# All Party Parliamentary Group for Hospitality and Tourism

**Meeting of the Hospitality and Tourism APPG**

Room P, Portcullis House, 28.10.2025, 3-4pm

**Minutes of meeting**

## Attendees

Parliamentarians

| | | |
|---|---|---|
| Caroline Voaden (Vice-Chair) | LibDem | South Devon |
| Chris Webb (Chair) | Labour | Blackpool South |
| Damian Hinds (Vice-Chair) | Conservative | East Hampshire |
| Steve Darling | LibDem | Torbay |
| Bayo Alaba | Labour | Southend East and Rochford |
| Joe Robertson | Conservative | Isle of Wight East |
| Kathyn Sturgeon on behalf of Wendy Chamberlain | Liberal Democrats | North East Fife |
| Anna Robinson on behalf of Jack Rankin | Conservative | Windsor |

Secretariat

| | |
|---|---|
| Kate Nicholls | UKHospitality |
| Tony Sophoclides | UKHospitality |
| Luke Cheadle | UKHospitality |
| Ruby Sampson | UKHospitality |
| Isabella Roberts | UKHospitality |

Observers

| | |
|---|---|
| Eddy Leviten | Tourism Alliance |
| Josh Seitler | IHG Hotels & Resorts |

Panellists

| | | |
|---|---|---|
| Luke Laws | Operations Director | Fabric Life Ltd |
| Tom McNeeney | Owner | The Oxford Pub |
| Pete Terry | Managing Director | Disco Bowl Limited |
| Ray Reidy | Chief Financial Officer | Travelodge |

## 1. Introduction and welcome

Chris Webb, (CW) started the meeting welcoming all attendees to the meeting and introduced the meeting as an evidence session for the upcoming Budget, now in a month's time. Members have the opportunity to hear from businesses in the late-night, indoor leisure, pub and hotelier sector on the current state of play for businesses and their asks for the Budget.

Kate Nicholls, (KN) gave an overview of the sector stating that the upcoming Budget represents a make-or-break moment for hospitality businesses. KN said that while we remain adaptable and resilient, we're operating in an unprecedent circumstance which represents a unique trading environment with different challenges presented compared to previous shocks such as the challenges of Brexit and Covid lockdowns. Costs were identified by KN is a key theme, the cost doing business, the cost of opening, the cost of employment, the cost-of-living crisis and the cost of lost opportunity. Costs have become critical for hospitality businesses and are the difference between thriving and surviving and surviving and failing.

KN discussed how the sector is battling £3.4 billion in additional taxes from the last Budget and demand has been soft and fragile over the summer period, despite a busy period of trading. 79% of consumers say when they do have disposable income, they want to use it to go out and socialise safely or for a domestic short break. We want to give people the confidence to spend but businesses must assess whether they can afford to stay viable within the short term.

KN reinforced that the facts are stark. We have jobs being taxed out of existence with businesses cutting opening hours, cutting jobs and freezing investment. KN said we have seen 84,000 job losses from the last Budget to the end of August and a 25% drop in temporary hospitality jobs over the summer. This is often people's first taste of employment. We're likely to be in the same situation as we head into the busy Christmas season when many young people are, again, looking for work.

Customers are being taxed out too as 79% of business have been forced to raise prices again as they cannot absorb the costs further without affecting profitability. This in turn is fuelling inflation and making it hard for customers to go out and socialise safely.

KN explained that a quarter of our members have no cash reserves and a third are operating below breakeven which is not sustainable. This is why it is imperative that the voice of businesses is heard and that we see reforms to business rates implemented in full with a multiplier for hospitality, retail and leisure businesses with no supercharge.

We must also fix Employer NICs so we can get back to moving people from welfare to work and create jobs for everyone everywhere and lastly, cut VAT to stimulate growth and enable businesses to lower prices.

KN summed up by saying, hospitality already accounts for £54 billion of tax generated – we can be tax generators, but only if we're not taxed out.

Caroline Voaden MP (CV) asked about evidence around a VAT cut for MPs to use in lobbying.

KN said that 70% of businesses passed on the benefits to consumers with price cuts when we had a VAT cut in the pandemic and the appropriate briefing on this would be passed onto Caroline's office by the UKHospitality team.

KN passed onto Pete Terry from Disco Bowl.

**Panellists**

Pete Terry, (PT) introduced himself as Chief Executive of the UK's largest independent bowling operator which employs 250 members of staff which 80-100 are full time. PT said how he'd been seeing various MPs in the run up to the Budget including Lillian Greenwood, Sarah Hall, Oliver Ryan and Sean Woodcock.

The first issue PT raised was ENIC which has cost his company £175,000 which is an increase of 50%. The increases to the minimum wage have added to the cost burden on his business especially as wages are moving in tandem with managers' wages having to increase as well as those on minimum wage otherwise this would risk managers earning the same as an entry level of member of staff, so the entire payroll has increased. PT added that price rises have come from every area from suppliers to manufacturers which has Disco Bowl has been tempted to move more towards automation such as on check in desks.

On the Employments Rights Bill, PT talked about the importance of retaining flexibility for both the employer and employee particularly as his business is so weather dependent, being busier over winter and quiet over the summer and he noted that the heat waves this summer proved difficult to manage. Static hours for employees are difficult as they need flexibility for varying periods of busyness.

On business rates, PT went onto say there is generally consensus this is an outdated system and Disco Bowl have large centres with a big footprint in the community. The drop in business rates relief from 75% to 45% has amounted to thousands of pounds of additional costs as well. PT also mentioned BIDs which can sometimes serve the hospitality business community positively, if done well, but otherwise can be an added cost burden and not value for money. PT name checked Nottingham as an exception as a BID which works well.

PT concluded that the cost of operation has gone up 40% over the last 5 years of operation and energy was 15p per KWH and is now 25p per a KWH. PT reflected that a cut in VAT would stimulate growth and incentivise jobs and investment whereas now businesses are having to turn down investment opportunities as they're being taxed out.

Tom McNeeney (TN) introduced himself as the owner of the Oxford Pub who has operated for 13 years in the pub sector and is a 3rd generation publican.

TN talked about how business rates are stifling, and pubs can be expected to pay 5 times more than £1 of turnover. TN said how over the last 5 years energy rates are 2-3 times more and food inflation is at 20%. The British Institute of Innkeeping shows that at most, only a third of pubs are running profitability, which shows that we're at a crisis point across the country.

TN went on to talk about how the UK has the second highest VAT rate in Europe with the average in Europe being 10-12%.

There is a dangerous level of youth unemployment and hospitality jobs are entry level jobs, it's most people's first job, it's summer jobs, but young people are being squeezed out of employment. TN gave an example where the last job he advertised, which was zero hours and part-time role, had 71 applicants.

TN discussed how the biggest cheer at the Budget was 1p off a pint, but this is money was coming off at production but not at the bar for customers. TN said he calculated his pub would have to sell an extra 600,000 more pints to swallow the costs of the last Budget and allow 1p off a pint. TN mentioned on business rates, that the multiplier needs assessing due to the outdated system. 1 pub is closing every day, and the reality has a knock-on effect on loneliness, charity fundraising as well as jobs. These are our third spaces, our community spaces and in particularly turbulent times, the places we come together to share out stories, are even more important. Every closed pub represents a loss of memories and personal connections.

KN added that it would cost pubs 40p more to serve the pint.

TN passed over to Luke Laws.

Luke Laws, (LL), introduced himself as Operations Director at Fabric night club. Luke started by saying how reluctant they had been to put prices up after the Budget as this ends up pricing out customers. Instead, automation was looked at as well as reducing staffing by 3%. They have one staff member per 15 attendees and usually have 2,000 attendees.

LL said night life is culture. During covid, the Cultural Recovery Fund had 550 awards, which put clubs like Fabric and the Ministry of Sounds alongside the London Philharmonic Orchestra. Nightlife is where creative industries thrive, but businesses have to be able to experiment, get it wrong, take a hit and still survive. But within the current operating environment the risk of not surviving a hit is too high.

Nightlife only thrives when bars, cafes, hospitality are also thriving, it's an ecosystem, and Fabric does not want to be the last club standing. Hospitality can play a huge role in regeneration which we have already seen by the regeneration of places like Shoreditch, but without the regentrification element.

LL reflected that nightlife is quality entertainment providing a space for the next great artists to be born and delivers a safe place to go out with friends.

Damian Hinds MP asked if there is consensus on which of the 3 asks is most supported by the hospitality sector.

KN said, the one industry would prioritise is VAT. This would be the quickest and most effective for delivering growth, but business rates are the most practically possibly to deliver in the political climate.

Ray Reidy, (RR) from Travelodge, introduced himself as Chief Financial Officer of Travelodge, a budget hotel brand with around 13,000 colleagues and over 620 hotels across the UK, Ireland and Spain. RR said Travelodge is a catalyst for economic activity and has invested heavily which creates new jobs and over the last 12 months Travelodge has seen the biggest year of investment in over a decade. This was against the difficult backdrop of the 2024 Budget.

The changes from the increases in the Living Wage and the increase in Employer NICs bill had a huge impact on our business.

RR said the 2025 Budget marks an opportunity to help the hospitality sector and business rates are stifling businesses especially hotels with bigger venues.

The proposed higher multiplier for properties with a rateable value above £500,000 penalising the very businesses that have the potential to drive regeneration and growth.

Steve Darling MP (SD) asked how many of Travelodge's hotels would be affected by the potential supercharge.

RR said that Travelodge does not have full clarity on how far reaching the supercharge would be, but it is estimated that many of our hotels will be brought into this. This will directly reduce the ability to invest and create new jobs.

Moving onto tourism levies, RR added, there is no consensus and organisational overseeing structure leading to different approaches in different regions meaning there can be two hotels only two miles apart operating under different rules. Travelodge would like a national and consistent approach.

On the Employment Rights Bill, Travelodge supports the aims of legislation but asks for a bigger phasing out of the new changes to rule out any unintended consequences, such as costs to businesses and making hospitality work less flexible for both the employer and employee. Extended Day 1 rights can pose a greater risk of higher absenteeism. RR stressed that the Bill may be trying to do the right thing, but the unintended consequences are a real challenge for businesses.

**2. Q and A session**

CV asked about the growth of high street.

RR said Government cannot keep taking from the well. Hospitality is overstretched and overburdened. If the sector is supported, we act as a catalyst for growth, and if you give us a little, we'll give a lot via economic growth and jobs, creating a prosperous and thriving high street.

SD asked what a good BID looks like and whether the members in the room support a tourist tax?

PT explained that Nottingham arranged for the side of their building to be arranged by a local artist which both helped his business and brought good publicity. Whereas other schemes businesses will pay in to and not see the output, and this is dependent on who is running it.

RR added that a tourist tax, if it comes with national guidelines, this could be supported. The issue is lack of consistency.

Tony Sophoclides added that it important to distinguish accommodation BIDs and tourist taxes. With ABIDs businesses pay in so they have more control in the spending, whereas tourist taxes have more bureaucracy and there is no guarantee funding is ring fenced for hospitality businesses.

CW said he is making progressing with the new hospitality and tourism minister and assured the meeting that they're listening.

CW thanked everyone for attending the meeting and mentioned that he would be writing to the Chancellor setting out the concerns and challenges of business discussed today and members of the APPG will be hearing from him soon about signing the letter.

CW noted that we're coming up to the APPG's AGM which he hopes many members will look to attend.

**The meeting closed.**