

Hospitality Sector Council
20 March 2023 Meeting Minutes

1. Attendees

Co-Chairs:

Kevin Hollinrake, Minister for (Minister for Enterprise, Markets and Small Business)

Karen Jones DBE, Pioneer Hospitality

Attendees:

Andy Hornby (Restaurant Group), Andy Slee (Society of Independent Brewers (SIBA)), Alastair Storey (WSH Ltd), Colin Hill (Nando's), 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)), Rich McGinnis (Circus), Steve Alton (British Institute of Innkeeping (BII)), Simon Emeny (Fullers), Tim Doubleday (Burger King), Will Beckett (Hawksmoor)

Officials in attendance:

Officials from DBT (ex-BEIS), DCMS, DEFRA

Apologies

Alex Rayner (Starbucks), Brian Perkins (AbInBev), Brian Perkins (AbInBev), Rob Pitcher (Revolution), Robin Hutson (Limewood Hotels), Nisha Katona (Mowgli)

2. Note of discussion

a) Welcome

Karen Jones (Co-Chair) welcomed members and gave apologies for those that were unable to attend. Karen provided an update on the actions from the previous meeting in December.

b) Government update

Minister Hollinrake provided an update during which he:

- Welcomed members to the headquarters for the newly formed Department for Business and Trade
- Noted that the Chancellor's budget speech included measures that will help business grow and invest this year, but that the Council's specific interest in business rates reform is a difficult issue given it generates £22 billion a year to the exchequer, and any further reform would need to raise revenue from elsewhere.
- Explained that the announcement on capital allowances is good news for all sectors and is keen to work with the sector to get maximum benefit.
- Recognised that in the UK there were some very real and specific problems around the labour supply despite record immigration.

Karen Jones responded and expressed how inflationary pressures and the limited ability for hospitality businesses to convert cash to profit, despite passing on price rises to consumers, although this was not always possible.

c) Updates from working groups

Recovery group

Kate Nicholls explained that the hospitality sector is starting to see the first signs of above inflationary growth in the first quarter, and the sector is well placed to deliver the four E's in the budget announcement (Enterprise, Employment, Education and Everywhere).

The group is focusing on three key areas: energy costs, labour shortages, and investment given margin erosion. The capital allowances announcement was welcomed, and Minister Hollinrake noted that Tim Doubleday's paper on this issue offered interesting recommendations. Minister Hollinrake also stated that he will continue to ask for pressure to be put on energy suppliers to assist those who entered into contracts when the market was at its peak.

Local Economies and Communities

Simon Emeny outlined the group's disappointment that their recommendations on business rates reform was not reflected in the budget announcement, and argued that reform is needed to make the sector investible. The group has also submitted a report on de-regulation and that feedback from the Council is welcome.

Minister Hollinrake understood the concern that hospitality businesses may be having difficulty accessing finance and that he will raise this with UK Finance. Steve Alton reiterated that his Access to Finance paper has sufficient evidence that should be used. Other members reiterated their concern that credit insurers are 'discriminating' against hospitality businesses.

Jobs and Skills

Kate Nicholls presented the work of the Hospitality and Tourism Skills Board. Levels of employment in the sector is improving. Pre-entry level training is the priority project over the next 6 months, and the group will be considering how to engage the Shortage Occupation List.

Sustainability Committee

Tim Doubleday welcomed the capital allowances announcement. He reiterated that investment needs to be encouraged and that there is a need to get qualified items widened.

He then outlined the work of the Sustainability Committee and its two sub groups on Waste and Net Zero. Food wastage is the next priority with the sector aiming to reduce wastage by 50% by 2030. The group is looking at circular economy trials across a number of countries. Biodiversity is the next key workstream that the Committee will look to establish.

Innovation

Jane O’Riordan outlined the key workstreams of the group, including identifying and remedying barriers to access consumer insight, developing case studies on different innovations in the hospitality sector (including, for example, ways to address energy costs and labour shortages). The group will also explore models for innovation hubs and accelerators. Jane is looking for an event-based accelerator from an institution.

Family Business and Independents (FBI Forum)

Will Becket shared the insights and experiences of hospitality SMEs. He explained that many SMEs are full of great people but lack specific business skills. Many SMEs are not making profit, and energy costs are one of many key factors contributing to this. The feel of many small businesses in the industry is that hospitality is not enjoyable at the moment. Members shared their concerns.

d) Next steps and actions

Karen and the Minister thanked members for their time and praised the work that has been achieved.

Date of next meeting

The next quarterly Council meeting is scheduled for 17 July 2023.