



Department for
Business & Trade

Hospitality Strategy: Reopening, Recovery, Resilience.

Update on Delivery, March 2023



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1. Ministerial foreword

Kevin Hollinrake MP is Parliamentary Under Secretary of State at the Department for Business and Trade

Hospitality, in all its variety, is at the heart of who we are as a nation. Whether it's baltis from Birmingham, haggis from Hamilton or fish and chips from Whitby in my native Yorkshire, the best of Britain – our warmth, energy, and vibrancy – can be found in our pubs, clubs, cafes, and restaurants.

During the coronavirus pandemic, we had to lose all that, with shopfronts shuttered, tables empty and dancefloors silent. But we also learnt just how important it is that we back our hospitality businesses. They are the foundation upon which strong communities and local economies are built, and we must support them if we are to succeed in our mission to accelerate growth in every corner of the UK.

That is why, in July 2021, this Government was proud to unveil its first ever Hospitality Strategy. Developed in collaboration with businesses across the sector, it set out our proposed approach to helping hospitality to bounce back through three distinct phases: Reopening, Recovery and Resilience.

Looking back on the time since, I can reflect on just how far we have come. Although many businesses have been able to enjoy a successful re-opening, with customers returning to their favourite venues and reconnecting with familiar faces, I know that the road to recovery has not been smooth, and we still have a long way to go.

The impacts of rising energy costs, staffing challenges, and inflation continue to be felt by hospitality businesses throughout the UK.

That is why, though the extraordinary financial support measures designed to support businesses through the pandemic have been withdrawn, the Government continues to support the sector.

The Energy Bill Relief Scheme protected businesses from rising costs over the winter by providing a discount on wholesale gas and electricity prices for all non-domestic customers whose gas and electricity prices have been driven up by Putin's brutal invasion of Ukraine. Its successor, the Energy Bills Discount Scheme, will give businesses certainty over the coming months.

In the autumn, the Chancellor announced further business rates relief for eligible firms in the sector, in addition to reforms to alcohol duty to make the system fairer.

We cannot content ourselves with just getting by – we need to lay the foundations for a hospitality sector that is built to last.

That is why I have been glad to see the creation of the Hospitality Sector Council, which is now working closely with government to deliver the Hospitality Strategy, with a particular focus on developing industry-led initiatives to support robust and resilient growth in the long term. As part of the new Department for Business and Trade, we will also look to work with industry to increase our opportunities abroad, proudly reaching out to international markets and investors given the genuine demand for British goods and services.

This Update on Delivery details progress against the commitments set out in the Strategy, and how much more we have left to do.



I am grateful to all members of the Hospitality Sector Council, and the wider group of businesses that have supported the Council's working groups, for contributing their time and expertise. Their insights have been invaluable, and I look forward to engaging closely with the sector to deliver on our ambitions in the year to come.

Kevin Hollinrake MP

2. Co-Chair's foreword

Dame Karen Jones DBE is Co-Chair of the Hospitality Sector Council, Chair of Hawksmoor and Mowgli and a Commissioner of the Crown Estate.

The pandemic and its associated lockdowns illustrated the role that hospitality plays in our national life through its various enforced absences. At its heart, hospitality is about social connectedness and about community: the community of the workplace, the local community around the venue, and the role the sector plays in the wider national and global community.

Hospitality, be it restaurants, pubs, bars, or cafés, lights up our high streets and is a lynchpin in local ecosystems of shops, offices and residential, creating places where people want to live, work, shop, and visit. The sector is a vital part of our national appeal, attracting domestic and international tourism and supporting an array of cultural, sporting, and other events. It is also a significant contributor to both national mood and to Treasury and local government tax receipts. It is wide-ranging, ambitious, entrepreneurial and frequently world-class. It can and will support our national aims of innovation, levelling up and creating a greener Britain.

The Hospitality Sector Council came into existence to support, guide and drive our agenda in all these areas through the first national hospitality strategy, which encompasses both post-COVID recovery and building the future resilience of the sector.

The Council has organised a range of working groups comprised of leading industry stakeholders to focus on the most salient challenges and opportunities facing the industry.

The time-bound Recovery Group swiftly considered the most immediate challenges for hospitality, including staff shortages, supply chain disruptions, and high levels of cost price inflation. The Recovery Group will morph into the Recovery and Resilience Group, to examine the shape of the sector's post COVID economic model and attendant future-proofing.

The Hospitality and Tourism Skills Board is working to tackle one of the most critical challenges for hospitality: attracting, training, and retaining of a new cohort of young British workers, recruited post lockdown, and often as a first job. They have the potential to be very good indeed, but at a time when many experienced hospitality professionals who would have provided that training have left the industry, considering how best to develop our people, to increase productivity, and to promote hospitality as a rewarding and enjoyable place to build a career, is urgent and important.

The Local Economies and Communities Group looks across all aspects of hospitality in the community. A key strand of work here is discussing the business rates system with Government, as current rates weigh heavily on hospitality P&Ls.

The greening of the sector is under the auspices of the Sustainability Committee, which is focusing on both carbon reduction and waste management.

Finally, the Innovation Working Group is considering how best to drive development, adoption, and diffusion of new technologies and business models. The inherently entrepreneurial nature of hospitality is one of its most notable features and underpins this work. Passion, a clear idea, a commitment to quality, and a deep drive lie behind the UK's numerous successful hospitality businesses, big and small. Ideas, innovation, and entrepreneurialism are the hallmarks of our wonderful industry.



Karen Jones DBE

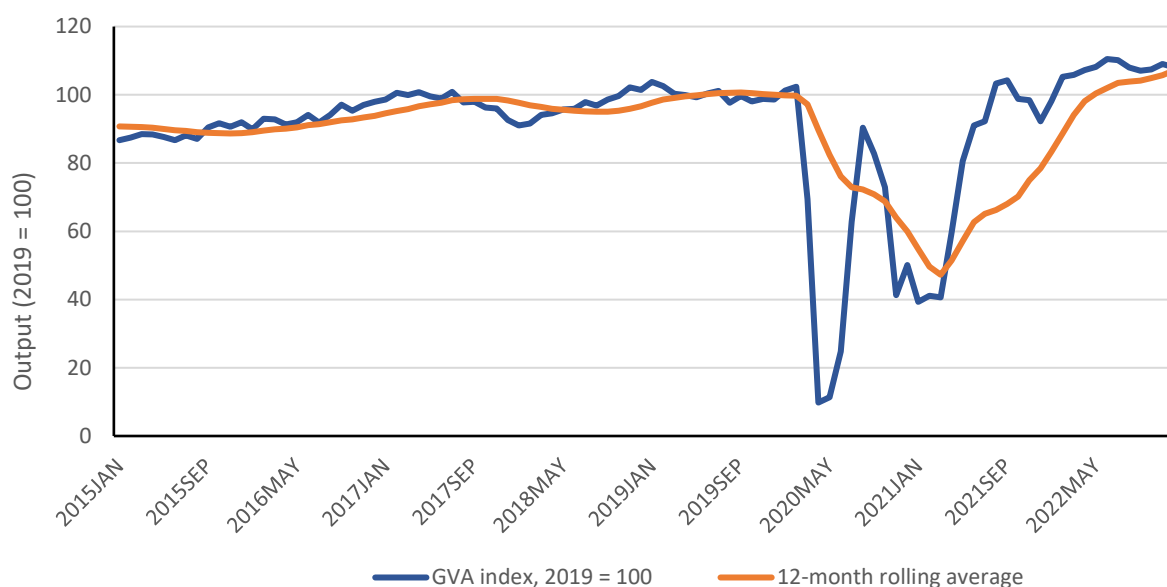
3. Hospitality sector: state of the sector

As set out in the Hospitality Strategy, the nation’s pubs and restaurants were among the businesses hardest hit by the COVID-19 pandemic. Trading saw a substantial decline due to enforced closures and restrictions designed to support public health outcomes, and many businesses relied on drawing from the £400bn government assistance to survive.

Following the decline during COVID-19, the aggregate output of the hospitality sector has now surpassed pre-pandemic levels. Output was 7.1% above 2019 levels in the 12-months to December 2022, having increased since April 2021.¹

Despite the rise in the cost of living and significant travel disruption during December 2022, consumer demand for hospitality held up relatively well during the vital Christmas trading period. Sales data² show that like-for-like December 2022 sales were 15% ahead of December 2021, when festive trading was hit by concerns about COVID-19. A recent survey³ found that 70% of consumers now feel confident about visiting pubs, bars and restaurants, more than double the number (34%) who felt the same way at the start of 2021.

Figure 1: Hospitality sector gross value added, Index (2019 = 100), monthly series and 12-month rolling average, adjusted for inflation and seasonality



¹<https://www.ons.gov.uk/economy/economicoutputandproductivity/output/datasets/indexofservicesandmaincomponentsto4dp> - Chained volume measure, seasonally adjusted data.

² <https://cgastrategy.com/hospitality-toasts-best-december-in-three-years-but-real-term-sales-lag-pre-covid/>

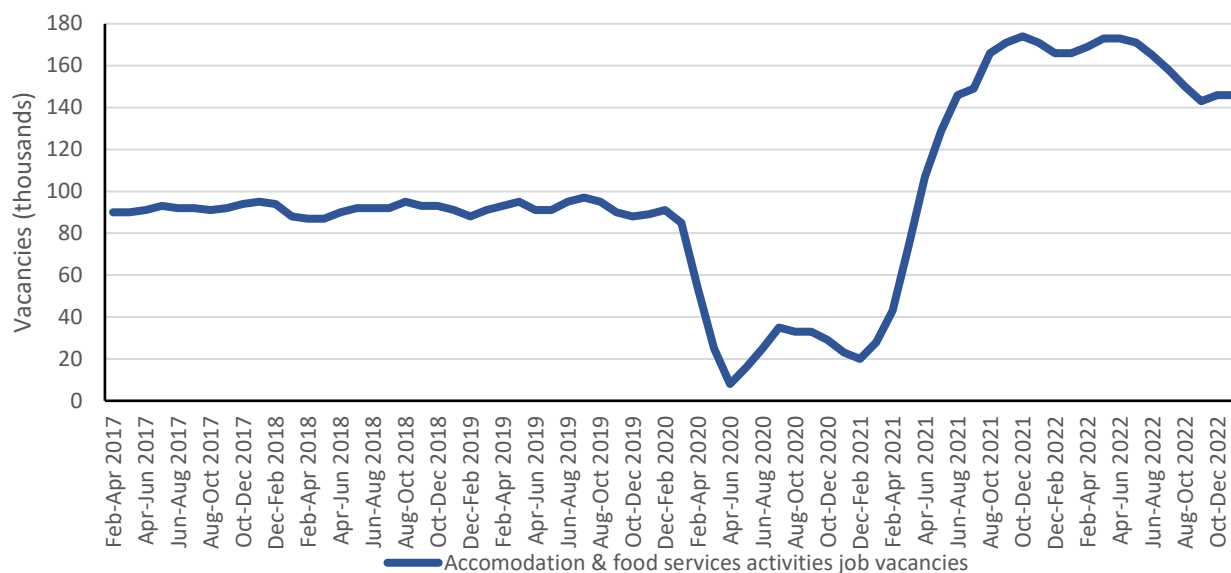
³ <https://cgastrategy.com/consumers-confident-but-rising-costs-threaten-spend/>

The total number of workers on hospitality payrolls has also returned to pre-pandemic levels. Having fallen by 17% in the 12 months to February 2021, employment has slowly recovered and was 4.0% higher than February 2020 levels in the 12 months to January 2023.⁴

Current headwinds

Despite the recovery in output and employment, the sector faces considerable challenges. Staffing is a key issue: official data show that there were 146,000 job vacancies across the hospitality sector in the 3 months to January 2023, despite some recent cooling in the labour market. The sector is estimated to have a vacancy rate⁵ of 6.6%, the highest of all sectors covered in the ONS data.⁶

Figure 2: Job vacancies in the hospitality sector



Hospitality businesses have also faced significant cost inflation. Part of the increase in costs has occurred because of increases in the wages of hospitality workers. Official data show that the median monthly pay of a hospitality worker was £1,088 in January 2023, up 4.0% compared with the same month in the previous year.⁷

The ONS also found 70% of hospitality businesses reported that the prices of the goods and services they purchased, such as food and drink wholesale products, had increased in December 2022 compared with the previous month, significantly above the economy-wide

⁴<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/realtimeinformationstatisticsreferencetablenonseasonallyadjusted>

⁵ The vacancy represents the number of vacancies in the sector as percentage of total sector employment.

⁶https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/unemployment/datasets/vacanciesbyindustryvac_s02

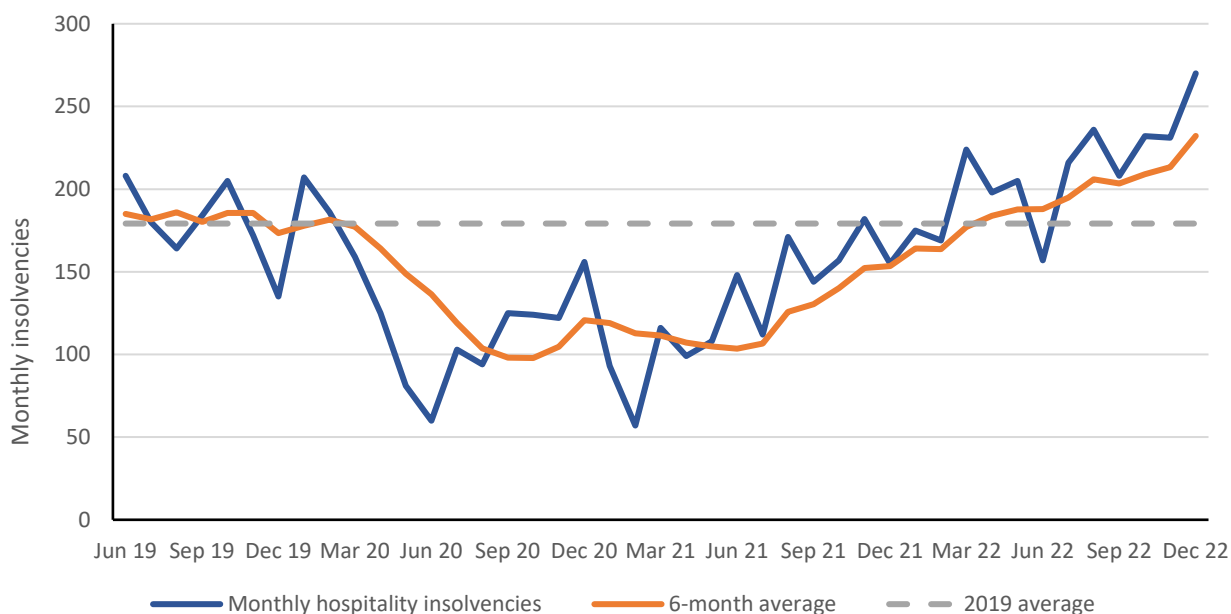
⁷<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/realtimeinformationstatisticsreferencetablenonseasonallyadjusted>

average of 40%.⁸ Energy costs have also presented a particular point of concern, with operators reporting increases in excess of 300% over previous levels in many cases, before the Government intervened.

Exits and new entrants

Despite the growth in the sector's output and employment levels, a gradual rise in business insolvencies relative to 2020-21 levels can be seen. Insolvencies have risen steadily since August 2021 and were 30% above 2019 average levels in the 6-months to December 2022.⁹

Figure 3: Total hospitality business insolvencies



Despite the rise in insolvencies, new hospitality businesses continue to be created. Companies House data¹⁰ shows that new hospitality business creations were 0.8% higher in the 6 months to January 2023 than they were in the same period a year earlier.

Conclusion: state of the sector

The process of recovery has been stymied by ongoing challenges around energy costs, staffing, inflation and pressures on profit margins, which pose a significant risk in the short-medium term. Accordingly, many businesses remain in a state of recovery.

⁸ ONS Business insights and impact on the UK economy. Wave 74, 1st – 31st December 2022.

⁹ <https://www.gov.uk/government/collections/monthly-insolvency-statistics>

¹⁰ Link: <https://asavagar.shinyapps.io/UKFirmCreation/>

The data confirms the need to press on with delivering our strategy, to pursue a strong and broad-based recovery, and a longer-term effort to increase resilience, to help the hospitality sector drive growth in the months and years to come.

4. Delivering on the Hospitality Strategy: Reopening and Recovery

On 21 February 2022, the Government published the ‘Living with COVID-19’ strategy, outlining how the UK will live with the virus while protecting the most vulnerable. This step included removal of the remaining legal restrictions introduced during the pandemic, and full reopening of all business venues.

This approach, underpinned by vaccine protection, was strongly welcomed by businesses, and paved the way for consumers to return with confidence to pubs, restaurants, bars, and nightclubs.

Reopening			
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.	Delivered	<p>All legal restrictions lifted.</p> <p>Working safely guidance removed and replaced with UKHSA public health guidance.</p> <p>Support for businesses during the Omicron wave.</p>

See detailed commitments tracker in Annex A

In December 2021, the government provided £1 billion in support for businesses most impacted by the Omicron variant across the UK, including one-off grants of up to £6,000 per premise for businesses in the hospitality and leisure sectors; and more than £100 million discretionary funding delivered through local authorities.

2	Provide continued sectoral support, via a dedicated minister and support team, and help remove any remaining barriers to full operation.	Delivered	<p>Hospitality sector support made a formal part of the portfolio of the Minister for Small Business; dedicated sector team made permanent.</p> <p>Hospitality Sector Council and sub-groups established to aid recovery.</p>
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Full reopening, and the wind-down of intensive fiscal support, does not mean that government support for the sector has ended. We have made ministerial responsibilities for the sector clearer, in response to business feedback, and made the first ever hospitality sector support team a permanent part of the new Department for Business and Trade following the team’s creation during the pandemic.

With the sector fully reopened and unrestricted, the process of recovery is underway. This phase presents an exciting opportunity for hospitality entrepreneurs to regrow relationships with customers and business partners, to build on the lessons and innovations of the pandemic, rebuild financial reserves, and to get back to doing what they do best – running their businesses – after two years of disruption.

Positive signs of investment and growth in the sector are already visible. Of course, for many businesses, this is also a period of significant challenge. The recovery will be the work of many years. Cost pressures, labour shortages, sharp increases in energy costs due to complex global supply issues, high levels of outstanding business debt, low cash reserves, and other factors, remain a drag on profit margins and growth. The cost of living challenge continues to squeeze family budgets, reducing discretionary spending on hospitality services. The Government recognises these concerns and is committed to helping the sector to overcome or mitigate them.

Recovery			
3	Help the sector overcome current recruitment challenges by actively signposting jobseekers to hospitality vacancies.	In progress	DWP measures including work coaches; Kickstart scheme; Way to Work

The Government has provided support to help address recruitment challenges. The Kickstart scheme launched on 2 September 2020 and provided fully funded, six-month jobs for 16-24-year-olds on Universal Credit and at risk of long-term unemployment. Over 14,000 starts in the hospitality sector were funded by the Kickstart scheme. And the Way to Work campaign was designed to move 500,000 job-ready claimants into work by the end of June 2022. Using the strength of the jobs market and building on the success of Kickstart, we are working closely with employers to help claimants into jobs quicker, as well as strengthening our core support for jobseekers. By the end of June, around 500,000 unemployed Universal Credit claimants and Job Seekers Allowance (JSA) claimants had moved into work during the Way to Work Campaign.

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.	In progress	Extended temporary easements introduced during COVID to support firms, including pavement licenses and off-sales licenses
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We have taken action to extend and make permanent some of the temporary regulatory easements introduced during the pandemic to help businesses; for example, by making it easier and cheaper for them to operate outdoors. This includes streamlining the process for issuing pavement licenses, where we have extended the existing easement by an additional 12 months (to September 2023), and will introduce measures through the Levelling Up and Regeneration Bill to make permanent changes to streamline the process.

The temporary provision allowing sales of alcohol for consumption off the premises (“off-sales”) has also been extended for a further year, to support firms in the licensed sector.

We still need a long-term solution, and the Government is seeking the views of the licensed sector, local authorities, and other interested parties to understand whether there would be support for a streamlined process for alcohol licences, which would be a permanent alternative to the current alcohol licensing easements.

The Government also announced an increase in the threshold for small business regulations, to widen these exemptions to businesses with fewer than 500 employees for future and reviewed regulations. This means an additional 40,000 businesses will be freed from future bureaucracy and the accompanying paperwork that is expensive and burdensome for all but the largest firms.

The Hospitality Sector Council’s Recovery Group continues to work closely with government to consider the key issues facing businesses, and potential for regulatory easements to help reduce the costs of doing business and allow firms to trade more flexibly. We also continue to consider issues relating to planning delays, which firms have identified as a concern.

The Recovery Group is chaired by Kate Nicholls (CEO, UK Hospitality).

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, and establish a	In progress	Energy Bill Relief Scheme and Energy Bills Discount Scheme Business rates relief
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	binding arbitration process for resolution of outstanding debts.		Commercial Rent (Coronavirus) Bill received Royal Assent (March 2022)
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The Energy Bills Relief Scheme sought to provide support for firms facing increased energy costs as a result of sharp rises in global wholesale prices. It aimed to prevent unnecessary insolvencies and protect jobs, including in the hospitality sector. Its successor, the Energy Bills Discount Scheme, aims to give businesses certainty in the longer term.

We have also legislated to ringfence rent debt and establish a binding arbitration process for resolution of outstanding liabilities. See further detail on page 14, below.

Through the course of the pandemic, the Government has provided business rates relief for eligible businesses in the Retail, Hospitality and Leisure sectors, in England. And in the 2022 Autumn Statement, the Chancellor set out a package of targeted support to help with business rates costs worth £13.6 billion over the next 5 years. The business rates multipliers will be frozen in 2023-24, and upward transitional relief caps will provide support to ratepayers facing large bill increases following the revaluation. The relief for retail, hospitality and leisure sectors will be extended and increased from 50% to 75%.

6	Work with the sector on access to finance, including working with the government-owned British Business Bank and its delivery partners.	In progress	SME Finance Charter – 5 pledges Guidance available through the BBB Finance Hub
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Access to finance remains a challenge for many businesses in the sector. To support this, the Government has published 5 pledges under the SME Finance Charter. These are designed to ensure that lenders are committed to responsible lending, supporting SMEs with their applications, treating them fairly, and signposting alternative options where appropriate.¹¹

In addition, hospitality businesses seeking to access capital, support their business, or finance expansion are encouraged to consider the resources available at the British Business Bank’s (BBB) Finance Hub: www.british-business-bank.co.uk/finance-hub. The resources available on the Hub include a range of guidance materials to help businesses understand and navigate the options for accessing finance, including an overview of finance support, a guide to different forms of finance, and links to finance partners. The

¹¹ <https://www.gov.uk/government/publications/sme-finance-charter/the-sme-finance-charter-what-the-5-pledges-mean-for-business>

BBB website also has links to other helpful content, such as guidance on the Pay as You Grow scheme to help small businesses manage repayment of their Bounce Back Loans; and finance options for scale-ups.

In February 2023 it was announced that the 100,000th business loan under the Start Up Loan scheme was awarded to a hospitality business, Ramen Electra, bringing the total support given to firms to more than £941 million.¹²

¹² <https://www.gov.uk/government/news/100000-british-small-businesses-benefit-from-government-backed-start-up-loans>

5. Delivering on the Hospitality Strategy: Resilience

Building long-term resilience in the hospitality sector is a key ambition of the Strategy. Some of the challenges facing the sector today derive not from the impacts of COVID-19, but from long-standing structural factors and larger economy-wide and international trends. Building resilience means tackling these issues and strengthening the ability of firms in the sector to resolve, adapt to, or withstand them.

Hospitality is part of a high street eco-system that is vital to maintaining strong local economies and communities. This eco-system includes hospitality, retail, personal care services, consumer services and the leisure sector. It also connects the day and night-time economies.

As well as providing accessible jobs and supporting local supply chains, these businesses encourage tourism, attract inward investment, and generate income for local authorities to invest in services and infrastructure. They are fundamental to ensuring healthy high streets, and will make a key contribution to our mission to level up the economy.

A lack of resilience in high street sectors can contribute to instability in local economies, worsening deprivation where it exists, often leading to a spiral of negative impacts. The All-Party Parliamentary Group (APPG) on Left Behind Neighbourhoods¹³ reported that these deprived areas suffer from lower levels of productivity, worse health outcomes, and lower quality of life.

Conversely, strengthening businesses in these sectors will help to tackle deprivation, by creating 'anchors' on high streets, by ensuring more secure employment for local people, and by providing communal venues for community cohesion and wellbeing to develop. Hospitality plays an important role in the economy by providing 'first jobs' for many young people, helping to develop foundational workplace skills.

Business resilience derives from a range of factors. A resilient business needs to consider financial resilience, operational and technical resilience, workforce resilience, environmental resilience, and more. Taxation and regulatory costs also impact on resilience.

This section sets out the program of work being undertaken by the Hospitality Sector Council to strengthen resilience in the sector, focused on longer-term reform.

¹³ <https://www.appg-leftbehindneighbourhoods.org.uk/publications/>

Building business resilience

Recovery			
7	Improve the long-term relationship between hospitality tenants and landlords	In progress	<p>Commercial Rent (Coronavirus) Act 2022, resulting in an arbitration process for landlords and tenants.</p> <p>Commitment to review the landlord and tenant relationship and legislation.</p>

The Commercial Rent (Coronavirus) Act 2022 received Royal Assent on 24 March 2022 and means that a legally binding arbitration process is available for eligible commercial landlords and tenants who have not already reached an agreement. This is resolving disputes about certain pandemic-related rent debt and help the market return to normal as quickly as possible.

There are concerns that the current commercial property legislation has not kept pace with the reality of the sector today. The Government has committed to launching a review of the landlord and tenant relationship and the legislation surrounding it. The full scope of the review is yet to be confirmed, and further details will be announced in due course.

A 2022 Pubs Code Adjudicator survey found that a majority of tied tenants (62%) covered by the Pubs Code were satisfied with the relationship with their pub company. 22% were dissatisfied. Meanwhile, a KAM survey found that 70% of operators who received support from a pub company during the pandemic were satisfied with that support. These results reflect a positive overall relationship between landlords and tenants in the tied pub sector, but nonetheless leaves room for further improvement, including across the wider sector.

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 progress	<p>Blueprint for hospitality-led regeneration pilot projects delivered in collaboration with NCASS.</p> <p>Sefton Council will launch the first demonstrator project in Bootle in April/May 2023.</p>
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Following publication of the hospitality strategy, we worked with the Nationwide Caterers Association (NCASS) to develop a blueprint for hospitality-led regeneration projects, and with Sefton Council on delivery of the first UK demonstrator.

The blueprint involves establishing street food venues that serve as a hubs to a fleet of street food catering micro-businesses, primarily trained from within the local community. As well as providing catering for the street food venue, mobile caterers can be deployed across boroughs, including visitor locations and events, greatly increasing the number of jobs that could be supported by a single venue and maximising revenue, which can be reinvested into communities. As projects are designed to be revenue generating, the benefits should be sustainable, and not subject to ongoing funding decisions.

In this model, training can also be delivered by partner organisations such as local catering colleges. Work experience and mentoring would be provided by a cohort of experienced street food caterers recruited to support projects. Collectively they would provide local people with the necessary skills and support needed to work in hospitality, or to turn them into street food caterers, each operating their own micro-business.

Our ambition is to support other Local Authorities to replicate this best practice model more widely.

The Local Economies and Communities Working Group is chaired by Simon Emeny (CEO, Fullers).

CASE STUDY

Sefton Council has announced its intention to deliver the first hospitality-led regeneration pilot as part of its plans to put independent hospitality at the centre of its regeneration plans for Bootle town.

The hospitality-led regeneration project will complement and enhance the Council's plan for a major events space called Salt & Tar by putting in place a training programme to provide local people with the necessary skills, qualifications, and support to work in hospitality or to start their own street food businesses.

Both Salt & Tar and hospitality-led regeneration project will be launched in April/May 2023.

9	Work with the sector to learn the lessons of the pandemic for businesses and enable investment in future resilience measures.	In progress	Extension of pandemic-era regulatory easements.
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As noted above, the Government has already taken action to extend several of the measures introduced during the pandemic, such as pavement licensing, to allow businesses to continue to make use of the innovations and flexibilities introduced over the last two years.

Jobs and skills

10	Explore options for vocational training offers that support career paths in the sector.	In progress	Expanded lifetime skills guarantee; more places on bootcamps; additional investment in T-levels, apprenticeships, and Further Education
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The sector-led Hospitality and Tourism Skills Board continues to engage with HM Treasury and the Department for Education on the apprenticeships system, to share the perspectives of the sector and ideas for further reform.

The Institute for Apprenticeships and Technical Education (IfATE) are working with employers and industry leaders across the sector to ensure the Hospitality and Catering apprenticeships and T level are robust, relevant, and fit for purpose. Ensuring that apprenticeship standards are all delivered with substantial, employer-developed courses that lead to meaningful employment is a priority.

In Autumn 2022, IfATE launched a review of the Hospitality pathway, and will invite sector leaders to help shape the occupational standards that will answer the skills need and support young people into life-long careers in the sector. New occupational standards in Lead Baker (Level 3) and Pastry Chef (Level 3) are currently in development, as is the T level in Catering, with an occupational specialism in Professional Cookery. The T level is intended to be available in September 2023.

We continue to work with the sector to consider skills development in the sector, including the entry-level skills offer.

11	Work with the sector to raise the profile of skills and careers in hospitality.	In progress	Sector-led initiatives including the Hospitality Rising campaign; Employee Wellbeing Checklist and opportunities for Ukrainian refugees and prison leavers.
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The Hospitality and Tourism Skills Board supported the creation and development of the Hospitality Rising recruitment campaign, founded by Mark McCulloch. The campaign is designed to attract new talent to the sector, particularly among early-career jobseekers and school leavers, to help alleviate current labour shortages and strengthen the pipeline of new talent into hospitality businesses. The campaign has raised contributions from a wide range of firms in the sector, and represents a commendable example of the value of cross-sector collaboration to drive industry-led solutions to the challenges of the day. Hospitality Rising launched in October 2022. Further information is available at <https://hospitalityrising.org/>.

The Hospitality and Tourism Skills Board has also developed an Employee Wellbeing Checklist for the hospitality sector. This checklist sets out the key recommended steps for all employers in the sector to follow to help support employee wellbeing, focused on promoting employee development, mental health and wellbeing, and fair compensation. It provides guidance for employers on key areas such as tipping, flexible work, diversity and inclusion, and in-work progression, and is designed to galvanise action within the sector to achieve higher standards of employee wellbeing throughout the industry, helping to attract new applicants to the sector and improve retention. The checklist will be distributed through partner organisations and trade bodies.

Businesses in the sector are also contributing to important social initiatives, including employing Ukrainian refugees and training prison leavers.

CASE STUDY

Greene King’s prison leavers scheme ‘Releasing Potential’ has helped over 100 prison leavers find employment within the hospitality industry. The scheme was launched in 2019 and provided individuals released on temporary licences or prison leavers who served their sentence the opportunity to take up employment within Greene King.

CASE STUDY

Many businesses joined together to support a sector-wide initiative to provide employment support for Ukrainian refugees. Hospitalityforall.co.uk, which was organised by Burger & Lobster, is helping to bring together leading London restaurants to unite the industry in providing employment support to help Ukrainian refugees find work as they arrive in the UK. The scheme received 168 sign-ups from businesses across the industry. In March 2022, Pret A Manger set up the ‘Ukrainian Employment Programme’ which fast-tracked Ukrainian refugees looking to come to the UK and who were seeking work. The programme included one-to-one counselling, housing assistance, vouchers for essential household goods and English tuition.

12	Encourage hospitality businesses to participate in government programmes, including the Help to Grow scheme, to improve digital and management skills in the workforce.	In progress	We are working with small business representatives through the Hospitality Sector Council to understand barriers to uptake of government schemes among SME and micro businesses.
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The Department has worked with the sector to promote the Help to Grow schemes to hospitality businesses, and to gather feedback on these initiatives.

The Hospitality and Tourism Skills Board has also promoted Hospitality Apprenticeship Week, to help encourage young people to start their career in the sector. The Board has also worked closely with Careerscope.uk.net, which provides a valuable resource for applicants to find careers, apprenticeships, and training in hospitality.

The Hospitality and Tourism Skills Board is chaired by Steve Richards (Chair, UK Hospitality).

International trade and tourism

13	Showcase the best of UK hospitality in future international communications campaigns.	In progress	Businesses are supported and promoted through our ‘Made in the UK, Sold to the World’ and
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14	Promote UK hospitality businesses overseas through inclusion in international ministerial visits and trade shows.	In progress	overseas 'GREAT' marketing campaigns.
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.	In progress	Our Export Strategy focuses on a 12-point plan to support exporters. This includes our Export Support Service which provides a single point of entry for businesses seeking advice on exporting to Europe. We have an ambitious programme of free trade agreement (FTA) negotiations with the intention of breaking down barriers to trade and support growth, jobs, and higher wages for UK workers.

The Government is working with hospitality businesses to help them export abroad. Regular forums are held with businesses to understand and address their trade challenges. The UK Export Academy foundation course is now available across the UK, offering be-spoke training programmes and digital tools to help businesses navigate the technicalities of exporting and finding opportunities overseas. UK Export Finance has an award-winning product range to provide UK businesses with the finance they need to grow and export more.

Visit Britain is attracting tourism by showcasing the best of British Hospitality. By working with Government and a vast range of partners, their aim is to grow England's domestic tourism, boost Britain's image overseas, increase the aspiration to travel here, and turn that aspiration into bookings. This includes a business advice hub which guides businesses to locate the funding and best practice to attract international visitors into the UK, which hospitality businesses have a fundamental role in playing.

The Council will consider options to support businesses seeking to establish overseas and to better navigate complexities when exporting abroad, including networking opportunities, identifying key export markets, and the potential for further guidance for businesses.

The environment

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.	In progress	COP 26 delivered, including sector-hosted fringe events. Sector targets established.
17	Reduce waste and single-use plastic consumption.	In progress	The Environment Act 2021 contains new powers to introduce deposit return schemes, which can be set up to sustain, promote or secure an increase in recycling or reuse of materials and to reduce the incidence of littering. The Government will be taking forward secondary legislation setting out obligations to deliver a DRS..
18	Help ensure any recyclable waste produced is collected for recycling.	In progress	Sector-led waste guidance, currently in development.

COP26 united businesses, politicians, and citizens alike under the shared ambition to deliver a more sustainable world. A range of events were held by hospitality organisations. For example, UKHospitality hosted speeches and panel sessions where business leaders set out their sustainability achievements and discussed the challenges ahead.

The Zero Carbon Forum has published a roadmap setting out proposed targets for emissions reductions, including achieving net zero by 2040.¹⁴

The Government continues to engage with the UK business community on net zero. We continue to operate and promote the SME Climate Hub which provides free, practical resources specifically tailored to support SMEs on their net zero journey through strategic emission reductions and opportunities for climate leadership. Businesses can calculate their emissions with the Business Carbon Calculator, learn how to take action with the Climate Fit education course, and access support through the Financial Support guide and 1.5°C Business Playbook. Over 3,600 businesses have signed up to the hub and over 60 of these are hospitality businesses.

¹⁴ <https://zerocarbonforum.com/assets/pdf/final-ZCF-roadmap.pdf>

We have also established a new quarterly Business Net Zero Delivery (BNZD) group as part of a coordinated stakeholder engagement programme on net zero. The Group will explore sector-wide business pathways to net zero, identify common barriers and solutions, test new policies with industry and secure buy-in so measures land successfully.

The Hospitality Sector Council set up a Sustainability Committee to oversee and deliver the Environmental commitments outlined in the strategy. Comprising key industry players and sustainability experts, the group has started by developing energy saving guidance for small businesses, supporting firms to reduce costs. The group has also collated key environmental targets and a 'net zero jargon buster' for businesses, simplifying net zero terminology and helping businesses understand how to become greener.

The Department for Environment, Food and Rural Affairs (Defra) is working with the hospitality sector to reduce waste and single use plastic consumption. Much of the work is led by the Waste Reduction Action Programme (WRAP) which, through its Guardian for Grubs 'Becoming a champion' campaign¹⁵, reports businesses saved between 23-38% reduction in food waste, as well as carbon and financial savings in 4 to 8 weeks, of which 230 businesses participated¹⁶. Additionally, WRAP's Cost Saving Skills course¹⁷ has seen over 600 users learn to reduce waste food, following the UK food Waste Reduction principles of 'Target, Measure, Act'.

The Sustainability Committee is chaired by Tim Doubleday (CFO, Burger King UK).

Innovation and investment

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.	In progress	The Hospitality Sector Council's Innovation Working Group is currently considering case studies and barriers to innovation
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¹⁵ <https://guardiansofgrub.com/become-a-champion/>

¹⁶ An updated version of the course will be freely available in Autumn 2022. Email guardiansofgrub@wrap.org.uk to register your interest.

¹⁷ <https://guardiansofgrub.com/course/>

20	Encourage technology adoption by leveraging the Help to Grow scheme and working with Be the Business and businesses to produce sector-led guidance.	In progress	We have actively promoted Help to Grow to businesses schemes to businesses. We have also engaged hospitality SMEs to better understand their digital needs and potential guidance opportunities.
21	Work with the sector to develop dynamic new operating models, including by identifying and overcoming barriers to innovation.	In progress	The Hospitality Sector Council's Innovation Working Group is currently considering case studies and barriers to innovation

The Hospitality Innovation Working Group has been established as part of the Hospitality Sector Council and is considering how best to support firms in the sector to identify the key barriers and enablers to innovation, and the various opportunities to help businesses be more creative, refresh their business models and adopt new and existing technologies.

Government has also promoted the Help to Grow programme to the hospitality sector, while also engaging the sector on the technology that would support SMEs to innovate and prosper.

In future, the group will consider whether further guidance, examples of best practice, cross-industry collaboration, or partnerships with government, could help to boost innovation and diffusion in the sector. The group will also conduct a review of barriers to innovation, particularly for small businesses, working with InnovateUK.

The Innovation Working Group is chaired by Jane O’Riordan (Chair, Caravan Restaurants).

Community and wellbeing

22	Work with the sector to champion the role of hospitality in community wellbeing as we emerge from the pandemic.	In progress	The Hospitality Sector Council is currently reviewing potential initiatives.
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The Sector Council is considering sector-led initiatives to support community and wellbeing, focusing on those that could be scaled and adopted more widely, and has developed a shortlist of initiatives for further consideration.

For example, Only A Pavement Away is a charity that helps people facing homelessness, prison leavers and veterans into careers in hospitality. The charity connects forward-thinking employers in the hospitality industry with charities supporting potentially vulnerable people, with the aim of placing them into long-term, stable employment. The overall benefit the charity brings includes increasing life expectancy for those living on the streets, significant reductions in the reoffending of prison leavers, a reduction in the costs associated with homelessness, and an increase in people available to work in hospitality. This is an initiative that the Sector Council would like to see scaled up and operating on a national basis.

Representing small and independent businesses

To ensure that all the above work is representative of the experiences and interests of small and micro businesses, which make up the large majority of firms in the sector, we have established a forum of small and micro hospitality companies that are family-run and independently owned. The group, consisting of restaurant owners, street food operators, independent pub companies, breweries, hotels, and more, from across the UK, provides unique insights and essential feedback on Council work and discussions. This makes sure that all outputs of the Hospitality Sector Council reflect the interests and concerns of small businesses, which make up the large majority of the hospitality sector.

The group held its first meeting in December 2021 and has met regularly since. Government has benefitted from listening to the views and concerns of small businesses directly, and this group will continue to feed into the work of the Council.

The Family Business and Independents Forum is chaired by Will Beckett (CEO, Hawksmoor Restaurants).

6. ANNEX

ANNEX A – STRATEGY COMMITMENTS TRACKER

	Commitment	Status	Elements delivered to date
Reopening			
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.	Delivered	All legal restrictions lifted. Working safely guidance removed and replaced with UKHSA public health guidance. Support for businesses during the Omicron wave.
2	Provide continued sectoral support, via a dedicated minister and support team, and help remove any remaining barriers to full operation.	Delivered	Hospitality sector support made a formal part of the portfolio of the Minister for Small Business; dedicated sector team made permanent. Hospitality Sector Council and sub-groups established to aid recovery.
Recovery			
3	Help the sector overcome current recruitment challenges by actively signposting jobseekers to hospitality vacancies.	In progress	DWP measures including work coaches; Kickstart scheme; Way to Work
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.	Delivered	Extended temporary easements introduced during COVID to support firms, including pavement licenses and off-sales licenses

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.	Delivered	Energy Bill Relief Scheme and Energy Bills Discount Scheme Business rates relief Commercial Rent (Coronavirus) Bill received Royal Assent (March 2022)
6	Work with the sector on access to finance, including working with the government-owned British Business Bank and its delivery partners.	In progress	SME Finance Charter – 5 pledges Guidance available through the BBB Finance Hub
Resilience			
Building business resilience			
7	Improve the long-term relationship between hospitality tenants and landlords.	In progress	Commercial Rent (Coronavirus) Act 2022, resulting in an arbitration process for landlords and tenants. Commitment to review the landlord and tenant relationship and legislation.
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 progress	Blueprint for hospitality-led regeneration pilot projects delivered in collaboration with NCASS. Sefton Council will launch the first demonstrator project in Bootle in April/May 2023.
9	Work with the sector to learn the lessons of the pandemic for businesses and enable investment in future resilience measures.	In progress	Extension of pandemic-era regulatory easements.

Jobs and Skills			
10	Explore options for vocational training offers that support career paths in the sector.	In progress	Expanded lifetime skills guarantee; more places on bootcamps; additional investment in T-levels, apprenticeships, and Further Education
11	Work with the sector to raise the profile of skills and careers in hospitality.	In progress	Sector-led initiatives including the Hospitality Rising campaign; Employee Wellbeing Checklist and opportunities for Ukrainian refugees and prison leavers.
12	Encourage hospitality businesses to participate in government programmes, including the Help to Grow scheme, to improve digital and management skills in the workforce.	In progress	We are working with small business representatives through the Hospitality Sector Council to understand barriers to uptake of government schemes among SME and micro businesses.
International trade and tourism			
13	Showcase the best of UK hospitality in future international communications campaigns.	In progress	Businesses are supported and promoted through our 'Made in the UK, Sold to the World' and overseas 'GREAT' marketing campaigns.
14	Promote UK hospitality businesses overseas through inclusion in international ministerial visits and trade shows.	In progress	Our Export Strategy focuses on a 12-point plan to support exporters. This includes our Export Support Service which provides a single point of entry for businesses seeking advice on exporting to Europe.
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.	In progress	We have an ambitious programme of free trade agreement (FTA) negotiations with the intention of breaking

			down barriers to trade and support growth, jobs, and higher wages for UK workers.
Hospitality for the environment			
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.	In progress	COP 26 delivered, including sector-hosted fringe events. Sector targets established.
17	Reduce waste and single-use plastic consumption.	In progress	The Environment Act 2021 contains new powers to introduce deposit return schemes, which can be set up to sustain, promote or secure an increase in recycling or reuse of materials and to reduce the incidence of littering. The Government will be taking forward secondary legislation setting out obligations to deliver a DRS.
18	Help ensure any recyclable waste produced is collected for recycling.	In progress	Sector-led waste guidance, currently in development.
Innovation and Investment			
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.	In progress	The Hospitality Sector Council's Innovation Working Group is currently considering case studies and barriers to innovation.
20	Encourage technology adoption by leveraging the Help to Grow scheme and working with Be the Business and	In progress	We have actively promoted Help to Grow to businesses schemes to businesses.

	businesses to produce sector-led guidance.		We have also engaged hospitality SMEs to better understand their digital needs and potential guidance opportunities.
21	Work with the sector to develop dynamic new operating models, including by identifying and overcoming barriers to innovation.	In progress	The Hospitality Sector Council's Innovation Working Group is currently considering case studies and barriers to innovation.
Community and wellbeing			
22	Work with the sector to champion the role of hospitality in community wellbeing as we emerge from the pandemic.	In progress	The Hospitality Sector Council is currently reviewing potential initiatives.

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