

WEEKLY BRIEFING REPORT

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The numbers

Working from Home? How much of it is there? And what do the numbers mean for foodservice?

Transport for London publish a dataset of passenger numbers - entrances and exits – for each station on the tube system. Helpfully, they also group them into types of destination. One of them is the 'City' where, I think it's safe to assume, a significant majority of journeys are work-related.

I've been able to compare two fortnightly periods – one before covid struck and therefore providing a benchmark – and the other covering the last week of September and the first week of

October this year. The two periods are not the same – the pre-covid data cover the first two weeks of February 2020. But it's probably reasonable to assume that they are broadly comparable – seasonality (other than the summer holiday period) is probably not much of an issue for tube journeys to and from the City.

And what do the numbers tell us? The average number of passengers in February 2020 was 740,000 per day, and this autumn it were 505,000 – 68% of the pre-covid

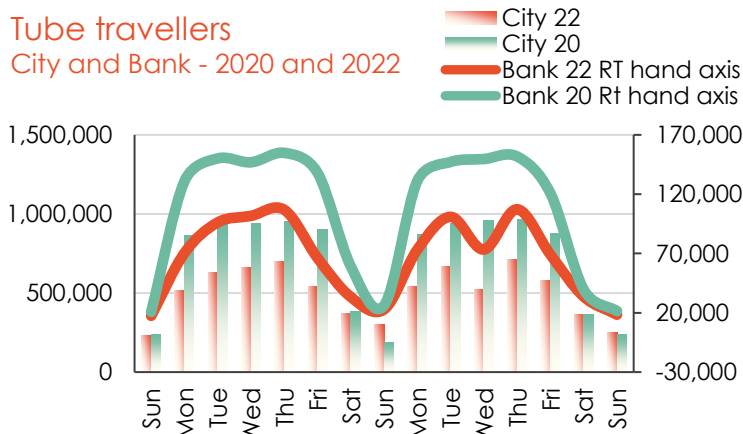


figure. That seems to align with other comments about the extent to which people are working at the office. The figure specifically for Bank station is somewhat lower – at 59%. Since the people who travel to that station are more likely to be travelling specifically for work reasons (compared with, say, Angel also included in the 'City'), it may be reasonable to focus on this lower figure.

Another aspect of working from home is that it has reportedly concentrated going to the office into the middle three days of the week. Do the figures support that? Tube travel on Thursdays - 70-75% of pre-covid levels - shows the highest number of tube travellers. Tuesdays and Wednesdays are a bit less. Mondays and Fridays are somewhat lower, but not dramatically so at 50-55%.

So what does this add up to? Working at the office (using the City as a proxy for all office workers) is at about 60-65% of pre-covid levels. And working on Mondays and Fridays is less than on Tuesdays to Thursdays but not hugely so – that may surprise some people. These figures should form a useful benchmark for businesses serving people going to work at the office. **Contact me** if you want to discuss the figures - and their implications.

My insight

Last week I raised the question: Is the foodservice sector suffering from long Covid? And I broadly concluded: yes, it is. Several readers noted this and asked: 'So what?' This week I want to respond to that question with two more of my own: Why will the sector recover? And what could be some of the outcomes? That's plenty to answer in one page but I'll have a go.

My first point is that it's important not to confuse the current situation with the longer term. The future, depending on how far ahead you want to look, holds a promise of more stability and certainty; in the meantime there are opportunities for those who can anticipate what that future looks like – and, with luck, influence it too.

And why will the sector be able to anticipate and influence the future? There are three really positive aspects to the foodservice sector. First is its diversity which presents a wide range of options – it consists of many different types of outlets, it's built on many business models – franchising, scalable, premium, mid-spend to name just a few - it is unlimited geographically whether that's with a local viewpoint or a global one. And perhaps biggest of all, there is a huge variety of eating and leisure occasions waiting to be satisfied.

The second positive aspect of the foodservice sector is its entrepreneurial character. It's constantly innovating – it modifies its offers, its locations, its regionality; it is changing to take advantage of new challenges such as working from home; it's in the forefront of sustainability – vegan, low carbon, minimal wastage to name just three aspects. And the foodservice sector, dependent as it is, on effectively managing high levels of human interactions is adept at building cohesive teams from disparate people with a wide variety of skills, and aspirations.

And the third positive aspect of foodservice is the wide ecosystem which is integrated into the sector, and which supports its growth and development. The ecosystem ranges from food wholesalers to recruitment agencies, from front of house tech to communications with the supply chain. And I'd throw into the mix, the efficiencies that the ecosystem is aimed at introducing even though complexity of the market makes this difficult to see.

So there you have three reasons why the foodservice sector will grow out of the current dire conditions: its diversity, its entrepreneurship, its wide ecosystem. Each of these will be exerting its influence – positively – on the outcomes of foodservice over the coming months and years.

And so I come to the second question that I posed at the start: What could be some of those outcomes? That is, of course, a very wide-ranging topic, but I would summarise it as creating a foodservice sectors and ecosystem that is different from what we knew prior to covid.

I am not suggesting that the future foodservice world will be unrecognisable, but neither will it be business as before. The support ecosystem will drive change that operators on their own won't achieve; entrepreneurs will create innovative offers – at both the large scale and in the narrow sense - and these developments will be varied because of the diversity of the foodservice sector.

The foodservice world will be different but still recognisable and cleaving to its core character.

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

News in the past week

Finance & Legal

- Government energy subsidy for businesses extended to cover contracts signed from December 2021
- ONS reveal 5,600 insolvencies in Q2 in England and Wales

Restaurants

- PizzaExpress deletes Mac & Wings virtual brand
- The Wolseley Hospitality Group sales rose 8% in September versus 2019

QSR

- Blank Street Coffee acquires Over Under

Pubs

- Greene King acquires Hickory's Smokehouse
- Loungers' LFL sales rise in the half year to early October versus 2019
- Marstons LfL sales rose 4% in the latest quarter versus 2021

Leisure

- Heathrow was used by 5.8 million passengers between July and September; becomes the busiest airport in Europe

Delivery offers in the week

- Deliveroo: Get 25% off Meal Deals
- Deliveroo: We say 20% off (or more)
- Uber Eats: Get 40% off your next 5 orders