

Hospitality Sector Council
25 April 2022 Summary of meeting
MS Teams

1. Attendees

Co-Chairs:

Paul Scully, Minister for Small Business, Consumers and Labour Markets
Karen Jones, Hospitality Leader

Attendees:

Alex Rayner (Starbucks), Andy Hornby (Restaurant Group), Emma McClarkin (British Beer and Pub Association (BBPA)), Jane O’Riordan (Caravan, Flight Club, Turtle Bay), Kate Nicholls (UK Hospitality), Nick MacKenzie (Greene King), Nick Summers (The Nationwide Caterers Association (NCASS)), Nisha Katona (Mowgli), Rob Pitcher (Revolution), Steve Alton (British Institute of Innkeeping (BII)), Tim Doubleday (Burger King), Will Beckett (Hawksmoor)

Officials in attendance:

Officials from and BEIS, DCMS, DEFRA

Apologies:

Alastair Storey (WSH Ltd), Brian Perkins (AbInBev), Colin Hill (Nando’s), James Calder (Society of Independent Brewers (SIBA)), Rich McGinnis (Circus), Robin Hutson (Limewood Hotels), Simon Emeny (Fullers)

2. Summary of actions

Action	Owner
Send nominations to Will for FBI group representatives by Friday 13 May.	Members
Send any views or suggestions on the Interim Report, e.g., on framing, content, structure etc., to BEIS.	Members
Send any evidence (data or anecdote) on access to finance issues to BEIS.	Members
Provide feedback to Tim Doubleday regarding Sustainability Committee letter to HMT.	Members
Members to provide views on how we deliver the Innovation and International trade commitments, including who is interested in being involved.	Members

3. Note of discussion

a) Welcome and actions from last meeting

Karen Jones (Co-Chair) welcomed members and gave apologies for those that were unable to attend. Karen provided an update on the status of actions from the previous meeting and noted that the Sustainability Group had received nominations and members provided feedback to the Recovery Group's report.

b) Government update

Minister Scully provided an update during which he:

- Recognised progress being made by the Council and its working groups.
- Acknowledged the resilience displayed by the hospitality industry and the positive signs of recovery highlighted by increase in footfall, sales levels, and job vacancies, while noting that challenges and pressures remain.
- Noted the Government's continued commitment to support the sector as the fiscal support offered over the last two years winds down.
- Praised the sector's adaptability and the Council's non-fiscal solutions, including the sector-led initiatives being delivered by the Council such as the Sefton Project.
- Invited Nick Summers to share progress of the Sefton Project and its achievements towards hospitality-led regeneration.
- Highlighted Royal Assent of the Commercial Rent Bill on 24 March which is now the Commercial Rent (Coronavirus) Act 2022.
- Noted how businesses can support and welcome Ukrainian refugees under "Home for Ukraine" scheme and offer refugees work.

c) Update on working groups

Karen thanked the Chairs for the positive work and achievements of each working group. Karen invited working group Chairs to provide an update to the Council on their progress.

Recovery group

Kate Nicholls noted that key challenges for the sector's recovery include cost price inflation, which has risen since the invasion of Ukraine, and lower sales volumes relative to pre-pandemic levels.

The Recovery Group is preparing 'quartiles' analysis to assess levels of vulnerability in the sector, and refreshing the profit-and-loss models developed last year. The group is also considering cost pressures and potential regulatory easements, and will also review HMT's Tax Plan.

FBI Forum (formerly SME Advisory Group)

Will Beckett updated the Council on the Family Businesses and Independents (FBI) group, which discussed various issues facing SMEs including labour challenges, rising costs, access to finance, and other challenges.

Members agreed that the group was important to ensuring the Council is representative of SMEs. Will outlined plans to ensure FBI attendees continued to be engaged, including refreshing the membership. Will asked members to provide new nominations to be considered onto the group.

Local Economies and Communities working group

Emma McClarkin updated on the work of the Local Economies and Communities group, including identifying ways in which businesses can partner with local authorities to accelerate expansion. Access to finance continued to be an issue for hospitality businesses – BEIS asked members to pass on evidence of issues where they are arising. Business rates continues to be an area of key concern for the sector, and the working group is developing further evidence on impacts of the tax on investment and growth.

The group acknowledged the work of sub-groups and the importance of bringing them together to achieve effective outcomes.

Sustainability Committee

Tim Doubleday outlined the progress of the new working group to deliver the strategy's environmental commitments. He explained that the Sustainability Committee has been set up and held its first meeting. Two sub-groups sit beneath the committee - the Net Zero Carbon forum and the newly established Waste Group.

Tim also presented a draft letter, endorsed by the Sustainability committee, on an idea to encourage green investment. Tim requested feedback from members on this.

Jobs and skills working group

The Hospitality and Tourism Skills Board has been adopted as the main jobs and skills working group feeding into the Hospitality Sector Council. The Board is considering a range of areas, including a universal training qualification, strengthening recruitment to the sector, support for apprenticeships, and employee wellbeing.

d) Discussion

Members noted that the sector is experiencing pre-covid levels of revenue, but sales volumes are lower. Members stated that the trading environment needed to be as

uncluttered as it could possibly be in order to help smaller businesses continue to trade.

Access to business insurance and energy supply was noted as a key issue to address and the Recovery Group continues to consider these issues. A perception of credit risk in the sector is also causing banks and insurers to view hospitality businesses as high risk. Members expressed the view that the Government should focus on building back confidence in the sector for investors to support businesses to access capital for expansion.

Members stated that planning applications were being delayed and noted that lack of resource at a local authority level appears to be the cause of delays, which are depressing investment and expansion.

BEIS officials recognised the challenges of energy and planning and will continue to work with the sector and cross-government on these issues.

e) International Trade and Innovation workstreams

Karen invited BEIS to talk about phase 2 of strategy resilience themes.

BEIS outlined the international trade and innovation commitments in the Hospitality Strategy, and explained that they were in discussions with other government departments on best approach to deliver these commitments. Members to provide their thoughts on how best to deliver the commitments through the Innovation and International trade working groups and who they think should be involved.

f) Interim report

Karen invited BEIS to outline the objectives of the interim report, which will be published around the year anniversary (subject to government approvals), to update on progress against the Hospitality Strategy. BEIS requested input from members to share their ideas and views for the interim report.

Members suggested that the report paints a picture of the state of the industry currently, including ongoing pressures on the sector, and details the Council's plans and achievements. The report should reinforce the importance of hospitality led regeneration at a local level including how it can support levelling up.

g) Next steps and actions

Karen agreed the actions of the Council for the next quarterly meeting. The Minister concluded in his opening remarks that the FBI Forum should continue to expand to ensure smaller businesses voices were represented by the Council.

Date of next meeting

The next quarterly Council meeting is scheduled for Monday 18 July 2022.