

Hospitality Sector Council
17 July 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)), Brian Perkins (Budweiser), Colin Hill (Nando's), Emma McClarkin OBE (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), Rob Pitcher (Revolution Bars Group), Simon Emeny (Fullers), Steven Alton (British Institute of Innkeeping (BII)), Tim Doubleday (Burger King), Will Beckett (Hawksmoor)

Officials in attendance:

Officials from DBT (ex-BEIS)

Apologies

Alastair Storey (WSH Ltd), Alex Rayner (Starbucks), Joe Carberry (Deliveroo)

2. Summary of actions

Action	Owner
Track the status of the recommendations in local economies report	Members and DBT
Provide new nominations for the FBI forum	Members
Distribute the Innovation Group's Consumer Insights report to the sector	Members

3. Note of discussion

a) Welcome

Karen Jones (Co-Chair) welcomed members and gave apologies for those that were unable to attend.

Karen restated that the aim of the Council is to deliver positive outcomes and initiatives for the whole of the industry. Karen acknowledged recent delivery challenges and frustrations in some working groups. She highlighted that it is up to the Council and the sector to push things forward and put forward ideas that can be achieved. The ultimate purpose is to co-create ideas and solutions.

b) Opening remarks

Minister Hollinrake provided opening remarks, during which he:

- Restated that there were two main purposes for this Council:
 1. to develop and progress initiatives that deliver the commitments of the Hospitality Strategy, which is mainly achieved through sector-led working groups.
 2. to be a single forum for working with the Government on what's needed to make the hospitality sector more resilient for the future.
- Stated that DBT continues to represent the interests of the hospitality sector in cross-government conversations.
- Reassured members that the Government continues to consider those issues that are of concern to the hospitality sector in various fora.
- Urged the council to continue to challenge Government on those issues where challenge is needed.
- Recognised that a primary role of Government is to create confidence and a fair and level playing field.
- Acknowledged that pursuing change in certain areas can be difficult, and that not all recommendations from the Council would be accepted.

c) Immediate issues from members

Council members were invited to share the key challenges facing their businesses. Kate Nicholls outlined the overall health of the sector, which saw a 6.9% increase in revenue, with turnover increasing from £130bn in 2019 to £139bn as of March 2023, while tax contribution increased from £39bn to £54bn. The sector is forecast to grow a further 6% over the next five years.

Issues raised by members include VAT Retail Export Scheme, the Deposit Return Scheme, repayments/timing of the Coronavirus Business Interruption Loan Scheme (CBILS), high energy costs, debt levels, and the Late-Night Levy.

Minister Hollinrake recognised the challenges that hospitality businesses up and down the country are facing. He provided reassurance that these concerns are being listened to, and pointed to some of the work already being done in these areas.

d) Updates from working groups

The working group chairs were invited to update the Council on their progress.

Resilience Group

Kate Nicholls noted that much has been done in collaboration with the Department for Business and Trade and the Department for Levelling Up, Housing and Communities on several initiatives.

Some of the work discussed included promoting high-streets and growth, supporting the Sefton Council regeneration pilot project, and working with DCMS and the Tourism Council and on strengthening the sector's resilience in the Northeast.

Sustainability Group

Tim Doubleday outlined the work of the Sustainability Committee and its two subgroups (Waste and Net Zero). He explained that the Deposit Return Scheme (DRS) and Extended Producer Responsibility are concerns for the industry and highlighted the significant burden these place on businesses.

Members shared these views and said that while the industry is in principle supportive of DRS, the main question is whether the different schemes are consistent. Members also suggested inflation will be worsened as the costs of packaging taxes are passed onto consumers.

Tim has organised a new meeting on biodiversity to take place in August, which will explore the relationship between biodiversity and carbon-offsetting.

Innovation Group

Jane O’Riordan gave an update on the group’s work regarding the ‘Hospitality Innovation Accelerator’ program. She noted new operators are asking to join the Innovation Group, and the Group is focusing on labour productivity as it has been identified as a key area in hospitality that innovation can address.

Jane shared potential options for hosting the Hospitality Innovator event and has potential interest from three universities. Tim Doubleday noted that he is having conversations with a university on a circular economy research project focussed on hospitality. Jane also noted that she is looking for three volunteers to join the programme.

In addition, Jane mentioned the necessity for an HSC portal to carry all the materials generated by the work of the Working Groups and this has been put in motion.

Local Economies and Communities Group

Simon Emeny stated that much of the group’s work led to reports published at the end of 2022, which are now being shared across the sector. The group is looking at where to focus its work moving forward.

Members of the group highlighted some challenges with moving certain proposals forward. The Minister asked officials to track the status of the recommendations in the report and undertook to give an answer to the LECG. Simon is considering where the group should be focussing its efforts in the future.

Jobs and Skills Group

Kate Nicholls provided an update on the group’s work. Some of the work discussed included looking at the skills framework, speaking with the Institute for Apprenticeships and Technical Education about apprenticeships, launching a new pilot with DWP in September, and working to create the Universal Entry Standard (to

be part of a new Hospitality Skills Passport) – a common induction standard for the sector. The group discussed the potential reform of the Apprenticeship Levy to allow the industry to decide how to train their people and to provide funds for the same.

Family Business and Independents (FBI Forum)

Will Beckett explained that while the FBI has a core group of committed small business owners, there are others who are less committed and so he will look to refresh the membership together with DBT.

Will also explained how the group is providing key insights for Government on how small operators are navigating challenging times, and he emphasised that the group should continue to sense-check and feed into both government policy and Council workstreams, to ensure policy is in the interest of small businesses.

e) Next steps & Concluding remarks

Karen and the Minister thanked members for their time and praised the work that has been achieved. It was noted that in these fiscally straitened times, one powerful thing the government can do is to talk up the importance of the hospitality industry in our everyday economy and in domestic and international tourism. This will help to give our energetic and entrepreneurial industry confidence to innovate and invest.

Minister Hollinrake also thanked members for sharing their challenges and offered reassurance that the Department and himself will continue to work on these issues.

Date of next meeting

The next quarterly Council meeting is scheduled for 13 November 2023.