

# THE OVERVIEW

ISSN 2048-4844

FEBRUARY ISSUE 2021

## A minister for hospitality?

Closer and closer... P9

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# Welcome to THE OVERVIEW

**T**he hospitality sector is currently closed. There are some huddled - not too close - masses picking up the occasional latte, but business plans were not built on occasional lattes. Bars, restaurants, hotels, casinos, theatres, you name it, if you previously had a good time in it, then you can bet it's a phantasm now.

Survival, day by day, is now the strategy and there is great hope that the government can take a closer look at the idea of coming up with policy by, say, the month, not the hour. A number of unpleasant deadlines are approaching - rent, rates - and not very much has been done about them.

We look back at the start of the battle for a dedicated hospitality minister on page 10 and this not only shone some light, but gave it too, as the wider world took a look at what it takes to keep one of the economy's most important drivers driving. Boris Johnson wasn't interested in talking

about the 200,000-plus signatures, but the pressure is still on to change his mind. In the meantime a recovery minister is looking possible.

There is hope, courtesy of the vaccine and now it will be a matter of making it that far. There is also hope in the form of unpleasant learnings which may be of some benefit. With operations stripped back to their constituent parts, many companies got a chance to take a slide rule over their costs.

Michael Grove, MD, EMEA, Hotstats, told the Whitebridge Hospitality New Year Summit: "Hotels do seem to be opening cleaner from a cost point of view. They are set up for the ramp up and are hopefully able to take advantage as things ramp up in 2021. The operating costs look like they have normalised to prior year levels. One thing that we should be able to guarantee is that it should be better than 2020."

A tough lesson, but one which will secure a bright future.

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# A helping hand

HOSPA CEO Jane Pendlebury launches HOSPA's Hospitality Help Package to guide the community as 2021 gets off to a difficult start.

**T**his coronavirus journey keeps on and on, doesn't it? To think it's been dominating the news for almost a year now! Brexit has happened without as much needling of the Government as they might have anticipated. Biden has been inaugurated as President of the USA and is now established at The White House, Trump didn't turn up in Scotland as some were predicting and still the news is about coronavirus. Hospitality has been the hardest hit from an employment perspective – no surprise there – yet innovation and optimism is still out there; it's just a little harder to find right now. I predict a surge of activity as soon as restrictions are lifted as the domestic market spreads its wings and people explore life beyond their own four walls.

With that in mind, the HOSPA team have decided to create a Hospitality Help Package – with a difference. There are a plethora of reports available, as anyone and everyone has an opinion on the steps hospitality businesses should take to ensure their survival. To try and cut through this though, we've decided to make it easy to access, short, sharp advice, categorised into topics to align with our communities (Finance, Revenue Management, Technology, Marketing and Asset Management). The advice will mostly be delivered via succinct video clips, with an option to investigate further if the

To try and cut through this though, we've decided to make it easy to access, short, sharp advice, categorised into topics to align with our communities (Finance, Revenue Management, Technology, Marketing and Asset Management).



topic might be helpful to your recovery. We are looking to all HOSPA members and sponsors to contribute anything they consider may be valuable to this, so please get in touch!

And if there's any service or perhaps an offer you can add to this to help hoteliers with hard-hit revenues get back, if not to full strength, then certainly in with a fighting chance of getting there, then do please get in touch with us – and we can look to highlight this.

We will launch this new initiative with an explanatory webinar giving viewers a taste of what to expect. We anticipate it being an ever-changing resource, but all focussed around recovery.

The HOSPA team are meeting regularly (albeit virtually) as we plan HOSPACE 2021 and all the activity in the run-up to our annual conference. It seems rather optimistic to think we can expect to revert to the 2019 format in 2021. The hybrid format is here to stay. We would really welcome any views / suggestions / preferences as we piece together a plan. We are under no illusions that our plan will be set in stone – far from it. If last year's

zig zag path to HOSPACE 2020 is to be repeated this year, then we know we are in for another interesting adventure. It would be boring if it was too easy, right?

So, dear members and friends of HOSPA, please stay safe. As the older generation are going through the vaccine process we can hold on to hope and sunnier days ahead. A clear positive in the news, despite the doom and gloom is how well the vaccine rollout seems to be going. Should it be effective, and should a large enough proportion receive the vaccine then, dare I say it – and I only whisper it – that maybe, just maybe we can see the end of repeated lockdowns in the not-too-distant future. And while full recovery may still be somewhat off, without the threat of enforced closures hanging over us, we can at least move along the path without fear of running into a wall. So, we're remaining optimistic for the future, and we have our fingers firmly crossed.

**Jane Pendlebury**

**HOSPA CEO**  
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# Hotel to hospital in 10 days

The words hospital, hostel and hotel come from the Latin *hospitale*, a word referring to a house or lodging for travellers that is a derivative of the adjective *hospitalis* (“of a guest,” “hospitable”) Hospital and hostel are direct borrowings of French words formed from *hospitale*, whereas hotel was influenced by French *hostel*.

**D**uring World War 2 many hotels and country houses in the UK were used as hospitals or to house organisations that were critical to the war effort. During the war the four great railway companies of Britain, like many similar organisations and branches of government, looked for countryside locations where they would be less likely to be a target for bombing. The London, Midland and Scottish (LMS) Railway company relocated to The Grove, a country house near Watford, now owned and operated by Ralph Trustees. If you wander the extensive grounds you can still see the old air raid shelters.

Hospitals in the UK are so overwhelmed with COVID-19 that the government is

starting to discharge patients early and transfer them to hotels. As a result, the NHS has launched a “home and hotel” plan. The temporary hospital discharge service offers an extra resource to support people with care needs who cannot immediately return home after a hospital stay. For example, if a person needs extra support with personal care, but their care package cannot be started immediately, or if there are practical issues with their home that need to be resolved – anything which would hold the person in hospital whilst they are fit to leave.

Hospitals and hotels have several common characteristics, both are comprised of private, individual rooms with a dedicated toilet. Hotels also have food service, cleaning service, waste removal and laundry service, all of which are critical to any inpatient healthcare facility.

Voluntary aid organisations, such as St John Ambulance and the British Red Cross, along with armed forces medical personnel and any available NHS staff are staffing the “hospital hotels”. There is a strict protocol in place with the NHS for patients who arrive here to remain in their rooms and not have visitors.

At Keystep, we have helped several hoteliers set up these hospitals and it’s been humbling to see how the hotel staff have adapted and just got on with it. We have been involved in a very small part of the operation and tasked with upgrading the access control systems for buildings and rooms. Being able to track and restrict access is critical for safety and security. The amount of work and preparation needed to receive the new type of guest is staggering, room

service and laundry takes on a whole new meaning.

The pandemic has proven that hotels play an essential role in their community not just providing temporary hospital space, but they can also serve as recovery facilities for healthcare workers to rest, shower, eat, and do laundry before they go home or provide temporary accommodation for key workers who may be working far from home or otherwise limiting their contact with others.

I would love to hear from you and include your comments and suggestions for future columns so feel free to drop me an email. [andrew.evans@keystep.co.uk](mailto:andrew.evans@keystep.co.uk)



#### About the Author

Andrew Evans, Chief Executive Officer, Keystep Solutions Limited

Andrew is the founder and Chief Executive Officer of Keystep Solutions Limited, a specialist solution provider of Electronic Lock Systems to the hotel and leisure sectors. Keystep is a major player within the hospitality industry and has an enviable client list.

Keystep Solutions are now the market leader and innovator in the electronic door locking and access control. They supply most of the hoteliers in the UK and beyond.

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# 2020 Worst Year in Tourism History

Global tourism suffered its worst year on record in 2020, with international arrivals dropping by 74% according to the latest data from the World Tourism Organization.

**D**estinations worldwide welcomed 1 billion fewer international arrivals in 2020 than in the previous year, due to an unprecedented fall in demand and widespread travel restrictions. This compares with the 4% decline recorded during the 2009 global economic crisis.

According to the latest UNWTO World Tourism Barometer, the collapse in international travel represents an estimated loss of \$1.3 trillion in export revenues - more than 11 times the loss recorded during the 2009 global economic crisis. The crisis has put between 100 and 120 million direct tourism jobs at risk, many of them in small and medium-sized enterprises.

Due to the evolving nature of the pandemic, many countries are now reintroducing stricter travel restrictions. These include mandatory testing, quarantines and in some cases a complete closure of borders, all weighing on the resumption of international travel. At the same time, the gradual rollout of a COVID-19 vaccine is expected to help restore consumer confidence, contribute to the easing travel restrictions and slowly normalise travel during the year ahead.

UNWTO Secretary-General Zurab Pololikashvili said: "While much has been made in making safe international travel a possibility, we are aware that the crisis is far from over. The harmonisation, coordination and digitalisation of COVID-19 travel-related risk reduction measures, including testing, tracing and vaccination certificates, are essential foundations to promote safe travel and prepare for the recovery of tourism once conditions allow."

The latest UNWTO Panel of Experts survey shows a mixed outlook for

2021. Almost half of respondents (45%) envisaged better prospects for 2021 compared to last year, while 25% expect a similar performance and 30% foresee a worsening of results in 2021.

The overall prospects of a rebound in 2021 seem to have worsened. 50% of respondents now expect a rebound to occur only in 2022 as compared to 21% in October 2020. The remaining half of respondents still see a potential rebound in 2021, though below the expectations shown in the October 2020 survey (79% expected recovery in 2021). As and when tourism does restart, the UNWTO Panel of Experts foresee growing demand for open-air and nature-based tourism activities, with domestic tourism and 'slow travel' experiences gaining increasing interest.

Looking further ahead, most experts do not see a return to pre-pandemic levels happening before 2023. In fact, 43% of respondents point to 2023, while 41% expect a return to 2019 levels will only happen in 2024 or later. UNWTO's extended scenarios for 2021-2024 indicate that it could take two-and-a-half to four years for international tourism to return to 2019 levels.

Europe recorded a 70% decrease in arrivals, despite a small and short-lived revival in the summer of 2020. The region suffered the largest drop in absolute terms, with over 500 million fewer international tourists in 2020. The Americas saw a 69% decrease in international arrivals, following somewhat better results in the last quarter of the year.



# Announcing the HOSPA Scholarship Scheme

During these extremely challenging times for the hospitality industry, the team at HOSPA are very much aware that maintaining investment in our own professional development is difficult, particularly in the current economic environment.

Equally it is important to maintain and develop professional knowledge to meet the current commercial challenges and to remain agile in the workplace whilst ensuring future career needs are being met.

At HOSPA we are very grateful to the Savoy Educational Trust for their continuous commitment to careers and professional development in the commercial roles within the sector. With their support we are now able to offer a number of subsidised places on our online courses in Revenue Management and in Financial Management commencing

in March 2021. The scholarship funding is open to all those based in the United Kingdom who are working in the hospitality sector and who can demonstrate the commitment to developing their careers in these disciplines.

Funding is available for up to 50% of the course fees with the learner or sponsoring company committing to funding the remaining 50% which can be paid in three equal instalments. To apply for the funding please complete the application form at [www.hospa.org](http://www.hospa.org)

The application process closes on the 15th February and all applicants will be

notified by the 19th February in readiness for enrolment on to the courses at the start of March.

Funding is available for all three levels of both the Revenue Management and Financial Management Programmes with each level costing in total £820 + VAT.

## HOSPA Financial Management Programmes

This programme provides the first step to pursuing a career in business and finance in the hospitality sector.

The course content is based on best practice in the sector and follows the guidance and recommendations of the Uniform System of Accounts for the Lodging Industry (2014 edition). The course offers three levels of study and successful completion of all three levels leads to Certified Associate Membership of HOSPA enabling members to use AHOSPA Cert (FM) in their business correspondence.

This award confirms that the member has the skills and knowledge to manage a hospitality finance department. What will you study?

The course is studied in 3 levels; each of which takes 5 months to complete.

- Level 1: Introduction to Financial Management
- Level 2: Operational Management Accounting
- Level 3: Strategic Management Accounting

*“The third level of the HOSPA course included several aspects that I have had little exposure of to date in my role. As a result, I felt this really assisted in developing my base knowledge as well as being able to use this theory in the*



workplace. It has led to me requesting additional exposure to forecasting and budgeting as well as being part of the substantial ROI calculations for some large CAPEX projects that are ongoing at the property.

*Being able to support the theoretical text with case studies focusing on industry specific examples have really helped to benefit me and allowed the application of the theory to be more easily understood."*

Simon Leech, Assistant Financial Controller at the Sheraton Grand Hotel and Spa in Edinburgh

## HOSPA Revenue Management Programmes

This suite of courses provide more than training in Revenue Management - we provide the opportunity to learn about the different approaches to a particular technique and, with your tutors expert help, develop your skills to assess what techniques will suit your organisation.

- Provides the practical knowledge and understanding required to manage the Revenue Management function in a hotel or hospitality business
- All levels are available from Introductory through to Strategic
- The course tutors are revenue

This programme provides the first step to pursuing a career in business and finance in the hospitality sector. The course content is based on best practice in the sector and follows the guidance and recommendations of the Uniform System of Accounts for the Lodging Industry (2014 edition).

management experts and are there to help you get the most from the course

- Leads to HOSPA Associate (Cert Revenue Management) membership of HOSPA on completion of all modules
- Student members have all the benefits of full HOSPA membership including access to online journals (including the Journal of Revenue and Pricing Management), members meetings and communities

*"The HOSPA course allowed me to gain additional knowledge about Total Revenue Management, while using different assignments to apply theoretical knowledge to my current set of properties. It also provided access to an impressive set of learning resources."*

Antonio Sans, Revenue Manager with STAY Properties

For more information about the HOSPA professional education programmes available please visit <https://www.hospa.org/finance-revenue-programmes> or email us on [education@hospa.org](mailto:education@hospa.org).

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# HOSPA

The Hospitality Professionals Association  
Professional Development

## Study with us on our flexible online programmes in Hospitality Finance

The HOSPA Financial Management and Accounting programme is the only online course of its kind providing finance managers in hotels, restaurants and leisure with an industry specific in-depth [programme of study](#).

The course is focused on the requirements of the sector combining best practice from the Uniform System of Accounts for the Lodging Industry with statutory accounting. Studying with us:

- ✓ Is very easy - all the materials are [online](#) and you receive expert tutor support
- ✓ Develops the [skills and knowledge](#) to manage a hospitality finance department
- ✓ Gives exemption from the CIMA Certificate in Business Accounting, Papers 1 & 2
- ✓ Leads to HOSPA Associate (Cert Finance) [membership](#) of HOSPA on completion
- ✓ Is convenient and relevant to your career in hospitality finance
- ✓ Costs just £820 + VAT per stage



All courses are  
endorsed by the  
Institute of Hospitality.

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# Closing in on hospitality minister

The debate to create a Minister for Hospitality in the UK government ended with a unanimous vote in favour of the motion.

**T**he debate also touched on a minister to oversee the recovery of the sector, which was described as the hardest hit in the UK economy.

The debate was triggered by a petition signed by more than 200,000 people, driven by the Seat At The Table campaign.

Julian Lewis, MP, New Forest East, suggested introducing a temporary hospitality industry recovery minister, which could be made permanent if it proved to be a success.

The sector was currently shared by ministers in the Departments for Business, Energy & Industrial Strategy and Digital, Culture, Media & Sport.

Paul Scully, minister for small business, consumers and labour markets, said: "It's not within my gift to create a new ministerial post, that power rests with the Prime Minister, but I can assure you that the two of us are doing all we can within government to understand and represent the interests of the sector."

Catherine McKinnell, MP for Newcastle North, opened the debate by saying: "The petition speaks to a concern than many of us have heard time and time again from local businesses in our constituencies - that government lacks deep understanding of the nature of the hospitality industry and its diversity.

"Hospitality sector businesses are businesses, but they are also a creative art."

Greg Clark, MP, Tunbridge Wells, said that hospitality business paid their way in taxes and needed support, commenting: "If they manage to survive, they will thrive in future and repay funds set aside the last few months."

McKinnell concluded by saying: "Government should want to engage, so a strong voice would be in their interest and I urge the minister to take it away and put



it to the Prime Minister."

UKHospitality CEO Kate Nicholls, said: "There was a clear and highly encouraging demonstration of strong cross-party support for an extension of the VAT cut and the business rates holiday. These are going to be crucial if we hope to see businesses survive the year. Announcing an extension of both of these policies, at the earliest possible opportunity, will provide some much-needed stability for our sector and allow businesses to begin planning. Equally clear is that a great many MPs recognise that this additional support will be necessary if the sector is to survive and lead the national revival.

"It was incredibly positive to hear so many MPs being vocal advocates of the hospitality sector. There was unanimous recognition of our importance economically and socially. It was particularly pleasing to hear parts of the sector like nightclubs, wedding venues and conference centres being lauded - businesses that have not grabbed headlines in the way that other sectors have, but are no less important, as the

debate recognised. There was also welcome recognition for our critical supply chain.

"It is striking that, in the end, the petition got more than 200,000 signatures. We all understand the importance of what we do and it is good to see the Government recognise the importance of working closely with the sector to ensure that we are properly supported, not just during this crisis but more generally."

Seat at the Table campaign champion Angela Hartnett said: "Hospitality is the third biggest employer in the UK and deserves a seat at the top table. We need a hospitality hero in government to speak up for the local pubs, coffee shops and restaurants. Someone who understands our businesses and how we work.

"This is about helping us to help the country get back on its feet. We can't wait to welcome people back to our bars and dining rooms but we need the government to protect our businesses and these jobs to ensure we are there when this is over."

# HOSPA celebrates 'outstanding' learners at its annual awards

The 2020 'Overall Learners of the Year' for HOSPA's Professional Development Programmes in Financial Management and Revenue Management were announced last week (28th January 2021) during a virtual event.

- The 2020 'Outstanding Overall Learners of the Year' for Financial Management and Revenue Management were announced by HOSPA at the Association's Online Annual Learner Awards Ceremony
- Awards were also presented to the highest achieving learners at each Level of HOSPA's 2020 Professional Development Programmes in Financial and Revenue Management

Based on assessments over the course of their programmes, the two outstanding learners of the year were revealed online to attendees, with the winners set to receive trophies and complimentary day delegate spaces for HOSPACE2021.

The recipients in question, who gained the highest combined course work and examination results for 2020 in their respective Professional Development Programmes, were:

**For Financial Management:**

Lucy Cole, Research Analyst, BDO LLP

**For Revenue Management:**

Krista Kortelainen, Reservations & Guests Service Manager, Citystay Ltd.

The programmes provide the skills and knowledge for those hospitality professionals seeking to excel in their

careers in hospitality finance or revenue management.

With both introductory and advanced levels available, the modules have been specifically written for the hospitality sector by specialist educators and industry-leaders and reflect the need for learners to be continuing in full-time work whilst studying.

The Financial Management programme and the Revenue Management programme is offered in three separate levels, each taking five months to complete.

Lucy Cole and Krista Kortelainen will both receive a glass trophy and a complimentary delegate space at HOSPA's prestigious annual HOSPACE2021 Conference and Exhibition, to be held on 18th November 2021 at the Royal Lancaster Hotel in London, with the trophies and delegate passes kindly sponsored by FM

Recruitment and Edwards and Finn.

The awards were presented online by Debra Adams, Programme Manager and Dr Harry Murray MBE, President of HOSPA and Chairman of Lucknam Park Hotel & Spa.

Lucy and Krista were amongst thirteen learners who each received certificates and prizes for achieving the highest combined course work and examination scores during their studies in Financial Management and Revenue Management with HOSPA on courses completed in February 2020 and August 2020.

The thirteen 2020 HOSPA Professional Development Learner Award Winners, who each received a certificate were as follows:

**Financial Management prize winners, completed in February 2020 were:**

**Level 1 – Introduction to Financial Accounting:**

Lucas Genis Lechaux, Assistant Financial Controller, Hotel ME Ibiza

**Level 2 – Operational Management Accounting:**

Alex Pop, Hotel Accountant, Holiday Inn London Camden Lock

**Level 3 – Strategic**

**Management Accounting:**

Jennifer Miller, Payroll & Cashier Executive, Fairmont St Andrews

**Financial Management prize winners, completed in August 2020 were:**

**Level 1 – Introduction****to Financial Accounting:**

Lucy Cole, Research Analyst, BDO LLP

**Level 2 – Operational****Management Accounting:**

Simon Grech, Assistant Financial Controller,  
Domus Zamittello

**Level 3 – Strategic****Management Accounting:**

Sergei Aruketty Raju, Butler, Jumeirah  
Hotels and Resorts, Dubai (at the time  
of his studies)

**Revenue Management prize winners,  
completed in February 2020 were:****Level 1: Introduction****to Revenue Management:**

Emily Cox, Group Revenue Manager,  
Cedar Court Hotels (joint winner)

**Level 1: Introduction****to Revenue Management:**

Adam Suliemani, Market Revenue  
Manager, Jurys Inn (joint winner)

**Level 2: Operational****Revenue Management:**

Krista Kortelainen, Reservations  
& Guest Services Manager, Citystay Ltd

**Level 3: Strategic Revenue Management:**

Amy Braund, Sales and Events Manager,  
Bingham Riverhouse Hotel

**Revenue Management prize winners,  
completed in August 2020 were:****Level 1: Introduction****to Revenue Management:**

Rachel Ironside, Reservations Manager,  
Raithwaite Trading Company Ltd

**Level 2: Operational****Revenue Management:**

Gillian Peaston, Manager, Charney Manor

**Level 3: Strategic Revenue Management:**

Krista Kortelainen, Reservations & Guest  
Services Manager, Citystay Ltd

In addition to these award winners,  
Leanda Laughey from Coombe Abbey  
Hotel was nominated for an 'Outstanding  
Achievement Award' for achieving  
excellent grades for all three levels of the  
Revenue Management course.

Commenting on the awards, HOSPA  
Chief Executive Jane Pendlebury  
said: "Huge congratulations to our  
outstanding learners and all our prize-  
winning highest achievers, who have  
each demonstrated outstanding  
commitment to their careers, combining

study with demanding full-time roles  
in the hotel and restaurant industry  
during these challenging times. We are  
extremely proud of them.

We would also like to thank our  
sponsors, Edwards and Finn; and FM  
Recruitment, for their continued support."

Speaking at the event Harry Murray  
HOSPA President and Chairman of  
Lucknam Park, commented on the  
importance of education, saying "We  
need to be positive; hospitality is the one  
industry that can ignite the economy and  
create jobs. People will want to dine out,  
celebrate and stay in hotels and there  
will be a huge demand for stay-cation.  
My thoughts go out to those made  
redundant but hopefully they will soon  
be re-employed.

Speaking on education he said "I am  
proud to be President of HOSPA and  
applaud the amazing opportunities they  
have created for flexible on-line learning.  
I hope many people will take advantage  
of their programmes on financial  
management & revenue management.  
We have seen today that if you carry  
on learning new skills you will quickly  
gain promotion. There will be a huge  
emphases on margins after lockdown and  
those skilled in financial management and  
revenue management will be in demand.

Speaking on re-opening after  
restrictions are lifted, he said there will  
be a new approach to hotel-keeping with  
more thinking outside the box. There  
will be a need for positive and effective  
leadership, emotional intelligence, trust,  
empathy, and kindness.

In conclusion Harry said, "I hope  
Government will create a dedicated  
Minister of Hospitality with a seat at  
the table who will work with hospitality  
leaders to help support growth and  
create jobs. A Minister who appreciates  
the value of the hospitality industry  
to the economy and the well-being  
of the Nation."

The deadline date for enrolment for  
the next intake to all HOSPA courses is  
1st March 2021 – for both the Financial  
Management, Revenue Management  
and Asset Management programmes  
each at a cost of £820 (ex VAT).  
For further information about our  
programmes and the HOSPA Scholarship  
Scheme, visit: [https://www.hospa.org/  
professionaldevelopment](https://www.hospa.org/professionaldevelopment); or email:  
[education@hospa.org](mailto:education@hospa.org).

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in their market, Chris Denison Smith  
and Andrea Shaw are best placed to  
offer professional advice and support to  
candidates and clients alike. We regularly  
mentor hospitality graduates, as well as  
providing ongoing support and career  
advice to senior finance individuals.  
Working with many of the major hotel  
& restaurant brands, owners and asset  
managers in the hospitality industry, our  
network reaches across Europe, Middle  
East, Africa, SE Asia and the Caribbean.  
With many companies in our industry  
turning to e-commerce to improve their  
bottom line, we have seen the growth in  
hospitality technology businesses, leading  
to a requirement for knowledgeable  
hospitality finance professionals to join the  
sector. As the market improves in 2021 and  
you are seeking to rebuild your teams, FM  
Recruitment should be your first contact  
when recruiting in the UK or internationally.

# Out With the Old

Daniel Fryer takes a deep breath and looks ahead.

**W**hat do you do when what's about to come looks exactly the same as what's just gone?

It's that time of year where we all wish one another 'Happy New Year' and we keep on wishing it until we can safely say we've wished it to everyone we wanted and needed to wish it to. This usually ends around late February, or early March at the latest.

This year, however, many people are expressing their new year greetings tinged with concern and trepidation. Some people even wince when they say it. And with good reason. Coronavirus has not gone away. In fact it's mutated. In many places it's spiralling out of control again. Vaccines are here but are being rolled out too slowly. Local restrictions are being updated weekly and, in some cases, even daily. Advice changes regularly. England has just gone into another full lockdown. All this uncertainty is hard to swallow and makes life difficult to deal with. That goes double for the hospitality industry and 2021, just like its predecessor, is keeping both individuals, businesses and brands on the back foot.

This is not nice and it's not good for anyone's bottom line. It can even adversely affect your mental health. But only if you let it. Life is how it is; and things are how they are.

You can blow those things out of proportion and make them worse than they are or keep a sense of perspective and see them exactly as they are. You can take 2021 on the chin, or you can crumble and fall apart in the face of it.

After all, we've had worse years, right? I mean, historically speaking. And we survived those.

As with most things in life, history teaches us a lot. Ancient wisdom tells us a lot about how to live today. Mindfulness and mindfulness-based therapies, for instance, turned to Buddhism for content. Whilst cognitive behaviour therapy (CBT) and rational emotive behaviour therapy (REBT) turned to Stoic philosophy.

REBT says that it's not the events in life that disturb you, but what you tell yourselves about those events that disturbs you and it based that nugget of wisdom on the teachings of a specific Greek Stoic philosopher called Epictetus.

Stoic philosophy was born out of a challenging period in history, where pillaging and plundering were rife. It was perfectly normal to go to sleep easy, only to wake with your house on fire, and your family sold into slavery.

And so the Stoics asked a very important question: "What can we tell ourselves that will keep us reasonably sane as we deal with these daily challenges?"

As a famous saying goes, "pain is inevitable, but suffering is not." Trying to function normally during a pandemic is a pain. Wearing a facemask is a pain. Lockdowns are a pain. Trying to keep your business afloat is a massive pain. But it does not mean you have to suffer these pains. It does not mean you have to fall victim to what Shakespeare called the slings and arrows of outrageous fortune.

The Stoics believed that all human beings suffered because they were always trying to control the uncontrollable. And yet, very little in our lives is under our control. Realising this is a good thing. No, really, it is.

What if you just gave up your notions of control? I don't mean completely. I don't mean everything. That would be chaos! But, we can contain some of our concerns and let others go completely. We could create two circles within our minds (or on paper), one within the other. We can call the outer circle a circle of concern. And, in it we can place all the things that worry us, but that we have no influence over whatsoever. And then we can resolve to worry about them no more. This will free up some very valuable mind space. Space for us to focus on the inner circle, which we can call the circle of influence. In this we can place all the things that worry us, but which we can exert an influence over. Things we can control to some degree or other. And then we can resolve to focus our attentions there.

I didn't make these circles up by

the way. This exercise is a valuable psychotherapy and coaching tool. It features in *The 7 Habits of Highly Effective People* by Steven R Covey.

Just think of it. Everything inside those circles is important to you but, you free up some very valuable mental real estate but focusing only on those things you have control over. All of your reasonable worries, all your plans, and all your resolutions can be targeted solely on the circle of influence, rather than the wider, unwieldy and unmanageable circle of concern. How helpful would that be?

This brings to mind (or to my mind at least) The Serenity Prayer, which was written by the American theologian Reinhold Niebuhr in 1932. It typically goes like this: "God, grant me the serenity to accept the things I cannot change, the courage to change the things I can and the wisdom to know the difference." Wise words indeed.

The prayer spread rapidly and was even adopted by Alcoholics Anonymous and other 12-step programmes. You can use words and concepts such as life, the universe, or the inner self if there are no gods that you worship.

It's a great mantra for modern living; it echoes what those Stoics were on about all those years ago and, more importantly, as we move further into 2021, it's an excellent maxim not only for peace of mind but also for strategic planning.

And so, for this new year, on a personal and professional level, instead of wishing you every health and happiness, I wish to mitigate your suffering. I wish you the serenity to accept those life conditions that you cannot currently or ever change, I wish you the strength and courage to focus your energies on only those things you can change and, above all else, I wish you the wisdom to know the difference.

## About the Author

Daniel Fryer is a psychotherapist, expert speaker and author of *The Four Thoughts That F\*ck You Up And How To Fix Them*, out now from Penguin Random House imprint, Vermillion.

# Eat Out To Help Out cleared

Treasury data showed no correlation between the Eat Out To Help Out scheme and a rise in Covid cases.

**M**ore than 160 million diners were given 50% off meals for the duration of the scheme, according to data published by the Treasury, which showed areas with high take up of the scheme also had low Covid cases.

The Treasury said: “These figures confirm that take-up of Eat Out to Help Out does not correlate with incidence of Covid regionally – and indeed where it does the relationship is negative.

“As we have done throughout the pandemic, we have worked with creativity and at pace to support individuals and businesses.

“We designed The Eat Out to Help Out scheme to protect 2 million jobs in hospitality, an industry whose employees are at high risk of long-term unemployment in the event of redundancy.

“It protected jobs across the UK by bringing back 400,000 people from furlough while safely restoring consumer confidence.”

The data countered a study from the University of Warwick, which reported that between 8% and 17% of newly-detected infection clusters could be linked to the scheme. Thiemo Fetzer, a professor of economics who published the study, said: “The Eat-Out-to-Help-out scheme, hailed as an economic cure for the ailing sector, may have substantially worsened the disease.”

UKHospitality Chief Executive Kate Nicholls said: “The Eat Out To Help Out scheme was a welcome and timely boost to the hospitality sector but is now a deep and distant memory as hospitality gather dust under the latest restrictions and enforced closures. The sector should be commended for its role in rebuilding customer confidence by providing safe, controlled environments,



and simultaneously powering the national economy.

“The Treasury’s statement and data rightly pulls the rug from under claims that Eat Out To Help Out caused a rise in Covid infections. Hospitality businesses invested significant time, effort and money to deliver safe venues and this is reflected in public sentiment: restaurants, bars and cafes came last in the list of public places in which consumers found it difficult to socially distance, according to YouGov polling in November.

“The safe and successful reopening of the sector in 2020, bolstered by Eat Out To Help, must not be forgotten. Hospitality safely welcomed around 60 million customers a week from July to mid-September, and during that period

less than 1% of hospitality staff tested positive and only 3% of cases could be attributed to hospitality setting.”

The Eat Out To Help Out scheme was a welcome and timely boost to the hospitality sector but is now a deep and distant memory as hospitality gather dust under the latest restrictions and enforced closures.

# Nearly 6,000 licensed premises lost in a year of lockdowns

New edition of the Market Recovery Monitor from CGA and AlixPartners sets out the lasting damage of the pandemic, with casual dining, independents and city centre operators among those hardest hit

**B**ritain lost around 6,000 licensed premises last year, the latest Market Recovery Monitor from CGA and AlixPartners reveals—nearly triple the number in 2019.

It shows that the COVID-19 pandemic and wave of lockdowns contributed to a net decline of 5,975 sites in 2020. This represents a 5.1% contraction in the market since the end of 2019, and a 175% increase on the 2,171 drop in sites that year.

The turmoil of 2020 led to the permanent closure of 9,930 sites, with only 3,955 opening for the first time. It means that for every new opening in the market last year there were 2.5 closures—close to double the ratio of 1.3 in 2019.

The Market Recovery Monitor measures the scale of the damage wrought by the pandemic on hospitality businesses, and forecasts many more closures in 2021. It highlights in particular the significant impact on the casual dining sector, where total site numbers dropped by 9.7% in

2020, and 3.8 permanent closures for every new opening. The community, food and high street pub segments all saw numbers fall between 3.9% and 5.1%. The sports and social club sector, which has suffered from bans on events and socialising, recorded a decline of 6.2%.

“Our report takes stock of the huge damage wreaked by the pandemic on the licensed sector in 2020,” said Karl Chessell, CGA’s business unit director for hospitality operators and food, EMEA. “With stop-start trading for much of 2020 and a widespread shutdown during what should have been a bumper Christmas, nearly 10,000 licensed venues have not been able to make it through, and it is sadly inevitable that thousands more casualties will follow.”

He added: “After such a bleak Christmas it is difficult to be optimistic about the market. But consumers are desperate to get back to eating and drinking out, and we can be confident

that footfall and sales will return when the sector can finally reopen. In the meantime, the case for government support over the next few months is urgent and compelling. There are better days to come, but the sector will be in survival mode for some time yet.”

The latest edition of the Market Recovery Monitor contains in-depth analysis of closures in 2020 by market segment, location and tenure. Among other insights it reveals the severe impact of the pandemic on independent businesses, and the toll taken on city and town centre operators as footfall plummeted.

AlixPartners’ managing director Graeme Smith said: “The wave of closures seen across the hospitality sector in 2020 have been devastating. Longer term this may bring opportunities for ambitious operators, by freeing up property and labour and reducing competition and costs. However, right now survival remains the name of the game. The Government support that followed this latest lockdown is a drop in the ocean for many operators, who continue to accrue debt and burn through cash. Critically, unlike the first lockdown, operators now don’t have the benefit of a cash pile generated through the key Christmas trading period.

“Businesses, their funders, landlords and other stakeholders urgently need certainty and a roadmap to reopening. The rapid rollout of the vaccine offers hope, but with restrictions unlikely to be lifted until Easter at the earliest, the coming months will likely see more sites lost for good.”



# Supreme Courts backs insurance claims

The Supreme Court has upheld its judgement in favour of policyholders, on the Financial Conduct Authority's business interruption insurance test case.

**S**onia Campbell, partner, Mishcon de Reya, who represented the Hospitality Insurance Group Action, said: "We are absolutely delighted that the Supreme Court's decision means that there is cover under the QBE1, QBE2 and QBE3 policies for all of our HIGA clients, as well as for the vast majority of policyholders with non-property damage Business Interruption (BI) cover – those businesses now have cover confirmed in principle for their business interruption losses caused by the national response of the Government to Covid-19. QBE should now pay all of the QBE policyholders that we represented at first instance without further delay.

"The Supreme Court has recognised that, just at the critical time when this cover was most needed most by thousands of struggling UK businesses, insurers were wrong to adopt the position that coverage was applicable only if there were narrow local restrictions, and that

they could deny claims because the cover had not been intended to be provided and/or because the interruption and therefore losses would have happened in any event. These arguments have been comprehensively dismissed by the Supreme Court.

"We hope that this judgment will come as a massive boost to all those businesses still reeling from the third lockdown. Covered businesses can now demand that their claims are paid.

"In a detailed analysis of insurance law on proximate cause and causation, the Supreme Court has clearly and efficiently torpedoed the academic and convoluted arguments of insurers and laid down clear guidance as to how these claims should be paid. In commenting that it is no surprise that the Court has come to this view, in an even more comprehensive way than the Commercial Court did, the Supreme Court has also paved the way for policyholders to make additional

claims for delayed payment of claims.

"It is a resounding but long overdue success for businesses, but we recognise that it may still be too late for many. The claim adjustment process that must now happen should happen immediately, and insurers must not be allowed to drag their heels and cause further distress."

Hiscox Group said that the total group estimate for business interruption increased by \$48m net of reinsurance.

The group said that Hiscox's exposure to potential business interruption claims arising from further UK government restrictions to contain the spread of Covid-19 had been running off at approximately 8% per month from June 2020, with residual exposure to be fully run off by the end of June 2021.

Following the judgment, the group estimated exposure to restrictions already announced in 2021 at less than \$20m if restrictions extended to the end of March.



It is a resounding but long overdue success for businesses, but we recognise that it may still be too late for many. The claim adjustment process that must now happen should happen immediately, and insurers must not be allowed to drag their heels and cause further distress.

# Why are travellers now booking further ahead?

Despite a gloomy start to 2021, with the return of lockdowns across the UK, Ireland and beyond, there is some activity, and a reason to be optimistic, according to Amadeus Demand360® and flight data.

**A**madeus only uses real time, on the books data to forecast occupancy, making it easier to take informed decisions when it comes to planning next steps.

## A shift in booking window behaviour

In previous months, when domestic travel was leading hotel recovery, we noticed a shift in lead times with the average booking window shortening compared with previous years. On average, for the second half of 2020, our data showed that over half of bookings in the UK & Ireland were made within the 0-7-day window, with many even made on the same day of booking. In 2021, we're still seeing an increase on the amount of bookings made during that time frame, with 58% of bookings still made last minute in the UK and 52% in Ireland. However, a newer shift

in booking behaviour indicates that more travellers are now looking to book further out – with 20% of bookings in the UK now made three months or more in advance. This is up from 13% last year. Ireland shows a similar picture, with 22% of bookings currently made in this timeframe, a slight increase from last year.

There are two reasons behind what might be causing this shift. Firstly, unsurprisingly, most of us are feeling pessimistic about the future, with 62% fearing that the worst is still to come (Visit Britain). As a result, it makes sense that many are taking a cautious approach to booking holidays, opting to play it safe rather than sorry. However, in contrast, for those whose vaccination date is nearing closer, confidence is growing. As a result, many travel firms such as TUI and National Express are seeing a spike in bookings from those in the 50+ age range (BBC).

## Adapting strategies in response

Now that we know there is potential demand coming from bookings made three or more months in advance – how can hoteliers use this to ensure they are the chosen ones for bookings?

Firstly, as always, it's important to consider who your competition is when it comes to targeting available demand. Our data indicates that of the bookings made within the 90+ day window, almost a third of those bookings are for luxury properties in both the UK & Ireland. Research from Hotels.com found that a desire for more spontaneity is leading to an increase in luxury travel, with 17% of those surveyed booking five star stays for 2021. For hoteliers in this segment, this provides an opportunity to widen your reach with advertising that targets those outside of what you previously believed to be the target market or existing CRM.

Hotel booking lead time (UK)



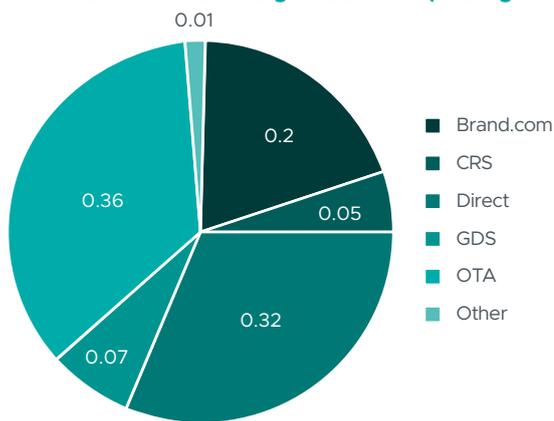
Source: Demand360®, data as of 11 January 2021

Hotel booking lead time (Ireland)



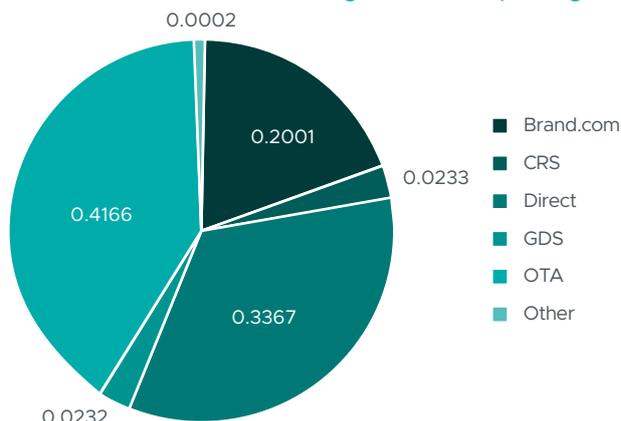
Source: Demand360®, data as of 11 January 2021

UK - Current Year Booking Channel Mix (Trailing 4 weeks)



Source: Demand360®, data as of 11 January 2021

Ireland - Current Year Booking Channel Mix (Trailing 4 weeks)



Source: Demand360®, data as of 11 January 2021

Once you use data to understand who your competition is, it's all about effectively communicating your property or brand's value proposition. With so much on offer, why should a traveller book with you? Recent insights tell us that there are certain factors which appeal during the booking process now more than ever, such as the continued need for clear hygiene and safety factors. In the

Amadeus Rethink Travel Study, we found that 4 in 5 say technology will increase their confidence to travel, for example through mobile apps and contactless payments. Use this to your advantage as you build campaigns which appeal to the needs of your target audience.

Finally, take the time to check where bookings are coming from. Throughout 2020, we saw a growth in Online Travel

Agency (OTA) bookings. Currently, 36% of bookings in the UK come from this channel, and a further 32% from Direct. In Ireland, the proportion of OTA bookings rises slightly to 42%, and Direct drops to 34%. This split suggests travellers are using different channels to make bookings, so – if you haven't done so already – adapt your channel mix to make sure you have presence across all major channels.

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# Granting a respite

The Government's new grant scheme may still leave many businesses out in the cold, Colliers International, due to delays in delivery and complications in applying.

**T**he government has now issued full guidance to confirm the business support package for the January lockdown in England, which is geared at businesses mandated to close due to national restrictions from 5 January 2021.

The following grants will be provided:

1. Closed Business Lockdown Payment (CBLP)– one-off top up grant
  - £4,000 for businesses with a rateable value of £15,000 or under
  - £6,000 for businesses with a rateable value of between £15,000 and £51,000
  - £9,000 for businesses with a rateable value of over £51,000
2. Local Restrictions Support Grant (Closed) (LRSG Closed Addendum) – usual 14-day cycle will move to a 42-day allocation
  - £2,001 per 42-day qualifying restriction period for businesses with a rateable value of £15,000 or under
  - £3,000 per 42-day qualifying restriction period for businesses with a rateable value of between £15,000 and £51,000
  - £4,500 per 42-day qualifying restriction period for businesses with a rateable value of over £51,000

Eligible businesses are those mandated to close with rateable values in the local rating list as shown above on 5 January 2021. Businesses must have been trading the day before the national restrictions came into force unless they were forced to close due to local tier restrictions.

Businesses that can operate their services effectively remotely, and which have chosen to close rather than being mandated to, in administration or exceeded state aid/subsidy limits, are ineligible.

The government has also provided

a further £500m for local authorities to provide through the 'Additional Restrictions Grant (ARG)' and can be used in financial years 2020/21 and 2021/22. The ARG is a discretionary scheme designed by each local authority but may include:

- businesses outside the business rates system
- businesses which supply hospitality, leisure or retail sectors
- businesses in the events sector
- larger businesses important to the local economy

Commenting on the new grant scheme, John Webber, Head of Business Rates at Colliers International said: " Whilst it is good to see the details of the scheme in England confirmed and we are pleased that the Government has decided to support those retail, hospitality and leisure businesses that have had to close due to the Lockdown, there are still many wrinkles as outlined below:

- The grant applications are difficult to fill in and many businesses are struggling to complete applications due to the amount of supporting information required.
- The Discretionary Grants are to some extent a post code lottery- with some boroughs processing grants at much greater speeds to others. Some local authorities are requesting differing levels of evidence to others - and different boroughs are deciding which

businesses to prioritise. This makes the process difficult for those in ancillary businesses such as those that supply the hospitality, leisure and retail sectors.

- Although the UK has now left the EU and the EU state aid rules no longer apply, the UK remains bound by international commitments and the guidance advises that local authorities can still pay out subsidies (grants) under the State Aid Temporary Framework (up to €3m) until further guidance on subsidy control related to these schemes is issued.
- There is a shortage of administrative staff in many local billing authorities to process the grants. With shortages already prevalent as a result of Covid-19, the situation has been made worse by the government's failure to pronounce on its business rates policy after the end of March, when the business rates holiday for the retail and leisure sector comes to an end.

Webber said: "The failure to announce whether the struggling retail/ hospitality/ leisure sector will see an extension of its business rates holiday after the end of March means that local billing authorities will need to be getting their systems ready now with a view to sending bills early March. However, the people who will be dealing with this are often the same people who are now struggling under the weight of distributing a new grant scheme.

"We urge the government to say something quickly and extend the business rates holiday for this sector post March-- or they will be giving out grants with one hand but taking it back for rates payments with the other- an economic as well as an administrative headache."

"The first national Lockdown grant scheme which ended in August last year, still had over a £1bn left to distribute before the scheme closed. Let's hope local authorities can be more efficient this time, but I am afraid the odds are stacked against them".

**The first national Lockdown grant scheme which ended in August last year, still had over a £1bn left to distribute before the scheme closed.**

# Pandemic cost hospitality £200m a day in 2020

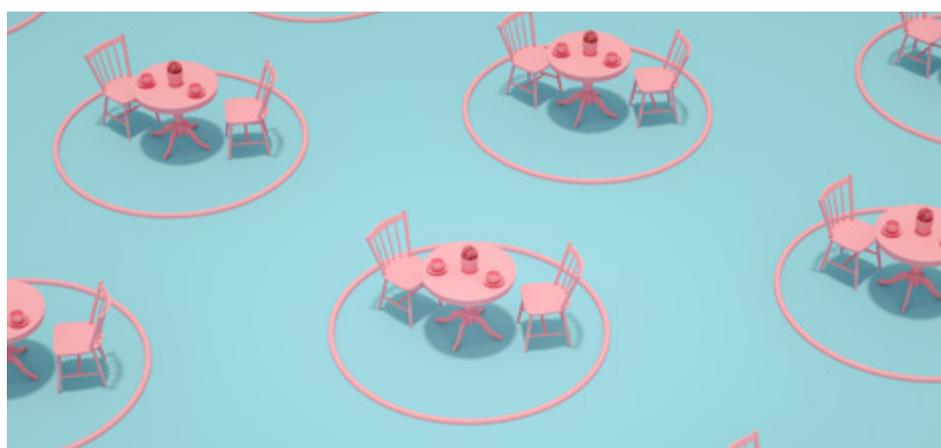
New data from UKHospitality and CGA shows hospitality sector turnover last year was less than half of 2019 levels – dropping by almost £72bn - equivalent to nearly £200m a day or £8m per hour in lost sales for Britain’s pubs, bars, restaurants and hotels.

**T**he latest edition of the UKHospitality and CGA Quarterly Tracker reveals a staggering 54% drop in sales in 2020 for an industry that, in normal times, employs over three million people and contributes many billions of pounds in tax to the Treasury. Sales collapsed from £133.5bn in 2019 to £61.7bn in 2020.

The stark figures highlight hospitality’s ongoing need for specific financial support from Government in order to survive the crisis and play its part in economic recovery. Recent CGA research indicates that around 6,000 licensed premises in Britain closed permanently in 2020, and with severe restrictions likely to remain in place for months, aid is urgently needed to prevent thousands more business failures.

Strict local and national restrictions on trading and socialising caused a particularly damaging drop in trade in the final quarter of the year, the Tracker shows. Sales from October to December 2020 were worth just £14.3bn—down by £18.7bn or 57% on the last quarter of 2019.

Kate Nicholls, CEO of UKHospitality, said: “These figures are simply devastating; hospitality was hit first, hit hardest and continues to suffer because of pandemic restrictions brought in. And sitting behind this massive loss of revenue is the dreadful, real impact on people’s lives and livelihoods across all parts of the sector and supply chain. It is also yet another stark reminder of the



importance of having an exit strategy from the current lockdown and providing ongoing support for sector businesses.

“Hospitality can and will bounce back and it’s in the interests of the Government to support a sector that, in normal times, contributes many billions of pounds in tax to the Treasury and employs over three million people. We need the Chancellor to step up again in his forthcoming Budget to deliver a bold, wide-ranging package of financial support that ensures as many businesses and jobs as possible are saved and the sector returns to growth. An extension of the VAT cut and business rates holiday must be top of the menu.”

Phil Tate, group chief executive of CGA, said: “This is the clearest evidence yet of the shattering impact of the COVID-19 pandemic on the country’s hospitality industry. With every week

of restrictions, the sector loses more than a billion pounds of sales, hundreds of businesses and thousands of jobs. Widespread closures over December, the busiest time of year for so many restaurants, pubs and bars, were a devastating final blow in a year of unprecedented challenges.

“Hospitality has responded to the pandemic with courage and innovation. Businesses have worked tirelessly to protect jobs, to support local communities and, when they are able to trade, to keep people safe. With a vaccine rollout underway there is at least some light at the end of the tunnel, and this sector is well placed to help recharge the UK economy as 2021 goes on. But it will only be able to do so if it gets the extensive support that is now desperately needed to sustain it over the next few months.”

# After 2020, Hotel Industry Knows What It's Up Against

The end of 2020 is not the end of the problems for the global hotel industry, but it does bring hope on the wings of a vaccine that, in time, could be a panacea for what ails it: fear.

**T**he hotel industry does not perform well without its most significant ingredient: people. The pandemic has removed that element. In its place sit unused guestrooms, vacant restaurants and empty conference and meeting spaces. It's a recipe for disaster, which is exactly what was concocted last year.

But the close of the calendar doesn't automatically mean a brighter 2021. It will still take time.

Performance in Europe did not achieve the same success as regions such as the Middle East—the product of stricter

restrictions and lockdowns that were ubiquitous across the region toward the latter part of the year.

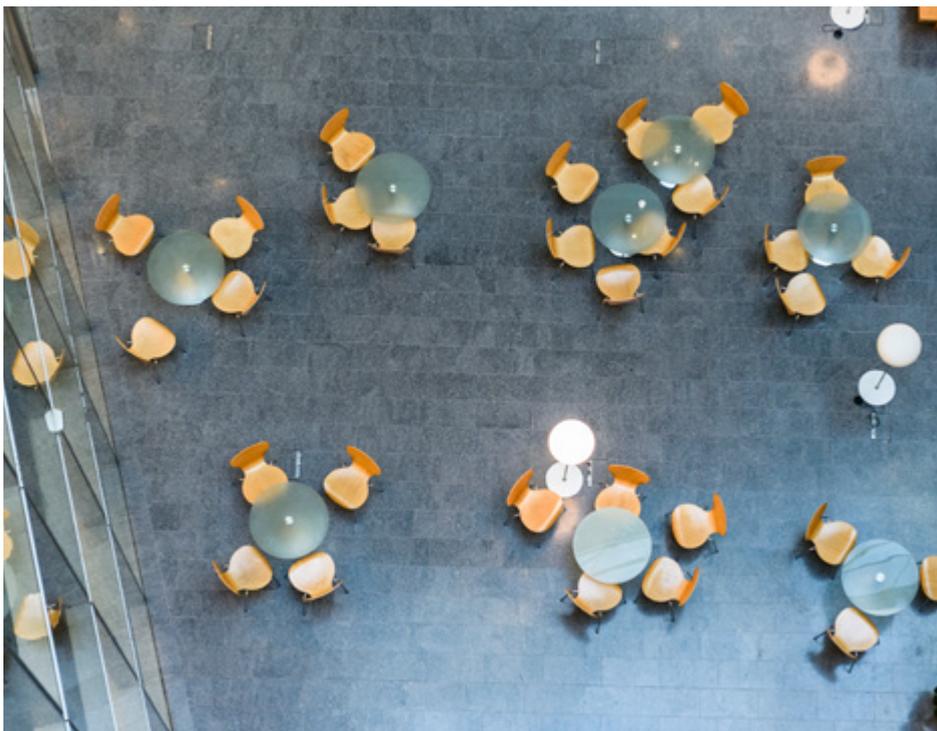
Europe was the one region that did not record positive GOPPAR in the month and at -€7.33 it was down 113% YOY. At -€0.71 GOPPAR for 2020, it was the only region to not either break even or record positive profit.

Muted occupancy and rate thwarted RevPAR growth in the month, down 85% YOY to €15.50. For the year, RevPAR was recorded at €32.84, a decrease of 72.7% YOY. Weak rooms revenue coincided with difficulty generating revenue

from other outlets, including food and beverage, which was down 70.6% in 2020 v. 2019 to €14.55. TRevPAR for December was recorded at €2.54, an 82.7% decrease YOY. For the year, TRevPAR clocked in at €53.48, down 70.1% YOY.

Lower costs coincided with the dearth in revenue. Total overheads for the year were down 41.7% for the entire year versus the year prior and labor costs fell 49.3% YOY, a product of shuttered hotels and large staffing cuts in hotels that did manage to keep the lights on.

Profit margin in December stayed negative for the third consecutive month at -24.7% and was negative for the entire year of 2020 at -1.3%.



## Profit & Loss Key Performance Indicators – Total Europe (in EUR)

### Dec 2020 v Dec 2019

RevPAR: -85.4% to €15.50  
 TRevPAR: -82.7% to €29.54  
 Labor PAR: -65.5% to €18.76  
 GOPPAR: -113% to -€7.33

### YTD 2020 v. YTD 2019

RevPAR: -72.7% to €32.84  
 TRevPAR: -70.1% to €53.48  
 Payroll PAR: -49.2% to €27.79  
 GOPPAR: -101.1% to -€0.71

# Christmas sales misery

Britain's managed pub and restaurant groups saw total sales drop by 72.6% over the festive season, in what should have been the sector's busiest trading period of the year, latest data from the Coffe Peach Business Tracker show.

“Hopes that Christmas and New Year would help at least part of the market recoup a little of the income lost earlier in 2020 were dashed when the Government started to impose increasingly severe tier restrictions across England in the run-up to the Christmas break, with further prohibitions for New Year, on top of the restrictions in place in Scotland and Wales,” said Karl Chessell, director of CGA, the business insight consultancy that produces the Tracker, in partnership with The Coffe Group and RSM.

Trading figures for the five weeks from November 30 to January 3 show that drink-led managed pubs and bars were worst hit, with total sales down 83.7% and 87.2% respectively on the same period last year. Managed food-led pubs and pub restaurants were down 78.2%, while group-owned restaurants saw total sales drop 57.9%.

“Restaurants had a marginally less miserable time, benefitting from people out Christmas shopping at the start of month and more importantly from delivery business. Overall in December, delivery accounted for 23% of restaurant chains' sales,” added Chessell.

Regionally, London, which was largely open at the beginning of December, also fared slightly better than the rest of the country with sales down 66.8% on last year, compared to 73.9% down outside of the M25.

“The tier system had already kept pubs and restaurants across large parts of the country closed from the start of the month, but the escalation of measures saw the sector effectively grind to a total standstill by the end of December, even before January's return to complete lockdown,” observed Chessell.

At the beginning of the festive period Tracker figures show that just over half

of the country's managed pubs, bars and restaurants were trading again after November's lockdown. By the end of December the number was less than 10%.

At the end of December, underlying annual sales for the whole market were down 50.5% on the previous 12 months.

David Coffe, chairman of The Coffe Group, said: “It doesn't need a genius to work out why these dreadful trading figures have materialised. The big question is how do we come out of the spin? With most operators now unable to create any turnover whatsoever the accrual of debt has become critical. The crucial date will be 31st March when the moratorium for insolvency is removed and many operators will face over a year of unpaid property outgoings which landlords will be able to aggressively pursue. Similarly, there are debts relating to rates, taxes, VAT, insurance and repayment of business loans. Altogether a tsunami of debt which needs to be dealt with from a standing start. How our sector, and indeed others, manage this predicament will be more than a challenge.

“All operators have been endeavouring to conserve resources by furloughing staff and closing their premises but it will be exceptionally hard to ‘open the doors’ and

just start trading. Customer confidence, cultural changes, unemployment, and lack of spending power will have an impact certainly in the years following. There will be opportunities for those who wish to expand with grateful landlords and helpful banks involved. We all hope for additional Governmental intervention come April but come what may this is not the landscape that any of us could have imagined let alone experience. I don't expect these operational figures to improve in any way over the coming quarter but I have the greatest hope that the spirit to survive and thrive will come to the forefront.”

Paul Newman, head of leisure and hospitality, RSM, said: “December's results lay bare the stark reality facing the hospitality sector. The Government's tier restrictions led to most sites shuttering early in the month, compounding pressure on costs with operators already committed to serious outlays with suppliers to meet anticipated festive demand. With new year lockdown measures unlikely to be lifted before Easter – in an optimistic scenario – the hospitality industry is left facing its greatest challenge yet. Businesses and their funders desperately need greater visibility to support their cash flow forecasting. It's hard enough to predict when top line income will return without the ongoing uncertainty around costs. Urgent clarity on substantial, additional Government support is needed now as the 3rd March budget may simply be too late. The Chancellor's latest grant package does not go far enough, barely touching the fixed monthly site costs that businesses face. At the very least, a further year of business rates relief and the extension of the 5% reduced VAT rate would provide some hope for the future and allow more companies to emerge the other side of this pandemic to fight another day.”

Restaurants had a marginally less miserable time, benefitting from people out Christmas shopping at the start of month and more importantly from delivery business. Overall in December, delivery accounted for 23% of restaurant chains' sales.

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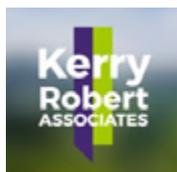
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We are extremely grateful to the Savoy Educational Trust for their support in funding the development of this programme.



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