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Renewed calls for hospitality furlough scheme extension as collapse of inbound tourism could see three million jobs lost

01 September 2020 by Katherine Price

Calls for a hospitality-specific extension of the government's furlough scheme have been renewed as it is estimated three million jobs in the UK could be lost due to the collapse of inbound tourism.

The Caterer reported last week that the lack of international travel into the UK is set to cost the UK economy £22b this year.

International visitor spending accounts for 85% of all tourism spend in London. STR director Thomas Emanuel said the capital "continues to struggle to drive demand" with occupancy of just 29% recorded across the week of 10-16 August by the data firm.

Meanwhile, Manchester also recorded 29% occupancy and Birmingham fared little better at 32% as one of the top locations for inbound tourism in the UK, having welcomed more than one million 'staying' inbound visitors last year, according to VisitBritain.

Adam Finney, guest relations manager of the Edgbaston Park Hotel and Conference Centre near Birmingham, said industry-specific extensions to furlough "would go a long way in helping". Business development manager Jo Neville said the drop in inbound tourism has had "a significant impact" on the city and frequent changes to the quarantine restrictions have made travellers more uncertain about the impact on their plans and has "undoubtedly impacted on consumer confidence".

The 172-bedroom hotel's general manager Richard Metcalfe highlighted European tour groups, international students' families and international conference clients as particularly significant markets, adding: "Without this, we're now fighting for a lot of UK business to decrease the deficit we have lost."

Jane Pendlebury, chief executive of the Hospitality Professionals Association (Hospa) also called for an extension of furlough and told BBC News that without any further support, there will be "masses of redundancies" in the industry.

The scheme was rolled back on 1 September to cover 70% of furloughed employees' wages, down from 80%, and will reduce further to 60% in October, before being withdrawn at the end of the month.

David Colebourn, owner of Urbanista hotel in Liverpool, said the impact of Covid-19 had been "profound" on his 19-bedroom property: "The constant sudden changes in quarantine are far from helpful, as it's the same with many people in the UK – those who have work and commitments can't afford to quarantine and so it makes travel almost impossible."

He said the furlough scheme "must" be extended, adding: "We've seen how fantastic the Eat Out To Help Out scheme has been for restaurants, but I feel the next step needs to be in assisting independent hotel and accommodation providers in some way."

However, Kieran Quinn, general manager at Edinburgh's 199-bedroom Kimpton Charlotte Square hotel, said that while anything that helps hospitality businesses to support their teams at this time is welcome and an extension to similar furlough schemes has been introduced in other countries, he said it's still unclear how long these will last and therefore it may not be sustainable.

He said: "I believe a scheme like Eat Out to Help Out is more sustainable. It's an investment in the hospitality industry and allows us to do what we do best: serve guests. It would be interesting if this or something similar could be considered to continue to stimulate the UK tourism market and encourage staycations mid-week, particularly throughout winter. "

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