

Hospitality Sector Council
18 July 2022 Meeting Minutes
MS Teams

1. Attendees

Co-Chairs:

Jane Hunt, Minister for Small Business, Consumers and Labour Markets
Karen Jones, Hospitality Leader

Attendees:

Alex Rayner (Starbucks), Andy Hornby (Restaurant Group), Brian Perkins (AbInBev), Colin Hill (Nando's), Emma McClarkin (British Beer and Pub Association (BBPA)), Barry Watts (Society of Independent Brewers (SIBA)), Kate Nicholls (UK Hospitality), Nick MacKenzie (Greene King), Nick Summers (The Nationwide Caterers Association (NCASS)), Nisha Katona (Mowgli), Rich McGinnis (Circus), Robin Hutson (Limewood Hotels), Rob Pitcher (Revolution), Steve Alton (British Institute of Innkeeping (BII)), Simon Emeny (Fullers), Tim Doubleday (Burger King)

Officials in attendance:

Officials from and BEIS, DCMS, DEFRA

Apologies:

Alastair Storey (WSH Ltd), Brian Perkins (AbInBev), James Calder (Society of Independent Brewers (SIBA)), Jane O'Riordan (Caravan, Flight Club, Turtle Bay), Will Beckett (Hawksmoor))

2. Summary of actions

Action	Owner
Continue to provide nominations for the FBI forum.	Members
Share suggestions of hospitality businesses that can be used as "success stories" for helping and encouraging other UK hospitality businesses to expand abroad.	Members
BEIS to consider how best to pursue international trade commitments, including through further engagement with industry.	BEIS

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 welcomed Minister Jane Hunt as new co-chair, replacing Minister Scully. Karen summarised the sector's recovery over the last 6 months, explaining that there has been progress since full reopening, but that recovery remains fragile and difficult for much of the sector due to the new challenges of inflation, utilities costs, the squeezed consumer, recruitment difficulties and supply chain challenges.

Karen provided an update on the actions from the previous meeting in April, noting that the FBI group received new nominations, members were given the opportunity to provide views on the delivery update (the interim report on progress against the Hospitality Strategy) and access to finance, Tim Doubleday's Sustainability Letter was sent to HMT, the innovation group was established, and an initial workshop was held on international trade commitments.

b) Government update

Minister Hunt provided an update during which she:

- Introduced herself and iterated her strong support for the hospitality sector, acknowledging the sector as skilled, creative, and entrepreneurial.
- Acknowledged the challenging couple of years and committed to ensuring hospitality continues to be heard across Government.
- Highlighted the progress made by the Council Working Groups since the last meeting, noting that a new working group was created on hospitality innovation, and that commitments on international trade are starting to be explored.
- Commended sector-led initiatives such as the 'Hospitality Rising' campaign to support recruitment.
- Thanked everyone for their time and opened the floor to members.

c) Questions from members

Members updated the Minister on current challenges impacting the sector's recovery. Issues raised included rising costs of doing business, people shortages, low cash reserves, planning delays, and other pressures preventing businesses from growing. Reduced disposable income for consumers and changed consumer behaviours are also impacting business growth. The Minister reassured that all these issues are being listened to by Government and BEIS will continue to work with the sector to help businesses navigate the challenges ahead, including gathering data.

d) Updates from working groups

Recovery group

Kate Nicholls noted that there is still a lot of work to do on the sector's recovery. The Group is collating a wide range of data and models. The models showed that the sector was facing cost increases, which are up 130% on 2019 levels. This in turn is forcing some businesses to raise prices, though consumers will not accept significant price rises.

FBI Forum (formerly SME Advisory Group)

BEIS updated the Council on behalf of Will Beckett. Membership has developed over time to ensure greater diversity in sub-sector and geography, such as including more businesses in the North, more micro businesses and a fish and chip shop. A significant majority are once again in 'survival mode' and questioning whether their business model is profitable and whether they will be able to meet key payment dates. The group has also fed into Resilience workstreams covering access to finance, how best to inform SMEs about support already available, non-fiscal barriers to growth, staffing, and feedback on the Help to Grow schemes.

Jobs and skills

Kate Nicholls presented the work of the Hospitality and Tourism Skills Board. They are working with DWP on Ways to Work, Kickstart and exploring how to draw more jobseekers into the sector. The group has engaged with government on the future of the Apprenticeship Levy, where members would like to see further flexibility to support foundational skills.

Local Economies and Communities

Simon Emeny outlined the composition of the group. Membership is a cross section of CEOs of small, medium and large companies. The work is broken down into 5 workstreams covering business rates, access to finance, deregulation and licensing, local strategies and partnership working, and scaling up community initiatives, with good progress being made across all areas.

Minister Hunt praised what she thought was an important piece of work and was keen to see the final product. She noted the importance of the 'twilight economy' – the connection between day and night-time economies, and suggested more work could be done, either through BIDS or local government, to connect the two. Members agreed.

Sustainability Committee

Tim Doubleday outlined the progress of the progress of the Sustainability Committee, including its two sub-groups focusing on Waste and Net Zero. Current work includes guiding SME companies to help them reduce energy and food waste, thereby reducing costs which should be seen as a 'win-win' for business and sustainability.

Innovation

Karen Jones updated the Council on behalf of Jane O’Riordan, who is chairing the newly established Innovation group. She explained the group consists of a wide membership of hospitality experts in innovation and tech suppliers, in addition to experts from Innovate UK and Oxford Brooks university business school. Much of this initial discussion centred around the definition of ‘innovation’ and what this meant for the hospitality sector. This includes not only technological adoption, but also innovation in operating models, recruitment, and other forms of creativity, which can be light-touch and incremental.

International Trade

BEIS outlined the progress of how the international trade commitments are being delivered. BEIS held a workshop with DIT and Council members to seek views on ways to deliver the Hospitality *Strategy* international commitments. DIT presented its Export Strategy including the support currently on offer, including the Export Support Service, guidance and toolkits, and promotional campaigns like Made in UK. Industry representatives shared their views and experiences of exporting abroad, and the barriers preventing them from choosing to establish new sites in new markets. A range of views and ideas were provided, and BEIS will share a proposed next steps with the Council. BEIS also asked for members to suggest key companies and ‘success stories’ to showcase hospitality businesses playing a global role.

e) Delivery update

BEIS updated the Council on its plans to publish a report updating on progress against the Hospitality Strategy.

f) Next steps and actions

Karen agreed the actions of the Council for the next quarterly meeting. The Minister thanked members for their time and praised the work that has been achieved in the year since the Hospitality Strategy was published.

Date of next meeting

The next quarterly Council meeting is scheduled for 24 October 2022.