



Department for  
Business, Energy  
& Industrial Strategy

## Hospitality Strategy: Reopening, Recovery, Resilience.



July 2021

CP500



# Hospitality Strategy: Reopening, Recovery, Resilience.

Presented to Parliament  
by the Secretary of State for Business, Energy & Industrial Strategy.  
by Command of Her Majesty

July 2021



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Kwasi Kwarteng  
**Secretary of State**



Paul Scully  
**Minister for Small Businesses**

# Ministerial Foreword

The UK has one of the most dynamic and diverse hospitality sectors in the world. The British pub is not only a landmark; it is the hub that unites our communities. Our restaurants are recognised internationally as being some of the very best and our nightclubs attract visitors from all over the world.

But for a sector that exists to bring people together, the impact of COVID-19 was always going to be considerable. Despite unprecedented government support throughout the pandemic, hospitality businesses struggled to break even. The pandemic also brought into stark relief structural issues that risked undermining the resilience of the sector.

Following the global financial crisis of 2007-2008 the hospitality sector helped kick-start our economic recovery. If the sector is to help our recovery from COVID-19, then we need it to bounce back quickly. But we also need a sector that is resilient against future shocks and able to adapt to challenges such as tackling climate change.

Early in the pandemic we established a permanent team within BEIS to provide ongoing support: meeting regularly with business leaders, listening to their concerns and working hard to represent their interests across Government. Minister Scully's portfolio also now includes hospitality, formally recognising his role in supporting the sector within Government. While we do not underestimate the impact the pandemic has had, as a result of our engagement we have been able to deliver targeted support for the sector, which has provided a lifeline to many businesses. But relying on government support is not sustainable. We want a hospitality sector that is fully open for business, on the road to recovery and looking towards its longer-term resilience.

This strategy represents a joint effort between BEIS, the hospitality sector, and colleagues from across Whitehall, who all recognise how important this sector is to our economy and to our communities. Through this strategy we want to increase the sector's resilience by helping improve

profit margins, ensuring it can fully benefit from our plans to revitalise our high streets and put hospitality at the centre of local plans to regenerate those areas falling behind. We want to strengthen the hospitality workforce by equipping employees to succeed, attracting and retaining the right people and providing clear and rewarding career pathways. And we want to encourage the sector to adopt innovative practices that empower growth, bolster productivity, and support the environment.

Our hospitality sector is already world renowned, but we want to bolster that by strengthening the link between hospitality and international tourism and further developing the sector's presence on the global stage. But perhaps most importantly, we want everyone to recognise the social value of our hospitality businesses.

This strategy sits alongside the Government's High Streets Strategy<sup>1</sup> and its Tourism Recovery Plan<sup>2</sup>, which collectively have a key role to play in levelling up every part of the UK and ensuring we all have a stake in our nation's future.

Hospitality businesses have shown themselves to be creative and resourceful, and we are confident that they can recover strongly. It is a privilege to sponsor this vital sector and we look forward to working with it as it builds back stronger and greener from the pandemic.

Kwasi Kwarteng  
**Secretary of State**

Paul Scully  
**Minister for Small Businesses**

<sup>1</sup> <https://www.gov.uk/government/publications/build-back-better-high-streets>

<sup>2</sup> <https://www.gov.uk/government/publications/tourism-recovery-plan>



# Executive Summary

The UK hospitality<sup>3</sup> sector is comprised of approximately 143,000 businesses<sup>4</sup>, employs around 1.8 million people<sup>5</sup> and, in 2019, generated £40.4 billion in Gross Value Added<sup>6</sup>. As well as providing jobs and contributing to the economy, hospitality plays a vital role at the heart of communities up and down the country, giving a welcoming space for people to come together.

## Challenges facing the sector

Though many hospitality businesses were thriving and expanding before the COVID-19 pandemic, the sector faced some underlying challenges. Growth was fuelled by an influx of investment, but against a backdrop of a general decline in high street footfall. Businesses tended to operate on very small margins and with low cash holdings, partly due to a high level of fixed costs. As a result, hospitality businesses were, and remain, more vulnerable to income disruption than other parts of the UK economy.

## The impact of the COVID-19 pandemic

The nature of COVID-19, and the measures needed to reduce transmission, has invariably had a disproportionate impact on businesses that exist to support social interactions. Despite £352bn in government support, much of it targeted at hospitality, leisure and retail businesses, hospitality businesses operated at a loss and some, for example nightclubs, were unable to operate at all. Targeted support included grants, business rates relief, a VAT cut and the Eat Out To Help Out

scheme, along with cutting red tape to make it easier for hospitality businesses to operate outdoors.

## Opportunities for the hospitality sector

While structural issues and the unprecedented circumstances posed by the pandemic left the sector facing many challenges, they also highlighted its adaptability. Hospitality businesses have proven to be incredibly resilient and have adapted their operations in a range of different ways. This adaptability gives hope that the businesses that have survived the pandemic, and those that follow, will emerge stronger than before.

## Our vision for the future of the hospitality sector

In recent months, we have worked closely with sector partners and businesses to develop an ambitious vision for the sector that reflects the aims of not only returning the sector to its pre-pandemic health, but which also sets the conditions for a resilient and dynamic sector for years to come.

3 For the purpose of this strategy, hospitality comprises cafés, restaurants, pubs, bars and night-clubs. Visitor accommodation, for example hotels, are part of the wider hospitality sector but fall within the remit of the Department for Digital, Culture, Media and Sports, given their responsibility for tourism. Where the statistics used in this publication refer to the hospitality sector, including accommodation, this is outlined in the footnotes alongside the statistical sources.

4 <https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/datasets/ukbusinessactivitysizeandlocation> – statistic excludes accommodation.

5 <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/realtimeinformationstatisticsreferencetablenonseasonallyadjusted> – statistic includes accommodation.

6 <https://www.ons.gov.uk/economy/grossdomesticproductgdp/datasets/ukgdpolowlevelaggregates> – statistic excludes accommodation.

## OUR VISION

Through this strategy we aim to build on the sector's strengths and address its challenges to create a resilient, dynamic, innovative, and green sector that plays a leading role in local communities, high streets and city centres across the country.

The sector has a key role in supporting existing jobs and creating new ones during our recovery from COVID-19. As well as the sector's role in providing valued entry

## Achieving this vision: delivering the 'three Rs'

To deliver our ambitious vision for the sector, we have considered three 'Rs': **reopening**, **recovery** and **resilience**. These form the three sequential steps in our strategy. By following the three 'Rs', government and sector partners can work together to help the sector to build back stronger and more resilient.

### Reopening

This chapter sets out the immediate steps needed to support the reopening of the sector over the short-term, in line with broader COVID-19 pandemic developments. To do this, we will:

1. **Support delivery of the final steps in the PM's roadmap by developing practical COVID-secure guidance for hospitality businesses to help them ease back to normal operations.**

2. **Provide continued sectoral support, via a dedicated Minister and support team, and help remove any remaining barriers to full operation.**
3. **Help the sector overcome current recruitment challenges by actively signposting jobseekers to hospitality vacancies.**

### Recovery

This chapter then sets out the measures required, not only to help the sector's recovery, but to bounce back stronger over the short-medium term and return to profitability and sustainability. To do this, we will:

4. **Work with the sector to boost demand by promoting hospitality and enabling businesses to trade more flexibly, for example by extending current easements, as set out in the High Streets Strategy.**
5. **Work with the sector to help manage costs, including bringing forward legislation to ringfence rent debt accrued from March 2020 for tenants who have been impacted by Covid-19 business closures.**
6. **Work with the sector on access finance, including working with the government-owned British Business Bank and its delivery partners.**

### Resilience

This chapter sets out the measures needed to secure the sector's longer-term resilience, building a financially stable, dynamic, innovative, green sector that supports jobs, vibrant communities and creates places where people want to live, work and visit.

#### Building business resilience

This includes measures set out in the **High Streets Strategy** to help build business resilience. To do this, we will:

7. **Improve the long-term relationship between hospitality tenants and landlords.**
8. **Work with Local Authorities and the hospitality sector to develop a model for hospitality-led regeneration hubs, with demonstrators delivered in England, Northern Ireland, Scotland and Wales.**

In addition, we will:

9. **Work with the sector to learn the lessons of the pandemic for businesses and enable investment in future resilience measures.**

## Jobs and skills

We want to strengthen the hospitality workforce by equipping employees to succeed in a modernised sector, attracting and retaining the right people and providing clear and rewarding career pathways. To do this, we will:

10. **Explore options for vocational training offers that support career paths in the sector.**
11. **Work with the sector to raise the profile of skills and careers in hospitality.**
12. **Encourage hospitality businesses to participate in Government programmes, including the Help to Grow scheme, to improve digital and management skills in the workforce.**

## International trade and tourism

We want the UK hospitality sector to have a leading international reputation, and we aim to do that by strengthening the link between hospitality and international tourism and developing the sector's presence on the global stage. To do this, we will:

13. **Showcase the best of UK hospitality in future international communications campaigns.**
14. **Promote UK hospitality businesses overseas through inclusion in international ministerial visits and trade shows.**
15. **Work with businesses to establish themselves abroad, by working with the sector to identify barriers and address export challenges, building on opportunities following the UK's exit from the EU.**

## Hospitality for the environment

We want the hospitality sector to be resourceful and environmentally friendly, and supportive of the government's ambitious Net Zero goals. To do this, we will **work with the sector to:**

16. **meet, create, and share best practice on environmental guidance to help businesses decarbonise supply chains and achieve Net Zero, seizing the opportunity of CoP26.**
17. **reduce waste and single-use plastic consumption.**
18. **help ensure any recyclable waste produced is collected for recycling.**

## Innovation and investment

We want to encourage the sector to invest in innovative practices that empower growth and bolster productivity. Therefore, we will:

19. **Bring sector leaders and businesses together with the UK's world leading innovation system, including universities and InnovateUK, to support the creation of the next generation of hospitality start-ups, and encourage them to take advantage of emerging technology and digital trends.**
20. **Encourage technology adoption by leveraging the Help to Grow scheme and working with Be the Business and businesses to produce sector-led guidance.**
21. **Work with the sector to develop dynamic new operating models, including by identifying and overcoming barriers to innovation.**

## Community and wellbeing

We want the social value of the sector to be widely recognised. To do this, we will:

22. **Work with the sector to champion the role of hospitality in community wellbeing as we emerge from the pandemic.**

## Next steps

To oversee delivery of the 22 commitments outlined in this strategy across our reopening, recovery and resilience themes, we will **establish a Hospitality Sector Council**, comprising businesses, sector representatives and industry leaders. This Council will meet to agree an action plan to deliver the commitments, review progress against this plan and monitor the overall recovery of the sector as businesses transition from reopening through recovery to resilience.



# Chapter 1

## The Hospitality Sector

The UK's hospitality sector is comprised of approximately 143,000 businesses<sup>7</sup>, employs around 1.8 million people<sup>8</sup> and, in 2019, generated £40.4 billion for the UK economy<sup>9</sup>. But, as well as providing jobs and contributing to the economy, our pubs, cafés, restaurants, bars and nightclubs play a vital social role at the heart of communities up and down the country.

### Challenges facing the sector pre-pandemic

Though many hospitality businesses were thriving and expanding before the COVID-19 pandemic, the sector faced some underlying challenges. Growth was fuelled by an influx of investment, but against a backdrop of a general decline in high street footfall. As a result, a contraction in the sector was already a possibility.

Prior to the pandemic, debt levels in the accommodation and food services sector were already high and substantially

above several other sectors. Over the course of 2019, total outstanding debt in the sector averaged £27 billion.<sup>10</sup>

Hospitality businesses also typically operate on very small margins and with low cash holdings, partly due to the high levels of fixed costs. As a result, hospitality businesses were, and remain, more vulnerable to income disruption than other parts of the UK economy.

### The impact of the COVID-19 pandemic

Following the 2007-2008 global financial crisis, the hospitality sector was resilient and recovered relatively quickly. Hospitality industry GVA fell by 5% in 2009 in the aftermath of the financial crisis, but immediately bounced back, with GVA increasing by 7% between 2010 and 2012.<sup>11</sup> A similar trend is also evident in industry employment, which only fell marginally following the financial crisis, before quickly recovering and consistently growing until the COVID-19 pandemic.

However, the nature of COVID-19 and the measures needed to reduce the rate of transmission, have had a far more significant impact on the ability of hospitality businesses to trade profitably throughout the pandemic and therefore on their ability to recover quickly.

7 <https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/datasets/ukbusinessactivitysizeandlocation> – statistic excludes accommodation.

8 <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/realtimeinformationstatisticsreferencetablenonseasonallyadjusted> – statistic includes accommodation.

9 <https://www.ons.gov.uk/economy/grossdomesticproductgdp/datasets/ukgdpolowlevelaggregates> – statistic excludes accommodation.

10 <https://www.bankofengland.co.uk/statistics/tables> – Table C1.2. Statistic includes accommodation.

11 <https://www.ons.gov.uk/economy/grossdomesticproductgdp/datasets/ukgdpolowlevelaggregates> – statistic excludes accommodation.



The UK economy experienced its biggest annual contraction on record in 2020, with real GDP falling 9.2% compared with 2019.<sup>12</sup> This decline partially reflects a sharp fall in consumer and business confidence, with OECD confidence indicators<sup>13</sup> showing both business and consumer confidence in the UK falling significantly during 2020.

This is reflected in the total number of people on payrolls. Across the economy, between February 2020 and May 2021, over 342,000 people lost their jobs, 81% of which were in the accommodation and food services sector, despite the success and extension of the Coronavirus Job Retention Scheme.<sup>14</sup>

## Government support

The social distancing measures put in place to reduce the spread of COVID-19 would have a disproportionate impact on hospitality, leisure and retail businesses. That is why the government's £352 billion package of support included specific and targeted help for those sectors.

In addition to having access to the Coronavirus Job Retention Scheme, loan guarantees and protection from commercial rent eviction and debt forfeitures, hospitality businesses also had access to grants, business rates relief, a VAT cut on food and non-alcoholic beverages to 5% and the Eat Out to Help Out Scheme. Government also cut red tape to make it easier and quicker for businesses to operate outdoors.

## Opportunities for the hospitality sector

While structural issues and the unprecedented circumstances posed by the pandemic have left the sector facing many challenges, they have also highlighted its adaptability and capacity for innovation. Hospitality businesses have proven to be incredibly resilient and have adapted their operations in a range of different ways – from providing takeaway meals and Home Food Kits to embracing new technology and maximising the use of outdoor space. This adaptability offers a blueprint for the future and gives hope that the businesses that have survived during the pandemic, and those that follow, will emerge stronger than before.

## Our vision for the future of the hospitality sector

We have worked closely with sector partners and businesses to develop an ambitious vision for the sector that reflects the aims of not only returning the sector to its pre-pandemic health, but which sets the conditions for a resilient and dynamic sector for years to come.

12 <https://www.ons.gov.uk/economy/grossdomesticproductgdp/datasets/ukgdpolowlevelaggregates> – statistic excludes accommodation.

13 <https://data.oecd.org/leadind/consumer-confidence-index-cci.htm>

14 <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/realtimeinformationstatisticsreferencetablenonseasonallyadjusted> – statistic includes accommodation.

## OUR VISION

Through this strategy we aim to build on the sector's strengths and address its challenges to create a resilient, dynamic, innovative, and green sector which plays a leading role in local communities, high streets and city centres across the country.

The sector has a key role in supporting existing jobs and creating new ones during our recovery from COVID19. As well as the sector's role in providing valued entry level and flexible jobs, we want to make sure that jobs in the sector are of good quality, and that businesses contribute to wider productivity.

## Achieving this vision: delivering the 'three Rs'

This strategy, as set out in the following chapters, is the government's plan for achieving this vision, and complementing the wider objectives outlined in the Plan for Growth, the Tourism Recovery Plan and the High Streets Strategy.

To deliver our ambitious vision for the sector, we have considered three 'Rs': **reopening**, **recovery** and **resilience**. These form the three sequential steps in our strategy. By following the three 'Rs', government and sector partners can work together to support the sector to build back stronger and more resilient.



# Chapter 2

## Reopening

Battling a virus that thrives upon social contact has posed a particular challenge for a sector whose very purpose is to bring people together. While the government's package of financial support provided a lifeline for many hospitality businesses, government and businesses agree the only sustainable way to ensure a flourishing sector over the longer term is the removal of COVID-19 restrictions.

### Roadmap to reopening

On 22 February, the Prime Minister set out a roadmap that outlined the steps needed to open all areas of the economy. This included provisional dates for the reopening of hospitality, backed by a mass vaccination programme.

The success of the UK's vaccination programme has so far allowed the roadmap to be implemented in line with the no-earlier-than dates. On 12 April, outdoor areas of hospitality reopened, which allowed around 30% of English hospitality venues to trade via beer gardens and pavement areas.<sup>15</sup> Though fewer restaurants have outdoor space, some were also able to trade in a limited way. On 17 May, hospitality venues were able to reopen indoors in a COVID-secure way, enabling a much wider range of businesses to restart trading. In the first week of reopening indoors, restaurant bookings were 42% higher, on average, than in 2019.<sup>16</sup>

Finally, on 19 July, all remaining settings will reopen, including nightclubs, and there will be no restrictions on the number of people who can meet, either indoor or outdoor. In line with the outcome of the Social Distancing Review, the Events Research Programme and the Certification Review the sector will be able to trade without legal restrictions and social distancing rules will be lifted.

Hospitality businesses will still have a legal duty to manage risks to those affected by their business. This involves undertaking health and safety risk assessments, including the risk of COVID-19, and taking reasonable steps to mitigate the risks. Working Safely guidance sets out a range of mitigations employers should consider including:

- cleaning surfaces that people touch regularly.
- identifying poorly-ventilated areas in the venue and taking steps to improve air flow.
- ensuring that staff and customers who are unwell do not attend the workplace or venue.
- communicating to staff and customers the measures you have put in place.

**We will support the delivery of this final step in the PM's roadmap by developing practical COVID-secure guidance for hospitality businesses to help them ease back to normal operations.**

Certification will not be required in any setting at Step 4, however the NHS Covid Pass will be made available on the NHS app as a certification tool if businesses and other organisations choose to use certification on a voluntary basis.

<sup>15</sup> <https://www.alixpartners.com/media/17681/alixpartners-cga-market-recovery-monitor-may21.pdf> – statistic excludes accommodation.

<sup>16</sup> <https://www.opentable.com/state-of-industry>

Venues are encouraged to continue displaying QR codes for customers wishing to check in using the NHS COVID-19 app, to support NHS Test and Trace, but this will no longer be a legal requirement.

The success of the vaccine programme means that hospitalisations are expected to rise more slowly than in previous waves, although the rate of growth and duration of the wave remains uncertain. The pandemic is not over and we will still need to remain vigilant of an increase of hospitalisations, deaths and any new variants of concern emerging over the coming months. We will keep the data under regular review and should the health situation evolve Government will continue to work and support the sector in managing their businesses alongside the virus.

To help the sector as it emerges from the pandemic we will **provide continued sectoral support, via a dedicated Minister and support team, and help remove any remaining barriers to full operation** as soon as COVID-19 pandemic data allows.

## Government support for reopening

The government has provided additional support businesses reopening, with an additional £5bn worth of grants in the form of one-off Restart Grants of up to £18,000. On top of this, £425 million of discretionary business grant funding was provided to all English local authorities.

These funds aim to help businesses to meet fixed costs above the revenue that they are able to make during restricted trading. It also provides an opportunity to invest in their businesses so that they are able to operate more effectively in a COVID-secure environment, e.g. by using more outdoor seating and online menus. Alongside this, the Coronavirus Business Interruption Loan Scheme (CBILS) and Bounce Back Loan Scheme (BBLs) have provided over £6.2 billion to the accommodation and food sector<sup>17</sup>

We recognise that the hospitality sector is facing a significant recruitment challenge as it reopens. Some regions, such as London, and specific professions (chefs and sommeliers) have been particularly impacted, with some businesses introducing bonus schemes for staff recommending friends to fill roles<sup>18</sup>

Having engaged with sector partners, we believe short-term issues around recruitment may ease once sector confidence has returned. To support, we will **help the sector overcome current recruitment challenges by actively signposting jobseekers to hospitality vacancies.** DWP's Work Coaches will continue to support people into hospitality work and the government are offering generous incentives to employers to recruit, including hundreds of young people starting work every day through the Kickstart Scheme. Beyond that, we will continue working with the sector to monitor the situation and address longer-term skills shortages (discussed below).

17 <https://www.british-business-bank.co.uk/analysis-of-final-coronavirus-loan-scheme-data-shows-79-3bn-of-loans-to-1-67m-businesses-evenly-distributed-across-whole-of-the-uk/> – statistic includes accommodation.

18 <https://employeebenefits.co.uk/hawksmoor-employees-2000-bonuses-recommendations/#:~:text=Restaurant%20group%20Hawksmoor%20has%20begun,the%20employee%20receiving%20a%20bonus.>



# Chapter 3

## Recovery

Pubs, bars and restaurants have shown in the past that they have the ability to bounce back quickly from economic shocks. The sector had started to rebound over the summer 2020 when the sector was able to open in a COVID-secure way. The percentage of firms trading has begun to increase again since the reopening of outdoor hospitality on 12 April. However, with social distancing restrictions in place, the ability of many hospitality businesses to operate profitably is limited, despite government support.

While the sector has supported the economy to recover from previous recessions, the nature of this crisis and the severity of its impacts on the economy and businesses means that even after reopening, the sector is likely to face challenges in recovery. Even with existing support from government, a combination of high fixed costs, low margins and low cash holdings within the sector mean that as operating costs begin to rise we risk losing otherwise viable businesses and jobs that we are confident can rebound once we start returning to normal operation.

Those losses would not only impact on the UK's wider economic recovery, but on communities up and down the country. So as part of the Government's ambitions to level up, we will support hospitality businesses across the country during this critical recovery phase.

### Demand recovery

With the aid of initiatives such as the Eat Out to Help Out scheme, activity in the sector bounced back to almost full revenue towards the end of summer 2020. Restaurant bookings data<sup>19</sup> show that August 2020 is the only period since the beginning of the pandemic when bookings have consistently exceeded 2019 levels, although table booking was not as prevalent in 2019 as it has been during the COVID-19 pandemic. On average, table bookings during August 2020 were 22% higher than 2019 levels. On the final day of the scheme (31 August), table bookings in the UK were 219% higher than 2019 levels.

Takeaway services have played an important role in stimulating demand. Despite the closure of hospitality venues throughout large parts of 2020 and early 2021, there has been substantial demand for such services<sup>20</sup>.

<sup>19</sup> <https://www.opentable.com/state-of-industry>

<sup>20</sup> <https://www.bighospitality.co.uk/Article/2021/03/12/Pandemic-pushes-takeaway-and-delivery-sales-to-rise-by-317-CGA-Coronavirus-lockdown-impact>

Demand might take longer to rebound in some areas. For example, city centres such as Central London have suffered due to a slow return of tourists and office workers. Inbound tourism is expected to remain low throughout 2021, with forecasts<sup>21</sup> expecting £6.2 billion to be spent by inbound tourists, the same as in 2020 but only 22% of 2019 levels. Some cities, such as London, which are heavily reliant on tourism have also suffered due to the lack of office workers and commuters, with UK city centre footfall approximately 15% of pre-COVID levels during the first three months of 2021.<sup>22</sup> From 19 July, the government's guidance on working from home ended, a key stimulus for city centre recovery.

Some parts of the hospitality sector have been hit harder throughout the pandemic, particularly those operating in the night-time economy. Following a sharp fall in activity throughout the past year due to COVID-related closures, over the five-year period through 2025-26, nightclub industry revenue is forecast<sup>23</sup> to rise at a compound annual rate of 6.4% to reach £927.9 million, although revenues will fall below pre-COVID levels. The industry's growth depends on a strong recovery from the pandemic-induced slump.

We must take the opportunity to ensure that demand for hospitality is strengthened as we come out of the pandemic. We will therefore **work with the sector to boost demand by promoting hospitality and enabling businesses to trade more flexibly, for example by extending current easements, as set out in the High Streets Strategy**. This will support the sector's efforts to drive-up demand at the end of the peak season ahead of the winter period, providing a cash buffer.

For many areas of the country, demand recovery over the summer was also in large part due to the return of domestic tourism. Hospitality is a key part of the UK's tourism ecosystem. In recognition of the challenges to this part of the economy, the government has published a **Tourism Recovery Plan**<sup>24</sup>.

This plan sets out the role the UK government has already played in assisting the tourism sector through COVID-19, and the government's ambition for the sector's future recovery.

The Plan, published by the Department of Digital, Culture, Media and Sport on 11 June sets out a number of policies that will contribute to the recovery of the hospitality sector. These include a £5.5 million domestic marketing campaign launched by VisitEngland, and other schemes aimed at boosting domestic tourism where hospitality businesses will play a key role.

There are also measures to support hospitality demand in the **High Streets Strategy**. During the pandemic, the government supported more alfresco hospitality by making it quicker and less expensive for businesses to get a temporary pavement license, boosting the economy and help licensed premises trade whilst keeping social distancing measures in place. As outlined in the High Streets Strategy, we will **extend these temporary easements and are considering their long-term future, with the aim of consulting on how to make them permanent**.

## Addressing cost pressures

The government has already taken action to protect businesses from eviction through a moratorium on the eviction of commercial tenants who have been impacted by the pandemic. This, along with our wide-ranging package of support, has protected millions of jobs.

But we need a long-term solution. That is why we have announced that we will bring forward legislation during this parliamentary session to ringfence rent debt accrued from March 2020 for tenants who have been impacted by Covid-19 business closures. Once those restrictions have been lifted, tenants should begin to pay rent according to their lease or as otherwise agreed. We will also introduce a system of binding arbitration for where agreement cannot be reached.

Until this legislation is in place, the existing moratorium on evictions has been extended to 25 March 2022. Statutory demands and winding up petitions also remain restricted for a further three months to protect companies from creditor enforcement.

## Financial sustainability

Hospitality businesses often have low margins. Even once revenues bounce back to pre-COVID levels, in many cases hospitality businesses will struggle to immediately repay the high levels of debt accrued during the pandemic.

To protect the sector's recovery, the Chancellor announced several measures through the **Budget** that will help viable hospitality businesses recover over the short term. The extension of the temporary reduced rate of VAT (5%) to goods and services supplied by the tourism and hospitality sectors to 30 September 2021 will allow businesses to keep more of the revenue on the goods and services that they sell. Business rates relief worth over £6 billion in 2021-22 for eligible businesses in the retail, hospitality, and leisure sectors in England, will help to keep costs for hospitality businesses low as they ramp up operations. Finally, a freeze in duty rates for beer, cider, wine, and spirits for 2021-22, which will allow businesses to either reduce costs to stimulate demand, or increase profit margins on alcoholic drinks.

21 <https://www.visitbritain.org/2021-tourism-forecast>

22 <https://www.centreforcities.org/data/high-streets-recovery-tracker/>

23 IBIS World – Nightclubs in the UK, September 2020.

24 <https://www.gov.uk/government/publications/tourism-recovery-plan>

We know that, despite these measures, some businesses may still have challenges accessing finance. We will therefore **work with the government-owned British Business Bank and its delivery partners to support access to finance**, including by raising relevant issues, such as giving hospitality businesses the time they need to repay their loans, through the Business Finance Council and working directly with lenders.

## Reviewing the business rate system

This includes over £16 billion in business rates support for eligible retail, hospitality and leisure properties since April 2020, which along with **Small Business Rates Relief, has meant that 750,000 properties in England benefited from 100% relief during the most challenging period of the pandemic. This coincides with our efforts to look at the longer term of the business rates system through the ongoing Fundamental Review, and how we can balance support for** businesses with the need to fund critical local services. We published a call for evidence in July 2020, inviting stakeholders to contribute their views on ideas for reform, followed by a further consultation on More Frequent Revaluations in June 2021. **The review will conclude in the autumn.**



# Chapter 4

## Resilience

Throughout the pandemic, the hospitality sector has demonstrated its ability to swiftly adapt to disruption and uncertainty. As the sector recovers, this strategy aims to harness and build upon some of the positive changes that have occurred over the past year, such as innovation and technology adoption, and address the challenges that remain, including those that pre-date the pandemic. In addition, there is scope to align and strengthen the sector's contribution to wider government aims and objectives when it comes to levelling up and skills.

We will continue to work closely with the sector to progress and deliver the long-term commitments made in this strategy. The actions set out below aim to prepare and bolster the sector's defences against potential shocks in future.

### Building resilient businesses

The High Streets Strategy includes a range of measures to support high street businesses, including hospitality businesses. In addition to the short-term rent measures set out above, the High Streets Strategy sets out our commitment **to improve the long-term relationship between hospitality tenants and landlords.**

Additionally, the High Streets Strategy includes a commitment to consider whether there is scope to build on the success of

the pavement licence provisions already introduced and bring forward a similar consolidated consent or application process for other licences which retail and hospitality outlets may need to obtain.

We will also encourage the use of high street spaces for hospitality, creating new opportunities for micro businesses and start-ups that will re-energise and revitalise unloved spaces, working with local people to unlock their talents and creating a new generation of hospitality entrepreneurs. Specifically, the High Streets Strategy sets out how we will **work with Local Authorities and the hospitality sector to develop a model for hospitality-led regeneration hubs, with demonstrators delivered in England, Northern Ireland, Scotland and Wales.**

In addition to the measures set out in the High Streets Strategy, we will **work with the sector to learn the lessons of the pandemic for businesses and enable investment in future resilience measures.** These include considering measures around waste, technological and digital resilience and flexibility, enabling the development of frameworks and business models that enable long-term operational resilience.

### Improving jobs and skills

Across the country, millions of people work in the pubs, bars and restaurants that are part of the fabric of our communities. Hospitality currently employs approximately 1.8m people in the UK.<sup>25</sup> The sector is crucial for providing accessible and flexible jobs, with opportunities to develop valuable and transferrable soft skills, and serves as an important entry point for many young people entering the job market, with 35% of hospitality

25 <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/realtimeinformationstatisticsreferencetablenonseasonallyadjusted> – statistic includes accommodation.



workers aged 24 or under.<sup>26</sup> Indeed, the sector is often described as providing the nation's favourite and best first job.

However, this accessibility to entry-level work has fed into the sector's reputation as an employer of "low-skilled" labour. Employees in customer-facing roles in hospitality are less likely to receive training than in other roles<sup>27</sup> and less likely to progress if they stay in the sector<sup>28</sup>. Linked to this, in 2020 the median hourly pay of £8.72 was substantially lower than the UK industry-wide median (£13.65).<sup>29</sup>

While it is important to recognise the value of entry-level jobs, particularly for those without formal skills and experience, it is also vital that people are invested in and given an opportunity to progress to higher skilled, better paid work.

We are already working across sectors to progress an ambitious skills agenda. A £2bn Kickstart Scheme will create hundreds of thousands of new, fully-subsidised jobs for young people, alongside the Sector-Based Work Academy Programme (SWAP), an effective, flexible tool for supporting employers to fill their vacancies and supporting DWP customers by improving their prospects of securing employment.

Starting this year, the Government is investing £2.5bn in the National Skills Fund (NSF) in England. The National Skills Fund will help adults to train and gain the valuable skills they need to improve their job prospects. It will support the immediate economic recovery and future skills needs by boosting the supply of skills that employers require. We plan to consult on

the NSF in summer 2021 and would welcome views from the hospitality sector.

We have extended the apprenticeship hiring incentive to September 2021 and increased the payment to £3,000 for each newly hired apprentice of any age. The payment is in addition to the existing £1,000 payment to support the employers of apprentices aged 16-18 (and those under 25 with an Education, Health and Care Plan).

Alongside this, we are tripling the scale of traineeships in England for 16 to 24 year olds to support young people not in education or employment to get the skills they need to get into employment. At the Budget, the government announced an additional £126 million for traineeships in the 2021-22 academic year. The government also is launching a £7 million fund in July 2021 to help English employers set up and expand a new portable approach to apprenticeships.

To support workers, including hospitality workers, the government is committed to bringing forward an Employment Bill to protect and enhance workers' rights as we build back stronger and more resilient. Through this legislation, we are determined to build a high skilled, high productivity, high wage economy that delivers on our ambition to make the UK the best place in the world to work and grow a business. These measures will encourage flexible working, protect vulnerable workers, and build on the strengths of our flexible labour market to support jobs, helping the sector present itself as a career of choice and a good employer.

26 <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/adhocs/12467employmentbyageindustryandoccupationuk20102015and2019> – statistic includes accommodation.

27 <https://www.oecd.org/publications/job-creation-and-local-economic-development-26174979.htm>

28 <https://www.resolutionfoundation.org/publications/low-pay-britain-2018/>

29 <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/industry2digitsicashetable4> – statistic excludes accommodation.



## Warwickshire College Group: Moreton Hall National Training Hotel

Warwickshire College Group (WCG) is seeking to establish a training hotel in Stratford-on-Avon, which will make a significant impact to the economic recovery and workforce needs of the industry.

WCG has an ambitious plan to renovate Moreton Hall into a 23-bedroom 4\* boutique hotel that will become home to a national training hotel for the hospitality, heritage and tourism sector.

Moreton Hall will provide an inspirational environment for students and apprentices training in every discipline associated with running a hotel, from chefs and receptionists to beauty therapists and

groundspersons. The plans provide a unique opportunity for industry and education to work together, showcasing careers in hospitality and tourism; with foreign exchanges, progression routes and professional masterclasses all part of the students' experience. The partnership between industry and academia will ensure Moreton Hall Hotel provides a sustainable approach to meeting the workforce needs of the industry.

In addition to these measures, through this strategy we aim to strengthen the hospitality workforce by equipping employees with the skills needed to succeed in a modernised sector, attracting and retaining the right people and providing clearer career pathways.

To do this, **we will explore options for vocational training offers that support career paths in the sector.** For example, DfE will continue to review the suitability of Level 3 hospitality occupations for a T Level. The Institute for Apprenticeships and Technical Education works closely with employers to design occupational standards and qualifications, such as T Levels, which meet the changing needs of sectors. If there are appropriate Level 3 occupations, a T Level in hospitality could be a good option for learners and could help to encourage young people to consider a long-term career in hospitality and create the pipeline of skills needed to enter the workforce.

We will **work with the sector to raise the profile of skills and careers in hospitality.** By promoting different professional areas and using relatable brand champions and influencers, we can help to inspire pupils, parents and prospective employees and demonstrate the potential of a career in hospitality.

**We will also encourage hospitality businesses to participate in Government programmes, including the Help to Grow scheme, to improve digital and management skills in the workforce,** by targeting the hospitality sector and increasing participation in the programme. Help to Grow: Management and Digital are two measures Government is taking to improve the innovation, growth, and productivity of SMEs. Help to Grow: Management is a 12-week programme, which aims to deliver an intensive leadership and management training programme to 30,000 SMEs across the UK

over the next three years. It will combine a practical curriculum with 1:1 mentoring from a business expert, peer-learning sessions to give businesses the opportunity to learn from one another, and access to an alumni network so businesses can continue learning and networking. Help to Grow: Digital aims to support up to 100,000 small businesses to adopt technology to operate in an increasingly digital market and reach their customers online. This programme will provide online advice and a voucher to discount software costs, in order to save businesses time and money.

## International trade and tourism

Hospitality is a critical component of tourism – both domestic and international. The UK attracted nearly 41 million visitors in 2019 (an increase of 10 million since 2010). Tourists spent over £28bn in 2019, putting the UK in the top 5 countries globally for inbound visitor spending.<sup>30</sup> In 2018, non-UK residents' expenditure made up 5.5% of the demand for food and beverage serving services.<sup>31</sup>

Pre-pandemic, both domestic and international tourists spent a large proportion of their holiday budget on hospitality goods and services. A tourism study found that, in 2017, during their holiday the average domestic tourist spent £152 of their budget on eating out, while international visitors spent an average of £339 on eating out.<sup>32</sup>

We are already working to promote the link between hospitality and the tourism ecosystem. VisitBritain has co-ordinated pivotal multimillion pound international marketing campaigns for the tourism sector and is a clear, accessible source of information for both domestic and international tourists.

The government also works alongside VisitBritain on the GREAT campaign, which builds global demand, drives awareness, and increases positive perceptions of the UK. Food and Drink is a key promotion category for the campaign, which highlights the link between British food and hospitality. The campaign aims to raise the international profile of Britain's food, drink and hospitality offering amongst international trade audiences, consumers and tourists. The campaign also partners with several high-profile chefs and hospitality ambassadors.

To strengthen the link between hospitality and tourism **we aim to build on existing measures and showcase the best of hospitality in future international communications campaigns** by working

with the Department for Digital, Culture, Media and Sport, VisitBritain and the GREAT campaign to closely align the messaging around tourism and hospitality.

We will also help **promote UK hospitality businesses overseas through inclusion in international Ministerial visits and tradeshows**. A presence at global events will offer opportunities to highlight UK hospitality and expertise to a global audience. The upcoming Expo 2020 in Dubai and the Commonwealth Games 2022 will provide significant platforms to showcase UK's food and drink offering.

The hospitality sector has historically struggled to export its services. The export of accommodation and food services (consumption by non-UK residents) totalled £330m in 2019<sup>33</sup>, while the export of UK produced food and drink products totalled nearly £24bn.<sup>34</sup>

The government is enthusiastic about British exporters and ambitious businesses seeking to increase their international presence; there are several ways for innovative SMEs to build their presence in overseas markets, particularly through support provided by Innovate UK EDGE and the Department for International Trade.

The Department for International Trade utilises a regional network of international trade advisors (ITAs), who develop long-term working relationships with small and mid-sized companies. ITAs aim to support these businesses to address export challenges and develop viable strategies to achieve commercial success abroad. In parallel, Innovate UK EDGE provides tailored advice, learning, and networking for businesses to establish connections and identify partnership opportunities in new global markets. This is alongside more specialised support, such as providing hospitality businesses with promising Intellectual Property the chance to take part in Innovate UK's Global Business Innovation programme<sup>35</sup>.

British suppliers can also access a wider network of consumers through initiatives such as VisitBritain's Tourism Exchange Great Britain, which is a business-to-business platform that connects England's tourism suppliers with international distributors.

We will **work with businesses establish themselves abroad, by working with the sector to identify the barriers and address export challenges, building on opportunities following the UK's exit from the EU**. This includes supporting the sector to navigate overseas regulations around licensing, construction, employment and more, and considering the disparity between food

30 <https://www.visitbritain.org/visitor-economy-facts#:~:text=Inbound%20tourism%20to%20the%20UK,2019%20spent%20%C2%A328.4%20billion.>

31 <https://www.ons.gov.uk/economy/nationalaccounts/supplyandusetables/datasets/inputoutputsupplyandusetables-statistic-excludes-accommodation.>

32 <https://www.barclayscorporate.com/content/dam/barclayscorporate-com/documents/insights/industry-expertise/destination-uk.pdf>

33 <https://www.ons.gov.uk/businessindustryandtrade/internationaltrade/datasets/internationaltradeinservicesreferencetables-statistic-excludes-accommodation.>

34 <https://www.fdf.org.uk/fdf/what-we-do/trade/exports/>

35 <https://www.innovateukedge.ukri.org/Enter-new-markets-to-grow-and-scale/Global-Business-Innovation-Programme>



## Purity Brewing Company – sustainable brewing

Many small independent brewers are taking steps to reduce their impact on the environment. For example, Purity Brewing Company, founded in 2005 and based on a working farm in Warwickshire, prides itself on brewing “great beers crafted with a conscience”. Purity brews beer using the latest brewing technology, combined with heat exchange and steam recapture technology to reduce its energy consumption. As part of Purity’s Pure Eco values, all spent grain and yeast is used for cattle & pig feed whilst their used hops are sent to local farmers for fertiliser.

To combat water wastage, Purity recycles its effluent by using a 4.5 acre natural wetland system, creating a unique and thriving ecosystem ensuring pure water is sent back into the local water course, notably the River Avon. While production of a typical pint of beer uses between five and eight pints of water, Purity says a combination of their brewing technology and wetland system have led to a water saving down to

2.8 pints of water for every pint of beer produced, both saving money and the environment.

Due to the steps Purity have made championing an ECO positioning, the small yet highly innovative brewery has won the Insider Made in the UK Sustainable Manufacturer of the Year in 2015 and again regionally 2016 whilst most recently picking up SIBA’ Green Business of the 2020.

and drink exports, and hospitality exports. We will work with the Department for International Trade to identify opportunities arising from free trade agreements and work with Innovate UK EDGE to support innovative hospitality SMEs to develop their knowledge and international presence.

### Environmental Sustainability

The UK is a world leader in the fight against climate change and the first major economy in the world to have legislated the end of its contribution to global warming by 2050. Reaching this target will require extensive, systematic change across all sectors, including the hospitality sector. The work we do now will be critical to ensuring hospitality businesses can flourish during this revolutionary transition.



## AB InBev – working for the environment

Larger breweries in the UK are also working to reduce their impact on the environment. For example, AB InBev, the world's largest brewer, has a significant presence in the UK, employing over 1,400 people in the UK and operating breweries in Samlesbury (Lancashire) and Magor (Monmouthshire). The company is committed to environmental sustainability, with initiatives covering the sourcing and processing of barley, utilising renewable energy and reducing plastic waste.

The company's initiatives include a commitment to source 100% of its purchased electricity from renewable sources by 2025, and in the last year AB InBev installed a wind turbine in Magor, which will generate 9 million kilowatt hours of electricity each year – the equivalent of powering 2,300 Welsh homes – while saving more than 2,600 tonnes of CO2 emissions.

AB InBev also aims to have 100% of its products in packaging that is returnable or made from majority recycled content by 2025. In October 2020, the company announced that all beers brewed in the UK are free of plastic rings and have significantly reduced tertiary packaging, removing 850 tonnes of plastic.

Many businesses in the hospitality sector are already committed to reducing environmental impacts and want to work with the government to achieve environmental goals, including using resources more sustainably and reducing waste.

Despite the challenges facing the sector due to the COVID-19 pandemic, the sector has continued to prioritise the delivery of Carbon Net Zero. Under the leadership of UK Hospitality, the sector has put in place a forum to allow businesses across the sector and its supply chain to come together and work collaboratively to address the challenge of climate change. As a result, the sector has already made big strides towards developing an ambitious sector-wide Net Zero strategy, working with the Government's SME Champion to profile best practice and promote

incremental change, and we will look to **seize the opportunity of COP26 to showcase this work.**

Reducing the environmental impact of hospitality sector from farm to fork will require creativity and dedication and span food production, manufacturing and packaging, saving natural resources, decarbonising the transportation of goods and reducing waste. But there are already some great examples of good practice within the sector.

A lot of best practice and guidance already exists for hospitality businesses. We will **work with the sector to meet, create, and share best practice on environmental guidance to help businesses decarbonise supply chains and achieve Net Zero** by, for example, using seasonal local produce or shortening the food supply chain and linking the

producer to the end user. This includes supporting the Waste and Resources Action Programme (WRAP) to further develop their sector-specific tools and initiatives for the hospitality industry.

We will also **work with the sector to reduce waste and single-use plastic consumption and work to ensure any recyclable waste that is produced is collected for recycling.** This includes working with the sector to repurpose, reuse and divert food waste; support the sector to minimise use of single use items and packaging; collaborating with local authorities to increase rates of recycling where usage remains; promoting and supporting innovative wetland systems for breweries to reduce water waste.

The government has supported WRAP in working with industry to develop a number of initiatives and resource that hospitality businesses should commit to and utilise. Some of these include:

- **Guardians of Grub:** which provides the hospitality sector with tools to develop skills and reduce food waste. WRAP estimate that around 9.5 million tonnes of food waste arises in the UK annually, 12% of which comes from hospitality and food service, costing the sector an estimated £3.2 billion per year. There is therefore a strong business case for measuring and reporting food waste. Guardians of Grub provides participating businesses with free courses, tools, and resources to develop their understanding and implement data-driven changes to their businesses.
- **Courtauld 2025:** is a voluntary agreement that brings together organisations across the food system to make food & drink production and consumption more sustainable. This includes a ten-year commitment to identify priorities, develop solutions and implement changes to cut the carbon and waste associated with food & drink by at least one-fifth in 10 years, and to reduce water stress.
- **Food Waste Reduction Roadmap:** is an industry-wide roadmap showing how the UK food and drink industry will help achieve UN Sustainable Development Goal 12.3 to halve global food waste by 2030. The roadmap was developed in collaboration with businesses and trade bodies from the hospitality, retail, and food service sector.
- **Plastic Pact:** brings together businesses from across the entire plastics value chain with UK governments and NGOs to tackle plastic waste. Pact members will help eliminate problematic plastics, reduce the total amount of packaging on supermarket shelves, stimulate innovation and new business models and help build a stronger recycling system in the UK.

## Innovation and investment

The hospitality sector is highly creative. By adapting to the pandemic, the sector has shown an impressive ability to take on challenges and rapidly change its operation to adjust to social distancing, Test and Trace, and online ordering.

However, despite this creativity, R&D and innovation in the sector has historically been low in comparison to others. Between 2014 – 2016, 37% of all firms in the accommodation and food services sector were classed as innovation active, which is lower than the UK average (49%) and the lowest of all sampled sectors.<sup>36</sup> In 2019, accommodation and food services accounted for just £46m of £26bn total R&D spend in the UK.<sup>37</sup> Addressing the spread of performance of hospitality businesses by enabling smaller business owners to access business know-how from leaders in the sector, will be essential to ensuring that all of our businesses can seize the opportunities innovation can bring.

We want to work with the sector to increase the take up of existing technology, enabling the sector to improve operations. We also want to encourage the sector to push the boundaries of new technologies.

We will support the sector in rethinking its approach to growth and productivity and encourage it to deploy R&D and innovation to mould its operations to be greener and more productive. We want to encourage all businesses to learn from the best when adopting new technologies and operations, so **we will bring sector leaders and businesses together with the UK's world leading innovation system, including universities and Innovate UK,** to build on the spirit of innovation unleashed by the pandemic, supporting the creation of the next generation of hospitality start-ups and encourage them to take advantage of emerging technology and digital trends.

We also recognise that management skills are an important part for addressing these challenges, including technology adoption. While the UK has world-class leaders in hospitality, there are those who are less experienced in applying the latest management techniques and technologies to their business operation. Some may also struggle to access the business networks along which this information is often shared. To address this, Be the Business have developed a technology adoption toolkit<sup>38</sup> for small businesses, using six steps of adoption and have turned them into manageable action plans, to give businesses clear roadmap on how to achieve their goals. In addition, we will **work with the sector to adopt new technologies by leveraging the Help to Grow scheme (above) and work with Be the Business and businesses to produce sector-led guidance,** including by promoting mentoring and learning from other sectors.

36 <https://www.gov.uk/government/statistics/uk-innovation-survey-2017-main-report> – Statistical Annex, Table 1. Statistic includes accommodation.

37 <https://www.ons.gov.uk/economy/governmentpublicsectorandtaxes/researchanddevelopmentexpenditure/datasets/ukbusinessenterpriseresearchanddevelopment> – Table 25. Statistic includes accommodation.

38 <https://digital.bethebusiness.com/>



## Last Orders for Loneliness

### How some pubs are improving people's wellbeing

Like so many pubs up and down the country, The Snow Goose in Farnborough, Hampshire, is the centre of its local community, and plays a key role tackling loneliness.

The aim of its publicans is to ensure that the pub is open and accessible to all – even the layout of the pub provides a sense of openness that invites people to socialise and mix, and staff members make sure customers know their names. The team hosts regular conversations about the impact of loneliness, which has created a culture of staff automatically checking the wellbeing of their customers.

Before COVID-19, the pub brought its local community together by hosting a range of activities and events, such as a monthly knitting club and a

complimentary 'Seniors Christmas Lunch', all helping to boost community spirit and fight loneliness.

Then the restrictions caused by the pandemic had been especially difficult for people. In response, The Snow Goose team stepped up and launched a helpline to anyone feeling lonely or needing practical support.

This is one of many examples where pubs have engaged with Pub is the Hub's Join in – Last orders for Loneliness campaign, which is helping to engage other publicans to tackle the issue through their pubs.

Finally, we will **work with the sector to develop dynamic new operating models**, including by identifying and overcoming barriers to innovation, including regulation. Hospitality businesses with outstanding scaling potential that are disrupting their industries, capable of internationalisation and

achieving over 50% growth, could be invited to join the Innovate UK EDGE Scaleup Programme<sup>39</sup> for enhanced support. This can help them to address the key scaleup challenges such as access to markets of the future, access to connections and resources and attracting growth capital.

39 <https://www.innovateukedge.ukri.org/Scale-with-us>

## Championing community and wellbeing

Hospitality businesses, particularly the great British pub, lie at the heart of our communities and play a crucial role in promoting mental health and wellbeing. As well as providing accessible jobs and prosperity, they act as hubs within local communities and provide space for people to connect and socialise. There is empirical evidence<sup>40</sup> that people who have access to a local pub or bar feel more socially engaged, contented in their lives, and are more trusting of others within their community.

The role of pubs as community hubs was apparent during the COVID-19 pandemic, with pubs quickly reaching out to the most vulnerable in their communities.<sup>41</sup> Even before the pandemic, many community pubs were becoming hosts for a range of important public services, including serving as post offices and general stores and providing broadband internet access.

We need to recognise the role of hospitality businesses, and particularly pubs, as vital to community life because communities that work together and play together are stronger, happier and healthier. Also, by staying connected to their communities, hospitality businesses will remain relevant to their communities, instilling customer loyalty and helping them to remain sustainable and resilient businesses.

We will therefore **work with the sector to champion hospitality's role in community wellbeing as we emerge from the pandemic**. This includes collaborating with organisations like Pub is The Hub to strengthen the social value of the hospitality sector, combatting loneliness, delivering solutions to meet local priorities and connecting to customers' needs, with the aim of improving society and wellbeing.

40 Dunbar, R. (2017) "Functional Benefits of 'modest' alcohol consumption": <https://link.springer.com/article/10.1007/s40750-016-0058-4>

41 Pub is the Hub 2020, "The Social Value of Pubs and Publicans providing Services in their Communities"



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