THE OVERVIEW

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Clearing the fog of tips and troncs

HOSPACE 2018 preview
Predictive personalisation

Welcome to THE OVERVIEW

Many of us will have been seeing out the summer months in somebody else's house; using their washing machines, having lie-ins in their beds, lounging on their roof-top terraces and, for once, the lucky hosts would be happy to see us stay longer.

Yes, Airbnb continues its glorious reign and this month announced that it was extending its Airbnb for Business to include team-building events, Airbnb homes for offsites and meetings and new options for people relocating for work.

The company said that Airbnb group experiences, from sailing lessons to pastry-making classes with a Michelin chef, would help teams bond "and form meaningful connections".

It said: "Unorthodox perks are an essential way to attract, retain and motivate top talent. Experiences, not cash, are the new corporate bonus. In today's hyper-competitive talent environment, once you've recruited great employees, you want to keep them. Journeys of self-fulfilment and discovery can produce the kind of creative sparks and life-clarifying moments that seldom come when staring dead-eyed at another PowerPoint."

Airbnb has also turned its focus to employees who were not travelling, providing spaces for meetings and offsite activities. It said: "Providing individuals and teams with the freedom they need to grow and collaborate is top of mind for many companies. Whether that's the freedom to work remotely or collaborate outside of the office, Gallup reports workers who spent 60% to 80% of their time away from the office had the highest rates of engagement."

And I think we can all identify with that. How many people will relocate their Christmas party or weekly sales meeting to the local Airbnb remains to be seen, but the message here is that, once again, Airbnb is exploiting a hole. Hotels, restaurants, cafes - all or most have the potential to bring in more business guests who aren't actually staying the night, yet when they have them they stick them in windowless basements. Time to think outside the airless box.

Katherine Doggrell

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In September's issue...

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It's time for HOSPACE

HOSPA CEO looks forward to November's event

This time of year, every year the HOSPA office buzzes with excitement, energy and activity. All year round we prepare for HOSPACE but September and October never cease to deliver an additional boost of adrenalin to the team!

We are delighted to be back at The Royal Lancaster again this year. Over the last 12 months they have continued to update the hotel - so it will be an opportunity for our delegates to see how it has transformed.

We welcome back our regular exhibitors and sponsors who make HOSPACE what it is - and we are particularly thrilled to see some new names this year. We are always grateful to those who invest in HOSPACE for their continued support, which makes a massive contribution to the success of the conference.

Our search for newcomers to hospitality technology to take part in our small business competition continues - so please encourage any of your entrepreneurial contacts to get in touch. Winning a year's worth of sponsorship with HOSPA is a fabulous prize for the right company, as well as having the opportunity to present to the good and the great of hospitality!

Our continuing and ever strengthening relationship with the Hotel Marketing Association along with our new Asset Management community means that we expect the audience numbers to exceed all previous conferences - improving the fabulous networking opportunities that we already have such a great reputation for! Can I just add here that it's utterly brilliant to see our newly created Asset Management committee up and running - and, indeed, flying - and I'm sure they will deliver a fantastic debate.

It's impossible to pick out the session I am most looking forward to, but I have no doubt that our regular Brexit panel made up of Mark from KPMG, Martine from ETOA and Jeremy from WFW, with the addition of Martyn Ball from Ascott Management who run apart-hotels, and all ably lead by Robert Barnard of BDO, will be one of the most anticipated discussions.

Another highlight is bound to be When Harry Met Sally - our charming and entertaining host Peter Hancock will be interviewing two Master Innholders - HOSPA's president Harry Murray and The Royal Lancaster's General Manager Sally Beck.

Some of hospitality's most successful women will discuss the future for women working in the industry, which could create some controversy! In recent years, we have been particularly careful to ensure the male to female balance of main stage speakers is reflective of the industry as a whole - perhaps next year I will be encouraged to have a panel on the industry's most successful men?!

As always, there will also be a programme of industry specific workshops and technical updates, led by top specialists in their subjects.

And who can forget the dinner? Our guest this year at the Gala Dinner is a gold medal winning Olympian, and to keep up the theme of the powerful influence of women - she is female!

As usual we will be presenting our Finance, IT, Revenue Management and Marketer of the year awards during the evening. There is still time to enter a colleague if you have not already submitted your nomination. We are looking for individuals that have made an impact on others, or an employer who has demonstrated an outstanding commitment to promoting and investing in education. Please do give your co-workers an opportunity to shine at HOSPACE this year.

I really look forward to seeing you all on November 1st - ensure you book your place soon!

Diane Little

Assistant Cluster Room Revenue Manager - Principal Hotels

Winner: Revenue Management Level 3, completed March 2017

Diane commenced the Revenue Management programme in September 2015 and became the prize winner for Stage Three for achieving the highest combined course work and examination grades. She has now completed the programme and has been an Associate member of HOSPA for over a year.

Within her current role, Diane supports the setting and delivery of the Revenue Management strategy for The Principal Edinburgh George Street and The Principal Edinburgh Charlotte Square, with specific responsibility for The Principal Edinburgh George Street. She is also responsible for ensuring that the accommodation budget for both properties, which have 439 rooms combined, is exceeded.

Diane started her career within the hospitality industry in 2003, working in part-time Food and Beverage roles during the summer. In 2006, she started a Higher Diploma in Hospitality and Tourism Management, which then led her to develop her skills and experience further within Front of House, starting as a Guest Service Centre Agent. After a few years she decided to move to the UK with the intention to progress her career. Diane then spent 6 years in reservations and progressed from Reservations Agent to Reservations Supervisor and Reservations Manager.

In May 2015 Diane was promoted to Cluster Data Analyst. Eager to continue her learning and development, Diane enrolled onto the HOSPA Revenue Management course, which she says has helped broaden her Revenue Management perspective and has supported her in her role. In October 2016, Diane was promoted to her current role of Assistant Cluster Rooms Revenue Manager.

Diane is a previous winner with HOSPA and in 2017 was the highest achieving learner for Revenue Management Level 2, March 2016 programme. She was unable to attend the ceremony in person, having just given birth to a baby girl, but said:

“The course has been a fantastic opportunity to gain industry specific training and ultimately a qualification related to my chosen career”.

Diane is determined to keep progressing in her chosen career path of Revenue Management and looks forward to applying her skills as Profit Manager in the future.

Studied in three Stages, the HOSPA programmes in Financial Management or Revenue Management cost £820 + VAT per Stage and enrolments are being accepted now for the March 2019 programmes. Contact education@hospa.org or visit the website at www.hospa.org/education

Welcome to our new Associate Certified Members

Congratulations to the following learners who have this month successfully completed their studies and who are now awarded Associate (Certified) membership of HOSPA:

Financial Management:
Kathy Bridge, Accounts Assistant at The Midland Hotel

Revenue Management:
Gretchen Abrahams, Deputy Group Revenue Manager, Mantis Management (Pty) Ltd South Africa

Alex Chelaru, Reception Manager, The Three Swans

Reka Mizsei, Lecturer, Glion Institute London

HOSPA

The Hospitality Professionals Association

Professional Development

Learn about Revenue Management with HOSPA

This modular programme is delivered online and provides an opportunity to study in-depth the revenue management strategies and techniques applicable to the hospitality sector. You will benefit from:

- Expert tuition and guidance from leading practitioners
- Up-to-date course materials and access to industry journals
- A convenient modular approach
- Relevant and practical learning
- HOSPA Associate (Cert Revenue Management) membership of HOSPA on completion of the full programme

Introductory modules are available for those new to Revenue Management leading to modules designed specifically to enable learners to apply the techniques to every day practice.

Enrolling for March 2019, to learn more contact us:

education@hospa.org / +44 (0)1202 889430

www.hospa.org

→ AWARDS

Inspirational Leaders Of The Year

Nominations close on October 12th

Do you know a Finance, Revenue or IT Professional who is dedicated to the hospitality industry and has made an impact on others in the industry? Or perhaps an employer who operates in the hospitality industry and who has demonstrated an outstanding commitment to promoting and investing in education? If you know just the person/company why not nominate them for one of the prestigious awards which will be awarded at the Gala Dinner!

What does it take to be the Hospitality Professional of the Year?

- Have an exemplary track record
- Are willing to train and lead their staff
- Are totally dedicated to the hospitality industry, with the intention of remaining in the profession
- Can demonstrate strong attention to detail
- Can keep abreast of current codes of practice
- Command respect within the hospitality sector and wider business community

HOSPA IT Nomination Form

www.hospace.net/media/uploads/HOSPA_IT_Nomination_Forms_080518_V4.pdf

HOSPA Revenue Management Nomination Form

www.hospace.net/media/uploads/HOSPA_RM_Nomination_Forms_WITHSPONS.pdf

HOSPA Finance Nomination Form

www.hospace.net/media/uploads/HOSPA_FINANCIAL_Nomination_Forms_080518_V4.pdf

HOSPA Marketing Nomination Form

www.hospace.net/media/uploads/HOSPA_MARKETING_Nomination_Forms_080518_V4.pdf

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Clearing the fog

With expert input from professional practitioners, HOSPA has produced a practical guide to Tips, Gratuities, Service Charges and Troncs for the UK Hospitality Industry.

This guide is available as a free download or a hard copy can be purchased via www.HOSPA.org.

It covers explanations of the terminology and details of the range of regulations, practices, options and consequences that affect UK hospitality businesses.

There has always been a big gap between perception and reality with this subject. The fact that there are no standard practices and differing if well-intentioned interpretations, inhibits progress towards developing an acceptable solution for all parties. Coupled with often conflicting tax and pay regulations, an ideal situation can only happen if the industry works together with the tax authorities and government to create a more level playing-field.

In the short term there might be winners and losers, but there is a growing necessity for the industry to rid itself of negative and outdated practices if it is to be able to compete for its growing workforce's needs in a rapidly shrinking employment market.

The HOSPA guide provides essential factual information for decision making and formulating policies. This will facilitate development of best practices that recognise the complexity of the regulations and taxation issues that affect considerations of practicality and fairness for the public, employees and employers.

Aspects of how tips and service charges are accounted for and reflected in hospitality businesses performance measures is a subject for further review. It is clear that a variety of accounting practices exist and most do not adequately reflect what is actually happening.

Prior to addressing this subject, it seems worthwhile to review how these items are dealt with in the USA. This is where the most common management accounting standards used within the industry have originated, specifically the Uniform System of Accounts for the Lodging Industry.

Perhaps it should not be a surprise that the subject seems to be even more complicated there than in the UK. There are regulations that are national, but many of the states have overlaid these with their own or union negotiated variations.

Some of the key practices in the US and how they contrast with the UK follow:

1. To be considered a tip, the criteria to be met are:

- the payment is made by the customer free of compulsion
- the customer has the unrestricted right to determine the amount
- the payment is not subject to negotiations or the policy of the business; and
- the customer has the right to determine who receives the payment (albeit that there may be pooling arrangements among the employees)
- ‘automatic gratuities’ are not considered by the IRS as tips. They or any other similar charge imposed on the customer are treated as service charges. Any service charges paid to employees are treated as non-tip wages

  So-called discretionary service charges imposed by the employer, commonly used in the UK to avoid VAT, are not considered to be the same as tips by the IRS in the US.

2. Employees who customarily receive tips, and more than $30 per month, are categorised as ‘tipped employees’. Employees with direct contact with customers are ‘directly tipped employees’ and those whose roles are supporting the service such as table clearers and cooks are considered ‘indirectly tipped employees’.

   Under the Fair Labor Standards Act employers may charge a fee of up to 3% of charged tips where credit card charges have been incurred.

   In the UK there is no legislation covering employer deductions from tips or service charges, but union and consumer pressure leans towards a limit of around 5%.

3. Tipped employees have to pay tax, Social Security and other payroll related charges on their total earnings including tips. Although tips whether pooled or not are in effect controlled by the staff, individual earnings have to be reported to their employer.

   This means that, unlike in the UK where only income tax applies, there are no advantages in terms of net pay from receiving part of their earnings as tips or via a tronc.

4. The same rules apply to both direct and indirect tips in respect of taxes and related charges. These are laid down by the Internal Revenue Service (the US equivalent of our HMRC). They require tip income to be reported by the employee to the employer, who is then required to apply both employee and employer contributions to income tax, Social Security and Medicare.

   There is no exemption for the employer from these charges as there would be in the UK on employee tip earnings or tronc distributions.

5. Employers in the USA can therefore see exactly what each tipped employee earns from tips.

   In the UK, employees are responsible for declaring their own tip income to HMRC. These earnings are therefore invisible to employers.

6. The US national minimum wage is currently $7.25 per hour. If an employee’s wage and tips do not equal this over a month, the employer must make up the difference in the cash wage. In any event, the employer must pay at least $2.13 an hour in the form of cash wage. Tips can and do form part of the minimum wage. This is one of the reasons that one hears of restaurant customers in the USA being chased down the road by servers demanding their tip!

   In the UK no part of minimum wages can be paid out of tips or service charges.

   Searches on the Internet including the US IRS web site formed the basis of the above. If the subject is of importance to your business it is recommended that you seek appropriate professional advice. A future article will look at the accounting implications of tips and service charges, including their impact on performance measurement and benchmarking.

Howard Field FCA FHOSPA FIH | hf@howardfield.com
August 2018

HOSPA Professional Development Programmes

Congratulations to the following learners who successfully passed the course-work assignments and examinations for the March 2018 programme, completed in August 2018.

Financial Management, Stage One

- Riyaz Abdul, Wild Wadi Water Park
- Baraa Alkhatib, Emirates Academy of Hospitality Management
- Simon Bickle, Crowne Plaza Plymouth
- Paula Coimbra, Jurys Inn Aberdeen
- Rebecca Gilbert, De Vere Cranage Estate
- Mairead McEntee, University of Ulster
- Giuliano Marruso, De Vere Selsdon Estate
- *Beryl Mathews, Jumeirah Restaurants Dubai
- Magdalena Piwnicka, Jurys Inn Aberdeen Airport
- Deepak Sethumadhavan, Jumeirah Zabeel Saray
- Jelmer uit de Bos, Hilton Amsterdam
- Micaiah Williams, Mount Cinnamon Resort, Grenada

Financial Management, Stage Two

- Melanie Hess, Queens Hotel Leeds
- Kieran James, Jurys Inns Birmingham
- Tania Jesus, Double Tree by Hilton Lisbon
- *Simon Leech, Sheraton Grand Hotel, Edinburgh
- Maria Jesus Mondragon, Q Hotels Norton Park
- Fatai Muritala Isola, Anantara The Palm - Dubai
- Dickson Wanuma, Hilton Nairobi

Financial Management, Stage Three

- Kathy Bridge, The Midland Hotel
- Marina Collins, CityNorth Hotel & Conference Centre
- Alan Graham, Rockcliffe Hall Hotel
- Kieran James, Jurys Inn Birmingham
- Boudewijn Kok, Hilton Amsterdam
- Ania Kubina, Hilton Liverpool City Centre
- Michael Maycock, Jurys Inn Birmingham
- *Hien Nguyen, Laguna Viet Nam - Banyan Tree Residences
- Mark Roberts, Carden Park Hotel
- Sian Sainty, Radisson Blu Cardiff
- David Vidoven, Jurys Inns Hinckley
- Dickson Wanuma, Hilton Nairobi

Revenue Management, Level One

- Sarah Artis, Best Western Ship Hotel
- Miriam Diaz, FJB Hotels - The Chine Hotel
- Allen Dsouza, Hilton London Bankside
- Zoe Edhouse, Whittlebury Hall Hotel & Spa
- Charles-Henry France, Hotel Le Richemond, Geneva
- *Kris Franklin, Jury's Inn Watford
- Jason Gossop, Skyland Hotels - Carlton Park Hotel
- Abbas Halde, Novotel Pune, India
- Claire Hemphill, Whittlebury Hall Hotel & Spa
- Debbie Hutchinson, SITU Living Ltd
- Rita Jorge, Doubletree by Hilton Aberdeen Treetops
- Louise Nelson, Carden Park Hotel
- Annamaria Nemeth, Quantum Hotel Group
- Henri Spanneut, St James Hotel and Club Mayfair
- Bogusz Topolnicki, Swiss Cottage Hotel

Revenue Management, Level Two

- Iris Ambuhl, Headland Hotel, Newquay
- Neil Baker, Hoseasons
- James Bryan, The Eventa Group
- *Kris Franklin, Jurys Inn Birmingham
- Natalia Gluszczynska, Leeds Capita Hotel
- Cameron Henderson, Dakota Deluxe Leeds
- William Hunter, The Trafalgar St James
- Laura Jeffries, Michel's and Taylor
- Bruno Le Coze, The Farmhouse at Redcoats
- Nathan Metcalfe, Hoseasons
- Alina Minut, Landmark London Hotel
- Joanna Monteith, Danesfield House Hotel
- Rhys Mulligan, Apex City of London Hotel
- Christina Ray, Best Western Hotel Rembrandt
- Lorna Saunders, Moor Hall Hotel & Spa
- Balazs Toth, formerly at Macdonald Aviemore Resort

Revenue Management, Level Three

- Gretchen Abrahams, Mantis Management (Pty) Ltd
- Alex Chelaru, The Three Swans Hotel
- Mark Dograshvili, Bermondsey Square Hotel
- Reka Mizsei, Glion Institute London

* **Highest Grade Achieved**

Predictive Personalisation and how it's revolutionising hospitality

Juanjo Rodriguez investigates how to know your clients better

The concept of leveraging technology to improve the user experience and increase hotel revenue simultaneously is what we call Predictive Personalisation. It's a two-step process whereby you apply machine learning techniques to understand user behaviour, and then personalise his or her experience by automatically presenting the best content and offers for that individual. You might ask yourself - isn't that already being done? But the big leap here is that this prediction happens in real time. It's also much more sophisticated, not based on a few simple rules, but on hundreds of variables that interact with each other.

The need for Predictive Personalisation

All hoteliers should be getting excited about Predictive Personalisation because it's set to make our lives so much easier.

Predictive is key because, first, there are so many travellers and they are all different. Unfortunately, you just can't know what they want using a few rules of thumb and blanket attributes like gender or nationality. Second, you need to anticipate his or her behaviour. People are not exactly patient these days and if you need to wait for them to reveal their preferences, they'll be long gone. You need to act fast and fluently to encourage sales.

Personalisation comes into play because predictive analytics are only powerful if they allow you to change behaviours. Data that can't be acted on is useless, it's just a game that gives you an illusion of control. Just as each traveler is unique, through personalisation you can ensure that each visitor to your website has a unique experience too.

Machine learning trumps guesswork

The reality is that no e-commerce or revenue manager can hold in their head the huge number of variables that shape user behaviour and how they interact with one another. We need machine learning to automate this process and take it to a level of accuracy and speed that humans alone cannot achieve.

The feedback loop from Predictive Personalisation allows the hotelier to adapt their commercial strategy on the fly: optimising offers, managing stressed inventory, for low/high season etc. It takes the guesswork out of the yield management process, which saves precious time and optimises results.

Discovery vs. offer

Personalisation is currently a buzzword for all players in the travel scene. Every CEO is thinking about it and every marketer is delving deeper into the topic to find out what the benefits are. The same can be said for AI and machine learning, however, the problem that OTAs and hotels are trying to solve is fundamentally different.

An OTA has a discovery problem: which hotels should they put in front of the user, among the hundreds of thousands that it is selling? A hotel, on the other hand, has an offer problem: which combination of room, services and price is the ideal one for each customer?

Adding the user to revenue management

So far, the offer problem has been tackled using conventional revenue management - finding out the price per room that maximises revenue for the hotel using demand analytics and shopping competitors' pricing. You'll notice, however, that a key stakeholder is missing from this approach, and that is the traveler. How can you talk about personalisation if the price is the same for every user, no matter what his or her preferences are? We need to add the user into the equation and start thinking in terms of "full offer" and not only price. In this way, we can then dynamically change the offer to match each individual user's inclinations.

Ultimately, perfect revenue management is personalised pricing. Current methods optimise for the hotel but we need to optimise for the traveler too.

Behaviour-based personalisation is not CRM

Let us just be clear about what Predictive Personalisation is not. It's not remembering the brand of wine you like or the newspaper you want delivered every morning. This is lazy and feels old because it's not the type of benefit a modern traveler wants. Amenities are out, experiences are in. When is the last time you saw a post on Instagram saying "Amazing stay, they really knew I'm a New York Times reader!" Guests of course do still appreciate the personal touches during their stay, but in today's world we need to be getting personal way before the guest has even booked their visit.

The conventional CRM approach does not work in hospitality, except for a few very large mainly business oriented brands. The reason is simple: 90% of clients who visit a hotel never come back. Not because they didn't like the hotel, but because they are not coming back to that destination. In hospitality, current behaviour is more important than historic behaviour, the present more important than the past. There's no such thing as a business user, boutique user or bargain user. Every one of us is all of them, at different points in time. What you are doing right now, while planning this very specific trip, is what gives us the insights we need to personalise your experience.

Another great advantage of a behaviour-based approach to personalisation is that it complies with the privacy concerns of the modern user. We can offer you something unique without knowing your name or email address.

A definition of Predictive Personalisation

If we are going to summarise it, a business definition could be: finding the amount of money each client is ready to spend, and then delivering the maximum value for that amount.

For hoteliers, it means welcoming every user onto your website as you would welcome every traveler into your hotel. Warmly and professionally, and treating each person as an individual. An anonymous user becomes a person once he steps into the lobby.

Personalisation is about how you seduce the user, guide him or her to trust you, and then convince them that your hotel is the right choice. It's how you show that you care. And that, after all, is the essence of hospitality.

By Juanjo Rodriguez, Founder & CEO of The Hotels Network

About The Hotels Network:

The Hotels Network is an innovative technology company working with over 3,000 hotels around the globe. Boasting an international team of specialists with deep expertise in hospitality, product design and consumer marketing, the company offers hotels the latest technology to increase their direct bookings by adding a layer of tools to their website and booking engine. The tools provide a comparison of reviews and prices, a full suite of personalisation options, and predictive analytics. The Hotels Network helps partners bring sales back to the hotel direct, increasing conversions on hotel websites and equipping any hotel with the right software to compete for customers online. The company's mission is to improve the booking experience and bring transparency back to both clients and hotels. www.thehotelsnetwork.com

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EBSCO

What is EBSCO?

The Business Source Corporate Plus Database Contains:

Full text articles from almost 5,000 high quality magazines and journals, ranging from general business periodicals (e.g. Forbes) and top management journals (e.g. Harvard Business Review), to industry specific publications (e.g. Leisure & Hospitality Business, International Journal of Contemporary Hospitality Management, Hotel Management)

10,150 extensive company profiles

More than 500 full-text books

More than 1,400 country economic reports from EIU, Global Insight, ICON Group International, CountryWatch, etc

Access to Regional Business News which is updated daily provides full text for more than 80 regional US and Canadian business publications

More than 5,200 industry reports

More than 3,000 SWOT analyses

Access to the daily updated McClatchy-Tribune Collection that includes a 90-day archive of more than 280 newspapers from the McClatchy-Tribune wire service

This amazing service is available to all HOSPA members and can be accessed by logging in at www.hospa.org (Log in > Resources > EBSCO). The commonly used database is the Business Source Corporate found after logging into EBSCO; however members do have access to all the databases listed.

After putting in your search terms you will be shown related articles/journals. If you wish to refine these, the menus down the left side ‘Refine Results’ will do just that.

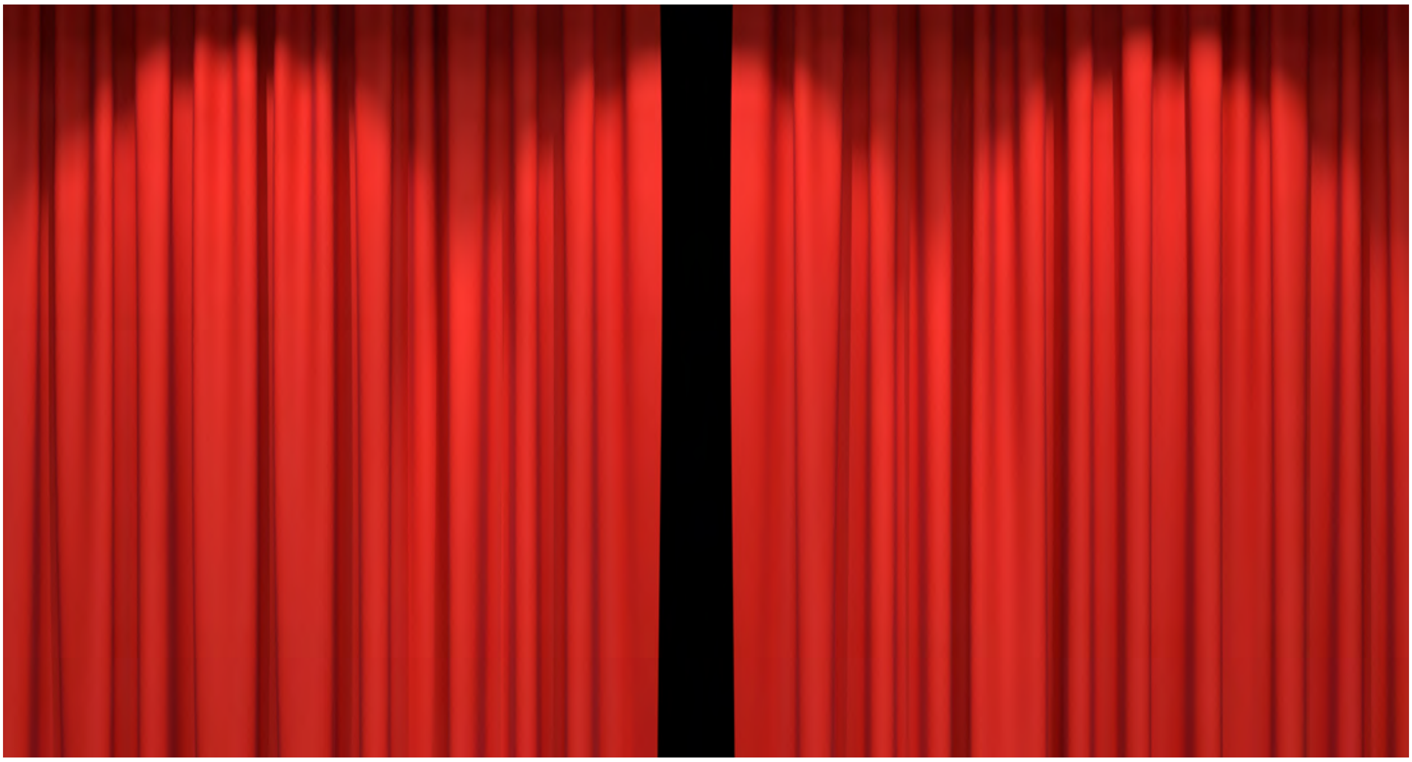
Once you open an article, options for viewing and sharing are displayed on the right side of the screen as well as an abstract of the text being shown on screen. The selected text can be viewed online or in a PDF.

For more detailed information view the online guides which focus on using the search function as well as other tools which will show you some of the other resources available.

Online Guides are available at www.hospa.org/en/resources/ebsco/

- EBSCOhost - Basic Searching Tutorial
- EBSCOhost - Advanced Searching Guided Style Tutorial
- Creating a Search Alert in EBSCOhost Tutorial
- Business Source: Basic Searching Tutorial
- Business Source: Advanced Searching Tutorial

HOSPACE line-up revealed



Hospitality professionals are set to enjoy a stellar line up of speakers at this year's HOSPACE, as Peter Hancock, Harry Murray and Sally Beck confirm their participation.

In a talk billed as 'When Harry met Sally', Harry Murray, HOSPA President and Chairman of Lucknam Park, alongside Sally Beck, GM at the Royal Lancaster Hotel, will be interviewed by Peter Hancock - the Chief Executive of Pride of Britain Hotels.

Between them, the three have a huge wealth of industry knowledge, and are amongst the most respected hospitality professionals in the industry.

With both Harry and Sally being Master Innholders, the talk, which will round off the one day conference, promises to offer absorbing insight into the latest issues and developments currently affecting the industry, as well as offering an understanding of how the pair reached their respective positions.

Jane Pendlebury, chief executive of HOSPA, said: "We're delighted to have such hospitality heavyweights on board. Peter is enormously entertaining so will no doubt prove a thoroughly engaging host, while Harry and Sally's fascinating backgrounds and abundance of experience will make them enthralling interviewees. We're really looking forward to it."

Booking for both delegates and exhibitors is currently open for this year's annual event which is set for Thursday, 1st November at the Royal Lancaster Hotel in London.

Highlights of the event are set to involve: panel discussions focusing on a variety of subjects, including the impact of leaving the EU on the hospitality industry; plus some of hospitality's most successful women will discuss the future for women working in the industry. There will also be a programme of industry specific workshops and technical updates, led by top specialists in their subjects.

Jane Pendlebury, chief executive of HOSPA, said: "HOSPACE is always the most anticipated event in our calendar and this year's conference is expected to be yet another highlight. It's a wonderful opportunity for delegates from within hospitality to come together and further their knowledge, while learning from some of the best-known and most influential names in the industry."

As in past years, HOSPACE 2018 will be supported by a growing and increasingly influential exhibition of hospitality technology solutions, providing delegates with a 'one stop shop' to view and interact with the latest and 'best in class' technologies. These will cover all eventualities for any hospitality business, whether they be start-up, established independent, or multi chain-owned, operations.

As well as a learning experience, nominations are also open for the Professional Of The Year Awards, which will be announced and presented at the Gala Dinner.

If you know a hospitality professional who is dedicated to the hospitality industry and has made an impact on others in the industry; or an employer who operates in the hospitality industry and has demonstrated an outstanding commitment to promoting and investing in education, you can nominate them for one of the prestigious awards.

To nominate an 'Inspirational Leader' in IT, Revenue Management, Finance or Marketing, visit www.hospace.net to access the nomination forms.

HOSPA members will receive discounted delegate prices to HOSPACE 2018. To enquire about this and other membership benefits, email hospa@hospa.org or call (0) 203 418 8196.

For more information on HOSPA, please visit www.hospa.org.

Technology for staffing takeover

With Brexit and high employment putting pressure on staffing, Katherine Doggrell looks at other options.

According to a new white paper; Future of Flexible Work - Recruiting in the 'now economy' UK businesses must embrace the 'now economy' and use technology to plug staffing gaps with temporary workers.

The paper says that businesses will need to reach quality 'flexible' workers faster and in greater numbers, through social media recruiting, app-based technology or other innovative methods in order to plug their staffing gaps.

The Department for Business, Energy and Industrial Strategy suggests there are close to 2.8 million people working in the 'now economy' in the UK with those involved generally younger than the rest of the population, with over half (56%) aged 18 to 34. They are made up of those who choose to earn their main income from flexible work; casual earners who take on flexible work on the side of permanent positions; individuals who take on flexible work in addition to permanent work as a financial necessity, and those who have to pursue flexible work but would like a permanent position

"If you take the hospitality sector, for example," explains Adia CEO Ernesto Lamaina.

"A recent study by KPMG warned that the sector would need to recruit another 60,000 workers a year on top of 200,000 staff already required to meet its needs if EU migration is restricted. With all trends now suggesting that the 'now' society will grow, businesses must move with it to ensure they are recruiting the kind of quality staff they need to operate."

One important way of doing that is by giving employees more autonomy to choose the jobs that are right for them, which is likely to improve productivity.

"As the world of work evolves," Lamaina adds, "there will no longer be a requirement or option to employ as many full-time, permanent staff. This is matched by a shift in mindset from younger generations, away from the traditional nine to five and towards short-term work, which offers them greater autonomy."

The 'now economy' allows employers to offer jobs on a non-permanent basis to reduce the cost of permanent workers; cover holidays/ sick days; meet deadlines; fill in during seasonal peaks; staff large-scale events, and work on temporary contracts or non-permanent campaigns. Businesses like Deliveroo, People Per Hour and Airbnb have all been cited as examples of businesses thriving in the 'now economy'.

According to figures published in May 2018, 531,000 young people aged 16 to 24 were unemployed in January-March 2018, which showed the youth unemployment rate at 12.0%.

"Workers are missing out on jobs because the job-seeking system isn't working for them; they don't have the flexibility they want; they aren't receiving the pay they require, and they are continuing to look for employment using traditional methods," continues Lamaina.

"We can change this by matching people to jobs; by giving employees the flexibility to choose the jobs they like or that pay well; by embracing technology and AI in recruitment and building trust through things like rating systems. This also means workers are gaining more experience and learning new skills and that has to be a good thing."

The Hospitality Workforce Commission 2030, a report by a group of All Party Parliamentary Group chairs, makes the case that the hospitality sector in the UK could be perfectly placed to provide fulfilling careers and increased employment post-Brexit with the right support from Government on recruitment and skills development, and a reduction in employment costs.

The study makes a number of recommendations aimed to boost employment and retention in the sector.

The sector already employs 3.2 million people, right across the UK and is a major driver of social mobility. It offers many people their first job, skills development and a meritocratic career pathway. But it is a sector that faces labour and skills shortages and is keen to grow further with a need for talent.

The report follows a Select Committee-style series of Parliamentary evidence sessions scrutinising the challenges and opportunities being faced by employers, which heard from industry leaders, employees and MPs. A call for evidence resulted in 50 organisations and individuals contributing to the final report.

The Commission report calls on the Government to act decisively to help secure the future of the sector and boost the UK's economy by:

- supporting a cross-industry campaign to tackle negative perceptions of a career in the sector;
- helping provide better quality information about opportunities in hospitality;
- collaborating with businesses to improve engagement between businesses and students.

In addition, UKHospitality is urging the Chancellor to increase the threshold for employer National Insurance Contributions (NICs) from £6,000 to £12,000 to stimulate greater recruitment and cut business costs. It is also critical the setting of the National Living Wage rate remains independent and non-politicised.

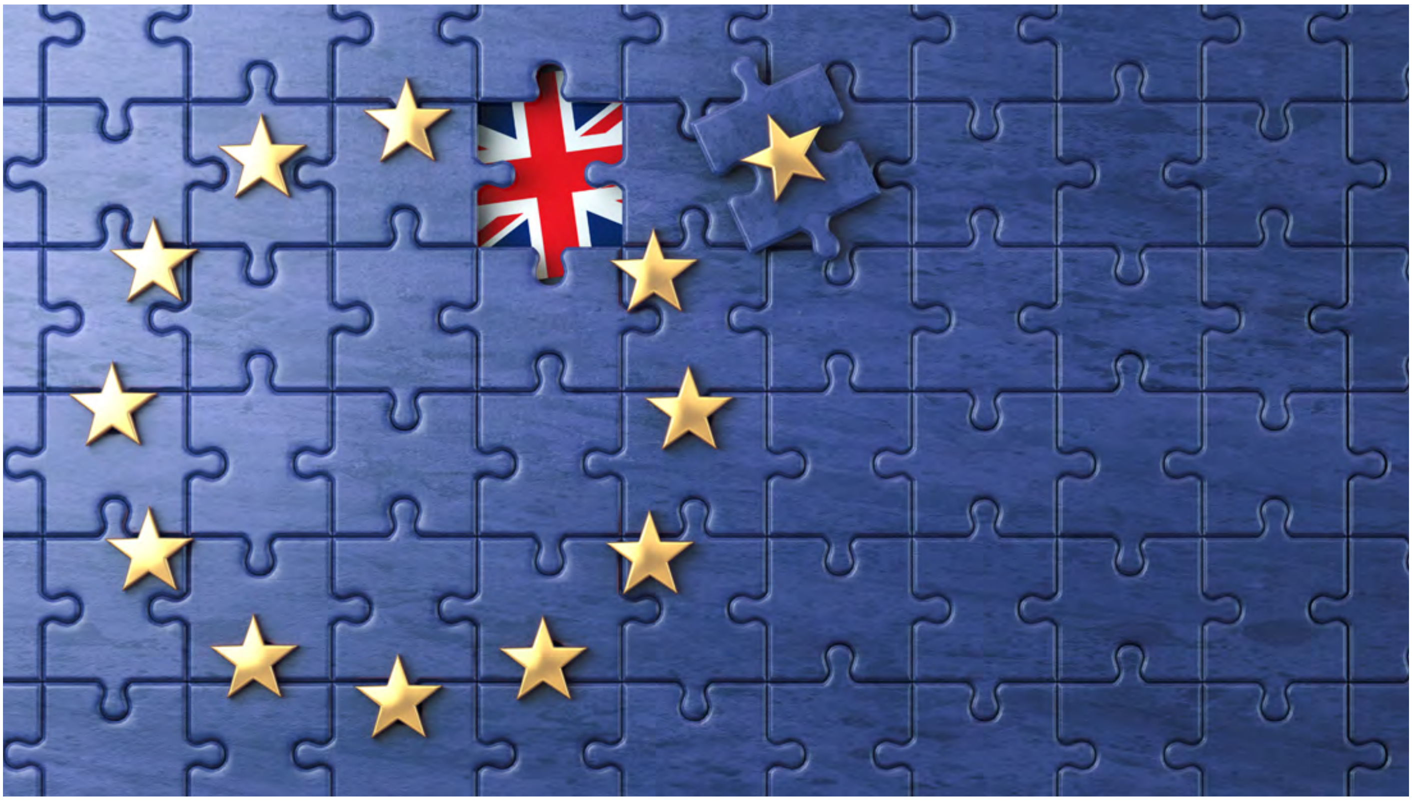
UKHospitality Chief Executive Kate Nicholls said: "The UK's hospitality sector is a resilient and inventive one. It has helped provide growth, jobs and investment in every region and has been vital for the regeneration of UK high streets following turbulent economic periods. However, without Government support and immediate action on escalating employment costs, hospitality businesses will struggle to continue to provide these opportunities for people throughout the economic cycle.

"The recommendations in this report map a path to a post-Brexit hospitality workforce. It is recognised that free movement in its current form will end, and it is critical that Government supports the sector in promoting itself to young people and providing the framework for improved career development. The full potential of the sector will only be realised with positive action from the Government to ensure this is achievable.

"The Hospitality Workforce Commission 2030 exhaustively examined the opportunities and challenges that our sector faces and actions to be taken. If acted upon these will enable us to provide even greater investment, and provide more jobs, in communities across the UK. Implementing the recommendations will allow us to more effectively provide careers and opportunities, particularly for harder-to-place workers, and help the Government hit its apprenticeship target. With political and economic instability in the aftermath of Brexit, this is too good an opportunity for the Government to miss.

"I thank everyone who gave their time to contribute to this comprehensive investigation and I sincerely hope the Government acts upon our recommendations."

Brexit anxiety hitting confidence of pub, bar and restaurant bosses



Pessimism about prospects for the eating and drinking out market has increased in the last quarter, new poll from CGA and Fourth shows.

Concerns over the impact of Brexit is driving a fall in confidence among the leaders of Britain's eating and drinking-out sector, with a majority backing a 'soft Brexit' outcome, while more than two-thirds support a second referendum, the new edition of the CGA Fourth Business Confidence Survey reveals.

Just over a third (36%) of the bosses of pub, bar and restaurant groups are optimistic about prospects for the market over the next 12 months - a drop of 11 percentage points since the last poll of leaders in May.

While two-thirds (67%) remain upbeat about their own businesses' performance - that has dropped from 75% over the last quarter. In all, 71% said that the decision to leave the EU had already had a negative effect on business.

The exclusive survey of corporate leaders and entrepreneurs from across the out-of-home food and drink market was conducted in August 2018 by business insight consultancy CGA in partnership with leading hospitality software partner Fourth.

It shows that a 'soft Brexit' is the favoured option for 62% of bosses. No other outcome, whether 'no deal', 'Chequers' or 'hard Brexit", gains over 10% support. In addition, 69% said they believed there should be a second referendum.

Among the nearly three-quarters of leaders that said the Brexit vote has already had a negative effect - most cited an increase in the cost of ingredients and the decreased availability of staff. Nine in 10 (92%) say the reduced access to kitchen staff has had or will have, an impact on their business. "The restricted availability of staff is immediate and critical," said one respondent to the survey. Leaders indicate that challenges are particularly acute in London, where businesses are most heavily dependent on EU nationals for staffing.

Leaders identify Brexit-related damage to consumer confidence too, with half (48%) forecasting people's frequency of eating and drinking out will decrease over the next six months, and only one in 10 (9%) expecting it to increase. "Brexit uncertainty is massively damaging corporate spend and household confidence," commented one respondent.

The survey from CGA and Fourth also reveals some of the steps operators have taken to prepare for Brexit. Three quarters (73%) have anticipated its impacts by investing in staff training and retention, while a quarter (27%) have invested in local food and drink suppliers. But nearly a third of leaders (31%) still consider their business to be under-prepared for Brexit, or not prepared at all.

Amid the challenges, the research reveals some grounds for cautious optimism in the sector. More than a quarter of leaders (29%) say their business' performance had been ahead of expectations, thanks in part to the twin boosts to pubs and bars of the hot weather and the football World Cup. Some bosses also see possible long-term benefits of Brexit, especially if it cuts red tape and reduces non-EU tariffs.

Phil Tate, CEO of CGA, said: "Our Business Leaders' Survey is the clearest indicator yet of the dramatic impact of Brexit on the hospitality sector. It reveals the huge disruption that the EU Referendum has already caused to the costs and confidence of businesses, and the further impacts it is likely to have on staff recruitment and retention, especially in London. Our research suggests that the large majority of operators are now pinning their hopes on a 'soft' Brexit, or even a second Referendum. But while many businesses are moving to mitigate the effects of Britain's departure from the EU, some are, by their own admission, still not ready for it."

Tate added: "Restaurant, pub and bar operators that are sharply focused on meeting consumers' needs, offer good value for money and are well differentiated from the competition still have plenty of headroom to grow. But the Business Confidence Survey confirms that Brexit is going to bring enormous challenges for the sector into 2019 and beyond."

Ben Hood, CEO of Fourth, said: "It is clear to see that sustained Brexit uncertainty has impacted confidence among industry leaders. With rising costs - including those associated with employment - a shrinking talent pool and the sector's heavy reliance on EU workers, the government needs to navigate the complex process of leaving the EU with an approach that supports hospitality employers."

"Beyond the negotiations, and despite the uncertainty, what we see is an industry rolling up its sleeves to negotiate the challenges ahead: it is clear that employers are stepping up their investment in technology that supports upweighted training and development as well as employee culture and engagement," Hood added. "These are the things that matter when it comes to attracting and retaining the best talent, and ultimately, as we know, are critical in delivering the right guest experience."

The CGA Fourth Business Confidence Survey is produced in partnership with Fourth and is based on responses from more than 130 leading figures from the industry, working at CEO, MD, chairman, board and senior management levels.

→ HOTELS FORECAST

PwC Hotels Forecast 2019: Uncertainty to stall growth

Hotel trading growth is set to flatten in the year ahead due to economic uncertainty, weak business travel demand and an influx of new rooms scheduled to open across the country.

These form part of the findings of PwC's Hotels Forecast 2019. The analysis found that the outlook for London has levelled out with year-on-year occupancy growth of only 0.1% and a marginal fall of -0.5% forecast for 2019, which will see occupancy levels drop one percentage point to 81% in 2019.

Average Daily Rate is forecast to see a marginal uplift over the next year with 0.2% growth for 2018 taking ADR up £1 to £149 and 0.8% for 2019 taking the average rate up another £1 to £150. Revenue per available room growth will remain static with 0.3% forecast for both 2018 and 2019, a big contrast to the 4.6% growth in 2017. Overall, RevPAR is expected to remain at £122 for 2018 and 2019.

London
Regions

A: Actual F: Forecast	2017A	2018F	2019F	2017A	2018A	2019A
Occupancy %	82%	82%	81%	76%	76%	76%
ADR (£)	148	149	150	71	72	73
RevPAR (£)	121	122	122	54	55	55
% growth on previous year						
Occupancy	0.2%	0.1%	-0.5%	0.5%	-0.3%	0%
ADR	4.3%	0.2%	0.8%	3.1%	1.3%	1.2%
RevPAR	4.6%	0.3%	0.3%	3.6%	1%	1.2%

Source: Econometric forecasts: PwC August 2018 Benchmarking data: STR July 2018

However, according to research from the global hotels data company STR, a potential 5,000 new rooms could open in London in 2018 with a further 4,300 in 2019. This is on top of the 38,000 rooms added in the previous five years.

Commenting on the latest forecast, Liz Hall, head of hospitality and leisure research at PwC, said:

"2017 was a hard act to follow for hotel trading, in terms of growth and 2018 has been held back by uncertainty, slower economic growth, significant supply additions and reported stuttering business travel. This is despite the weak pound buoying leisure travel, the Royal Wedding and the International Farnborough Air Show effect. However, trading in absolute terms remains extremely high by historic and global standards for London and by 2019 we forecast both ADR and RevPAR to reach new records in nominal terms.

"For a sector heavily reliant on people to deliver its products and services, the shortfall in availability of EU nationals remains a concern for hotels and the weak pound has pushed up the costs of retaining staff and importing goods within the sector.

"Following a number of years of strong revenue growth when there was not the imperative to focus on costs, prudent operators and owners need to adopt a stringent approach to operating costs growth in 2019 to preserve profitability."

Outlook for the regions

Occupancy levels in the regions have been averaging 76% since 2015 and are forecast to remain around this level for the next year but to see a -0.3% decline in 2018 and no growth forecast for 2019.

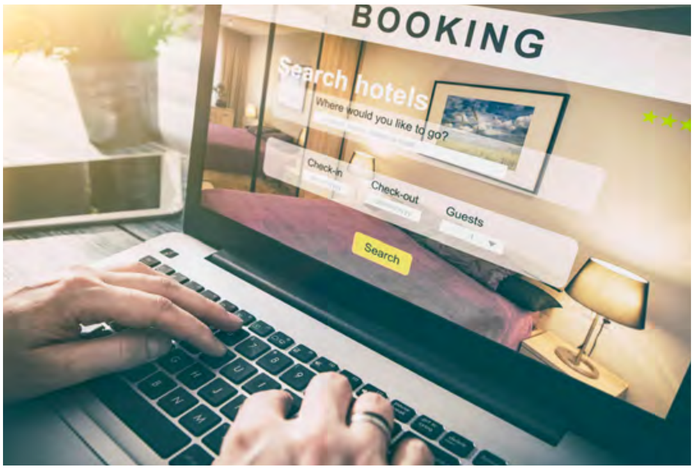
ADR growth is forecast to slow compared to 2017, with an anticipated 1.3% increase for 2018 taking ADR to £72 and a further 1.2% in 2019 lifting rates to £73. RevPAR is forecast to see a 1% uplift and a further 1.2% in 2019 taking it to £55, up from £54 in 2017.

Liz Hall added: "Our forecast shows RevPAR in the regions to end 2019 23% ahead of pre-recession peaks in nominal terms but lagging in real terms by 7%. Demand continues to be driven by inbound tourism, domestic holidays and events. The ICC Cricket World Cup is being held across 11 locations in England and Wales which could help regional hotels in 2019.

"Occupancy rates have been creeping up from 66% in 2009 to an average of 76% in 2015. We forecast rates to remain at this level despite over 40,000 rooms to be added in the regions in 2018 and 2019. A continuing structural supply shift towards a greater proportion of budget rooms will sustain occupancy levels."

Outlook for deals in the hotel sector

Total deal volume for 2017 reached £4.9bn, up 34% on the year prior, driven by a series of large portfolio deals. In the first half of 2018 the UK has already seen £3.8bn worth of deal activity, an 80% rise on the first half of 2017. We forecast total deal volume to reach c£6.8bn by the end of the year, a 40% increase on last year and the second highest volume of hotel investment in the UK after record levels of £9.3bn in 2015.



For 2019 deal activity is forecast to slow down with activity to fall by around 34% from 2018 to c£4.5bn.

Sam Ward, UK hotels leader at PwC, said: "The UK hotel market has generally shown deal volumes closely tracking RevPAR growth over the past decade. However with a swathe of significant portfolio deals completed in the first half of this year and with more in progress, deal volume for 2018 is set to buck this trend. This will mark only the second year deal volumes are expected to exceed RevPAR growth.

"We anticipate a slowdown in portfolio deal activity in 2019 due to a combination of longer term investors entering the UK hotel market, US funds refinancing their hotel portfolios to take advantage of the favourable debt terms currently available and uncertainty around leaving the European Union in March."

Drop in inflation for July

After almost half a year of rising prices, the Foodservice Price Index has bucked the trend in July, displaying a 1.7% decrease from June, though year-on-year inflation stands at 3.2%.

This could potentially represent a slight seasonal trend, as the Index rose similarly at the beginning of 2017, reaching a peak in August before dropping to its lowest point in 11 months in February 2018. The headline FPI figure is certainly influenced by sub-categories which are already demonstrating seasonal trends, such as Breads & Cereals and Soft Drinks.

In contrast, Oils & Fats is continuing an upward trend. Prices have increased every single month in 2018 so far, and the index reached a new record high in July of 150.4, with incredible 38.0% year-on-year inflation. This can be largely attributed to adverse growing conditions across the globe, intensifying trade wars and the resulting Implementation of new or higher tariffs. More recently, rapeseed prices have made a significant jump. On a commodity level, rapeseed oil prices were 4.4% higher at the end of July versus the start of the month.

Fish & Seafood has continued its volatile nature again this month, dropping by a substantial 7.6% month-on-month after having risen by almost 40% between February and June of this year. The recent introduction of the tuna ban and further recommended quota reductions from the International Council for the Exploration of the Sea (ICES) will certainly add inflationary pressures for this category in the future. Norwegian salmon prices on the other hand have been almost 15% lower in July versus the same period in 2017.

The Sugars, Jams, Syrups, Confectionery & Chocolate category remains heavily deflationary and has dropped a further 2.2% since June, setting the index to a new record-low of 85.6. With stockpiles reaching new highs and major producing countries continuing to subsidise the growers, we are unlikely to see the price recover soon. Increasing health awareness, sugar levies and the resulting weaker demand are also adding deflationary pressures on this category.

Ongoing pub closures and mounting challenges in the casual dining sector

Britain has 3,116 fewer restaurants, pubs, bars and other licensed premises than 12 months ago, according to the latest edition of the Market Growth Monitor, from CGA and AlixPartners.

The exclusive report shows that there were 119,800 licensed sites across the country in June 2018 - a fall of 2.5% since June 2017. It represents average net closures over the last year of around eight premises a day. The rate of closures has nearly doubled since the last edition of the Market Growth Monitor three months ago, when the year-on-year decline measured 1.3%.

Every part of the country has seen a decline, ranging from 3.4% in Wales to 1% in the West Midlands, with London seeing a 2.3% fall.

Continuing the trend of the last few years, community pubs continue to account for the majority of closures. But the Market Growth Monitor also indicates that restaurant numbers are falling too. After a period of growth that has seen Britain's total restaurants increase by 11% in just five years, numbers fell 1% in the 12 months to June 2018.

The findings confirm other recent CGA research revealing a host of challenges in the restaurant sector, including fierce competition, flat like-for-like sales and escalating input costs. The casual dining sector has seen a series of closures and CVAs from a number of high-profile names in the first half of 2018, although others, especially ambitious fledgling brands, continue to expand.

The Market Growth Monitor reveals other bright spots for openings - especially in northern city centres including Manchester, Liverpool and Leeds, which all now have at least a fifth more licensed premises than five years ago. Operators are increasingly looking beyond London and the south east for openings, with the number of managed, branded restaurants outside the M25 increasing by 5.9% in the last year, compared to just 1.5% within it.

The quarterly Market Growth Monitor from CGA and AlixPartners provides expert in-depth analysis of trends in restaurant, pub, and bar openings and closures. Its data is drawn from CGA's Outlet Index, a comprehensive and continually updated database of all licensed premises in Britain.

CGA vice president Peter Martin said: "Given the multitude of challenges facing the sector at the moment, it is no surprise to find that the pace of licensed premises closures is increasing. People continue to eat and drink out, and new and exciting restaurant, pub and bar brands are still achieving impressive growth. But competition from these dynamic start-ups, rising costs and the fickle nature of many consumers are combining to turn up the heat on established restaurant brands. In the current climate, standing still is simply not an option."

AlixPartners managing director Graeme Smith said: "The Monitor tells the story of a market responding to current pressures. Restaurant expansion is still on the agenda for some companies, particularly in those locations across the UK that have previously been under-served by casual dining operators - but management teams and investors need to carefully consider their opening strategies. When it comes to pubs, operators with a well-executed food offer remain attractive, and those who add accommodation to the mix are under the spotlight of investors looking to businesses with more diversified revenue streams and broader trading windows."

Holiday season delivers boost for GB eating-out market

London out performs rest of country with 1.5% trading uplift
Restaurant groups recover with like-for-like sales up 1.4%

Britain's managed pub and restaurant groups saw collective like-for-like sales edge up 0.6% in August, latest figures from the Coffer Peach Business Tracker show - with more mixed weather bringing better news for the country's casual dining chains.

Managed pubs saw collective like-for-likes grow 0.2% against August last year, while restaurant groups were up 1.4% for the month.

"These latest figures will come as a huge relief for restaurant operators, who have been under the cosh of late, not least because of the early summer heatwave which was great news for Britain's pubs as the public headed outdoors, but little help for the country's restaurant chains," said Karl Chessell, director at CGA, the business insight consultancy that produces the Tracker, in partnership with Coffer Group and RSM.

"More mixed weather during August and a damp bank holiday weekend will have helped the casual dining market," he added. "The school holidays will have also helped as parents looked to keep their families occupied."

Regionally, London performed better than the rest of the country, with August like-for-like sales up 1.5% on the same period last year, while outside the M25 trading was up just 0.4%.

"The summer tourist season and the continuing good weather appears to have given an uplift to trading levels for restaurants in London, especially those with external seating," said David Coffer, chairman of the Coffer Group.

"This is also reflected in the increase of like-for-likes in restaurant groups. This may well be a deceptive improvement as the impact of possible political upheaval begins to gain momentum over the coming months. The reaction of the UK restaurant public could swing either way in terms of seeking solace in food and beverage venues. Generally, we are seeing a continuing demand for restaurants in good trading locations but a drop-in demand otherwise. Premiums for leases are certainly at a five year low."

Underlying like-for-like growth for the 47 companies in the Tracker cohort, which represents both large and small groups, was running at 0.5% for the 12 months to the end of August, the same as it was at the end of July.

"Fierce competition, escalating input costs and flat like-for-like sales have contributed to the recently reported 2.5% year on year fall in the number of licensed premises in the UK," said Paul Newman, Head of Leisure and Hospitality at RSM.

"Post inflation wage growth is helping to underpin consumer demand for eating and drinking out. With fewer sites now vying for this increase in discretionary spend, operators will be looking to capitalise. Whilst it is still a tough marketplace, these figures show there is still a lot of opportunity."

Total sales growth across the pub and restaurant cohort, which includes the effect of new openings, was 3.2% in August, reflecting a slowdown but not a halt in brand roll-outs, and was running at 3.7% for the 12 months to the end of the month.

The Coffer Peach Tracker industry sales monitor for the UK pub, bar and restaurant sector collects and analyses performance data from 47 operating groups, with a combined turnover of over £9bn, and is the established industry benchmark.

Trevpar hits a high in July

A 5.6% year-on-year increase helped hotels in the UK hit a historic TRevPAR high this month, propelled by a robust year-on-year increase in RevPAR and also supported by growth in non-rooms revenues, according to the latest worldwide poll of full-service hotels from HotStats.

At £162.48 per available room, TRevPAR at hotels in the UK in July was 0.8% above the previous high of £161.14 recorded in September 2017 and represented a second consecutive month of TRevPAR growth in what has otherwise been a fairly forgettable year of trading for hotels in the UK.

The growth in total revenue was driven by a 7.9% increase in RevPAR, which hit £114.34 this month, and was also a record, far exceeding the previous high of £107.14 achieved ten months earlier.

Hotels in the UK successfully recorded an increase in both room occupancy (+1.7-percentage points), to 87.1%, as well as a 5.7% increase in achieved average room rate, which soared to a high of £131.21 and was 4.4% ahead of the previous high.

The growth in rooms revenue in July was supported by a year-on-year increase in non-rooms revenues, including food & beverage (+0.4%) on a per available room basis. However, further TRevPAR growth was hampered by a 0.6% decline in conference & banqueting revenue.

In addition to the growth in revenue, hotels in the UK successfully recorded a 0.6-percentage-point saving in payroll, which fell to 24.8% of total revenue.

As a result of the movement in revenue and costs, profit per room at hotels in the UK increased by 7.2% year-on-year to £71.10. Whilst this was not a record, it did equal the profit performance of September 2017.

Profit & Loss Key Performance Indicators - Total UK (in GBP)

July 2018 v July 2017

RevPAR: +7.9% to £114.34	Payroll: -0.6 pts to 24.8%
TRevPAR: +5.6% to £162.48	GOPPAR: +7.2% to £71.10

The robust demand levels were led by the leisure segment, which accounted for 36% of accommodated roomnights this month, well above the annual average of 31.9% for the 12 months to July 2018.

Growth was also supported by increases in the achieved rate in the commercial segment, including the corporate (+3.5%) and residential conference (+11.9%) sectors.

“July is not historically a month during which UK hoteliers would expect to be achieving a TRevPAR high. However, soaring demand levels, which have primarily been led by the leisure segment have helped hotels to drive top line revenues in this month over the last couple of years,” said Pablo Alonso, CEO of HotStats.

“The strength of demand has been attributed to an uplift in staycations since the Brexit vote, as well as an increase in international visitors to the UK. The improvement will be to the delight of hotel owners and operators as July presents an opportunity to drive revenue and profit which previously did not exist.”

The growth in top- and bottom-line performance for hotels in the UK in July was mirrored and exceeded by hotels in London, which recorded a 12.8% year-on-year increase in profit per room, which soared to a high of £115.00.

This was almost 45% above the GOPPAR level recorded at hotels in London for year-to-date 2018 at £79.52 and was well ahead of the previous high recorded in September 2017 at £107.64.

The year-on-year growth in profit per room was led by a 9.9% increase in TRevPAR, which grew to £226.79, as a 12.5% increase in RevPAR was supported by increases in non-rooms revenues, including food & beverage (+1.7%) and leisure (+0.6%) on a per available room basis.

In line with the total UK market, hotels in London recorded a year-on-year decline in revenue in the conference & banqueting department (-5.0%), further illustrating that accommodation demand this month was driven by the leisure segment.

In addition to the uplift in revenue, hotels in London recorded a 1.3-percentage-point saving in payroll, which fell to just 21.3% of total revenue and contributed to profit conversion climbing to a healthy 50.7% of total revenue.

Profit & Loss Key Performance Indicators - London (in GBP)

July 2018 v July 2017

RevPAR: +12.5% to £178.57	Payroll: -1.3 pts to 21.3%
TRevPAR: +9.9% to £226.79	GOPPAR: +12.8% to £115.00

The growth in top- and bottom-line performance for hotels in London was led by volume, with room occupancy soaring by 4.7-percentage points to a lofty 92.1%. In addition, achieved average room rate increased by 6.7% year-on-year to hit a high of £193.90.

“Wimbledon, the Hampton Court Flower Show, the Pride Parade and the British Summertime Festival in Hyde Park, coupled with buoyant domestic and international visitor numbers, helped drive record profit performance for hotels in London in July,” said Alonso.

Hopefully, properties in the capital can maintain this positive performance to offset the GOPPAR decline so far this year.”

Despite the overall increase in visitor numbers to the UK, hotels in leisure-led Stratford-upon-Avon continued to suffer a decline across all performance metrics in July, which was punctuated by a 10.9% decrease in profit per room, which fell to £42.54. This represented a sixth consecutive month of year-on-year profit decline for hotels in the town.

Whilst hotels in Stratford-upon-Avon successfully recorded an increase in volume this month, with room occupancy increasing by 1.8-percentage points, to 81.8%, this was cancelled out by a 2.4% decline in achieved average room rate, which fell to £92.24 and equated to a year-on-year RevPAR dip by -0.3% in July to £75.27.

In addition to the drop in rooms revenue, hotels in the birthplace of Shakespeare suffered a drop in non-rooms revenue, which contributed to the 6.7% decline in TRevPAR to £124.51.

Whilst a further increase in payroll levels to 31.6% of total revenue meant profit conversion at hotels in Stratford-upon-Avon fell to 34.2% of total revenue in July, this remained above the conversion for year-to-date 2018 at 27.5%.

Profit & Loss Key Performance Indicators - Stratford-upon-Avon (in GBP)

July 2018 v July 2017

RevPAR: -0.3% to £75.27	Payroll: +1.3 pts to 31.6%
TRevPAR: -6.7% to £124.51	GOPPAR: -10.9% to £42.54

Members' Events

8th October - ***HOSPA Members Meeting - Guest Safety***

Event Details: Smoke and Mirrors
The question of how we can keep guests safe has been brought to the fore by the Cameron House Hotel fire. All hoteliers have a duty of care to their guests. Our expert panel will cover fire safety, electronic lock systems, fire regulations, CE marking, physical security and dealing with emergencies.

Timings	**Location**
16:30 - Registration	The Rubens at the Palace,
17:00 - Presentations	39 Buckingham Palace Road,
18:45 - Drinks & Canapes	London, SW1W 0PS

FREE for all HOSPA Members & only £15 for any non-members, please register in advance.

10th, 11th October - ***Annual Hotel Conference 2018***

Location: Hilton Hotel, Manchester

Event Details: A dynamic conference and thriving exhibition with an acclaimed programme of world class key note speakers, engaging presentations by industry leaders and interactive workshops, debates and panel discussions where senior figures in their field share valuable industry insight.

Hoteliers, owners, operators and managers as well as investors, developers, designers, architects, consultants, tourism leaders and regional tourist board were represented for a day and a half of unrivalled practical knowledge designed to add real value to your business operations.

The event also featured:

- AHC Connect - an ambient zone with food and drinks served all day.
- AHC Social, Podium Bar and Meeting Areas - Delegates and sponsors can take a break, grab a bite to eat, meet up with peers and catch up with emails throughout the 2 days.

Learn, Network, Be inspired.

16th October - ***The Independent Hotel Show 2018***

Location: Olympia, London

Event Details: A firm fixture in the calendar of independent hoteliers and industry professionals alike, the show presents a curated collection of over 300 innovative product and service providers from across the hotel supply chain. Together with expert insight from our Seminar Programme and multiple networking opportunities, the Independent Hotel Show is designed to satisfy the demands of hoteliers committed to improving their business.

The Independent Hotel Show will present a collection of over 300 of the finest suppliers and service providers to the hotel industry, helping your business to:

- Increase profitability and day-to-day efficiency
- Identify key trends and stay ahead of the competition
- Maximise new ideas & training opportunities
- Grow your industry network and establish strong business relationships

Exhibiting companies include, but are not restricted to, the following categories:

Interior & Exterior Design & Build / Housekeeping Products & Services / Technology / Marketing & Brand Awareness / Business, Legal & Finance / Health & Wellness / Environment & Sustainability / Breakfast, Bedroom, Bar & Minibar

24th October - ***HOSPA Members Meeting - Asset Management***

Location: CMS Cameron McKenna Nabarro Olswang LLP, Cannon Place, 78 Cannon Street, London, EC4N 6AF

Time: 6pm

Event Details: A panel discussion, moderated by Russell Kett. Topics to be discussed include:

- Franchise, Management or Independent
- Synergy between owner and operator's objectives
- Strategic timing issues and length of operating agreements and the nature of value
- Role of OTAs and Brands and their respective rewards
- Best fit use and best operating models - one management fits all activities?
- Co-ordination and interpretation

FREE for all HOSPA Members & only £10 for any non-members, please register in advance.

Please visit www.HOSPA.org for all registration details and all other events.

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Pelican Procurement
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HOSPA
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Correspondence Address (Please tick)	Home ◯ Work ◯

Which grade of membership are you applying for?

You would normally be granted Ordinary status, but if you wish to be considered for a higher grade then please indicate which and ensure you submit a CV to support your application. Corporate membership is available for 5 or more colleagues. Please call +44 (0)203 4188196 to discuss or email hospa@hospa.org.

Status (Please tick)	Ordinary ◯	Ordinary Student ◯	Associate ◯	Fellow ◯

Your Signature		Date	

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