

A close-up photograph of a bartender's hand pouring beer from a dark blue bottle into a row of clear glasses on a bar. The bartender is wearing a light-colored shirt with a 'UK' logo. In the background, there are various bar items including a bottle of amber liquid, a stack of white plastic cups, and other glassware. The scene is lit with warm, ambient light.

Matthew Clark

Industry bulletin

March 2021

Welcome to our industry bulletin

Hospitality in England is expected to return to outdoor trading on April 12th with indoor trading to follow on May 17th. There's hopeful signs that consumers are keen to return to the on-trade in the early days, with more confidence in the safety of hospitality venues than in the July 2020 reopening.

With reduced case numbers and hospitalisation, and the positive uptake of vaccines, the mood is hopeful according to a CGA survey of more than 3000 consumers. This is good news for venues hoping for a strong few weeks to carry them into the warmer weather. There has been good news in that alcohol duties have been frozen for a second year in a row, there will be 6 months VAT holiday for the hospitality sector. On the other hand, some in the industry have expressed concerns that venues will open for indoor trading more than a month after retail. A legal challenge on this issue has been mounted against the Government and will go the High Court in April.

Back To Trade in numbers



51

Percentage of people who will visit a UK venue within the first weeks of opening¹



5

Weeks between retail sector and hospitality sector reopen dates



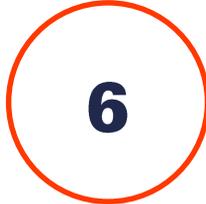
30th

Of September, the date when the furlough scheme is intended to wrap up completely



55

Percentage of consumers who, in 2020, felt safer in venues than in shops²



6

Months of VAT holiday for hospitality, announced in the 2021 Budget on March 3rd⁸



2p

The amount consumers will save on each pint of beer due to alcohol duties being frozen again⁸

Reopening Timeline in the UK

A roadmap out of lockdown has been announced for both England and Scotland, while N. Ireland and Wales still await details from their governments.

29th March – Outdoor recreation is allowed in England

Outdoor gatherings of **either 6 people or 2 households** will be allowed, allowing opportunity for picnic/takeaway dining. This includes in private gardens³.

12th April – Venues can resume trading outdoors in England

Hospitality venues can serve people **outdoors only**. There will be no need for customers to order a substantial meal with alcohol, and no curfew - although customers must **order, eat and drink while seated**. Self-contained accommodation, such as holiday lets, where indoor facilities are not shared with other households, can also reopen³.

15th April – N. Ireland and Wales to review lockdown exit plans

Hopefully this will bring clarity around reopening dates and restrictions for the regions. The initial expectation of a 5th of March reopening in NI did not eventuate and venues in both regions are experiencing difficulty in not be able to plan effectively for reopening⁵.

29th April – Mainland Scotland moves to level 3

Hospitality venues in Scotland will be able to serve people outdoors in groups of six from three households until 10pm, with alcohol permitted. There could also be limited indoor opening from this date, with food and non-alcoholic beverages served until 8pm for no more than four people from two households⁴.

17th May – Indoor Venues can resume trading in England

In England, indoor hospitality, entertainment venues, and the rest of the accommodation sector will reopen. Outdoors, most social contact rules will be lifted - although gatherings of over 30 people will remain illegal. In Scotland, Hospitality venues will open until 10:30pm indoors with alcohol permitted, and 10:00pm outdoors with alcohol permitted.

21st June – All legal limits could be removed in England

Nightclubs can reopen, and restrictions will be lifted on large events and performances that apply in Step 3. This will also guide decisions on whether all limits can be removed on weddings and other life events.

Headlines

CGA Consumer Forecast: Consumers longing to get back to hospitality

Consumers are badly missing hospitality experiences but understand that going out to eat and drink won't return to normal for a while yet. According to the third edition of CGA's 2021 Hospitality Consumer Forecast.



Budget 2021: hospitality vat cut extended and alcohol duties frozen

The UK Chancellor Rishi Sunak has extended the 5% reduced rate of VAT for hospitality for six months and has frozen alcohol duties for a second consecutive year.



Transmission rates down and vaccination rates up, equals a unique staycation opportunity

There is no advice currently from government on international travel policy for 2021, so in lieu of that a surge in staycations would seem likely, with many hotels already seeing a rise in bookings through the summer months.



Scotland First Minister sets out dates for reopening of retail and hospitality in Scotland

Speaking to MSPs, Ms Sturgeon said groups of up to six people from three households will be able to visit venues until 10pm from April 26.



Sacha Lord legal challenge against delayed hospitality reopening date heads to High Court

Sacha Lord is taking his legal challenge against the Government's decision not to allow hospitality to reopen for indoor service until five weeks after non-essential retail to the High Court.



Team engagement vital as hospitality returns—and it's about more than money

Hospitality businesses will need to reassure, motivate and value their staff when they return if they are to optimise both guest experience and retention.



In Focus:

Consumer Confidence in 2021



Consumers are keen to return to the on-trade, despite wider concerns

2/3

Of consumers are concerned that life won't return to normal in 2021. This could effect consumer confidence and willingness to spend on non-necessities¹.

29%

Of Consumers would return to hospitality in the first week of reopening, showing that demand for hospitality has remained steady¹.

73%

Of late night and wet led customers feel confident returning to trade in April 2021, up from about 55% in July 2020. Catching up to their food led counterparts¹.

60%

Of consumer agree that they plan to "treat themselves" when they go out, only 17% strongly agree that they intend to "be more careful on how much they spend"¹. This bodes well for a strong return to trade to see venue owners through to summer.

Revenge of the wet-led customer...

Of all venue types, customers who frequent night clubs and bars are the most likely to express their intent to "go big" once they're able to go out.

£

There's good reason for venues to premiumise in order to offer customers the opportunity to trade-up.



The treat phenomenon has been around for quite some time now, but the pandemic made it more notable. Increasing Whisk(e)y and premium spirits range in higher-end outlets, particularly in hotels and restaurants, will be key to capitalising on this trend⁵.

Trends to watch in 2021

CGA UK Hospitality Future Shock Report



Localism, Close to home and away from city centres

With so many people at home during 2020 there has been a new focus on **local businesses**, centred around where people live rather than where they work. This is likely to return to normal in the long term but will remain a consideration for the next few months at least².

Advance planning a key part of entertainment experience

Driven by both technology and the uncertainty of 2020, there has been a boom in pre-booking take-home and in-dining experiences. There are signs that booking levels have eased a little since then, but ongoing restrictions mean that many people will still prefer the **certainty** of a reservation over the advantages of **flexibility** in a trip out. For operators, that presents the challenge of optimising booking technology and solving the issue of no-shows that has been a high profile side effect of the trend².

Expanded role of technology in day to day trading

Businesses' adoption of technology has picked up pace in 2020. The activity has been focused on three key stages of the consumer journey: **booking, ordering** and **paying**. CGA's Business Confidence Survey with Fourth has shown that **65%** of business leaders had implemented or invested in app ordering systems in 2021, and sizeable numbers had also spent on pay-by-app (54%), pay-by-phone (41%) and online booking systems (41%)².

Delivery and the omnichannel

The food delivery market was growing fast even before the pandemic, but lockdown sent it into overdrive. **More than quarter** of the British population ordered deliveries for the first time, or more often than usual, during the first national lockdown in the spring and early summer².

There is potential to grow deliveries of alcoholic drinks as well as food. **Nearly a fifth** of 18 to 34 year-olds in city centres have ordered alcohol for delivery in 2020².

Reopening Checklist

Getting ready to return to trade



Check Government Guidance

Firstly, be sure to take a look the latest government guidance. Review the information in full and determine the steps you need to take. The government is asking businesses to put in place '**COVID-19 Secure**' safety measures which you will need to adhere to.



Carry out maintenance work

Arrange and schedule any planned maintenance work that has been missed, give particular thought to **pest control checks** and **safety testing** of kitchen equipment, elevators and air conditioning. Ask if there is anything you need to source and install ahead of reopening such as protective screens or any repairs that can be made while your venue is still closed.



Take stock of your business

It's a good time to examine how your business was **performing** beforehand. Does something you're now doing have the potential to continue after the lockdown has come to an end? Cast your mind forward to what the industry will look like over the **next year**.



Plan the return of staff

Start to consider the **level of staffing** you'll need and how you will structure the return of staff. Team members may have experienced a loss or may be concerned about their safety. Take time to chat with each staff member to establish how they feel and work with them to find the best way for them to return to work.



Re-engage with your suppliers

Contact your suppliers to ensure that they open, or **planning to open**, and will be able to process your orders. Some of your suppliers may have some restrictions on what they can do. Establish any potential limitations on what you can order and get a confirmation on your expected **delivery dates**.

Sources

1. [2021 Hospitality Consumer Forecast Part 3 – Consumer future outlook](#)
 2. [CGA Future Shock Issue Eight - Survival to Revival](#)
 3. [Cabinet Office Guidance COVID-19 Response - Spring 2021 \(Summary\)](#)
 4. [Edinburgh News, Scotland Lockdown Roadmap, 17 March 2021](#)
 5. [William Grants & Sons UK Consumer Trends And Market Insight 2021](#)
 6. [CGA – Consumers Longing To Get Back To Hospitality](#)
 7. [Scotsman – Lockdown In Scotland: When Pubs And Restaurants Could Reopen](#)
 8. [Drinks Business – Budget 2021](#)
 9. [Big Hospitality - Sacha Lord legal challenge against delayed hospitality reopening](#)
 10. [Hospitality & Catering News – Transmission Rates Equals Staycation Opportunity](#)
 11. [CGA - Team engagement vital as hospitality returns – and it's about more than money](#)
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