economy within the overall UK Out of Home leisure Economy, such that in 2022 the night-time economy contributes £136.5bn vs the daytime economy's £64bn. This means 68% of UK hospitality spending is night-time spending vs 32% daytime spending. Conclusion: the importance of the night-time economy cannot be underestimated.
- The Daytime Economy includes both those leisure and hospitality businesses that only (or mostly) trade during the day and the 'daytime proportion' of spend from those predominantly night-time business. It is worthy of note that during the pandemic (and its recovery) the Daytime Economy was much less affected by the trading restrictions as would be expected but also its recovery in the last year has therefore been less impressive.

2.2.2 Consumer spend by subsector adjusted for inflation

The table below takes those figures above (focusing on the years 2018 to 2022) and adjusts them for inflation (UK CPIH Index). The purpose behind this is to understand the real change in the sector's income relative to the wider growth in prices. The RPI was of course relatively stable for most of the last decade (around +2.75% per year on average), that was until 2022 when inflation rose rapidly and remained high in most of 2022 and 2023. It is this trend that has negated most of the sector's spending recovery.

Figure 2. 'Real' UK Consumer spend (£m) by sector ADJUSTED FOR INFLATION 2018 to 2022

Year	Real' NTCE (£m)	NTCE YoY change	Real' NTE (£m)	NTE YoY change	Real' OoHLE (£m)	OoHLE YoY change
2018	£32,237	N/A	£109,327	N/A	£161,571	N/A
2019	£34,497	7.0%	£112,557	3.0%	£166,561	3.1%
2020	£26,384	-23.5%	£72,060	-36.0%	£114,392	-31.3%
2021	£21,319	-19.2%	£85,791	19.1%	£129,422	13.1%
2022	£31,770	49.0%	£113,251	32.0%	£166,401	28.6%
Change: 2019 to 22		-7.9%		0.6%		-0.1%

Source: ONS with modelling based on historic CGA data provided by NTIA

- The table shows that once we factor in inflation, the real consumer spend for the NTCE has fallen -7.9% since 2019. This is almost certainly because this sector was both amongst the worst hit during the pandemic (e.g. closure of live music venues, clubs, theatres, cinemas etc); and it then experienced further decline in 2021 when most of the rest of the economy (including the wider NTE) was recovering.
- Factoring in inflation, the wider NTE did grow between 2018 and 2022, albeit by a very small amount (+0.6%). Essentially, the rise in prices and spending in 2022 meant that the gains the NTE made when it came out of the pandemic were in reality simply 'running to stand still'. This situation is also true for the wider Out of Home Leisure Economy, which at -0.1% in terms of 'real' change in the past five years, has remained in 'consumer spend stasis'.

Key finding: Our estimate is that between 2020 and 2022 the Night-time Economy lost around £95bn of income that we would ordinarily have expected to see. This was due to both the impact of the pandemic and the substantial rise in inflation in 2021 and 2022. This will likely be compounded when the 2023 figures are released by the ONS, given the ongoing cost of living and cost of doing business crises.



Alex Claridge
Night Time Economy Advisor
West Midlands

Data is vital in both improving our understanding of the NTE and as a vital tool to lobby for political change, and this report is a hugely useful resource for all of us who work to improve our NTE. The report is also vital in really highlighting the challenging operating conditions that NTE business continue to experience and which hold back our urban centres and NTE industries.

2.2.3 Consumer spend by UK nations

Figure 3. Consumer spend in the UK Night-time Economy 2022 by nation

For the first time the NTIA's UK NTE Study has broken down the industry's worth by the four UK nations.⁵



Figure 4. UK Consumer spend (£m) by subsector and nation 2022

Nation	NTCE (£m)	NTE (£m)	Daytime (£m)	Total Leisure (£m)
England	£32,811	£116,964	£54,892	£171,856
Wales	£1,646	£5,868	£2,754	£8,622
Scotland	£2,895	£10,321	£4,844	£15,165
Northern Ireland	£930	£3,315	£1,556	£4,871
UK	£38,283	£136,468	£64,046	£200,514

Source: ONS with modelling based on historic CGA data provided by NTIA

- In terms of the individual nations, the figures show that, as expected, England dominates the UK's NTCE / NTE, with spending in 2022 at almost £33bn / £117bn respectively.
- However, whilst smaller, the NTCE is an important contributor to Northern Ireland's economy and is now worth over £900m. The country's NTE is worth £3.3bn.
- Scotland's NTCE generates almost £2.9bn and its NTE is worth over £10.3bn.
- Consumer spending in Wales NTCE was over £1.6bn in 2022 and its broader NTE generates almost £6bn.

⁵ Future iterations of the UK NTE Study will measure the relative performance of the four nations over time.

2.3 EMPLOYMENT

2.3.1 Employment by subsector

The table below shows the change over the past ten years in jobs created and sustained by the Night-time Cultural Economy, the wider NTE and the Out of Home Leisure subsectors.

Figure 5. UK Employment by subsector 2013 to 2022

Year	NTCE	NTE	OoHLE
2013	379,300	1,664,100	2,508,400
2014	382,300	1,709,900	2,571,400
2015	397,600	1,766,800	2,652,300
2016	415,200	1,871,900	2,812,000
2017	425,500	1,893,100	2,845,700
2018	422,000	1,902,600	2,866,300
2019	425,400	1,945,600	2,920,300
2020	391,600	1,790,800	2,689,100
2021	424,200	1,899,500	2,869,500
2022	452,300	2,075,400	3,111,900
Change: 21 to 22	+28,100	+175,900	+242,400
Change: 21 to 22 %	6.6%	9.3%	8.4%

Source: ONS Annual Business Survey / LFS with bespoke subsector estimates.

- The NTCE has continued to generate year-on-year increases in employment in all years except 2020. By the end of 2021 it was already back to its pre-pandemic levels (424k in 2021 vs 425k in 2019). By 2022 employment in the NTCE was around 452k.
- In 2022 the NTCE had increased employment from 2021 by 6.6% or c28k additional positions, despite challenges around inflation and it being the most affected part of the wider hospitality and leisure business.
- The wider NTE now supports over 2 million jobs across the UK, adding an additional c176k positions in 2022. This 9%+ growth in 2022 reflects the solid (albeit highly complex) recovery of certain aspects of the NTE (in absolute terms) from the pandemic. Many of those businesses that survived, and the new ones that have since been created, are prepared to keep recruiting new staff.
- The broader Out of Home Leisure Economy generated almost a quarter of a million new jobs in 2022. Many of these positions will be filling those roles that were made redundant during the pandemic or after the government's furlough job support scheme finished, albeit as the following section – showing firm numbers – notes, there are more firms registered in 2022 than in previous years, despite many high profile closures.
- A technical note for this table is that it shows only those jobs within 'employers'. It does not include the self-employed (who were particularly badly affected by the pandemic).

- Note: It is important to highlight that these figures are for the period up until December in 2022, when the cost of living and cost of business crisis was starting to impact but was still many degrees of magnitude lower than the situation that developed in 2023.

2.3.2 Employment by UK nations

As with consumer spend, this year's NTIA Night-Economy Study breaks down the number of jobs in the NTE by UK nation for the first time.

Figure 6. Jobs in the UK Night-time Economy 2022 by nation

- Overall, most jobs in the UK's night-time economy are in England (88% vs its share of the UK population, which is 84%).
- All the other UK nations have smaller but still significant number of jobs in the NTE; together amounting to around a quarter of a million roles.
- This higher proportion of NTE jobs per capita in England will likely be explained by both a higher level of general employment in England (e.g. 72% vs 66% in Northern Ireland for example) and the role of London as a global night-time capital.



Maria May
Head of Electronic Music
CAA

The Night Time Economy stands as a cornerstone of the UK's economic landscape, bolstering it with a £136 billion economic contribution and sustaining 2 million jobs. These figures are compelling, and speak for themselves, but we must also consider inflation and the impacts of market change, the evolution of the night time economy cannot be ignored and needs to be engaged and considered.

The escalating public appetite for events underscores the increasing demands on the night time economy. With governmental backing and acknowledgment of the sector's profound impact on local communities, we can transition from mere survival to prosperous growth, enriching all stakeholders. This report furnishes incontrovertible evidence, laying the groundwork for policy makers to invest in the future of UK nightlife.

2.4 FIRMS

2.4.1 Firm numbers by subsector

The table below shows the change over the past ten years in firms operating within the Night-time Cultural Economy, the wider NTE and the Out of Home Leisure subsectors.

Figure 7. UK firm count by subsector 2013 to 2022

Year	NTCE	NTE	OoHLE
2013	28,956	113,425	184,072
2014	29,203	114,019	185,458
2015	30,132	117,248	191,016
2016	32,124	126,933	206,537
2017	33,149	130,823	212,899
2018	33,804	133,717	217,465
2019	34,234	135,279	219,817
2020	34,697	138,207	224,393
2021	35,879	145,422	235,246
2022	36,363	148,989	240,362
Change: 21 to 22	+484	+3,567	+5,116
Change: 21 to 22 (%)	1.3%	2.5%	2.2%

Source: ONS Annual Business Survey / IDBR with bespoke subsector estimates.

- Over the past decade, the number of firms operating within all the 'after dark' subsectors has risen. Leisure, hospitality and the night-time economy is one of the success stories of the UK economy.
- Note. It is important to understand that these ONS figures do not show how many firms were lost and how many were created in this period, what we call 'churn'. Some churn is good – it shows market innovation and an appetite for investment from entrepreneurs, banks and other lenders, but too many business closing and opening can suggest a market that is in too much flux and with businesses that are undercapitalised. The ONS data does not currently allow us to understand this churn.
- Because 2022 was the first full year of trading post-pandemic, the sector was still recovering, yet the fact that all our subsectors showed that there were more new businesses opening than those that were closing is a small positive in generally bleak picture.
- However, the rate of increase in firm births was greater in the NTE and the wider Out of Home Leisure Economy than in the NTCE (2.5% / 2.2% vs 1.3%). This is another sign that the NTCE is structurally weaker than the broader leisure and hospitality economy.
- It is also worth noting that the ONS figures do not allow us to understand these opening and closings at a granular level. For example, it may be that a very important and influential underground music venue has closed, yet within the statistics this has been

'replaced' by two corporate multiple bars. This is not a win for the night-time economy in cultural terms but rather a loss, yet the figures hide this kind of story. This is further explored in the Future Trends section of the report.

- Note: It is important to highlight that these figures are for the period up until December in 2022, when the cost of living and cost of business crisis was starting to impact but was still many degrees of magnitude lower than the situation that developed in 2023.

2.4.2 NTE firm numbers by UK nations

Figure 8. Firms operating in the UK Night-time Economy 2022 by nation

For the first time, this year's NTIA Night-Economy Study breaks down the number of firms operating in the NTE in each UK nation.

- Around 130k (or 87%) of all firms operating in the UK's NTE are in England.
- The remaining 13% are split between the other three UK nations, and follow the same pattern as the other metrics.
- In terms of firm by employee size, NTE firms in England employ on average 14 staff per



- NTE business. Scottish NTE firms employ an average of 11 workers. Welsh and Northern Irish NTE businesses are the largest of all (in terms of employees)– at 15 jobs per firm.
- Examining consumer spend per firm (which is not the same but can be seen as a proxy for turnover), English NTE businesses generate around £901k per firm; Scottish businesses generate around £817k per firm; Welsh NTE operators and Northern Irish around £1.23m and £1.21m per firm respectively.
- Given that NTE investment in London and the South East is so high, it might be assumed that England would generate greater turnover per firm than the other nations, but this is not the case (except with Scotland). Within the scope of this research, it is not possible to understand why consumer spend per business in Northern Ireland and Wales are so much higher.

2.5 Gross Value Added (GVA)

2.5.1 Gross Value Added by subsector

The table below shows the change over the past ten years in Gross Value Added (GVA) generated by the Night-time Cultural Economy, the wider NTE and the Out of Home Leisure subsectors.

Figure 9. UK Gross Value Added by subsector 2013 to 2022

Year	NTCE (£000m)	NTE (£000m)	OoHLE (£000m)
2013	£9,579	£34,391	£56,687
2014	£10,584	£38,125	£63,278
2015	£11,104	£39,979	£66,413
2016	£10,437	£41,864	£65,283
2017	£11,059	£43,973	£69,481
2018	£11,571	£46,368	£73,351
2019	£11,591	£47,505	£75,391
2020	£7,745	£30,575	£50,770
2021	£10,157	£41,982	£68,360
2022	£10,848	£43,517	£71,893
Change: 21 to 22	£691	£1,535	£3,533
Change: 21 to 22 (%)	6.8%	3.7%	5.2%

Source: ONS Annual Business Survey with bespoke subsector estimates.

- Despite the huge falls in GVA that were experienced during 2020, there has been a limited recovery across all subsectors in 2022, albeit not to the levels of 2019. Depending on which subsector we examine, GVA remains around 5% to 8% behind 2019 in absolute terms.
- As with the previous consumer spend figures, these GVA figures are not adjusted for inflation. So, whilst all three subsectors are within 5% to 8% of where they were in 2019, in reality they are even further behind these figures, because the compound inflation rate between 2019 and 2022 was approximately 13%.
- GVA is important because it is a useful proxy measure of the value, efficiency and productivity of an industrial sector (as well as HM Treasury's primary measure of economic value).
- More useful for us is that GVA is also a reliable indicator of our industry's overall health and resilience. In summary, it is reasonable to say that – when considering that even by 2022 GVA was still notably behind 2019 in absolute terms; and when this is further adjusted for inflation – our three subsectors are around 15–20% behind where they would have been if they had continued to grow in line with previous performance. In short, this is a sector that is really suffering.

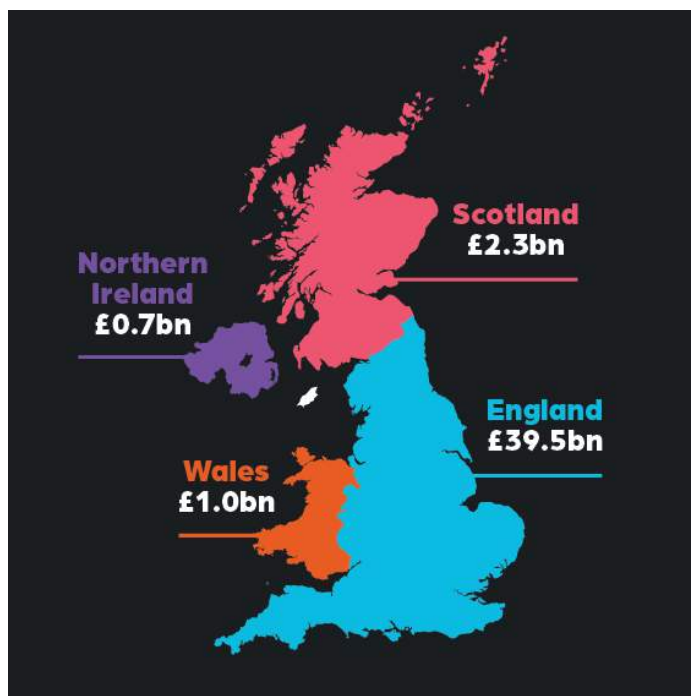
- Note: It is important to highlight that these figures are for the period up until December in 2022, when the cost of living and cost of business crisis was starting to impact but was still many degrees of magnitude lower than the situation that developed in 2023.

2.5.2 NTE GVA by UK nations

Figure 10. GVA generated by the UK Night-time Economy 2022 by nation

The study breaks down the total GVA produced by the NTE in each UK nation.

- As with the other metrics, England's NTE is a much larger contributor to the UK GVA total than the other three nations, with its NTE generating almost £40bn for UK plc.
- NTE GVA is also the metric where the England is the most dominant nation, with 91% of the UK's total. As a comparator, only 84% of the UK population lives in England and of the NTE firms, 87% are based here, showing clearly, that they have a higher GVA output per firm and employee than other parts of the UK.
- The reason for this is the GVA generated by London. When the capital's arts, culture, food, beverage, recreation and tourism industries are combined, their GVA is around one third of the UK leisure economy. London has such an over-concentration of the UK's leisure and hospitality industry per capita that it's hard to overstate its importance.
- Of the 12 English regions and other UK nations combined, Scotland's GVA contribution sits sixth, between the West Midlands (fifth) and the South West (seventh). Wales is tenth and Northern Ireland twelfth.



2.6 Supply chain

2.6.1 Supply chain purchasing by subsector

The table below shows the change over the past ten years in the supply chain spend (business purchases) generated by the Night-time Cultural Economy, the wider NTE and the Out of Home Leisure subsectors.

Figure 11. UK supply chain by subsector 2013 to 2022

Year	NTCE (£000m)	NTE (£000m)	OoHLE (£000m)
2013	£28,570	£53,722	£130,903
2014	£26,928	£52,955	£125,655
2015	£24,328	£50,560	£114,749
2016	£26,202	£54,857	£124,100
2017	£26,907	£58,345	£129,393
2018	£25,709	£58,326	£125,190
2019	£23,873	£57,838	£119,303
2020	£13,336	£36,630	£71,979
2021	£14,461	£43,658	£81,380
2022	£15,131	£45,207	£84,289
Change: 21 to 22 (£)	+£670	+£,1548	+£2,908
Change: 21 to 22 (%)	4.6%	3.5%	5.2%

Source: ONS Annual Business Survey with bespoke subsector estimates.

- This table presents perhaps the most revealing – and stark – picture of what is happening in our sector. Even when not accounting for inflation, purchasing spend in the ‘supply chain’ shows that business are spending radically less than they were in 2019.
- For example, looking at the NTCE, it is clear from 2013 to 2019 that the sector had been cutting its procurement as spend on suppliers fell from £28.6bn in 2013 to £23.9bn in 2019. Further, these figures are not adjusted for inflation which was approximately 2.75% pa during this period.
- Cost cutting can be a positive aspect, e.g. if businesses are investing in new technology which then reduces costs in other parts of their operations or in reducing waste. However, in the NTCE it is more likely (although we cannot be sure) that this reduction in supply chain spending is in lower investment in elements that really enhance the consumer experience, such as refits, sound systems and lighting, as well as marketing and promotion.
- Pre-pandemic, the wider NTE had increased its spending in the supply chain from £53.7bn in 2013 to £57.8bn in 2019 (which is roughly in line with inflation over that period). The wider OoH Leisure Economy had, like the NTCE, cut spending both in absolute and real terms over that period.
- Another key finding is that supply chain spending in all our subsectors, whilst increasing modestly in 2022 (from 2021), has not recovered anything like as much as we might have expected. This is particularly surprising given the huge rise in consumer spending shown in the demand section for 2022, and which applied to all our subsectors.
- Because the figures produced by the ONS are top line, it is not possible to understand at a more granular level why this spending by business has so drastically reduced. To understand this picture further would require qualitative research with businesses in the

subsectors to unpack their spending patterns. However, it may be that in 2022, the substantial rise in consumer income was used to pay down delayed loans and rents that had been accrued during the pandemic.

- Note: It is important to highlight that these figures are for the period up until December in 2022, when the cost of living and cost of business crisis was starting to impact but was still many degrees of magnitude lower than the situation that developed in 2023.

2.6.2 NTE Supply chain purchasing by UK nations

Figure 12. Supply chain purchasing by the UK Night-time Economy 2022 by nation

- Overall, the levels of purchasing by NTE firms around the UK remains remarkably similar to the distribution of GVA.
- As a subsector, the NTE generates about the same GVA as the value of its purchases that is around 50:50.
- Within this there are differences. For example, arts and culture tends to produce lower levels of GVA – around 40% – to the value of its supply chain inputs – 60%.
- The hospitality and leisure sector tends to be about 50% input purchases to 50% GVA.
- For context, real estate and financial service activities can produce two to two and a half times as much GVA for each unit of input. That is, for every £1 in supplies purchased by these businesses, an additional £2 to £2.50 of GVA is generated.





SECTION 3:

FINDINGS:
POSITION &
TRENDS

3. UK NTE: Position and Trends

3.1 INTRODUCTION

This section brings together the most up-to-date existing research into the current state of the UK's key culturally driven night-time economy sectors and 'horizon scans' for the consumer trends that are likely to impact heavily on our industry over the coming years. The balance between embracing fast-paced consumer and technological change and offering an authentic experience that drives footfall and spend in venues has never been more important in ensuring the success of the UK's night-time economy.

3.2 VENUES

The research highlights the eight key 'after dark' cultural subsectors within the night-time economy:⁶

1. Nightclubs and electronic music spaces
2. Live music venues
3. Pubs and bars
4. Experiential leisure
5. Festivals
6. Night markets and street food pop-ups
7. Cinema
8. Theatre and performance



Mark Laurie

**Director
NCASS**

The NTIA Night-Time Economy Report unifies the sectors that make up the UK Night Time Economy. It will enable local and national government decision makers to understand the impact the industry has on the economy and culture across the 4 nations. It also, importantly, gives the businesses that make up the NTE the agency to talk about what they contribute to the wider industry through the use of the report's detailed statistics, contextual information and qualitative data.

The report evidences and champions a highly resilient and viable industry that is being catastrophically impacted by inflation and the cost of operating. Failure of government to act to rectify this situation and give businesses the breathing space they need, will have repercussions for our culture and economy and for the UK as a place to live and visit for many many years to come

⁶ The research does not focus on those ancillary elements of the NTE such as restaurants and gambling which are part of the broader night-time mix.

1. NIGHTCLUBS AND ELECTRONIC MUSIC SPACES

Venue count



Current position

In 2005 the UK had over 3,000 nightclubs, but by June 2023 there were barely a quarter of that number, with only 851 remaining. Research from CGA showed that between March 2020 and June 2023, the number of UK in nightclubs fell by a staggering 30%.⁷ This reflects not only that nightclubs were the last venues to emerge from Covid restrictions, but it also follows longer-term changes in young people's habits that have diversified the late-night market and increased popularity of competitive socialising venues, experience-led and immersive concepts. There are also strong challenges from online club streaming and in-home partying.

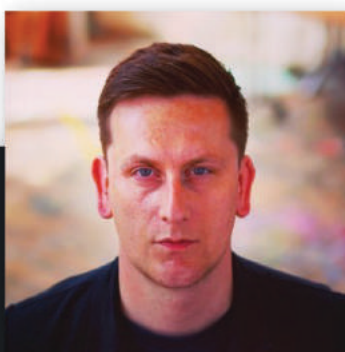
Overall, there is a growing diversity of alternative high-tempo experiences in the night-time economy. This seismic demand-side change is magnified by the 'cost-of-business' crisis. It is likely that the market will further contract with only the most well-capitalised clubs and those with the most consistent artistic programming surviving.

Future trends...

1. A continued reduction in the number of both mainstream and underground club venues.
2. Underground clubs with strong programming, marketing and financial management will survive (but will struggle to thrive).
3. Mainstream clubs that are well capitalised will survive but will still struggle, with late bars with DJs, the cost-of-living crisis, sophisticated in-home entertainment plus wellness and sleep trends further eating into their clientele.
4. The mismatch between the declining number of suitable venues and the demand from electronic music promoters for club spaces as the scene continues to expand will grow.

⁷ Britain loses 30% of nightclubs since COVID as consumers' late-night habits evolve, CGA Strategy, Sep '23 <https://cgastrategy.com/britain-loses-30-of-nightclubs-since-covid-as-consumers-late-night-habits-evolve/>

5. The shift of clubbing out of 'black boxes' into flexible, multi-use arts and events spaces (club nights, live music, food and beverage, private / corporate hire) and into festivals will continue.
6. Demand for daytime clubbing events for both older and younger audiences will grow.
7. DJ and artist programming in music-led clubs will become ever more difficult due to competition for artists from festivals and global events prepared to pay higher fees.
8. There will be an expansion of immersive clubbing experiences catering to neurodiverse audiences and incorporating elements of multi-sensory activities and self-care to improve mental wellbeing (rave spas, chill-out spaces, quiet socialising).



Lyle Bignon
Night Time Economy Ambassador
Birmingham

This third iteration of the Night Time Economy Report is a vital piece of work that enables the industry policymakers and stakeholders to understand and prepare for the challenges we face, at local and global levels.

The data published by the study reinforces, statistically speaking, what we have all witnessed and experienced in our cities, towns and regions for several years now. Levels of growth and output across the wider NTE economy and in subsectors are particularly concerning, indeed in some areas we are seeing shrinkage, deficits and decline.

The report also suggests a need for innovation, diversification, and adaptability across the UK's NTE. This is felt nowhere more keenly than in Northern Ireland, Wales, and the regions outside London and the South East.

Private and public sector cooperation and collaboration in this areas, going forward, is imperative.

The report highlights several positive trends including year-on-year increases in employment within the NTE/NTCE, minor increases in consumer spending, and a clear shared determination within the industry to weather considerable challenges of inflation, post-pandemic business recovery and changes to consumer habits.

Given new incoming data will likely confirm the impact of existing and new threats to our stability and growth, eg the cost-of-living and energy crises, the industry must brace for more disturbance and uncertainty ahead.

The coming months will require every ounce of the resilience, versatility and creativity that underpins the UK's Night Time Economy's global reputation, if we are to not just navigate further anticipated turbulence - but also to secure and futureproof the place of our industry.

2. LIVE MUSIC VENUES

Venue count (grassroots)



Current position

Live music performance bounced back, post-pandemic in 2022. It was a year which was packed with live shows, including rescheduled dates from 2020 and 2021 in addition to newly announced shows. Attendance reached an all-time high of 37 million.⁸ Touring resumed, with major artists playing UK stadiums. Demand for stadiums was so high venue operators and promoters had to be flexible – in some cases, sourcing alternatives. Wembley Stadium hosted a record 16 concerts in 2022, up from 14 concerts in 2019.

Despite the impressive headline numbers, there are major challenges outside the top of the market. Costs for promoters and artists have soared owing to inflation, high energy prices, rising rents and supply chain costs, some of which were influenced by Brexit.

In 2022, margins were especially squeezed for promoters and artists putting on shows rescheduled from 2020 and 2021, because ticket prices were already set. Some managers had to reduce road crew size adding extra pressure for on those on tour. Some artists had fewer invitations to perform as promoters cut the number of acts on the bill or looked for cheaper alternatives.⁹

Grassroots music venues and independent music festivals are more under threat than ever. Many venues have struggled to recover from the pandemic and are suffering with the added burden of rising rents and the cost-of-living crisis. According to the Music Venue Trust, 38% of the 835 remaining venues, most of them small and entirely independent, made a loss, with rent a particular pressure point: venue rents saw an increase of an average of 37.5% compared with 2022. Grassroots music venues dropped by 125 in 2023, with around half of those closing altogether and the other half ceasing live music provision.¹⁰

⁸ *This Is Music 2023 Economic Report*, UK Music, <https://exxfmt5ydc6.exactdn.com/wp-content/uploads/2023/10/This-Is-Music-2023-Economic-Report.pdf>

⁹ *This Is Music 2023 Economic Report*, UK Music, <https://exxfmt5ydc6.exactdn.com/wp-content/uploads/2023/10/This-Is-Music-2023-Economic-Report.pdf>

¹⁰ *Over a third of UK grassroots music venues are loss making, charity finds*, Guardian, Jan '24 <https://www.theguardian.com/music/2024/jan/24/over-a-third-of-uk-grassroots-music-venues-are-loss-making-charity-finds>

Future trends...

1. Stadium shows and the top of the live music market will remain strong due to high capitalisation and mainstream consumer demand.
2. Costs continue to rise but cannot be mitigated through increasing ticket prices as consumers are living in a cost-of-living crisis – this will continue to make weeknight and spontaneous gig going less attractive.
3. Smaller grassroots venues will continue to feel the squeeze and there will be more venue closures.
4. A proposed levy added to all UK gig tickets, that will be redirected to grassroots venues, promoters and artists is gaining popularity, e.g. in Scotland and Bristol.
5. Cuts to artist and road crews will continue as rising travel and accommodation costs continue to hit tour budgets.
6. AI will create significant challenges for artists and management (alongside established issues with low / negligible streaming fees and algorithms favouring existing artists). Moves to support human artistry through strong copyright standards and protections for image and personality of creators will take centre stage.



Silvana Kill
Director Of Operations
NTIA

The night-time economy sector plays a pivotal role in enhancing societal well-being, fostering community cohesion, and providing safe spaces for cultural exploration. Beyond its economic significance, it enriches the fabric of our communities by offering a diverse range of cultural experiences, particularly through music.

These nocturnal spaces facilitate social interaction, creativity, and expression, contributing to mental health and social interconnectedness. By nurturing vibrant nightlife, we cultivate inclusive environments where people can unwind, connect, and celebrate diversity. Recognising its profound impact extends beyond economics, we affirm the critical importance of sustaining and nurturing the night-time economy for the holistic well-being of individuals and the vibrancy of our communities.

3. PUBS AND BARS

Venue count



Current position

In the last 20 years, the number of pub premises has plunged 43.6%.¹¹ Food-led pubs have remained relatively resilient while community and high street pub numbers have dropped further. This reflects the long-term shift in the way people use pubs and a change in focus from drinking to eating out. Licensed premises are continuing to close, but the decline is slowing from 24 closures per day recorded mid-2022 post-Covid to nine closures per day in Q4 2023¹².

The market size of the pubs & bars industry in the UK has declined 6.2% per year on average between 2018 and 2022 but it did increase 8.7% in 2023.¹³ The market size, measured by revenue, was £16.8bn in 2023.¹⁴ There has been increasing agglomeration in both the tenanted and managed subsectors, with Stonegate, Greene King, M&B, Admiral, Star and Wetherspoon's increasingly dominating the mainstream UK pub and bar market. Despite the challenges of the sector and ongoing closures of poorer performing sites, the pubs and bar industry – driven by food offer, quality drinks and customer service – is forecast to grow steadily over the next five years to 2028¹⁵.

Whilst primarily not operating as live music venues, pubs and bars are fundamental locations for both the performance of live and (to a lesser extent) electronic music, as well as a fundamental part of the ecosystem of the night-time economy, e.g. pre-club and pre/post-gig drinks. Pubs and bars are also key locations for comedy nights and a springboard for comedians to move on to larger dedicated comedy clubs and theatre-scale shows. The clustering of a heterogeneous mix of venues is critical for vibrant town centres and high streets.

¹¹ Pubs and bars market size (2012-2030), IBIS World <https://www.ibisworld.com/united-kingdom/market-size/pubs-bars/>

¹² Mixed outlook for hospitality in 2024 after 800 licensed premises lost in Q4, CGA Strategy Feb '24 <https://cgastrategy.com/mixed-outlook-for-hospitality-in-2024-after-800-licensed-premises-lost-in-q4/>

¹³ Pubs and bars market size (2012-2030), IBIS World <https://www.ibisworld.com/united-kingdom/market-size/pubs-bars/>

¹⁴ Ibid.

¹⁵ UK Pub Visiting Market Report 2023, Mintel <https://store.mintel.com/report/uk-pub-visiting-market-report>

Many people still want to prioritise pubs, bars (and restaurants) for their spending. Despite cost-of-living pressures, on-premises visits have been surprisingly stable, with 90% of users visiting at least monthly and 42% weekly.¹⁶ This shows that pubs and bars remain a vital part of people's lives and town centres and 60% say it's the main way they socialise.¹⁷ Reducing visits is often a last resort.

However, research from CGA at the start of 2024 shows that there is still some caution amongst 38% of traditional pub and bar goers who say they will be going out less over the next three months which is almost double the 21% who will go out more. 68% say they are watching what they spend on a visit. As well as buying fewer drinks, some are moving away from more expensive options like cocktails and spirits in favour of soft drinks.¹⁸

Future trends...

1. Food-led venues will continue to lead the sector driven by changes in consumer demand, particularly from young people for whom eating is now as important as drinking (or more so).
2. Drinks-only venues will continue to decline, with the exceptions of those premises with a clear niche offer, e.g. craft beer or high quality cocktails with innovative interiors and world class service.
3. Consumers still intend to visit pubs and bars despite the cost-of-living crisis, but plan to spend less per visit. This will make some venues untenable despite reasonable footfall.
4. Increasing diversification of drinks offer within venues will be essential to ensure they are attractive to all socialisers. The shift from alcohol drinks to 'no and low' beverages cannot be underestimated, either as a permanent consumer choice or as part of a healthier mix.
5. The diversification of in-venue offers will continue, with operators sweating their assets throughout the day and night and increasing reliance on quizzes, live music, community events and themed evenings attracting different user groups throughout the week.

¹⁶ On Premise visits remain a vital treat for consumers amidst cost-of-living pressures, CGA Strategy, Jan '24 <https://cgastrategy.com/on-premise-visits-remain-a-vital-treat-for-consumers-amidst-cost-of-living-pressures/>

¹⁷ Ibid.

¹⁸ Ibid.

4. EXPERIENTIAL LEISURE

Venues



Current position

More than a fad or flash in a pan as predicted by some, experiential leisure has come a long way from the bowling alley, snooker club and crazy golf and is an increasingly fundamental part of the night-time economy. Competitive socialising, in particular, is on the rise. To give some indication of its popularity, at Westfield's two London malls, around 130,000 sq ft of competitive socialising space has been signed for since 2021 alone.¹⁹

Augmented reality and technology combine to elevate the experience and a mix of families, stag and hen parties and work team nights out are all embracing these new activities. Research shows there is a demand for new activities that provide a sense of adrenaline which are not centred around the consumption of alcohol drinks. 64% of Gen Zs have played a social entertainment game in 2023 compared to 60% who have been to a pub for a drink.

²⁰

41% of young people find out what is happening in their town centre via Instagram as they seek out these new and alternative experiential activities. Many young people favour technology-based social experiences over traditional social activities. These have sprung up in small spaces within many city centres, such as Ghetto Golf and Puttshack – a tech-infused mini golf experience; Flight Club the social darts venue with dart-tracking technology and an automated scoring system; Hijingo, a multi-sensory based bingo experience; and Toca, an immersive and interactive indoor football and dining space.²¹

¹⁹ Evening Standard, (Sep 2023) *Boom in leisure brands brining tech to create an interactive high street*
<https://www.standard.co.uk/business/experiential-leisure-brands-high-street-axe-throwing-golf-b1106466.html>

²⁰ Ibid.

²¹ Lichfield's (April 2022) *The rise of experiential leisure in town centres fuelled by social media*
<https://lichfields.uk/blog/2022/april/13/rise-of-experiential-leisure-in-town-centres-fuelled-by-social-media/>

Future trends...

1. Technology will continue to drive innovation within the experiential leisure and competitive socialising space and new formats will continue to develop despite obvious sports already being exploited.
2. There will be ongoing evolution and integration of technology, AI, VR and multi-sensory experiences, which will be key to tempting out younger audiences who have grown up on this at home and at school.
3. Games aside, technology will be harnessed to enhance seamless customer experiences, which will in turn drive other sectors of the night-time economy.
4. Competitive socialising will continue to expand outside of larger cities into smaller towns, whilst in city centres clustering of complimentary experiential formats will take place until the market is saturated.
5. There will be a trickle down of larger national competitive socialising formats into smaller independent venues and this may support town centres and high streets as other NTE (and retail) uses recede.



Mike Grieve
Chair of NTIA Scotland /
MD – SubClub Glasgow

This report lays bare the challenges facing Scotland's Night Time Economy, demonstrating on the one hand how vital the sector is to the economy with over £10bn spent in Scotland during 2022, but also how badly affected the late night economy in particular has been impacted by the pandemic and by the ongoing crisis in cost inflation. It is also clear that 2023 has been significantly worse for businesses across Scotland, particularly in the Night Time Cultural Economy such as grassroots clubs and music venues, and that there is a pressing existential threat to nightlife generally and specifically to our vital late night cultural experience.

Scotland has been further disadvantaged relative to the rest of the UK due to the lack of support from Scottish Government, and in particular the refusal to pass on the vital 75% rates relief allocated by the UK Government under the Barnett Formula which has proved to be a lifeline for businesses south of the border over the past 2 years and in the current year. Significant action to address the systemic problems are required urgently before our world famous independent Scottish cultural and hospitality scene is eroded beyond repair.

5. FESTIVALS

Events



Current position

Whether urban or rural-based, festivals constitute a vital and growing part of the UK night-time cultural economy. They provide an opportunity for musicians and DJs to generate earnings, whilst broadening their appeal to new audiences. Since the pandemic, most (but not all) festivals have come back stronger, and the market has further diversified to incorporate current trends in wellness and sustainability.

Festivals are also attracting a widening age group; more than one-third of people over the age of 50 go to more music festivals now compared with when they were younger.²² The average age of Glastonbury headliners has also increased steadily in the past 15 years. Paul McCartney became the festival's oldest ever headliner in 2022, and in 2023 there were legacy superstars including Guns N' Roses and Elton John.

The change in age of performers is significant: in 1997, when Prodigy, Radiohead and Ash topped Glastonbury's bill, the average age of headliners was 26 years and five months, and by 2019 the average age was 49.²³ This is key to many festivals' business model as older festival goers are likely to have more disposable income to both buy tickets and to spend on-site.

The festival sector generally has been criticised in recent years for their lack of sustainable efforts and visible lack of care for the environment in which they operate, with now infamous images of fields of abandoned tents, single use plastics and overflowing chemical toilets. Sustainability is now key to existing festivals rushing to address these problems and a new wave of sustainable festivals is emerging.

It has been an under-reported and underappreciated factor that the growth of festival economy has had a massive impact on the night-time economy. This is for several reasons. In the first instance, during summer, festivals compete for artists with urban venues so can have a negative impact on those venues that want to programme gigs and club nights all

²² Over 50s catching the music festival bug in the UK, Guardian, Jul '23 <https://www.theguardian.com/music/2023/jul/14/over-50s-catching-the-music-festival-bug-in-the-uk-saga-study-finds>Ibid.

²³ Ibid.

year. On the plus side, they also showcase new artists who can then be seen live in local gig venues later in the year – driving footfall.

Festivals also offer a diverse range of experiences in one holistic place, which can be instructive to how to build town and city centre night-time economies where experiential activation, diversity, unpredictability, novelty, safety and a seamless experience that replicates the festival experience without feeling sanitised, could herald a new way of night-time 'placeshaping'.

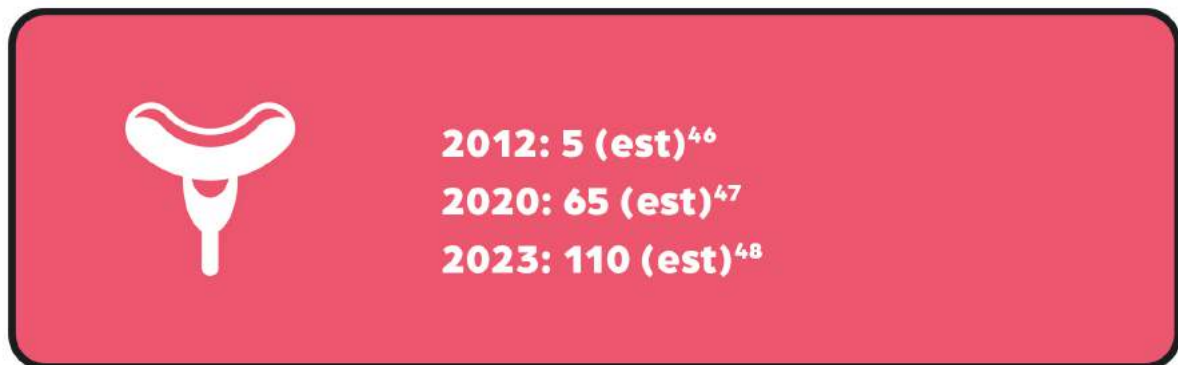
Finally, and more problematically, festivals also now make a significant claim on consumer's disposable income. Like stadium gigs, they are sucking up gig-goers' and clubbers' cash for one event a year when tickets, camping, travel, drinks and food, as well as merchandise purchases, can exceed £1,000 per festival goer. Despite Glastonbury 2024 blasting through the £300 a ticket barrier, it sold out in under an hour!

Future trends...

1. The diversification of festival types will continue, spanning wellness, self-care and personal development trends, and where music is important but ancillary to the main reason for attendance.
2. There is a growing market of smaller, niche events which cater to specific cultural sub-sectors and demographics.
3. There will be a continued and intensifying consumer demand for more sustainable practices at festivals.
4. The 'festivalisation' of nightlife more generally is a key trend and will mean greater pressure on non-festival events to up their experience game.
5. There is a rise in urban festivals and one-day events where the ticket price followed by a lower spend per head on food and drink is the main cost (and long-distance travel and camping are not required). These present significant challenges as well as opportunities for city centre night-time economies and venues.

6. NIGHT MARKETS & STREET FOOD POP-UPS

Venues



Current position

The arrival in the UK of 'night' markets and street food collectives in the 2010s – when the likes of Street Feast, Kerb and Boxpark were born in London – will continue to expand in cities outside of the capital. These spaces are now a key part of our evening (and sometimes night-time) economies nationally, forming a part of the leisure ecosystem that is transforming town and city centres, and often providing opportunities for both DJs and bands to perform seven days a week.

Whilst not a cheap night out, they remain affordable and offer the sort of multi-sensory experience that millennials and Gen Z consider a basic requirement of a contemporary socialising experience. Many sites also have a strong appeal to families and those who don't drink, helping diversity the evening economy.

Since the closure of the Street Feast empire, North-East-based Stack has emerged as a key national player, expanding beyond its home base to locations such as Northampton, Lincoln and Carlisle. Private equity investment shows the growth potential here.

Significant clusters of street food night markets have now developed in major cities, with Manchester in particular having up to ten sites that could be classified into this subsector of the night-time economy (depending on definition).

Research shows that half of consumers plan to visit venues that offer an 'exciting' experience (i.e. novel, high-tempo, and defined by its opposition to traditional socialising venues).²⁴ Street food and pop-up markets, alongside food and drink festivals, fit this mould and show popularity with over half of consumers (57%).²⁵

²⁴ Britain loses 30% of nightclubs since COVID as consumers' late-night habits evolve, CGA Strategy, Sep '23 <https://cgastrategy.com/britain-loses-30-of-nightclubs-since-covid-as-consumers-late-night-habits-evolve/>

²⁵ Ibid.

Future trends...

1. The growth of the industry overall will be substantial, potentially doubling in the next five years
2. The roll-out from larger cities into smaller towns of night market concepts will continue apace.
3. There will be a clear definition between 'cool' and authentic night market venues that have greater affinities with club culture, music and fashion, and the 'mainstreaming' of the concept where these markets are essentially a modern replacement for the shopping mall's 'fast food court'.
4. The shift from street food based 'meanwhile' spaces into formal permanent homes.
5. The transformation in the evening of traditional daytime 'retail' markets into spaces attracting new audiences and new traders, e.g. Altrincham Market



Jenn Nimmo-Smith
Night Time Economy Ambassador
Glasgow

The NTIA Night Time Economy report has confirmed what many underground clubs, grassroots music venues and arts centres have been experiencing, that the cultural economy is one of the worst impacted sectors of the NTE. This is having a fundamental impact on Scotland's culture and now, more than ever, support is needed to ensure Glasgow and the country's cultural life and future success.

7. CINEMA

Cinemas



Current position

Halting a steady decade long expansion of UK cinema site numbers (particularly the arthouse / boutique chains), the Covid-19 pandemic substantially affected cinema admissions, even after the lifting of restrictions, not just because of the reluctance of audiences to return, but because of the meteoric rise of high quality digital streaming platforms; the convenience of home food, alcohol drinks and grocery delivery; and the combination of relatively low-price and high-quality home cinema set-ups.

Despite these consumer trends, cinema remains a key part of the evening and night-time economy in the UK because it is often the 'anchor' of a night out, on which food and beverage sectors such as restaurant, bars and even clubs are built around.

2023 saw another step in the recovery of UK cinema, with an increase in box office revenue of 8.3% on 2022.²⁶ Box office revenue for the UK and Ireland combined, broke the £1 billion barrier for the first time since the pandemic.²⁷ Admissions were also up 5.4% on 2022 at 124 million.²⁸ Mainstream cinema remains highly reliant on 'event' movies and it was Barbie, Oppenheimer, Super Mario Bros. and Wonka which drove a large swathe of this recovery over the summer of 2023.²⁹

Despite positive recovery headlines, the top line figures hide a shift towards an increase the number of smaller sites (in terms of capacity, with screen numbers relatively steady). For example, the number of cinema seats peaked in the last decade in 2019 at 937,000 and in 2023 has fallen to 790,000.

²⁶ *UK box office sees further recovery in 2023*, UK Cinema Association, Jan '24 <https://www.cinemauk.org.uk/2024/01/uk-box-office-sees-further-recovery-in-2023/>

²⁷ Ibid.

²⁸ Ibid.

²⁹ Ibid.

Future trends...

1. The stratospheric rise and diversification of streaming platforms will continue to disrupt the traditional cinema market and make it increasingly challenging to lure out customers to the town centre and retail park multiplex.
2. The advancement and integration of AR and VR technology into cinema will see greater immersive cinema experiences which go beyond 3D and 4D. This will be a key point of difference, for now, between home streaming.
3. London's higher than average income offers cinema a lucrative market, where people are willing to pay more for tickets and incidentals. The capital is also a big draw for independent cinemas due to its cultural diversity.³⁰
4. The move to luxury (which can also be seen in the best cocktail bars, nightclub VIP packages) with smaller and more intimate screens is driving city centre cinema.



Ojay McDonald

CEO – Association of Town Centre Managers

The news that the UK Night Time Economy was worth over £130 billion GBP in 2022 may be a surprise to some, but it fairly reflects the economic powerhouse that this sector is. Even as far back as the 80s and 90s we appreciated that sectors like retail were changing and the town centres would come to rely more on experience-led socialising which epitomises the night time economy.

Even more than that, with an ageing society and a shortage of workers, we must appreciate the key role a vibrant night time economy can play in attracting young people to an area, who might go on to be the employers and employees of the future. With this in mind, we must heed the warnings highlighted in the report around the financial stasis coming out of the pandemic and lingering issues such as inflation.

While the UK Night Time Economy is a powerhouse for the broader UK economy, we cannot take its survival for granted. The right policies and framework locally and nationally must be part of a plan to ensure a healthy future.

³⁰ *Cinemas in the UK – market size, industry analysis, trends and forecasts*, IBIS World (2024-2029)
<https://www.ibisworld.com/united-kingdom/market-research-reports/cinemas-industry/#ProductsAndMarkets>

8. THEATRE

Number of theatres



Current position

Like cinema, theatres suffered substantially during Covid, particularly given their high running costs. They are crucial to the night-time cultural economy because they bring older audiences into town and city centres who have higher spending power which can be captured by pubs, bars and restaurants.

Many theatres are also key spaces for music and performance in the night-time cultural economy and perform a cultural 'anchor' function for town and city centres after dark.

The Society of London Theatre's Box Office Data Report (2022) shows attendances of 16.4 million (up 7.2% from 2019) and revenue of £893m (up 11.6% from 2019).³¹ However, when adjusted for inflation – like much of the night-time economy – this is down 1.1% from 2019. Capacity was up 7.9% and performances were up 4.7% on 2019.³² On the surface, these all seem fairly healthy measures of recovery, but the industry has not been without major challenges over the last three years.

In 2023, UK Theatre, lobbied to maintain Theatre Tax Relief at a higher rate until 2025 to support the development of new productions and improve theatre employment. They also ran a successful 'Love Your Local Theatre' campaign funded by the National Lottery and launched a national advocacy campaign, 'Theatre for Every Child', which aims to secure political commitment and funding to ensure that every child in the UK goes to the theatre by the time they leave secondary school.³³

³¹ *Box Office Data Report*, 2022, The Society of London Theatre <https://solt.co.uk/data-and-research/>

³² *Ibid.*

³³ UK Theatre & SOLT *Year in Review*, 2023 https://uktheatre.org/wp-content/uploads/sites/2/2023/12/UKT_YearInReview_FINAL.pdf

Future trends...

1. There will be continued growth in the livestreaming of flagship productions to global audiences at home and into cinemas (with the added ability to better respond to those with disabilities), albeit streaming poses a significant cost and skills burden on theatres.
2. The development of more immersive sound and video environments for performances, with surround sound, binaural headphone-based productions, multiscreen stage settings, kinetic sound captioning and audience participation via smartphone technology.
3. The use of industrial spaces and other non-traditional performance sites for immersive theatre productions that attract younger, non-traditional theatre audiences who may be intimidated by and / or unfamiliar with the traditional theatre-going experience.



Lisa Carlson
Chief Executive
Canterbury BID

This NTE Report from the Night Time Industries Association comes at a pivotal moment for our evening and night time economy businesses. It highlights the huge financial and employment contribution the sector provides to the UK and underlines the struggles pre and post pandemic for an industry that was first to close and last to open.

This is a sector that has fought hard to survive, reimagining their businesses for the changing needs of customers. We hope that the report will influence decision-making at government level and that the call for additional support will be received with open arms.

3.3 SUMMARY

There are several themes running through all these core artforms and consumer offers that underpin the night-time cultural economy. They are:

1. The cost of living and cost of business crises are having a huge negative impact on venues (to the point of closure for many), yet they are also bringing out the best of the adaptability, resilience and creativity in the UK's after dark sector.
2. The 'shift to experience-led' socialising. Whilst the degree varies by format, no matter what the venue or artform, the experience and the setting is more important than ever.
3. Experiential is now in a symbiotic relationship with social media; this is now a critical determinant in how younger audiences choose what to do on nights out (or indeed choose to go out at all!).
4. There is a fundamental schism between younger audiences (under 30s) and their parents: traditional models of night-time socialising are increasingly challenged, and even those that are authentic and deeply cultural (e.g. underground clubs, grassroots music venues and theatre) cannot expect their artistic excellence alone to attract audiences.
5. The rise of technology in mediating the after dark experience is paramount – both in the production and consumption of the night-time economy, and indeed challenging the very need for a night out when (nearly) every physical experience can be delivered in the home.

Nick Newman

Director

Cardiff Licensees Forum

This is a comprehensive, and hugely significant report into the NTE of the UK and should be essential reading for all in our sector. More than that, it absolutely should be essential reading for those in government (UK and devolved) to understand the value of the NTE to the UK economy and the fragile position it finds itself in due to the huge tax burden we bear as well as ever-spiralling costs.

£136.5 bn and 2.08m jobs should be enough for any elected representative to give the UK's NTE the focus it warrants

Closing Statement



Philip Kolvin KC
Barrister

One of the frustrations of the night time cultural sector is its invisibility. Statisticians tend to value the leisure economy as a whole, or sometimes the night time economy. But these figures tend to include a broad range of categories, sometimes including hotels, late night supermarkets, emergency services and call centre workers. This data can be very helpful when valuing GDP, but it is much less useful when analysing whether night culture is withering away. Worse, general data can be misused by politicians to proclaim the success of their measures, while obscuring the truth about the severe stress faced by night culture.

This report ends all that. It carefully goes through each element, not just of the night time economy but of the night time cultural sector itself. Its figures on clubs, electronic music spaces, live music venues, pubs, bars and festivals should be a clarion call to anyone who purports to care about the sector. Some of the attrition is balanced out by the rise of other sub-sectors, including street food and experiential leisure, which should be viewed as a real positive. But much more reflects wider societal trends, including the cost of living, the cost of doing business and the rise of the home leisure economy.

As retail fades, only leisure has the potential to fill the gap. Therefore, what rides on saving the night time cultural sector is not just the jobs, investment, culture and enjoyment it brings, but the future vibrancy of our town and city centres. That is something which everyone can root for, whether they go out or not. For that reason, this report should sit – open! – on the desk of politicians and policy makers. For what it depicts is no longer a trend but a landslide, which can only be arrested through national action.

NTIA are deserving of our heartfelt thanks for another outstanding piece of work. In decades to come, they will be recognised as heroes of the hour: thank heaven for the work they do. They have provided a voice: all it now needs is a political ear, attached to a brain which is willing to act. **We are waiting.**

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