

# WEEKLY BRIEFING REPORT

**Week ending 19 June 2022**

Published 20 June 2022

**Peter**  
**Backman.**





## About the Weekly Briefing Report

I write the Weekly Briefing Report to provide an immediate view of the market. 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](mailto:peter@peterbackmanfs.com)

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## 1978

I have decided to adopt a different format for this edition of The Weekly Briefing Report which I hope you find enlightening.

In my Weekly Briefing Report for 15 May I noted that the current situation that the foodservice sector finds itself in bears more than a passing resemblance to the situation in 1978. I have asked four people, who were starting out at that time and who went on to develop distinguished careers over the following decades, to describe what they recall of 1978. Over the next few weeks I'll set out what they have to say about the market 44 years ago – and what recommendations they have for today's managers.

Their recollections show that many things have not changed, and they also hold valuable lessons for today's challenging market - especially in terms of accepting the current situation, and just getting on with it.

1978 was a time of change, when new things were being tried but with little relevant past experience to guide the way. Today we have the benefit of decades of experience – we should grasp it with both hands.

This week we'll find out what Vic Laws has to say:

**Vic Laws MBE** currently holder of many ambassadorial roles including the Institute of Hospitality, The Clink and the Association of Catering Excellence as well as founder, in 1986, of AVL Consultancy which specialises in the foodservice sector.

## Memories of 1978

During the 70s I was working for THF Airports looking after in-flight catering at 12 sites in the UK and Amsterdam, Paris, and Berlin. I was 36 in 1978. *[THF Airports became Alpha Airports Group in 1994 – Peter Backman.]*

Casting your mind back 50 odd years is difficult as sometimes your memory mixes years so I may be straying into other difficult times. However there are things I remember and learnt from those times.

## Portion Sizes

- We cooked meat more slowly and at lower temperature to decrease shrinkage
- We reduced plate sizes particularly in carveries
- We used more plate service in restaurants, where previously it was silver or butler service, to reduce waste

## Staffing

- At flight catering units and other production sites we introduced more conveyor belt production to increase productivity
- We looked at buying ready prepared foods instead of making on site

## Changing menus

- Many airlines took catering off short haul flights

## Technology

- We started using fax machines instead of telex (in the early '80s a fax machine cost £5,000)
- XI Data introduced computer costing for menu in the early 80s
- We ensured dishwashers and water softeners were working efficiently to reduce energy consumption.

There is so much in Vic's comments that are still relevant today – from energy and waste reduction to the role of technology.

And not to mention removing catering from short haul flights. Whatever Vic was able to achieve, catering must have returned at some point, only for it to be removed again in recent years. Maybe the lesson from this particular observation is that what goes round, comes round: just as it was a clever idea to remove food from short haul flights in 1978, there may be good reasons for doing one particular thing, but there may also be good reasons for not doing it.

Next week I'll be featuring Tony Hughes - CEO of Mitchells & Butlers food division and its predecessors, Bass and Six Continents -.

## The numbers (in brief)

Bank of England agents report that 'leisure companies said revenues were close to pre-pandemic levels' in May; this aligns with the Coffer CGA report that shows pubs' and restaurants' actual sales in May were just 4.7% above 2019 – and their LfL figures at a more modest 0.1% above 2019.

But on the other hand, effective menu price inflation is 11% (probably more) above 2019 prices.

All of this points to a growing market that is still about 10% below 2019 in real terms. And factoring in the growth lost during the pandemic, the market is 18-20% below where it would have been without covid. There is still quite some room to make up, I fear.

The rest of this Weekly Briefing Report provides a summary of the news in the last week:

## News in the past week

### Financial & Legal

- Average total pay rose 6.8% in the three months to end April – inflation adjusted it fell - 2.2%
- Employment rate was 75.6% in the quarter to end April
- Government makes first (of two) payments to poorest households
- Headline unemployment rate was 3.8% in the three months to end April

### Landlords

- Shaftesbury (landlord in Soho, Chinatown, Carnaby Street) and Capco (Covent Garden) to merge

### Restaurants

- Rockfish restaurants to stop serving cod over the summer due to supply issues
- Whitbread food and beverage sales fell -4.3% versus 2019 in the latest quarter

### QSR

- Bank of England identified solid stronger sales growth in fast food outlets versus rest of hospitality

### Pubs

- DCMS lists, relists, or upgrades 11 eleven English pubs for their historic or unusual interiors

### Hotels

- Hospitality staff vacancies rose 83% in the three months to end May versus 2019

### Leisure

- Bank of England identified robust demand in leisure where revenues were close to pre-pandemic
- Heathrow passenger numbers rose 480% in May versus March

### Distributors

- Booker sales increased 57.4% in the three months to end May versus 2020

### Suppliers

- Beer volumes grew 40% in the quarter to end March versus 2021

## Around the World

- “Panera To Go” digital-only restaurant offering Rapid Pick-Up and delivery only opened in Chicago
- DP Poland LfL system sales increased 21.3% in the first 5 months of 2022 versus 2021; delivery rose 1%

## Delivery Offers in the Week

- Deliveroo: We say 20% off for Tasty Thursday
- Plateaway: 24 Hours only; 15% off Selected Kits
- UberEats: Buy One, Get One Free from selected favourites
- UberEats: Get £0 Delivery Fee with membership