South West Committee

UKHospitality

February 2023

Size & Shape of Licensed market

As pressures mount, venues continued to close in the latest quarter. While indies are most impacted there has also been an impact on the managed sector

Net change in no. of On Premise sites – Managed v Independents –December 2022 vs September 2022

GB On Premise

-1,661 sites

Managed

-115 sites

Independent

-1,410 sites

CGA & AlixPartners Hospitality Market Monitor (December 2022)

CGA Powered by NielsenIQ

The most recent wave of closures has taken the toll of outlets lost since pre-Covid-19 to over 13 thousand

Since March 2020

13,037

sites have been lost across GB

this equates to -11.3%

Net change in no. of On Premise sites – December 2022 vs. March 2020

Guest/Boarding House	-1,112	-37%
Nightclub	-365	-29%
Casual Dining Restaurant	-1,440	-22%
Restaurant	-3,140	-17%
Bar Restaurant	-402	-11%
Sports/Social Club	-2,405	-11%
Community Pub	-2,060	-10%
High Street Pub	-586	-9%
Food Pub	-777	-6%
Hotel	-445	-6%
Cafe/Delicatessen	-73	-5%
Holiday/Caravan Park	-38	-4%
Bar	-97	-2%
Large Venue	-97	-2%

CGA & AlixPartners Hospitality Market Monitor (December 2022)

CGA Powered by NielsenIQ

This is also reflected in supply trends with drink-led venues closing at a slower rate than food-led

GB On Trade – December 2022 vs December 2021

Total outlet numbers

-4.5%

total outlets in December 2022 vs December 2021

Eating
37,294 -4.9%

Drinking
55,581 -3.8%

Sleeping
9,196 -7.0%

CGA & AlixPartners Hospitality Market Monitor (December 2022)

Looking at South West specifically, we see that the region has suffered more closures than total GB in the last year

Net change in no. of On Premise sites - GB / South West Region
December 2022 vs. December 2021

Total GB

4.5% of sites lost

-4,809 fewer sites

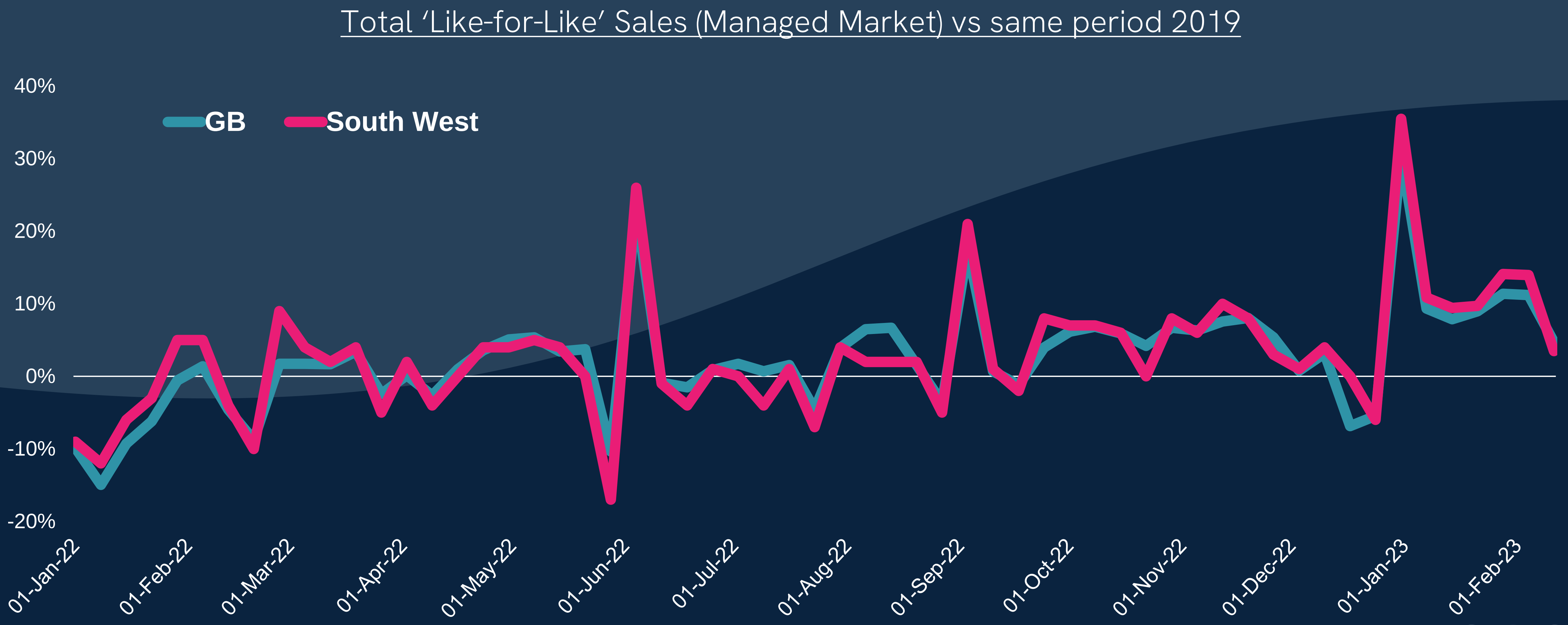
5.5% of sites lost

-519 fewer sites

CGA & AlixPartners Hospitality Market Monitor (December 2022)

Sales performance

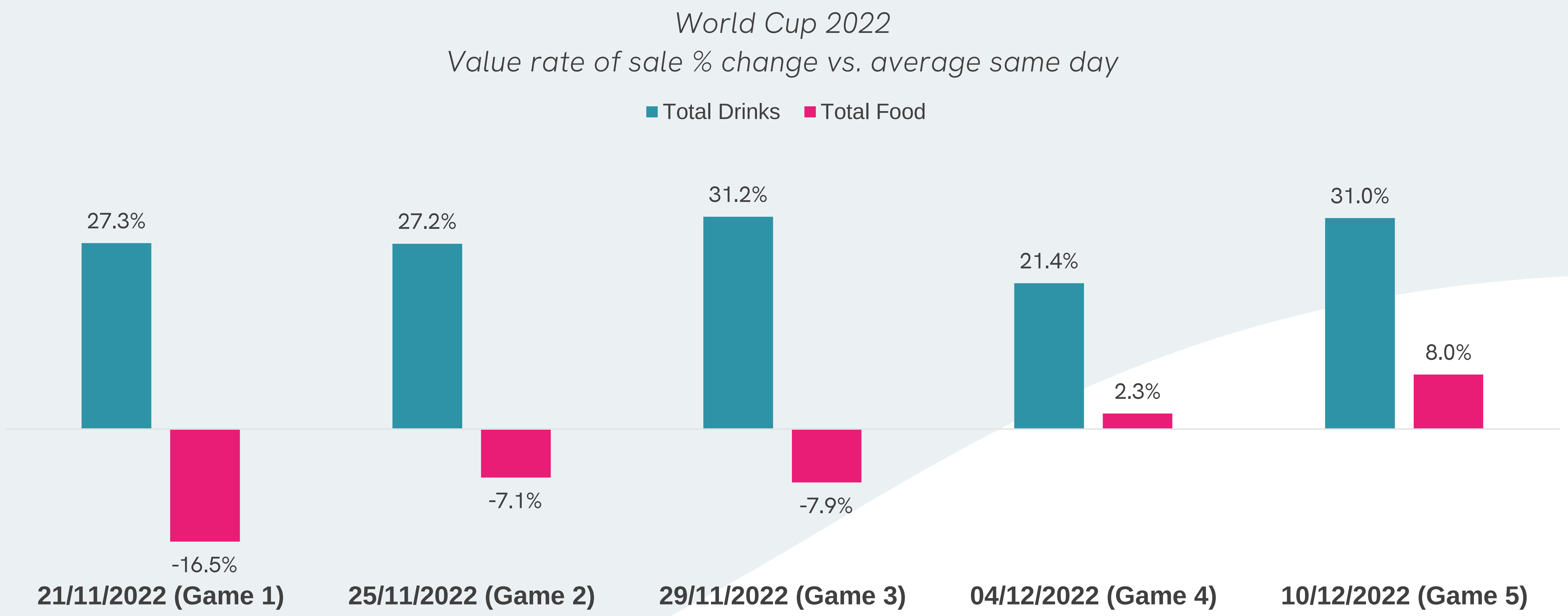
Since the start of 2022, L4L sales have consistently performed in line with or ahead of 2019, but with double-digit inflation sales have mostly fallen below 2019 in 'real terms'



Coffer CGA Business Tracker, December 2022 – Cohort of 80 managed operators

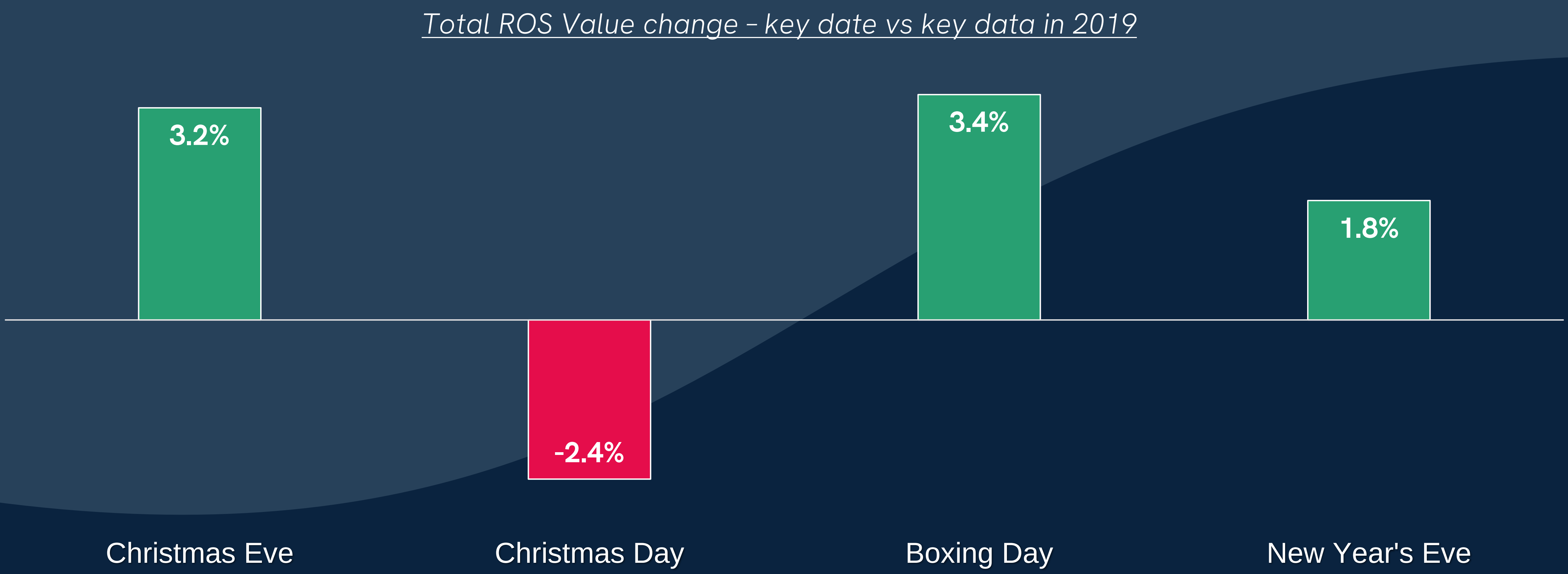
CGA Powered by NielsenIQ

Compared to the average same day, England's world cup matches caused an uplift of 20-30% in drinks sales, more than making up for the food declines



CGA Trading Index, comparisons vs. same day average in last 3 months

Sales across festive key dates were slightly ahead of 2019 too, with the exception of Christmas Day which saw a slight decline

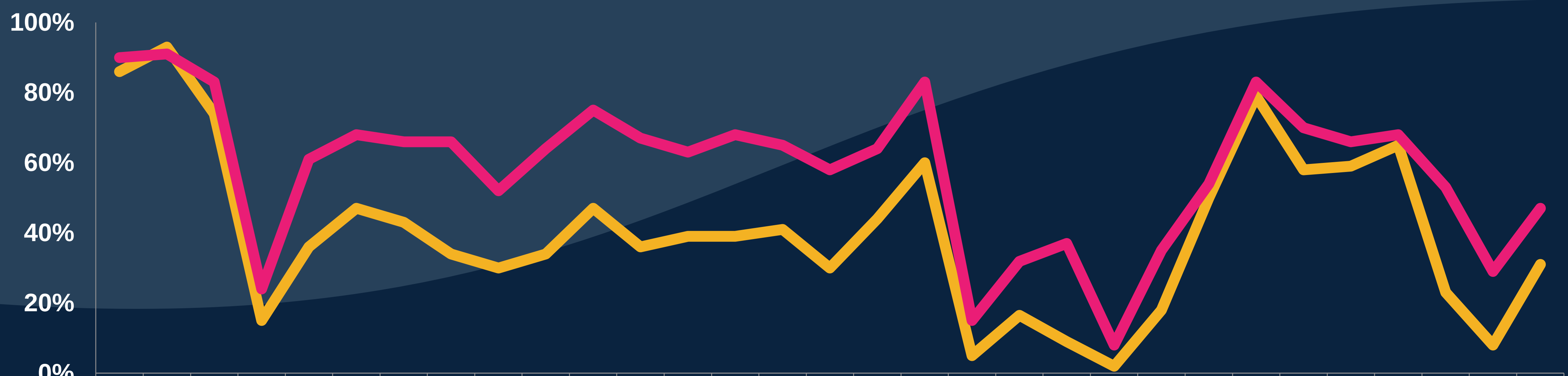


CGA Trading Index

Business Leader sentiment

Business Leader confidence has risen notably since October, with almost half optimistic about their own business over the next 12 months

Business leader confidence across the market and in own business (over next 12 months)



	Feb -14	Feb -15	Feb -16	Jul-16	Nov -16	Feb -17	May -17	Aug -17	Nov -17	Feb -18	May -18	Aug -18	Nov -18	Feb -19	May -19	Aug -19	Nov -19	Feb -20	Apr -20	Jun -20	Sep -20	Oct -20	Nov -20	Feb -21	May -21	Sep -21	Nov -21	Feb -22	Jun -22	Oct -22	Jan -23
General market	86%	93%	74%	15%	36%	47%	43%	34%	30%	34%	47%	36%	39%	39%	41%	30%	44%	60%	5%	16%	9%	2%	18%	50%	79%	58%	59%	65%	23%	8%	31%
Own business	90%	91%	83%	24%	61%	68%	66%	66%	52%	64%	75%	67%	63%	68%	65%	58%	64%	83%	15%	32%	37%	8%	35%	54%	83%	70%	66%	68%	53%	29%	47%

CGA Business Leaders Survey 2023, in association with Fourth

The optimism gap between the *general market* and *own business* may be explained by perceived challenges in the wider market with lower optimism among independents supporting this

Business leader confidence across the market and in own business (Trended vs October 2022)

	'General Market' Confidence	*'Own Business'* Confidence
Business Leaders (5+ sites)	**31%** +23pp	**47%** +18pp
Independent sites	**21%** +10pp	**31%** +12pp

While still above pre-pandemic levels, the vacancy rate has largely plateaued in the last 12 months, and is well below the Q3 2021 peak of 16%

9%

of roles are currently vacant and open for application (on avg.)

(vs 9% Q1 2022)

(vs 16% Q3 2021)

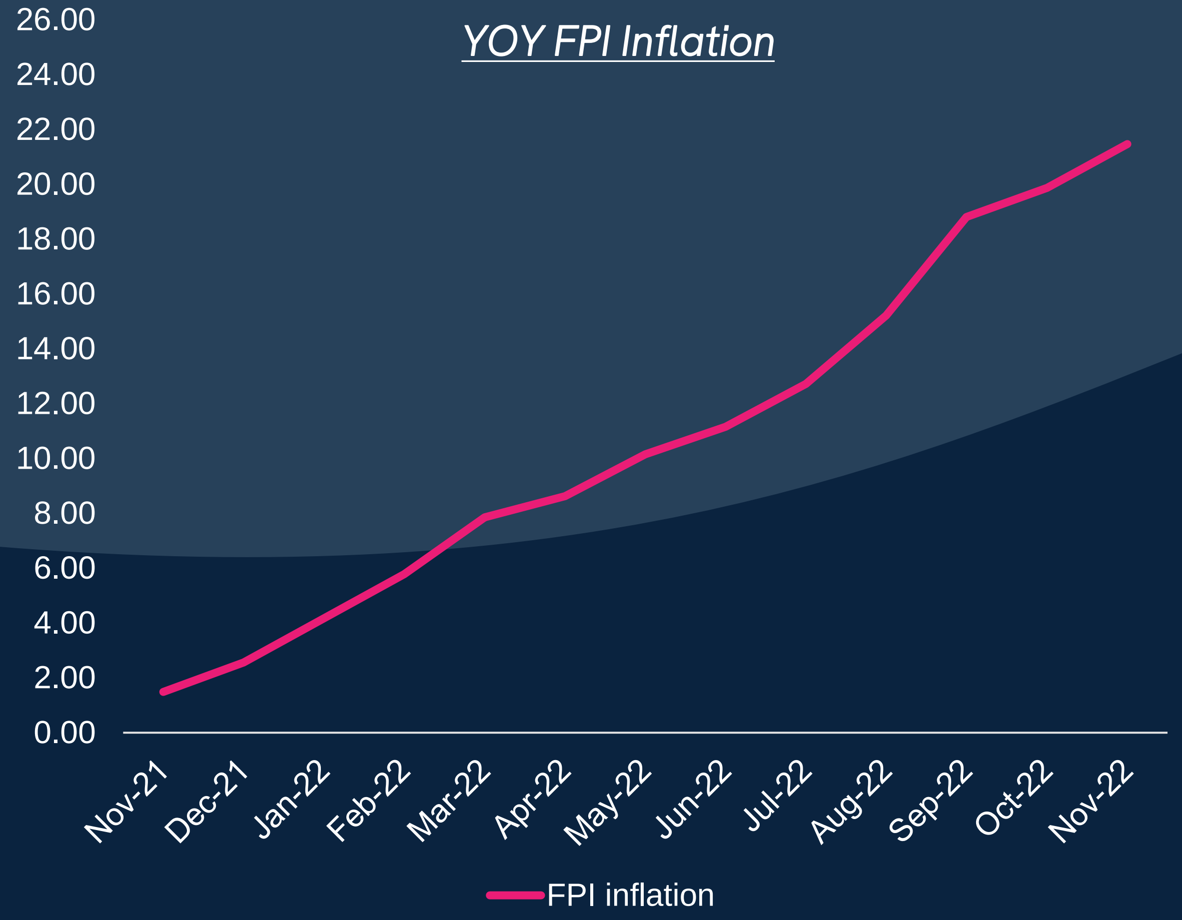
CGA Business Leaders Survey 2023, in association with Fourth

Leaders continue to see significant increases across entire cost bases, with energy costs rising significantly for almost 9 in 10, albeit this is easing slightly

How have your supply chain costs changed in the last 12 months?
(% Significant increases)

	Energy Costs	Food/Drink Costs	Back of House Staff	Front of House staff
January 2023	85%	78%	47%	39%
October 2022	86%	86%	46%	29%

Food Price Inflation (FPI), which has rapidly increased reflects the cost pressures felt by operators, rapidly increased throughout the last year since December 2021



FPI inflation is up

21.5%

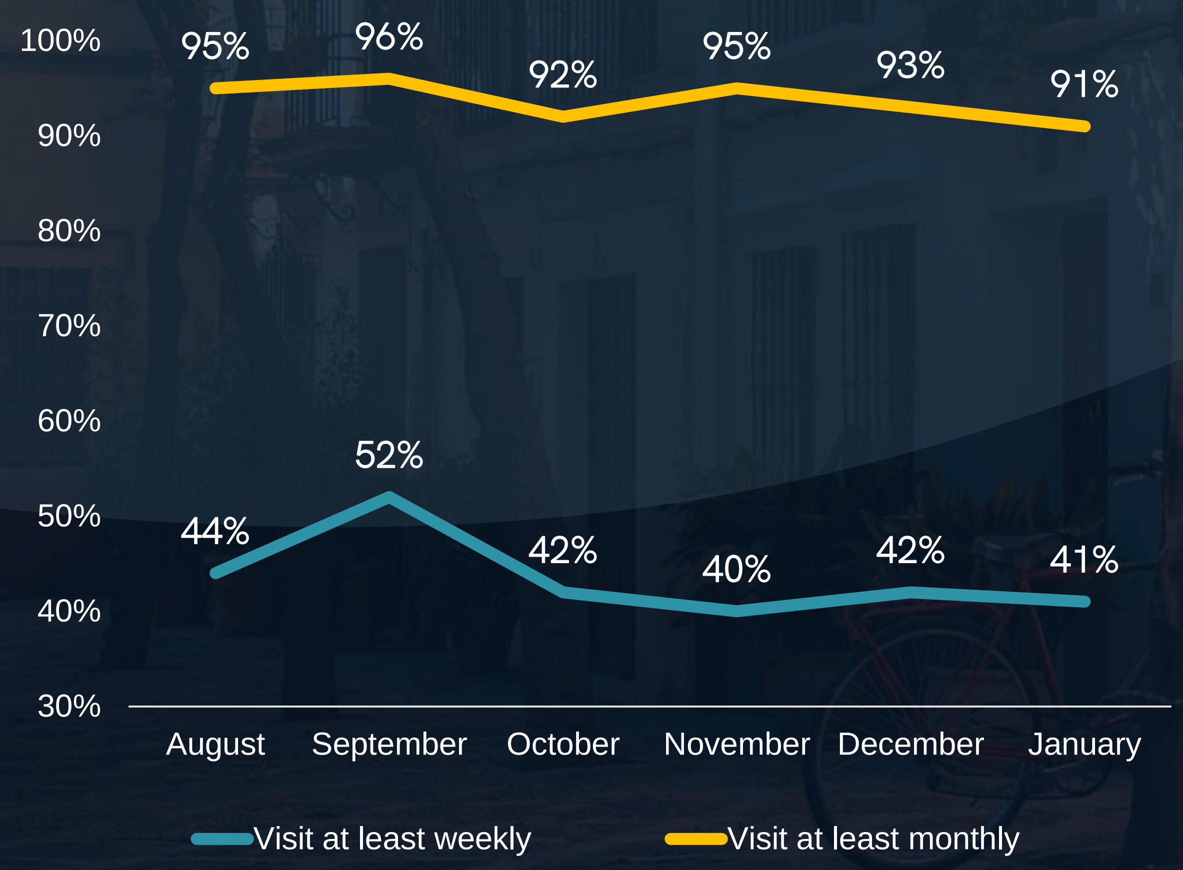
Year-on-year

CGA & Prestige Food Price Inflation Report

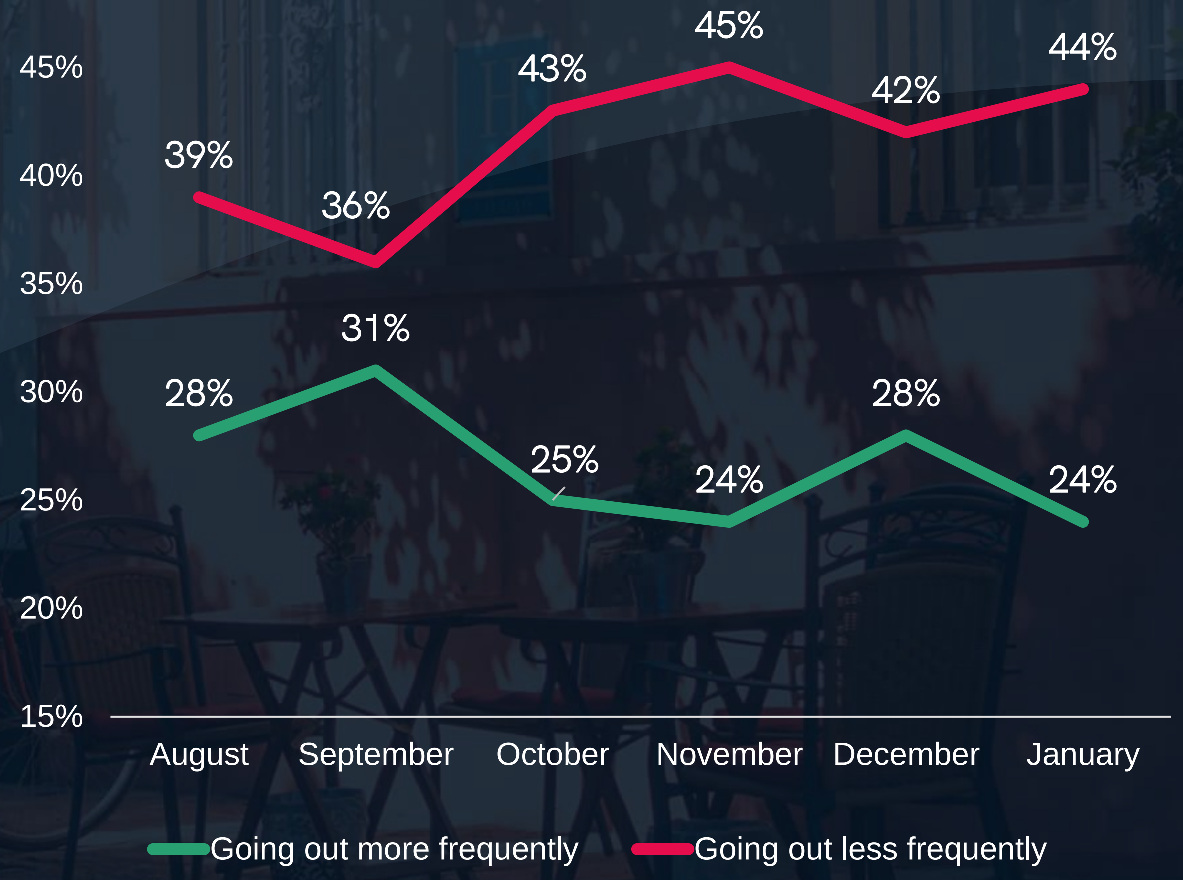
Tracking cost-of-living sentiment

Over the last 6 months, there has been an encouraging consistency in the frequency of visits to the On Premise

Visits this month to the On Premise



Current visits vs typical visits



CGA Cost of Living Consumer Pulse (1,004 UK&I Consumers) January 2023

While 4 in 10 GB consumers visited the trade at least weekly over January, in South West this was down at 1 in 4

In the past month, how often have you been to restaurants, pubs, bars and other licensed venues?

41%

Of typical On Premise visitors* have visited the sector at least weekly in the last month

25% in South West

91%

Of typical On Premise visitors* have visited the sector at least once in the last month

83% in South West

Typical On Premise visitors defined as those who typically visit the sector at least once every six months

CGA Cost of Living Consumer Pulse (1,004 UK&I Consumers) January 2023

More South West consumers also report they're going out 'less often than they typically do' too, indicating the region is lagging the wider nation in frequency

Compared to my usual frequency, I am currently going out....

24%

Of UK&I consumers are going out **more frequently** than they typically do

14% in South West

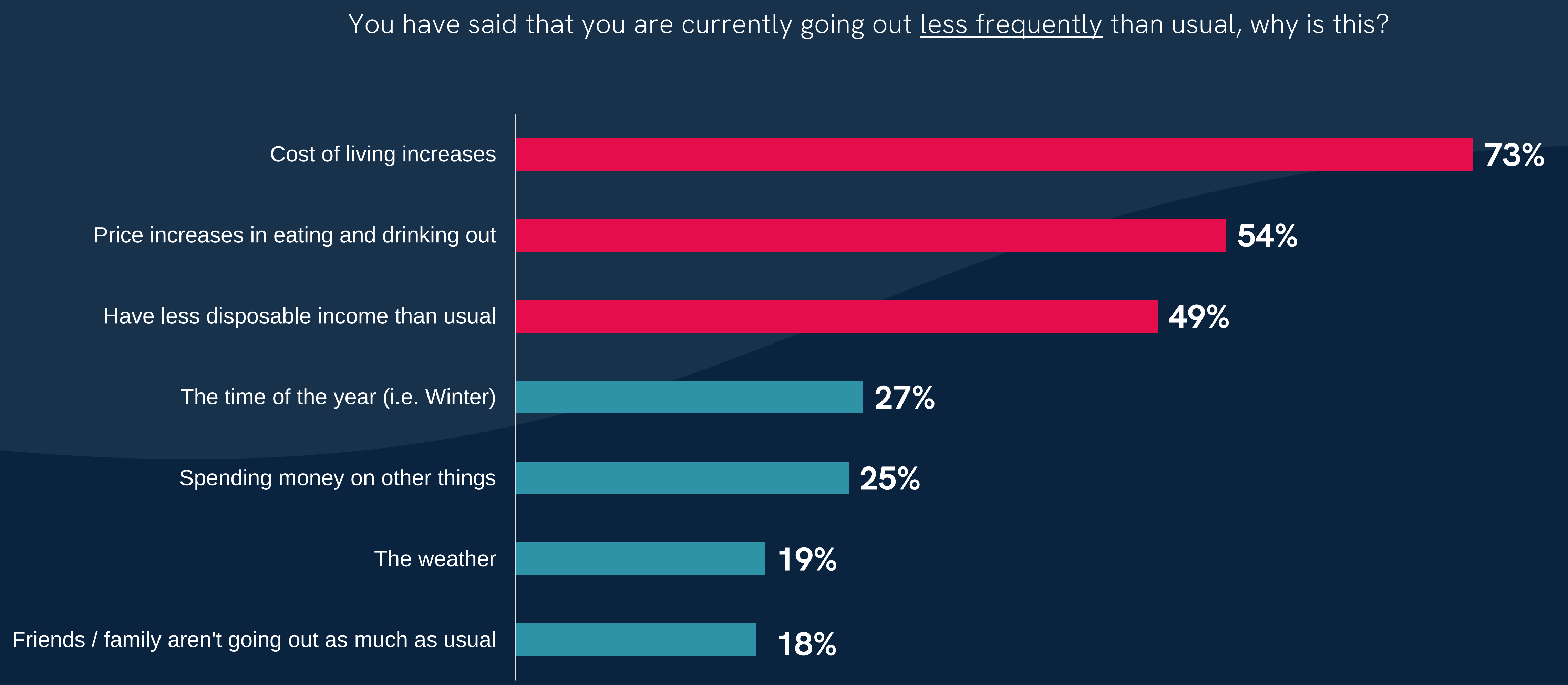
44%

Of UK&I consumers are going out **less frequently** than they typically do

54% in South West

CGA Cost of Living Consumer Pulse (1,004 UK&I Consumers) January 2023

The cost-of-living crisis is the key reason for 9 in 10 of those visiting the trade less often in recent months



CGA Cost of Living Consumer Pulse (1,004 UK&I Consumers) January 2023

Satisfaction metrics continue to be strong among consumers indicating that despite staffing and cost pressures, operators continue to provide high quality experiences

How satisfied have you been with the below on your recent visits to bars, pubs, restaurants and similar venues in the past month?

% Very satisfied or satisfied

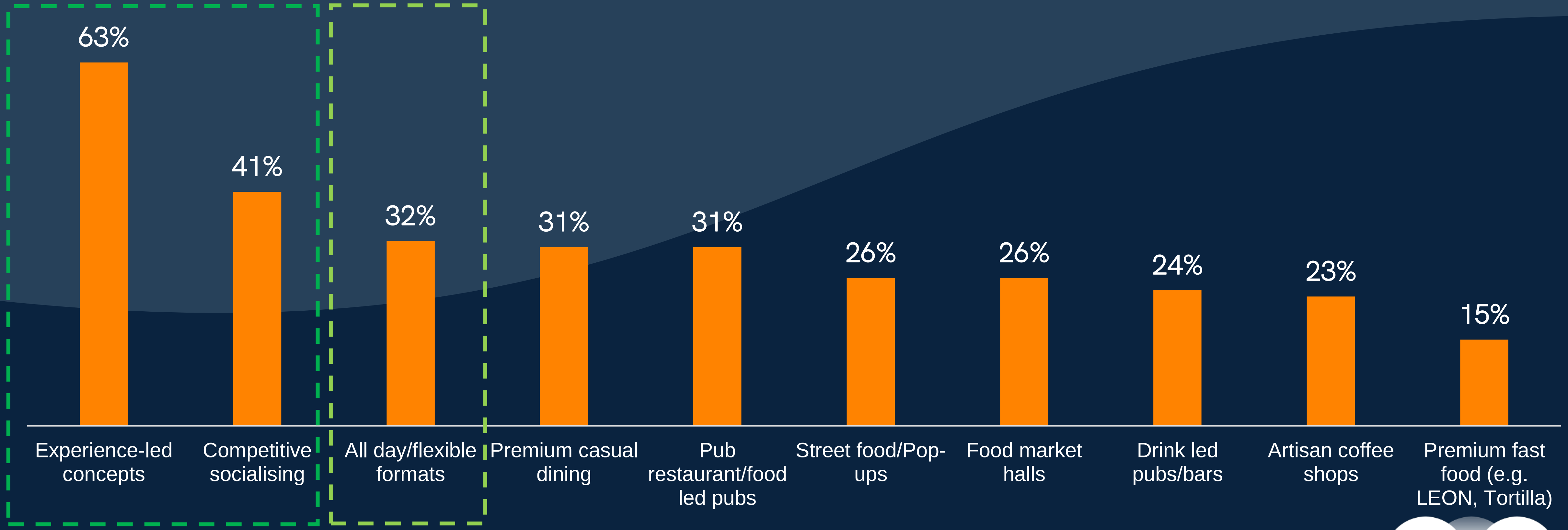
Quality of food	Quality of service	Quality of drinks	Quality of overall experience	Value for money
79%	79%	78%	77%	52%

CGA Cost of Living Consumer Pulse (1,004 UK&I Consumers) January 2023

Trends to be aware of

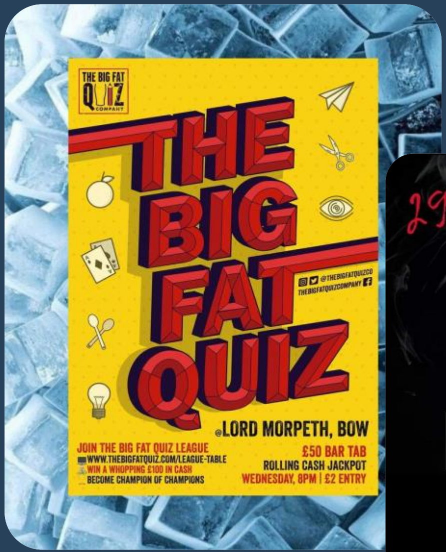
Experience-led concepts that are most well-tipped to thrive in 2023, with competitive socialising and all-day formats also formats to watch

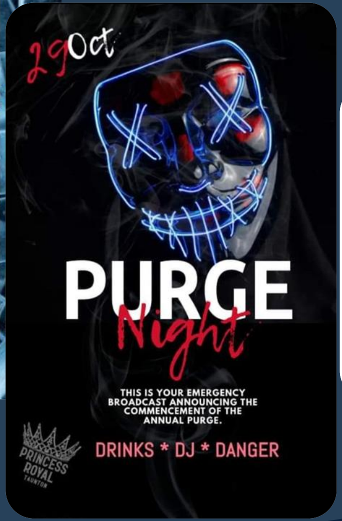
Which formats do you believe are well positioned to thrive in the next 12 months? Please choose up to your top five business types.



CGA Business Leaders Survey 2023, in association with Fourth

Larger operators are taking a local approach and investing heavily in experiential elements to also boost evening visits





GREENE KING
BURY ST EDMUNDS

HALLOWEEN EVENT OF LONDON

MONDAY 24 OCT – SUNDAY 30 OCT
7:00 PM - 11:30 PM

The George Inn and The Cloak and Dagger Tour present The Halloween event of London. Ghost singers of the past! Live historic folkloric band! Historic characters haunting the premises and a Knightly duel to the death! Come **See More**

OPEN MIC NIGHT

WEDNESDAY 14 SEPT – WEDNESDAY 26 OCT
7:30 PM - 10:30 PM

Join us for our Open Mic Night starting Wednes
September from 7.30pm to 10.30pm. Comedy, M
Dance, Poetry, in one of London's most beautiful
The George Inn. Everyone Welcome.

Entertainment

Star Pubs & Bars is investing £50,000 in a virtual darts tournament to help its leased and tenanted wet-led community pubs to boost trade on traditionally quiet Tuesday nights.

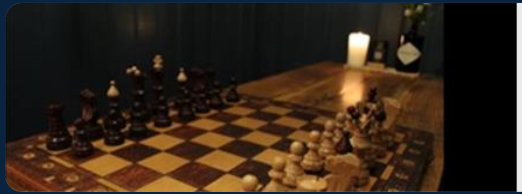
star

FULLER'S
GRIFFIN BREWERY
CHISWICK

LATYMERS CRAFTY TASTERS 25 OCT 22

THE LATYMERS - LONDON, W6 8BS

Take your taste buds on a flavour adventure and try 3 fantastic craft beers in a trio of third-pints. Create your perfect taster with any three craft beers (price varies based on chosen beers)



CHESS NIGHT 25 OCT 22

THE DUKE OF KENT - LONDON, W13 8DL

Looking for a new hobby? Consider yourself a Chess Grandmaster? Pop down for our Chess Club every Tuesday from 7:30pm. Everyone is welcome.

WED 26 OCT

Juju's

BRAZILIAN FORRÓ NIGHTS

We've got humpday covered here at Juju's with our weekly Brazilian Night. We're talking special cocktail deals, live music, dancing and good vibes!

FREE ENTRY

CGA
Powered by NielsenIQ

The Prince of Peckham places itself at the heart of its community, with a packed schedule including DJs, Zumba classes and Sip & Paint