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Weekly Briefing Report

Week ending 28 February 2021

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Introduction

I write [The Weekly Briefing Report](#) to provide an immediate view of the market. My premium service which includes Monthly and Quarterly Briefing Reports provides a slightly more measured view. You can find details [here](#) of how to subscribe to this premium service.

I value your feedback. And I would particularly appreciate your thoughts on the topics you would like me to add to my coverage – contact me at peter@peterbackmanfs.com or on 07785 242809.

My insight

I was listening to the Prime Minister's statement in the House of Commons regarding the future Covid Roadmap with a recruitment consultant (we were adequately socially distant – he being in his office; I was taking my daily constitutional, alongside Dollis Brook in Finchley). In the course of our discussion, we talked on the phone, listened to the BBC, and messaged via WhatsApp – oh the joys of the iPhone.

The thing is two stories were being played out. The first was that while the PM was talking, two briefs came into my friend to start recruiting for senior positions in the foodservice sector. Then there was the other story: when the PM had finished speaking the airwaves suddenly became loud with voices talking about the death, even the murder, of hospitality.

Can both stories be true? Well, of course they can, since they both happened. But it's what they tell us that is important. And they are saying at least two things. First: confidence, human nature, having the right attitude – are important drivers of action. And it seems to me, that this is going to be a significantly important attribute in the three months that lie ahead until restaurants and pubs can open their indoor spaces again, for normal trading to restart. In the meantime, the government has to play its part as we proceed along the path it has mandated – and that means providing proportionate support to the sector. I discuss this topic in some more detail in my current Monthly Briefing Report which is available to subscribers of my Premium Briefing Report service.

The other thing that these two stories are saying is rather hidden in the undergrowth. The companies that placed the briefs to start recruiting again were large. Size seems to matter right now, or at least being adequately funded, is important in current conditions. That is much more likely to apply to larger companies. At the other extreme, small companies have the ability to hunker down, the owner becomes an Uber driver for the duration, perhaps there is an understanding landlord. They too will survive. It's the ones in the middle that are under threat.

It therefore looks as though the large and the small will survive the severe strains over the next three months. The ones in the middle are much less likely to. And the important thing is that after the conditions are relaxed and we move into the second half of this year, then into 2022 and beyond, the hospitality and foodservice sectors will be lacking mid-size operators – those who were the drivers of the market in the past upturn from the Great Recession. Who will replace them? My money is on the surviving small players – or some of them anyway; they are the small mammals currently rooting around in the undergrowth that I talked about a few weeks ago.

The numbers

One defining characteristic of covid has been the prevalence of numbers which both help define the pandemic and provide guidance for human behaviour. There is the sombre daily incantation, in mainstream media news bulletins concerning numbers of cases, hospitalisations, and deaths. They are presented on screen– tens of thousands of this, hundreds of that – as if somehow by presenting them in this way, covid itself can be held at bay or shamed into insignificance. And these “bad” numbers have recently been joined by a “good” number – the number of vaccinations, currently about 20 million.

At the other end of the scale there is the R-number which is “good” if it is less than 1. Then there is another number in the Rule of 6, although what does it mean? Does it apply to me? Can I safely circumvent it? What latitude does it allow?

There are 4 tiers that describe what the English are allowed (or forbidden) to do. Wales – using a different name with somewhat different definitions - also has 4, although they are called Alert levels. But Scotland, perhaps wanting to be seen to be different, has 5 levels which confusingly come with a highest level of 4 (because the levels start at zero rather than 1).

And almost forgotten, are the 5 UK-wide Alert levels that describe the status of covid – they come both with numbers and a colour scheme. Currently we are in the Orange level – Level 4 – having moved down from Level 5 in the past week. This means that the risk of healthcare services being overwhelmed is no longer an issue, but transmissions are high or perhaps rising exponentially (which they are not because they are actually falling).

And this week too, we have been introduced to another 5 – the five weeks between the 4, or possibly 5, or even 6, step changes in lockdown restrictions. Five weeks are necessary because the effects on covid transmissions resulting from a change in restrictions (perhaps restaurants being allowed to serve meals al fresco) take three weeks to appear in the statistics, a further week is necessary to analyse the numbers, and then a week to decide what to do next.

So, we are entering a period when we count down weeks to the next review in steps of 5 – 8 March when schools reopen (although Step one is on 29 March – confused?), 12 April, 17 May, 21 June, and possibly 21 July when restrictions are hopefully going to be removed entirely.

So you can take your pick of a number between about 20 million and less than 1 to describe covid. Which one is most meaningful to you?

In the meantime, here are the latest figures from the Huq Index and OpenTable:

	February							
	22	23	24	25	26	27	28	Metric
Huq Index	3.2	3.4	3.5	3.5	3.9	5.5		YoY % change in footfall
Open Table	-99.8%	-99.9%	-99.7%	-99.6%	-99.4%	-99.3%		YoY % change in bookings

The rest of this report contains a summary of corporate and other activity over the past week:

News in the past week

Financial & Legal

- Prime Minister reveals roadmap out of lockdown
- Scotland to reopen hospitality from end April
- Government figures shows 1.2 million hospitality workers on furlough at end January

Foodservice

- Pubs and restaurants to reopen with social distancing on 15 May
- Alfresco dining and drinks allowed from 12 April

Landlords

- Westminster City Council to relaunch alfresco dining
- Shaftesbury collected 45% of rents due in Q4 2020

Restaurants

- Bella Italia and La Tua Pasta launch Bella at Home meal kits
- Le Deli Robuchon online shop launched
- Byron plans to reopen 16 sites with outside dining on 12 April
- Honest Burgers plans special offer to benefit its main suppliers
- Caravan launch Brunch n' Box for Mother's Day

QSR

- Costa to offer delivery from 500 units via Deliveroo

Pubs

- Fuller's launches Mother's Day home meals
- Pubs allowed to serve takeaway drinks from 12 April

Hotels

- Center Parcs plans to reopen on 12 April and to offer restaurant delivery

Healthcare

- Care UK care homes introduce new staff "no jab, no job" policy

Delivery

- Slerp, ordering platform, sales up 600% growth in the last half year

Suppliers

- Nestlé acquires SimplyCook meal kit business

Around the World

- Ireland pubs to reopen mid-summer
- Denmark schools to reopen 1 March
- Ireland has started reopening schools
- Accor launches plan to pay for employee vaccinations
- Sweden to reduce opening hours for restaurants, cafes, bars
- Finland to close restaurants and bars from 8 March
- Croatia reopens bars and restaurants for outdoor dining and drinking
- Domino's Pizza global sales rise 21.7% in Q4