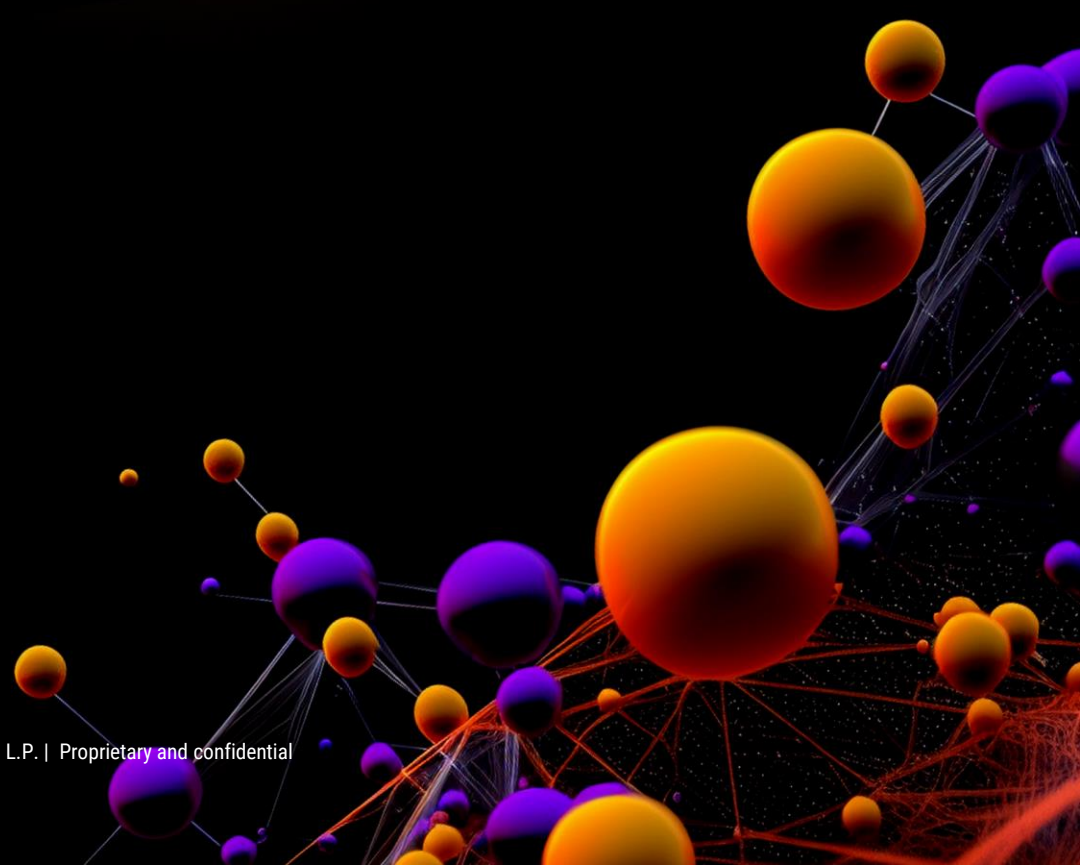




Macro and Market News

Week 17 2024 – Week ending 26/04/2024

26 APRIL 2024





Macro/Economic News

Week 17 2024 – Week ending 26/04/2024

Macro/Economic News (1 of 2)

Week 17 2024 – Week ending 26/04/2024

- **The ONS** data shows a 0.5% uptick in draught lager prices during Q1 2024, with a pint increasing by 2p to £4.71. Prices were up by 4.6% compared to 2023. This is ahead of the headline rate of CPI.
- **GfK's** consumer confidence index has jumped by two points month-on-month to -19 in April. It is up from -30 a year earlier. Improved sentiment towards the economy's performance over the coming year alongside greater confidence in personal finances have lifted the headline index in April. The upward moves reflect a sustained drop in inflation over the past year. It is down to 3.2%, the lowest rate since September 2021. Slowing prices growth and rising nominal wages have boosted living standards. Tax cuts in March budget, most notably a further 2p reduction to national insurance contributions, are said to have driven consumer confidence higher. While the overall index score remains negative, all of the underlying five measures this April are significantly better than they were last April. However, a renewed surge in inflation in the United States alongside higher than expected inflation data in Britain convinced investors to dial back their forecasts for rate cuts this year. Only one or two quarter-point reductions by the Bank of England this year are now priced in by financial markets, down from as many as six at the beginning of the year. Several lenders, including Barclays, NatWest and HSBC, have raised mortgage rates in response to the market predicting fewer rate cuts.
- **New tipping laws** set to come into force have been pushed back from July until October this year to allow businesses more time for implementation. It comes as the final code of

practice of the Fair Tips Act was officially unveiled and laid before parliament by the Department of Business and Trade on Monday, 22 April. Aimed at enhancing fairness and transparency, the new tipping legislation mandates that all tips and service charges be distributed to staff without any deductions. It also requires businesses to implement a clear, equitable distribution system, ensuring that employees receive their full share of gratuities. Highlights of the final code of practice includes clarification on agency workers. The updated legislation clarifies that for the purposes of tip allocation, the "employer" is regarded as the business that hires the agency worker. If tips are passed to agencies for payment to workers, the agency retains the obligation to ensure no deductions from tips. This ensures that agency workers are treated equitably in line with directly employed staff concerning tip distribution. The code now includes hours worked during the period that tips were received as a factor to consider in businesses implementing a "fair" distribution under the legislation. The code also strongly advises employers to engage with their workforce in developing tipping policies and reinforces that team members' view of "fairness" will be a consideration. Tips collected digitally, directly from customers to staff, are not considered employer-received tips and are out of scope, subject to correct operation of these platforms. The code also includes strengthened provisions to prevent any form of discrimination in the distribution of tips, ensuring fairness for all employees regardless of background or characteristics.

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- **The “deposit return scheme”** first floated six years ago will not start operating until 2027 at the earliest. The new timeline is a fresh delay for a major recycling policy that had already been postponed from 2024 to 2025. The idea is that consumers pay a higher upfront cost for single use bottles and are then refunded money when they return the bottle to a machine or “takeback” desks in shops – 20p in the case of a Scottish scheme that was due to be introduced last year. The Scottish plans were postponed amid a row between Westminster and Holyrood, leading to plans for a unified, UK-wide scheme to begin at the “stretching” start date of October 2025. However, that has been delayed to 2027, to allay businesses’ concerns about the costs and practicalities of implementing such a scheme. Shops will be required to host return points for the bottles, and people will have to bring them back with caps or lids attached to receive their money. Only Wales will be including glass in its scheme, though the Scottish government had previously wanted to include glass too. The glass industry had lobbied heavily for excluding glass for the scheme, arguing it would be better to boost how much glass is collected by kerbside recycling from homes. Steel and aluminium bottles will be covered by the scheme.
- **Scotland**, the first country to implement a minimum unit price (MUP) for alcohol in 2018, has now increased it from 50p to 65p per unit, effective from September, reflecting inflation.
- **Strikes:** staff from 16 train companies will participate in rolling one-day walkouts from 7 to 9 May, with an overtime ban in effect from 6 to 11 May.



Market News

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Market News (1 of 3)

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- The Evening Standard** reports that working from a pub is 40% cheaper than booking a coworking space for the day, saving Brits an average of £9 a day, according to a new analysis from catering supplier Alliance Online. It found that a table at a pub for the day comes out at £13 on average, compared to £22 at the coworking spaces. However, most co-working spaces offer monthly deals as well, at lower prices per day. The analysis found that the average monthly cost at a co-working space is £253. That is slightly less than the cost of 20 days, a normal working schedule, at the pub. For those working every single day in the month, as would be possible with a monthly co-working deal, the pub is more than 50% more expensive. “Work from pub” deals typically allow a remote worker to book a table for an entire workday with the purchase of a meal and a hot drink. The pub chains whose remote working offers were used in the research included Young’s, All Bar One, BrewDog, Brewhouse & Kitchen and Joseph Holt.
- Tossed** is to launch its first site outside its central London heartland. The business plans to open at Chiswick Business Park in the coming week. The business now comprises 13 stores, with central London locations including Cheapside, Baker Street and Victoria.
- Afrikana** has revealed a six-store openings pipeline for this summer and beyond. The business opened its 16th restaurant earlier this month, at 4 Vantage building in High Point Village, Station Approach, in Hayes. It was Afrikana’s fourth London site and first in the west of the capital. The brand’s next opening will be in Ilford, east London, in June, followed by Kingston, south west London, in July, Holloway (north London) in August and Hounslow (west London) in September. Beyond that, it has further openings slated for Tooting (south London) and Reading, but these do not yet have opening months. Afrikana has a long-term pipeline of 50-plus restaurants, with up to ten set to open this year.
- The Real Greek** is set to launch in Sheffield for its second new opening of 2024 and 27th overall. It will open at the city’s Meadowhall shopping centre on Monday, 13 May, following January’s launch at the Liverpool ONE destination.
- SSP Group** has reinforced its commitment to sustainability by removing plastic lids from its own-brand hot beverage cups and replacing them with a plastic-free alternative. The new lids, made of bagasse – which is derived from sugar cane stalks – will remove more than eight million single-use plastic items from SSP’s own-brand supply chain each year. The bagasse lids will be used at brands including AMT Coffee and Upper Crust. SSP is committed to eliminating all unnecessary single-use plastics from its own-brand packaging and ensuring 100% is reusable, recyclable or compostable by 2025. The company has already switched its own-brand cold drinks cups to rPET, which includes recycled materials, and its long-term target is to reach net-zero across its value chain by 2040.

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- German Doner Kebab (GDK)** has opened its 140th UK site and 13th for its Gloucestershire franchisee, Z&K Group. GDK Bristol has opened at the Cabot Circus shopping centre in the heart of the city. The new site comes after a flurry of openings for GDK in recent weeks. Last month saw the brand's first UK launch of 2024, at 60 High Street in Epsom, Surrey – a 26th restaurant for franchisee Shazad Khan. GDK has since also opened at 73 High Street in Bedford – a first store for new franchisee Lucky Sohal, and at Hempstead Valley – a second GDK store for Domino's and Costa franchisee DS Group.
- Badiani**, an Italian gelato brand, has opened its third site in the Canary Wharf area of London's Docklands, adding to its Canary Wharf sites in Wood Wharf and Canada Place. The venue is a 15th UK site overall for Badiani, with 13 in London plus outposts in Windsor and Brighton. Badiani plans an eventual UK estate of up to 40 sites. Founded in Florence in 1932, Badiani still has its original shop in the Italian city as well as five in Spain and two in Japan, for an overall estate of 23.
- Caprinos** opened its 91st UK pizzeria in a former Subway unit at 2 The Cross in Oswestry, Shropshire. Last October, Caprinos made its international debut with a launch at the DHA Lahore development in Pakistan.
- Wingstop** has strengthened its footprint in London by opening its new site in Clapham. The 44-strong business has launched in the former Bodeans site at 169 Clapham High Street. Wingstop UK is on track to open 15 sites this year, including further restaurants in London, in Croydon, and its largest site yet, at Westfield Stratford City. The brand, which
- launched here in 2018, recently secured a former Burger King site in the Midsummer Place scheme in Milton Keynes. Last week, Lemon Pepper Holdings (who develop the brand in the UK) co-founder Herman Sahota told City AM that it sees potential to grow Wingstop to more than 300 sites here in time.
- Chick-fil-A**, which has targeted 2025 for a relaunch in the UK, is understood to have secured a site in Kingston-upon-Thames, as it starts building its opening pipeline here. The brand, which has more than 2,800 restaurants in the US, Canada and Puerto Rico, is believed to have acquired the freehold of the HSBC site in Eden Street/Clarence Street in the south west London borough. It previously said it was aiming for five sites within the first two years of its relaunch in the UK. Over the next decade, Chick-fil-A intends to invest \$100m in the UK. The fried chicken brand launched its first UK restaurant in Reading in 2019, but just eight days after the launch, the shopping centre housing the store announced its lease would end after six months following a backlash from LGBT activists. Chick-fil-A is hoping to attract UK franchise partners with what it bills as a "unique" owner-operator model, which requires just \$10,000 of investment from the franchisee. Four in every five franchisees will operate just one site, Chick-fil-A added.

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- **Bubbleology**, the bubble tea bar operator, has strengthened its grocery retail offering with the launch of its brown sugar home kit single serve tea, which has hit the shelves of 700 B&M stores nationwide. Since Bubbleology's strategic partnership with Aimia Foods in June 2023, the Bubbleology home kit range has brought bubble tea to consumers at home across more than 1,500 retail stores nationwide including Asda, Tesco and Morrisons. The brown sugar home kit single serve is the latest addition to its milk and fruit tea home kit offerings, which include flavours such as passionfruit and raspberry, as well as Taro milk tea. The introduction of the brown sugar milk home kit into B&M is part of the Bubbleology's ambitious plans to further grow its out-of-home presence while expanding its high street store presence over the next 12 months to more than 50 sites. The company operates 33 sites across the UK.
- **Heavenly Desserts** will open a new site in Milton Keynes on Saturday, 27 April. The company will launch a 76-cover restaurant at the city's MK1 Shopping & Leisure Park. Milton Keynes will be a 56th UK location for Heavenly Desserts, which also has an overseas presence in Mississauga, Canada. The brand is believed to target 100 sites by end the end of 2026, it has also launched a smaller scale kiosk format in a bid to attract more franchisees.

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