

Weekly Briefing Report Week ending 29 March 2020

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Introduction

I have been publishing The Quarterly Briefing Report since 2009 which, Given the rapidly changing nature of the world today in the midst of the Covid-19 pandemic, some clients have asked me if it is possible to have a more immediate outlook on what is happening. Accordingly, I have started producing [The Weekly Briefing Report](#) as the first draft of the history of the foodservice market in these unprecedented times.

I would value feedback on the usefulness of this report – my email address is peter@peterbackmanfs.com and my phone number is 07785 242809.

My insight

This Weekly Briefing Report captures news stories from the week commencing 23 March 2020 which may become known as The Great Reset. The news stories picked up where the previous week left off with a huge amount of activity, mainly involving mothballing businesses or closing them down entirely. We have already seen the liquidation of Food & Fuel and notice that Chiquito's and Byron are likely to follow the same route.

The retail food supply chain is also showing massive activity, and the foodservice supply chain is pivoting towards the retail market where it is able – but this is likely to be only a short term development that will unwind when things return to a new “normal” and the upturn, whatever it looks like, can begin.

The most dramatic development for the foodservice sector in the past week occurred in the early evening of 23 March with the Government's instructions that the population should lock down and that restaurants, pubs etc will no longer be able to provide dine-in facilities.

In the face of a total inability to operate, restaurants and other hospitality and leisure businesses, have been urgently shutting down their operations and taking advantage, where possible, of the packages of financial and other services that the Government is putting in place.

This is only the start of a very long haul for the foodservice sector, and the people that work in it, which is more than one million.

The numbers

My model of the foodservice sector is now producing monthly figures of sales by operators (and their purchases of food and beverages). I have provided some of the output here. I would stress that although I provide numbers to a high degree of accuracy (for instance, quoting sales to the nearest £100 million), in reality, this represents the central forecast of a range of different possible outcomes.

I estimate that the total foodservice industry lost food and beverage sales worth £1.1 billion in Q2 compared to Q2 in 2019 and practically all of this was lost in the last two weeks.

The largest sector in terms of meals served is now Health Care (hospitals and care homes) and together with the military, police and prisons, it now accounts for over two thirds of the total market compared with about 6% in “normal” times. The balance is made up of some staff feeding in workplaces that provide essential services, hotels that are accommodating essential workers and collection from take aways and delivery.

The restaurant delivery business has not held up as well as some commentators believed just three weeks ago. However, there are some examples of growth. For instance, Domino's has reported that its business is accelerating, and Supper, a high-end London-based delivery service, has reported a large increase in business over the last ten days. In addition, opportunities for delivery are opening up in the provision of meals to the elderly and vulnerable at home.

It is still far too early to comment on what will happen when the pandemic is declared over, because, as yet, there is no clarity over how long it will last, and how things may develop while it runs its course. But I shall be keeping an eye on how things develop. And I will continue to update my model – please contact me to find out my latest views.

In the meantime, there are several trackers that show what is happening to the markets they measure. They are included in the following which shows readings from two trackers over the past week – some trackers that I showed last time have not provided updates since last week:

	March							
	23	24	25	26	27	28	29	Metric
Huq Index	0	0	0	0	0	0	0	Footfall vs 1 Jan 2020 = 100
OpenTable	-100%	-100%	-100%	-100%	-100%	-100%		% change in bookings vs the prior year

The remainder of this Weekly Briefing Report contains a summary of financial, legal and corporate activity in the week:

Financial / legal

- #FeedNHS campaign launched to raise £1m to supply 6,000 meals a day to front line NHS staff; supported by Wasabi, Tortilla, Peach Pubs, Rosa's Thai, Hop, Pizza Pilgrims, Franco Manca, Farmer J, Tossed, Hache, Abokado, Nusa Kitchen
- Barclays increases contactless limit to £45 to reduce need for entering details manually
- Companies House prepared to grant 3-month extension for filing corporate accounts
- Government announces details of Coronavirus Job Retention Scheme, deferral of VAT and Income Tax payment, SSP relief for SMEs, 12 month business rates holiday for retail and hospitality, grant funding of £25,000 for smaller hospitality, retail, leisure businesses, Coronavirus Business Interruption Loan Scheme for smaller business, lending facility from BoE for larger businesses, HMRC Time To Pay Scheme
- Government announces plans to provide free food to 50,000 vulnerable people to be delivered by Brakes and Bidfood
- Government classifies off-licences as "essential" and therefore allowed to remain open
- Government lists "essential" businesses that can stay open: restaurants and cafes offering take away / delivery, supermarkets, convenience stores, market stalls selling food, off licences, banks, pharmacies, post offices
- Government orders hotels to close
- Government receives almost half a million new benefit claims in the 9 days to 26 March
- Government requires the whole population to self-isolate - exceptions for essential 'key' workers
- Jury trials suspended in England and Wales
- Parliament closes
- Quarter day for rent was Wednesday 25 March. Operators struggled to meet payments

Retail

- Aldi announces plan to hire 5,000 temporary workers
- Card Factory closes all sites
- John Lewis closes all sites
- Lidl announces plan to increase hiring
- McColl's says all its stores are open
- Morrisons creates 3,500 jobs at distribution centres
- Primark closes all sites
- Sainsbury's announces plan to increase hiring
- Sainsbury's to recruit thousands of temporary staff
- Tesco announces plan to hire 20,000 temporary workers
- Tesco caps delivery at 80 items
- Waitrose to recruit thousands of temporary staff

Landlords

- Borough Market and Good Sixty to provide online shopping for 29 stallholders
- Boxpark to freeze rent during shutdown
- British Land deferred March quarter day rents and spreads repayment until September
- British Land releases smaller tenants from rental obligations until June
- ExCel Convention centre to be turned into Nightingale Hospital with 4,000 beds
- Hammerson provides Leon with free site (for home delivery) at Brent Cross
- Intu, shopping centre, landlord reported only 29% of rental bills paid on the (25 March) quarter day (versus 77% last year)
- Landlords in general will not evict non-paying commercial tenants
- Network Rail cancels first quarter rent payments
- Shaftesbury, west end of London landlord, defers rent payments from tenants
- Time Out closes all 6 sites globally

Monday 23 March

The Government orders a general “lockdown”. Applies to the whole population: only leave home for “essential” purposes, or for one exercise period per day, or for shopping for essentials, or for travelling to / from essential work.

Restaurants

- Ask closes all its sites
- Berber & Q Grill to deliver food to NHS staff in London
- Bone Daddies closes all its sites
- Café Rouge closes all sites including for delivery
- Carluccio's and Byron merger talks break down
- Chiquito stops delivery and collection, and closes all sites
- Chiquito's placed under notice of administration by The Restaurant Group
- Dishoom closes all its sites
- Farmer J is to launch a grocery and prepared meal delivery service
- Franco Manca closes all sites including for delivery
- Frankie & Benny's stops delivery and collection, and closes all sites (25 March)
- Frankie & Benny's to offer delivery and take away only (23 March)
- Giggling Squid stops delivery and collection, and closes all sites
- Gourmet Burger Kitchen keeps some stores open for delivery
- Hache continues delivery
- Honest Burgers closes all its sites
- Las Iguanas will provide delivery and takeaway option where possible to NHS and other key workers
- Mildred's, vegetarian restaurant group, crowdfunds to support free meals for four London hospitals.
- Nando's closes all its sites including for delivery
- Ole & Steen to close all sites
- Paul offers take away only (23 March)

- Paul opens bread market in Acton
- Paul UK stops delivery and collection, and closes all sites (25 March)
- Pizza Express increases production of pizzas for supermarkets
- Pizza Express to offer delivery and take away only
- Tasty closes all its restaurants; offers delivery and takeaway
- The Real Greek closes all sites including for delivery (26 March)
- The Real Greek closes most sites (24 March)
- Tortilla closes all its sites
- Turtle Bay stops delivery and collection, and closes all sites
- Wagamama closes all sites - dine in, collection, delivery (24 March)
- Wagamama to offer delivery and take away only (23 March)
- Wahaca closes all its sites
- Wildwood to close all sites
- Zizzi closes all its stores including delivery

QSR

- Boston Tea Party plans to continue to employ its full team
- Burger King closes all sites
- Burger King will not pay rent this quarter
- Caffè Nero closes all its sites
- Chilango to close all sites
- Chop'd closes all its sites
- Chopstix closes all its sites
- Costa closes all its sites including for take away
- Crussh stops take away and delivery, closes all stores
- Domino's ceases collection; changes to delivery only
- Domino's Pizza LFL sales "accelerate" driven by more items per order, more delivery, and no collection
- Domino's Pizza moves to contactless delivery
- Eat. closes all stores in UK for good
- Greggs sales fell 9.9% in w/e 21 March
- Grind closes all sites
- Island Poké to close all sites
- Itsu closes all its sites
- KFC closes all its sites
- Leon continues to keep its sites open for NHS teams and other essential workers
- Leon to launch Ocado-style home delivery
- Lina Stores has crowdfunded enough to supply free meal kits to vulnerable Londoners
- McDonald's closes all UK sites for delivery, take away and dine in
- Patisserie Valerie closes all its sites
- Pizza Hut to close all sites for dine-in; some will do delivery
- Pret a Manger closes all stores; continues to pay staff in full
- Starbucks closes all its UK sites
- Wasabi to provide delivery service for the needy and NHS staff from its central production kitchen
- Wimpy keeps some stores open for delivery

Pubs

- Admiral Taverns suspends rent from tenants
- Food & Fuel placed in administration by The Restaurant Group
- Fullers closes whole managed and tenanted estate
- Fullers suspends rent payable by tenants
- Hall & Woodhouse cancels rent, service charges until end May
- Hawthorn Leisure, New World Trading pub business, closes all sites
- JD Wetherspoon announced it will not pay suppliers until pubs reopen
- Oakman Inns and Restaurants stops delivery and collection, and closes all sites
- Shepherd Neame to furlough around 85% of staff
- Tim Martin suggests JD Wetherspoon employees could take jobs if they are offered elsewhere
- Wadworth's opens virtual online pub

Hotels

- EasyHotel closed all its company-managed sites
- OYO Hotels & Homes makes provides 2,000 rooms for key workers at reduced rates
- Whitbread closes Premier Inn hotels in UK and Germany

Leisure

- Casual Dining Show cancelled – venue at ExCel Convention centre being turned in emergency hospital
- Chester Race Company to provide free frozen meals to emergency front-line workers at Chester Racecourse
- Chestnut Group closes all its sites until 1 July
- Golf courses across the UK close
- NRA Show, planned for May in Chicago, cancelled
- Rugby League Challenge Cup and Champions Cup postponed
- Ryanair ceases services until June
- SSP UK and Europe sales are down by 80-85% in the last week
- Ten Entertainment closes all sites
- TfL cancels Q1 rent payments
- TfL places restrictions on passenger numbers and increases social distancing
- Tokyo Olympics rescheduled for Summer 2021
- UK Rail offers refunds on unused tickets and season tickets caused by Covid-19
- Wizz Air grounds 85% of its fleet

Health Care

- NHS volunteer scheme attracts 700,00 volunteers in first week
- More than 7,000 retired NHS nurses / midwives sign up for temporary work

Delivery

- Deliveroo institutes rapid 24-hour payment service for restaurants on its app
- Deliveroo partners with M&S and BP to deliver essential groceries to customers
- Detox Kitchen delivers food boxes to feed two to four people for a week; half price for elderly and NHS
- Mindful Chef reports 400% increase in customers in the past week
- Ocado to recruit thousands of temporary staff

Suppliers

- Bidfood and Brakes start working together on government scheme to deliver weekly care packages of vital supplies to those in need
- Bidfood starts offering click and collect and home delivery to consumers with £100 minimum order
- Brakes starts to supply Brakes-brand products to Sainsbury's
- BrewDog to open online bars
- Great British Beer Festival cancelled by CAMRA
- JJ Foodservice to extend night shifts as demand increases