

22 January 2018

Dear Member,

Proposal to reshape the future of UK Hospitality

It is hard to think of a more turbulent period than we have weathered over the past year. Political uncertainty has never been greater, cost pressures unprecedented and Brexit, and a minority Government means business needs to be prepared for the unexpected. **Hospitality needs a strong, unified voice now more than ever.**

Despite its importance economically, socially and culturally, hospitality does not get the credit and influence it deserves and this is, in part, due to there being no single sector voice. **Our ambition is to change that.**

A STRONG UNIFIED VOICE

As I mentioned in my speech at last year's BHA Summit, wider industry collaboration is essential. The British Hospitality Association (BHA) and the Association of Licensed Multiple Retailers (ALMR) have been working ever more closely and we believe this has led to the needs and concerns of the sector being listened to and acted upon by Ministers. It has shown that we can achieve so much more by combining our resources, having a single message and jointly presenting it. We now want to seize that opportunity to make a dramatic difference to the challenging commercial environment we all operate within.

The Boards of the BHA and the ALMR recommend to their respective members that both Associations should merge to form a single, authoritative body actively to represent the entire hospitality industry to Government, the media and other stakeholders. Both organisations are of a similar size, in rude health and traditionally represent different aspects of hospitality.

This recommendation will be **put to a vote at a General Meeting (GM) of all members to be held on 21 February 2018 in London.** The full details are set out below and included in the enclosed pack.

AIMS & OBJECTIVES

The newly merged body will be called UKHospitality. For the first time, this will bring together pubs, clubs, leisure parks, restaurants, contract catering, entertainment venues, visitor attractions and hotels spanning a multitude of enterprises – from single site independent businesses to national chains – making it clear to policymakers our size, scale and importance and providing a single point of contact with which to engage. It will dramatically increase our influence, our credibility and our leverage, allowing hospitality to take a lead role in defining an enabling environment for its members.

The proposed core purposes of the merged body continue to be those we have pursued separately. We will provide a strong, organised campaigning voice to lobby on the big strategic, structural and financial challenges on the horizon such as Brexit, productivity and competitiveness. We will seek to

lead the public debate on tax, business rates and employment costs, supported by robust data and research.

We intend to take the lead in delivering an integrated careers and skills strategy for our industry, meeting productivity requirements outlined by Government and, crucially, securing a good sector deal. The new body would have an ambassadorial role, both at home and internationally, sharing best practice and championing hospitality as a great sector within which to invest and work.

In addition, we will be able to provide better, more effective business support services, particularly to SMEs, with a suite of advice lines, a marketplace of discounted services and assured guidance on employment, environmental, health and food safety law. Promoting networking and knowledge transfer, together with authoritative research and insight, this will deliver real bottom line commercial benefits to all members.

PROCESS & STRUCTURE

The enclosed papers provide you with more information on the proposed merger. These are the result of objective, detailed negotiations by a Steering Committee comprised of three representatives from each Board, which has overseen the governance of the process and ensured the interests of each organisation's membership are best served. Their work has been balanced, objective and resulted in the recommendation of the creation of a new organisation into which the assets and resources of the two current bodies would be merged in due course.

Following a thorough CEO search, carried out by independent recruitment consultancy Korn Ferry and covering a number of internal and external candidates, the Steering Committee has proposed that Kate Nicholls, current CEO of the ALMR, should lead the new body and, in the spirit of balance, I, current Chair of the BHA, am proposed as Chair with Steve Richards as Deputy Chair.

We are keen to ensure that the 'best of both' is achieved by this merger and we come together as equals with common purpose. We will ensure that the proposed new Board has equal representation from each side. I am delighted that Wendy Bartlett MBE of Bartlett Mitchell, Steve Cassidy of Hilton, Grant Hearn OBE of Amaris Hospitality, Simon Jones of Premier Inn, Dermot King of Bourne Leisure, Ranjit Mathrani of Masala World and Calum Ross of Loch Melfort have agreed to serve on the Board should the merger be approved.

To make sure that all that we do is member driven, an Advisory Council will be established that will bring together representative members from each segment of the market to debate issues of the day and provide insight and support to the Executive on strategy development. Sectoral Policy Groups, including dedicated Scottish and Welsh groupings, will ensure that every sector-specific issue of concern is picked up and addressed and that we remain close to grassroots members' diverse concerns.

I know that all of those mentioned above would welcome support and input from members in their work and we would encourage as much participation as possible by members in their respective advisory groups. Your membership will continue seamlessly and fees will be frozen for the coming year as we transfer to the new association, should the merger be approved.

Next Steps

Enclosed is a notice of a GM to vote on resolutions to approve the merger. The Board of the BHA joins me in recommending these proposals to you. We believe that this step is in the best interest of members and the industry. A combined and unified body will have greater reach and ability to effect change. The Board believes the resolutions which are proposed are in the best interests of the BHA and its members and therefore recommends that you vote in favour of them at the GM. We look forward to seeing you there.

Together, as UKHospitality, we are more than the sum of our individual parts. Together, we will be a force that the Government can no longer ignore. Together, we can deliver more effectively the changes you, our members, need to continue to grow, innovate and thrive.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Nick Varney', with a long, sweeping flourish extending downwards and to the right.

Nick Varney
Chairman
British Hospitality Association

Encs: [UKHospitality structure](#), [Extraordinary General Meeting notice & proxy form](#)