



**UKH**  
UKHOSPITALITY  
CYMRU

## Gwasanaethu Cymru: manifesto ar gyfer twf

LLETYGARWCH: CREU LLEOEDD Y MAE  
POBL EISIAU BYW, GWEITHIO A  
BUDDSODDI YNDDYNT

## Serving Wales: A manifesto for growth

CREATING PLACES WHERE PEOPLE WANT  
TO LIVE, WORK AND INVEST



Mae UKHospitality Cymru yn cynrychioli buddiannau gwestai, tafarnau, bariau, bwytau, siopau coffi, bwytau gwasanaeth cyflym, arlwywyr dan gcontract a detholiad eang o fusnesau hamdden dan do yng Nghymru.

Mae'n sector anferth, dylanwadol a bywiog, ac mae UKHospitality Cymru a'i aelodau yn gallu helpu pawb i ddylunio a gweithredu eu cynlluniau ar gyfer creu Cymru well a chryfach.

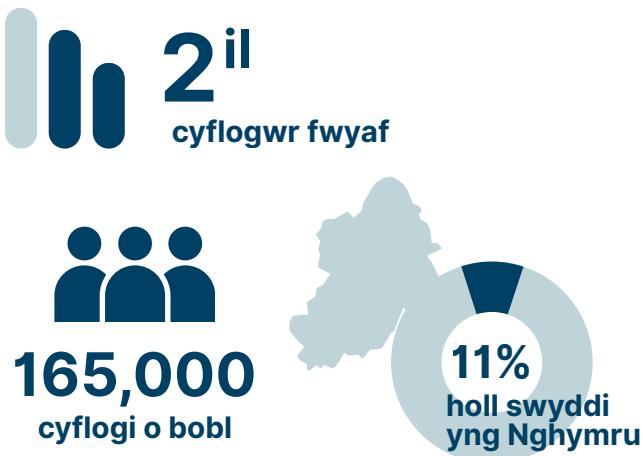


UKHospitality Cymru represents the interests of hotels, pubs, bars, restaurants, coffee shops, quick service restaurants, contract caterers and a broad section of indoor leisure businesses in Wales.

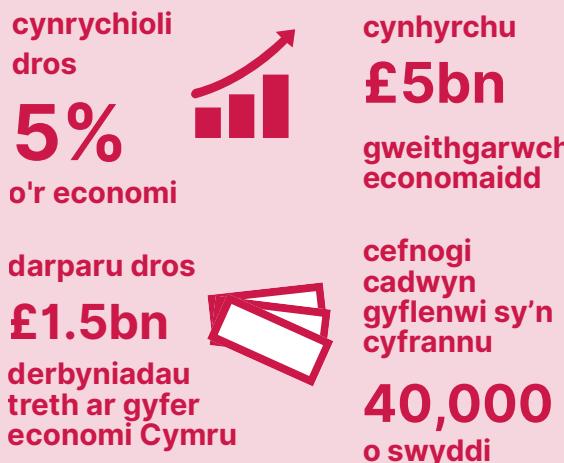
Hospitality is an enormous, influential and vibrant sector, and UKHospitality Cymru and its members can help all parties design and implement your plans for building a better and stronger Wales.

# Ystadegau'r Diwydiant

## CYFLOGAETH



## MAE LLETYGARWCH WRTH WRAIDD YR ECONOMI



## ERBYN 2031, GYDA'R AMODAU IAWN, GALL LLETYGARWCH:



## ARGYMHELLION AR GYFER ETHOLIAD 2026 CYMRU

Mae UKHospitality wedi gweithio gyda'i aelodau i greu Rhaglen Lywodraethu Gadarnhaol, gyda chwe argymhelliad clir, a esbonnir yn fanwl yn ddiweddarach, ar gyfer llywodraeth nesaf Cymru i gefnogi lletygarwch a'r bobl sy'n gweithio yn y sector.

Dyma'r argymhellion yn fras:

- 1
- 2
- 3
- 4
- 5
- 6

Diwygio ardrethi  
busnes gyda  
lluosydd is  
parhaol a  
methodoleg  
brisio, i warchod  
ein strydoedd  
mawr a'n  
seilwaith  
cymunedol

Denu a chadw  
cyfleoedd  
newydd, gan  
uwchsgilio'r rhai  
sy'n gweithio i  
ni a chodi  
statws y  
diwydiant yng  
Nghymru

Cefnogi  
buddsoddiad  
gwyrdd yn y  
sector ac  
ailystyried  
cynaliadwyedd  
o safbwyt y  
diwydiant

Ceisio  
gwelliannau  
seilwaith a  
chysylltedd er  
mwyn tyfu

Hyrwyddo Adolygiad  
gan y Llywodraeth o  
Dwristiaeth a  
Lletygarwch i  
gynhyrchu bargin  
newydd ar gyfer yr  
economi ymwelwyr a  
chaniatáu i'n  
diwydiant gyfrannu'n  
agosach ac yn fwy  
rhyngweithiol at  
benderfyniadau ar ei  
ddyfodol

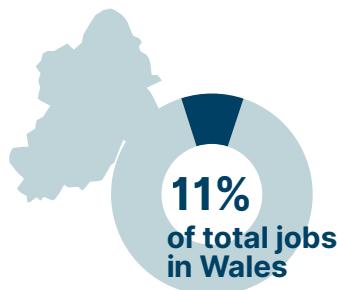
Mynd i'r afael â  
materion polisi  
presennol  
mewn modd  
cadarnhaol er  
budd y  
diwydiant.

# Wales hospitality industry statistics

## EMPLOYMENT

 2nd largest employer

 **165,000** people employed



## HOSPITALITY IS AT THE HEART OF THE ECONOMY

representing **5%** of the economy  generates **£5bn** in economic activity

delivers **£1.5bn** in tax receipts for the Welsh economy  supports a supply chain that contributes **40,000** jobs

## WITH THE RIGHT CONDITIONS BY 2031 WE CAN:

create an additional **17k** jobs 

grow by **2%** over the next five years 

add **£520m** to the economy, spread across every region 

## RECOMMENDATIONS FOR THE WELSH ELECTION 2026

UKHospitality Cymru has worked closely with its members to develop a positive Programme for Government, setting out six clear, deliverable recommendations for the next Welsh government to support hospitality and the people who work in the sector.

**1**

Reform business rates, with a permanent lower multiplier and improved valuation methodology, to protect our high streets and community infrastructure

**2**

To attract and retain talent, upskilling those who work for us and raising the status of hospitality as a career in Wales

**3**

To support green investment in the sector and revisit sustainability policy from an industry perspective

**4**

To seek infrastructural and connectivity improvements unlocking growth across all parts of Wales

**5**

To promote a Tourism and Hospitality Governmental Review leading to a new deal for the visitor economy and produce closer and greater interactive involvement from our industry in decision making over its future

**6**

To address current and emerging policy pressures to ensure regulation supports, rather than constrains, sustainable growth

# Rhagair

**Lletygarwch yw'r pwerdy sy'n cyfrannu tua £5 biliwn mewn gweithgarwch economaidd a bron £1.5 biliwn mewn derbyniadau treth at economi Cymru bob blwyddyn.**

Mae'n gyflogwr cynhwysol 165,000 o bobl, gan ddarparu cyflogaeth ledled Cymru, o swyddi cyntaf i lwybrau i fyny tuag at arweinyddiaeth a gyrfaoedd medrus ar draws ein sector dynamig – a darparu sylfaen i symud i sectorau eraill. Mae'n adeiladu – ac ailadeiladu – cymunedau ac yn gweithredu fel canolbwyt economaidd a chymdeithasol ar gyfer adfywio.

Mae ein diwydiant yn sail i'r rhan fwyaf o nodau polisi cyhoeddus, o greu twf i hybu symudedd cymdeithasol – gan helpu pobl ifanc i gael gwaith a gyrfaoedd gwerth chweil – a mynd i'r afael â materion o iechyd i ddiogelwch personol.

Mae lletygarwch yn helpu i greu mannau lleol y mae pobl eisiau byw, gweithio a buddsoddi ynddynt. Rydym yn gwybod bod sylfaen eang, Cymru

gyfan ein diwydiant yn gallu eich helpu i symud y tu hwnt i'r heriau economaidd a chymdeithasol presennol a darparu platform grymus ar gyfer llwyddiannau Cymru ar hyn o bryd ac yn y dyfodol ym mhob sector arall o'r economi.

Mae Rhaglen Lywodraethu UKHospitality Cymru yn awgrymu sut, gyda'r gyfundrefn fuddsoddi a rheoleiddiol iawn, gallwn aifuddsoddi yn ein busnesau, eu hailadeiladu a'u hadnewyddu; sut gallwn eich helpu i greu miloedd o swyddi lleol i bobl o bob oed a sut, gyda'n gilydd, gallwn arwain y byd o ran cynhyrchion, arferion a pholisiau lletygarwch a thwristiaeth cynaliadwy, adfywiol sy'n cyd-fynd â'n cyrchfannau arfordirol, gwledig a threfol o'r radd flaenaf.

**David Chapman**  
**Cyfarwyddwr Gweithredol**  
**UKHospitality Cymru**

# Foreword

**Hospitality is the powerhouse that contributes around £5 billion in economic activity and nearly £1.5 billion in tax receipts to the Welsh economy every year.**

It is an inclusive employer of 165,000 people, providing employment across Wales, from first jobs to senior leadership and skilled careers, and offering a foundation for progression into other sectors of the economy. It builds and rebuilds communities, acting as both an economic driver and social focal point for regeneration.

Our industry underpins many public policy goals, from growth creation to helping social mobility – supporting young people into work and rewarding careers – and addressing wider challenges including health and personal safety.

Hospitality helps create local places where people want to live, work and invest. We know our industry's all-Wales footprint enables it to offer practical, place-based solutions to today's

economic and societal challenges, while providing a platform for long-term, sustainable growth across the wider economy.

Our UKHospitality Cymru Programme for Government sets out how, with the right investment and regulatory framework, the sector can reinvest, rebuild and renew its businesses; create thousands of local jobs for people of all ages; and help Wales lead the world in sustainable, regenerative hospitality and tourism – aligned with our world-class coastal, rural and urban destinations.

**David Chapman**  
**Executive Director**  
**UKHospitality Cymru**





# Contents

1 Creating places where people want to live	10
1.1 Sustainable regeneration	10
1.2 Social cohesion	12
1.3 Safety	14
2 Creating places where people want to work	15
2.1 Jobs for everyone, everywhere	15
2.2 Flexibility	19
2.3 Social mobility	21
3 Creating places where businesses want to invest	23
3.1 Growth engine	24
3.2 Powering the visitor economy	25
4 Investing in growth - our policy recommendations for the Welsh Government	27
A positive Programme for Government	28

## ONE - HOW HOSPITALITY ADDS VALUE TO WELSH LIFE

# Creating places where people want to live

Hospitality creates meaningful communities where people want to live, work and enjoy their lives. We're at the centre of social and cultural life across Wales. Whether it's our world-class accommodation, a favourite town centre cafe or restaurant, the local village pub, restaurants, bars or leisure venues in major cities across the country, hospitality nurtures, delivers and completes successful workplaces and places of relaxation, friendship and celebration.

## 1.1 SUSTAINABLE REGENERATION

People want to live and work in vibrant places with strong cultural and social offers and an active public realm. Successful regeneration schemes consistently have hospitality at their heart. Increasingly, local authorities recognise this reality, embedding hospitality and cultural provision within development plans because, without hospitality, community regeneration is significantly harder to achieve.

Hospitality creates social and leisure destinations that act as a draw for residents, visitors and business investment. As

consumer behaviour changes, it is likely that centres of community - like high streets and town centres - will rely increasingly on hospitality and experience-led businesses in place of, or alongside, traditional retail.

There are both established and emerging examples across Wales where hotels, bars, restaurants and leisure venues have played a central role in urban renewal.

The sector also provides opportunities for new entrepreneurs, with hundreds of businesses founded in the sector every year.



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## Case study - The Celtic Collection

Over 30 years, The Celtic Manor Resort, and more recently ICC Wales, has invested more than £250 million in creating hospitality businesses in Newport. Today this supports over 1,400 jobs that contributes £40 million to the local economy each year from payroll alone. In addition, as a proud Welsh business, they spent approximately £21 million with local suppliers last year.

The Resort and ICC Wales attracts more than 420,000 hotel guests and event delegates per annum to the Newport area. Combining the Celtic Manor Resort, ICC Wales and The Parkgate Hotel in Cardiff, which the business manages on behalf of the Welsh Rugby Union, the company contributes over £130 million in annual economic benefit to the southeast Wales economy.

Alongside this, the business has expanded its portfolio to west Wales in management contracts with The Port of Milford Haven and now operates both Tŷ Milford Waterfront in Milford Haven and the St Brides Spa Hotel in Saundersfoot, where they employ more than 90 people.

The hospitality portfolio, now known as The Celtic Collection, includes nine 4 and 5-star hotel properties across south Wales.

The business is committed to operating sustainably, to continuously reduce its environmental impact, and achieve net zero by 2050.

Its vision is “to become a world-class collection of hotels and event venues with sustainable and responsible business practice at the heart of everything we do. We make sustainability part of everyday.”

The business publishes its sustainability goals and performance in an Impact Report which details its performance metrics, practices and equipment, responsible landscape management, measures to improve biodiversity, and social value initiatives.

For the Celtic Manor Resort, key metrics for the period 2017 to 2024 include a 58% reduction in Scope 1 and 2 CO<sub>2</sub>e emissions, 61.5% emissions offset naturally against 405 hectares of grass and woodland, 42% less water used, 100% waste diverted from landfill, 63.5% waste recycled. Also in 2024, in support of local community projects over 7,000 volunteering hours were delivered by the team, plus 14,400 fresh meals were made and donated to help address inequality in Newport.

## 1.2 SOCIAL COHESION

People want to live in cohesive places, with welcoming spaces that enable social interaction and a strong sense of belonging.

Hospitality businesses act as stewards of shared social spaces – from pubs at the heart of rural communities to cafes, bars and venues anchoring town or city centres.

In some communities, the local pub, hotel, café or restaurant may be the sole remaining piece of community infrastructure, which increases their social importance and broadens the way that communities use them. Many hospitality businesses have found creative ways to support community life, such as hosting daytime activities for older residents or opening in the evening as centres for community groups.

The impact of losing these venues can be profound. The ONS estimates that 168,000 people in Wales are chronically lonely, with young people particularly affected. [1] Closure of hospitality venues can leave people without spaces where they can socialise and make connections. Research from the Local Trust suggests that a lack of places to meet such as community centres, cafés, pubs or village halls “makes a significant difference to social and economic outcomes for deprived

communities. Deprived areas which lack these assets have higher rates of unemployment, ill health and child poverty than other deprived areas”. [2]

A YouGov poll commissioned in 2021 found that 66% of UK adults believe the closure of cafés, bars and restaurants during the pandemic negatively impacted mental health. [3]

By contrast, an Oxford University study found that eating with people increases happiness and life satisfaction, combats anxiety and depression and strengthens relationships. [4]

[1] <https://www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/bulletins/publicopinionsandsocialtrendsgreatbritain/13december2023to1january2024>

[2] <https://localtrust.org.uk/insights/research/left-behind-understanding-communities-on-the-edge/>

[3] <https://iard.org/science-resources/detail/Insights-The-Value-of-Hospitality-Venues-to-Social>

[4] <https://www.sbs.ox.ac.uk/news/world-happiness-report-2025-people-are-much-kinder-we-expect-research-shows?>



### **Case study - recognising the potential of ex-offenders**

As a company which includes prison management and contract catering in its areas of activity, Sodexo is able to provide a bridge for ex-offenders into hospitality jobs as part of their rehabilitation.

Sodexo's employment, education and rehabilitation services give those in their care the skills, qualifications and support to lead law-abiding and productive lives in their community on release. Sodexo runs prison career

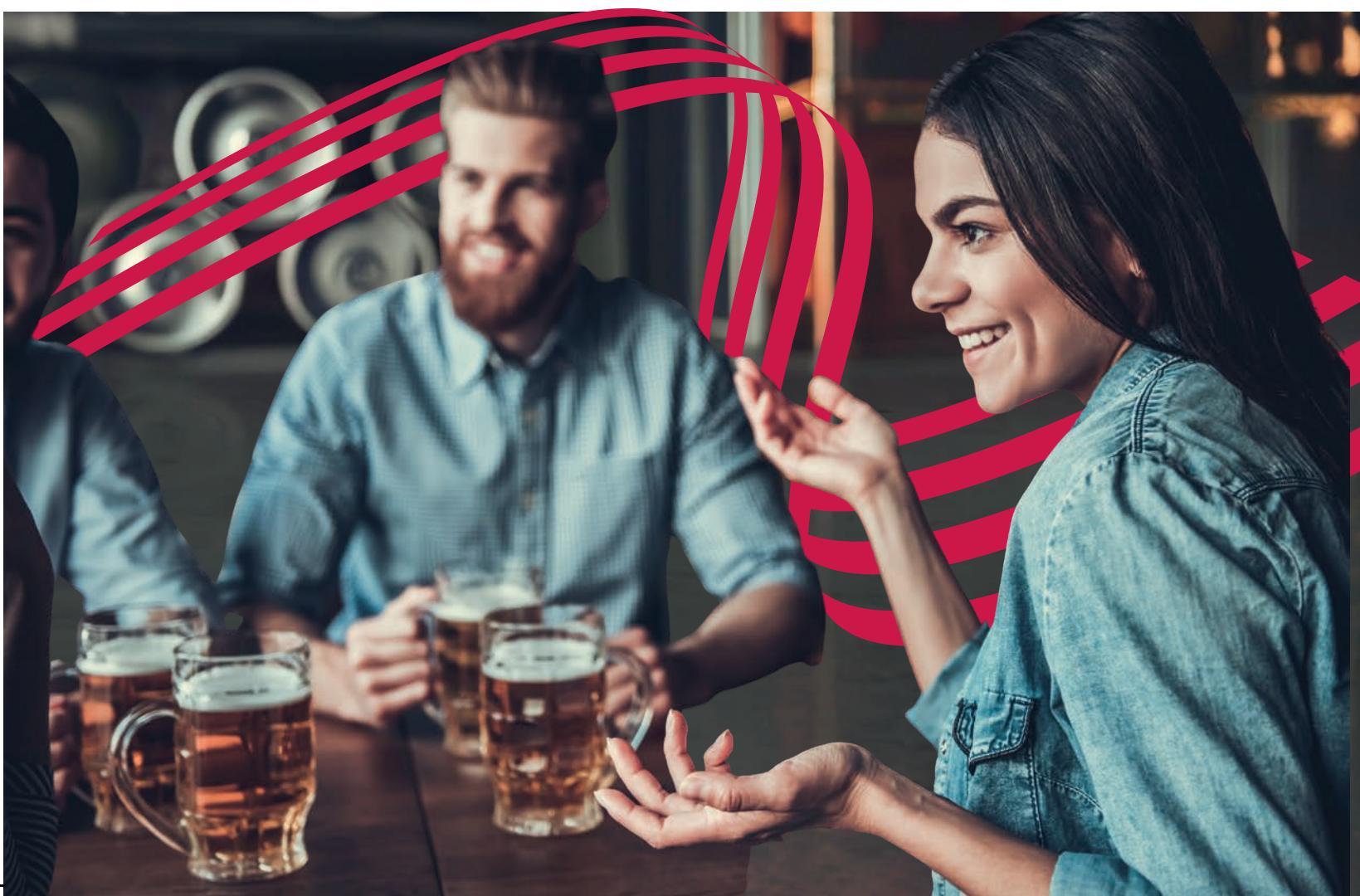
hubs to ensure leavers are prepared for the outside world. Employment specialists, career advisors, and staff members not only hold interview techniques and CV writing workshops but also help leavers to access official identification documents and a bank account, which makes it easier to find employment and accommodation.

## 1.3 SAFETY

Evidence consistently shows that well-maintained, vibrant and actively used places lead to lower levels of crime and anti-social behaviour. Developing well used local areas nurtures a sense of place and community, fosters collective action from residents and businesses to help maintain public spaces, lay foundations for creating busy localities and reduce violence and crime. Hospitality businesses, and hospitality-led investment, are crucial in creating places where people can live and work safely across the whole day – with morning and afternoon venues providing spaces to attract and retain customers in local areas and evening venues maintaining this sense of vibrancy into the night.

A sense of safety is more complex than simply an avoidance of crime, as different groups within society will rightly have their own needs and expectations as to what constitutes a safe public space. That's why hospitality businesses work with a diverse range of stakeholders to deliver this, both inside and outside venues.

Hospitality businesses are highly regulated licensed venues, with legal obligations specifically focused on preventing crime, disorder and public nuisance. These businesses provide a ribbon of light through town centres; populated, safe paths along which people can travel.



## TWO

# Creating places where people want to work

***Hospitality brings jobs for everyone, everywhere, regardless of background, circumstances or career stage.***

The sector provides rapid routes into skilled roles and leadership, supporting social mobility and offering flexible employment for those balancing education, caring responsibilities or later-life work.

There is also a third role: providing foundational workplace experience and transferable skills that enable people to succeed in other sectors of the economy.

## 2.1 JOBS FOR EVERYONE, EVERYWHERE

Good work means jobs for everyone - including those traditionally excluded because of their personal history, circumstances or challenges. Hospitality can give dignity and a good income to people who may be excluded from other forms of work.

Hospitality offers a wide range of roles, from customer facing 'people people' - front of house staff, waiters, chefs, customer service, leisure and spa workers - to the thousands of people in jobs in more varied careers operational and corporate roles. These include marketing, advertising, legal, sales, accounting, property development, IT and revenue management.

These are jobs that support families, build social connections and provide clear progression, accessible to people without traditional academic routes as well as high academic achievers.

Importantly, hospitality give tens of thousands of Welsh youngsters a start. Nearly a quarter of the sector's workforce is under the age of 25, and nearly half under 35 years old. For some, that job will be the start of a long career in the sector, for others an excellent opportunity to develop skills and experience for careers elsewhere.

It's not only about younger people, though - hospitality welcomes older workers who often find a valuable route back into work for people who other sectors have traditionally failed to engage.

For instance, within hospitality, people living with seen and unseen disabilities will find it possible to secure a role that matches their talents. Also, hospitality has long offered work for prison leavers, with workers often gaining experience

within prison kitchens and through programmes supported by hospitality businesses even while serving sentences. This experience supports people into employment as they move on with their lives and, significantly, 86% of employers of ex-offenders rate them as good at their job. [1]

The sector is focused on continuing to improve the experience of workers, regardless of their role, background or circumstances.

[1] <https://www.gov.uk/government/publications/unlock-opportunity-employer-information-pack-and-case-studies/employing-prisoners-and-ex-offenders>





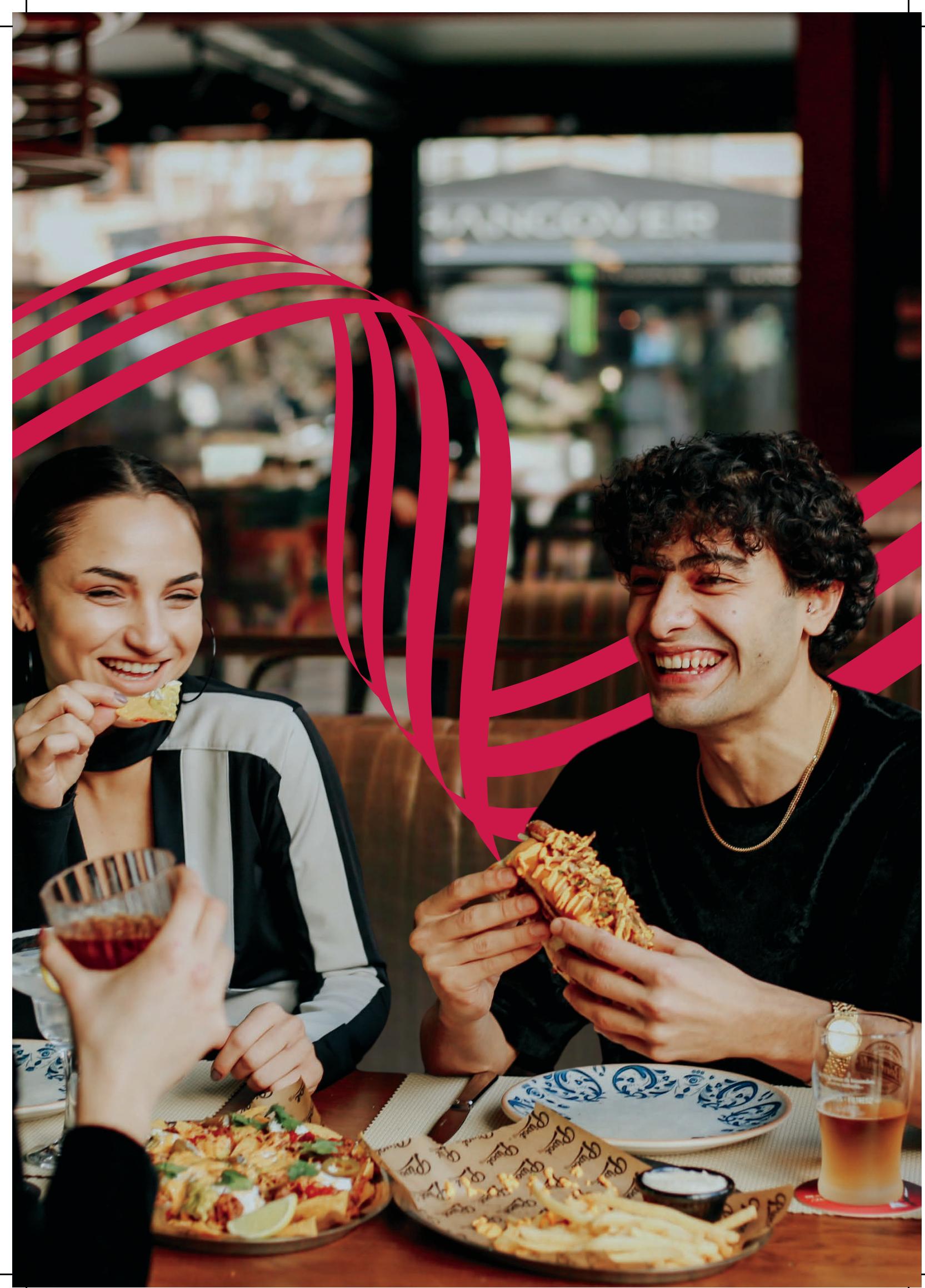
### **Case study - Seren Collection**

At Seren Collection, its vision is to build sustainable, high-quality hospitality businesses that are deeply rooted in their local communities. Across the collection's hotels and restaurants in Wales, they prioritise long-term employment, skills development and progression, creating meaningful careers rather than short-term roles.

They actively recruit locally wherever possible and invest in training, mentoring and internal development, supporting people to grow over time. They are proud of the individual and collective successes of their teams, many of whom

have progressed into senior leadership roles, while others have gone on to open their own businesses, both within our communities and beyond.

Seren Collection believes hospitality can be a powerful force for regional economies, particularly in rural areas, providing stable employment, transferable skills and opportunities for young people to build lasting careers close to home. With the right support and recognition, the sector can continue to nurture talent, encourage entrepreneurship and deliver long-term economic and social value across the UK.



## 2.2 FLEXIBILITY

For some workers, flexibility in employment is paramount. While some people value regular hours and predictable income, others need jobs which suit their commitments as a carer, parent, student or their personal circumstances.

Hospitality is uniquely well placed to offer this flexibility, enabling people to enjoy jobs that suit their circumstances and life stages.

### Case study - McDonald's

McDonald's has been a proud part of the UK's economic and social fabric since opening its first restaurant in Woolwich, London, in 1974. Over the past 50 years, the business has grown to more than 1,500 restaurants across the UK, employing over 147,000 people. These employees are the face of the brand - serving nearly three million customers every day - and are central to McDonald's continued success.

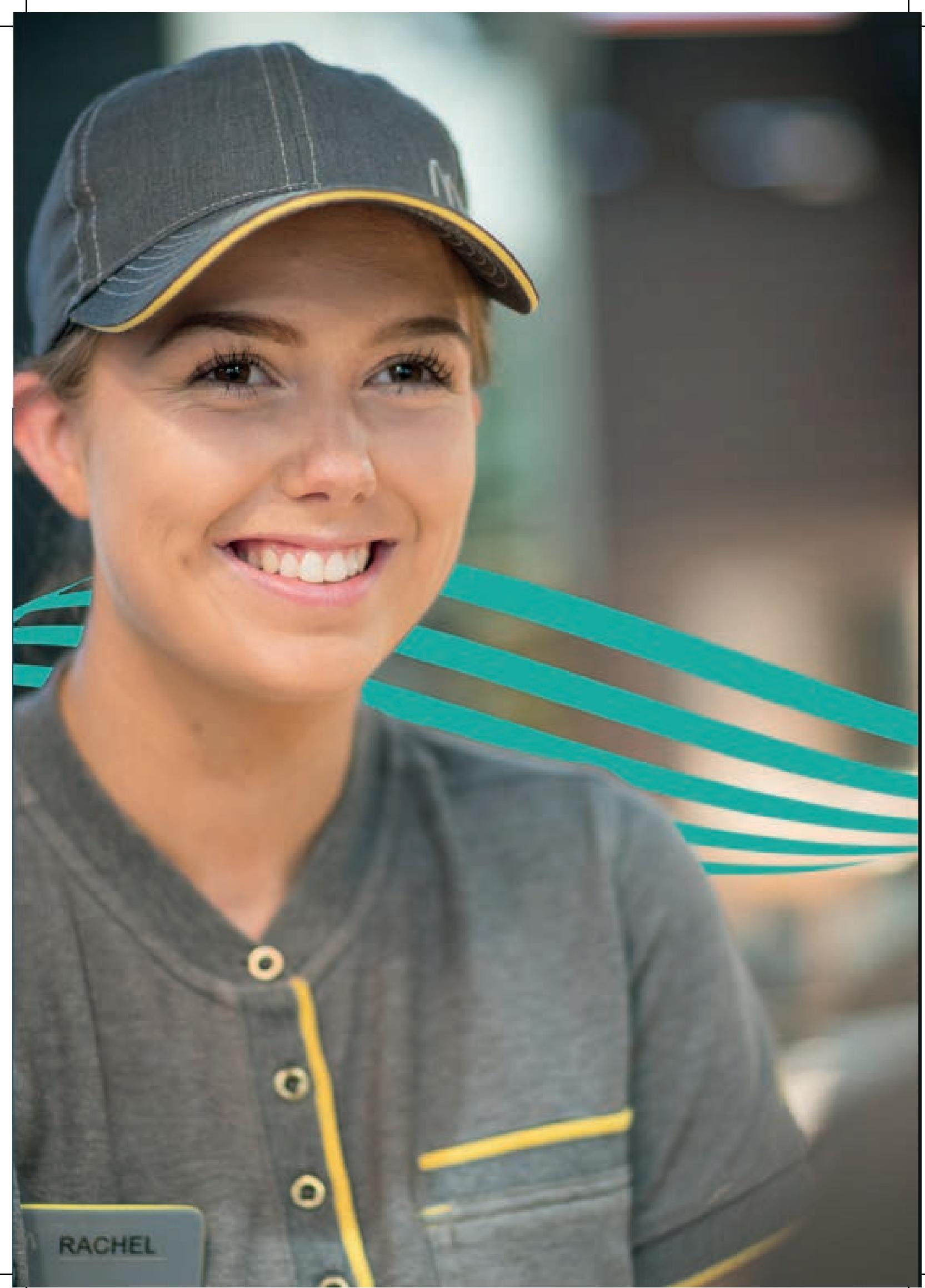
In Wales, McDonald's impact is felt not only through the scale of its restaurant estate but also through the strength of its economic contribution. The company spends £112.1 million with Welsh suppliers, supporting businesses across the country. Its 68 restaurants in Wales provide jobs, stimulate demand for local enterprises, and deliver meaningful benefits to communities across the nation.

For many people, a job at McDonald's is the first step in their career. The company is committed to attracting and developing talent, investing over £43 million each year in training and

development opportunities accessible to all employees. With a multi-generational workforce, flexibility is essential. The vast majority of employees say that flexible working is a key reason they choose to work under the Golden Arches. Many people need roles that can fit around caring responsibilities, parenting, studying, or other personal circumstances.

McDonald's offers guaranteed minimum hours contracts to any employee who requests one, and they communicate this option across their internal channels and in the restaurants - such as posters in the crew room. Employees who choose guaranteed hours benefit from the stability of fixed schedules where that best suits their needs. Around 10% of the workforce is now on guaranteed hours contracts.

The overwhelming majority of their staff, however, opt for the flexible hours contract, which allows them to fit work around the other personal commitments in their life. This flexibility enables employees to take on more or fewer hours when that suits them.



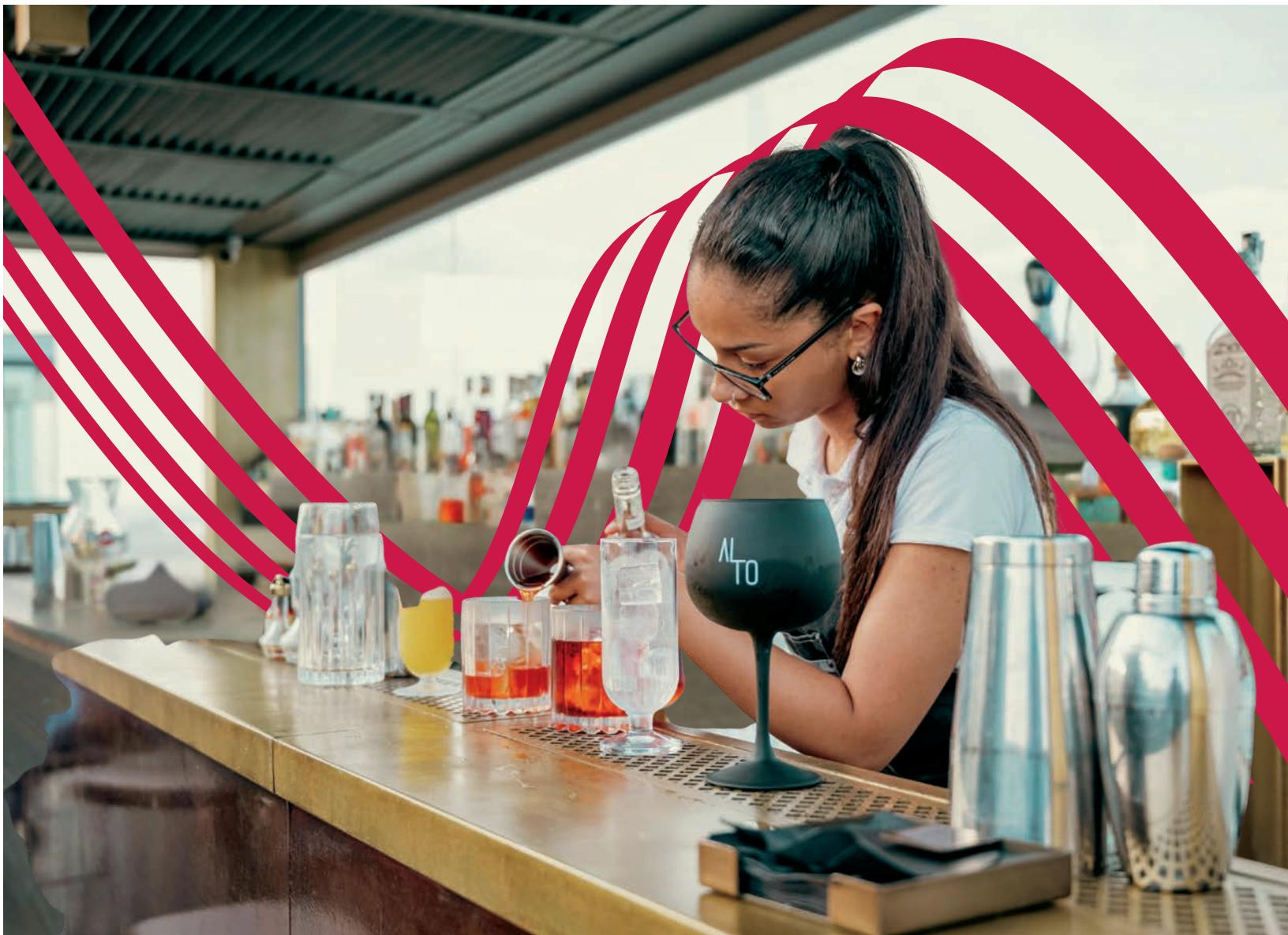
## 2.3 SOCIAL MOBILITY

Good work enables social mobility – jobs that give careers and training to people who do not come from professional backgrounds.

Many sectors in today's economy present significant practical barriers to people without higher education qualifications looking to start and build careers. More than 60% of workers in hospitality come from households where the main earner was not in a technical, professional or managerial position. This is a far higher proportion than a directly comparable sector like arts and culture.

Hospitality offers training and development, with clear pathways into technically skilled roles and then into leadership positions.

This universal accessibility, coupled with clear pathways into swift career development, makes hospitality a powerful driver of social mobility in Wales.





## Case study - Springboard

Springboard is the UK's leading charity dedicated to hospitality careers. Since 1990, it has committed to changing lives and strengthening the hospitality industry by creating clear pathways into meaningful, long-term careers. Its tailored training programmes, one-to-one mentoring and hands-on work placements help people from all backgrounds, especially those facing disadvantage, to gain the skills, confidence and experience they need to survive.

After leaving school, Lucy Brooks (Newport, Wales) wasn't sure what she wanted to do. She joined Newport Youth Academy (NYA), which offers a range of life skills programmes to support young autistic people, and where her mentor introduced her to Springboard and the hospitality programme.

"Back in school, I had additional support due to my educational needs, so I wasn't

sure if I'd be able to keep up with the programme's pace," she says. "However, I was reassured from the beginning that I would be supported every step of the way. I was made to feel comfortable, and I could tell this was going to be a great opportunity."

She took part in a five-week programme, where she enjoyed connecting with other people. "It was really inclusive and friendly, and from day one I felt welcomed and supported."

During her time, she enjoyed working both front-of-house and back-of-house roles.

"We were encouraged to apply for jobs there. I was supported through the whole application process, even helping me on the day of the online interview, and I got the job!"

Lucy continues to work in hospitality evenings and weekends while going to college to continue learning and developing her hospitality skills.

THREE

# Creating places where businesses want to invest

**To attract inward investment, Wales must continue to offer places that are attractive, welcoming and liveable. Hospitality plays a central role in shaping those environments.**

Hospitality underpins the wider economy by creating compelling destinations which act as a perfect environment to attract vital inward investment. Wider outputs like placemaking, the breadth of employment and community wealth building, are fundamental to the wider competitiveness of the economy.

Hospitality also shapes global perceptions of Wales, reinforcing its reputation as a place to visit, live and do business. Research consistently shows that tourism appeal and investment attractiveness are closely linked. Cultural vibrancy, quality of life and diversity are increasingly decisive factors in business location decisions - all of which rely, in part, on a strong hospitality offer. [1]

[1] <https://www.gov.uk/government/publications/unlock-opportunity-employer-information-pack-and-case-studies/employing-prisoners-and-ex-offenders>



## 3.1 GROWTH ENGINE

Hospitality is a powerful economic growth engine. It generates £5 billion in revenues across Wales each year. [1]

The years between the financial crisis and pandemic saw food and drink, and wider hospitality, become the second and third fastest growing sectors in the economy. [2]

The sector also underpins wider economic activity through ancillary services like contract catering in workplaces, colleges and in music and sporting venues.

All of this economic activity means that the sector pays a significant amount of tax. In 2022-2023, total tax receipts equalled £1.5 billion paid by Welsh hospitality businesses.

Importantly, hospitality growth is geographically dispersed. The average Welsh Parliamentary constituency supports 4,879 hospitality jobs and a minimum of 807 hospitality jobs. Hospitality can - and does - deliver Wales-wide growth, given the right supportive conditions. [3]

[1] <https://www.gov.uk/government/publications/unlock-opportunity-employer-information-pack-and-case-studies/employing-prisoners-and-ex-offenders>

[2] <https://www.ukhospitality.org.uk/work/ukhospitality-data-map/>

[3] <https://industry.visitwales.com/research-and-insights/figures-visitor-economy-wales>



### Case study - Amber Taverns

Pubs play a real role in placemaking, they bring people together, support local footfall and help town centres feel busy and welcoming.

Amber Taverns operates over 180 venues across the UK, providing safe environments with great value drinks and live sport, including Sky Sports and TNT Sports.

In the last 12 months, they have invested over £24.3 million into pubs across the UK. That investment is often transformational, taking on disused spaces and upgrading them into thriving locals and then continuing to improve them year after year.

## 3.2 POWERING THE VISITOR ECONOMY

The visitor economy, powered by hospitality, makes an underestimated contribution to global trade and to domestic consumer spending. Tourism is one of the largest service exporters for Wales. According to VisitWales, tourism generated “£4.98 billion of associated expenditure on tourism trips within Wales: £2.48 billion on tourism day visits from GB residents,

£2 billion on overnight visits from GB residents and £0.45 billion from inbound visitors”. [1]

Wales’s hospitality and tourism offer is a unique opportunity for a wider social and economic distribution to benefit from Wales’s global trade and domestic visitor economy. It has huge growth potential.

[1] <https://industry.visitwales.com/research-and-insights/figures-visitor-economy-wales>





### Case study - Parkdean Resorts

Parkdean Resorts plays a pivotal role in supporting and strengthening Wales's visitor economy. The company operates five much-loved holiday parks across the country - Ty Mawr, Brynowen, Carmarthen Bay, Pendine Sands and, of course, Trecco Bay in Porthcawl, which is one of the largest holiday parks in Europe.

Each year, Parkdean Resorts welcomes approximately 250,000 guests to Wales, underlining the company's significant contribution to domestic tourism and the wider regional economy. With Wales home to breathtaking beaches and world-famous national parks and castles, the sustained influx of visitors supports local jobs, businesses and ongoing investment in hospitality and leisure.

Trecco Bay alone attracts thousands of families every season thanks to its extensive range of family-friendly activities, modern accommodation and unrivalled access to the Welsh coastline. Its scale and popularity help support local businesses from restaurants and shops to nearby cultural attractions, helping to fuel a wider ecosystem that relies heavily on tourism. In recent years, Parkdean Resorts has invested millions of pounds in its Welsh parks and directly employs over 1000 people across the country.

Through continuous investment, award-winning guest experiences and a deep commitment to regional tourism, Parkdean Resorts helps local communities to thrive while delivering unforgettable holidays for visitors year after year.

## FOUR

# Investing in growth - our policy recommendations for the next Welsh Government

Even in the current difficult economic times, hospitality continues to serve Wales strongly, but there is so much more it can offer Government, with the right policy environment.

Given such support - required from both ends of the M4 - the sector can grow rapidly. That means retaining and growing our community businesses and providing more places where people want to live, work and invest.

The following policy recommendations have been developed with these mutual gains in mind. We know that the next Welsh Government will want to hit the ground running, making an early impact while mindful of long term and lasting positive change.

With the help of some of the Welsh industry's top operators and highly-experienced, leading representatives, we have honed a set of policies to deliver quick, as well as long-lasting results.

We are grateful to UKHospitality Cymru's Across-Industry Sustainable Regeneration Policy Group, for its contribution to this work: Professor Andrew Campbell; Michael Bewick; Steve Hughson and Russell Phillips.



# A positive Programme for Government

## ***How to unleash the latent economic and social power of Welsh hospitality***

*Welsh hospitality has significant untapped potential to drive economic growth, regeneration and social value.*

*This Programme for Government sets out practical, deliverable actions the next Welsh Government can take to support businesses, protect jobs and unlock growth across communities in every part of Wales.*

*Each recommendation is designed to deliver early impact and support long-term sustainability.*

### **Reform business rates, to protect our high streets and community infrastructure**

#### **THE ISSUE**

Business rates are calculated using rateable value, based primarily on property values rather than ability to pay or profitability. Businesses that must trade in-person, in-community, and within bricks-and-mortar buildings (as opposed to online, for instance) have borne a disproportionate and growing share of the overall business rates burden.

This has led to hospitality paying 10% of the rates bill, despite representing just 3% of contributing turnover. This imbalance places sustained pressure on business viability, investment and the long-term future of high streets and community assets.

Until now, businesses were protected by UKHospitality Cymru's participation in negotiating annual post-Covid reliefs of up to 75% to cover the imbalances. This piecemeal help, while invaluable, prevents competent mid-term business planning, holds back investment and props up a no longer fit-for-purpose system.

The recent revaluations, combined with the ending of reliefs for hospitality, will lead to a unsustainable increase in rates bills for 2026/27 and beyond; one that has the potential to decimate high streets and local communities.

## THE SOLUTION

A permanently reduced business rates multiplier for hospitality and leisure sectors at a rate of 30 pence in the pound, funded by rebalancing the burden to reflect the rise of the online economy. Alongside this, review and amend the valuation methodology used for hospitality premises, ensuring it reflects Welsh trading conditions, seasonal patterns and regional variation.

**Attract new employees, upskilling those who work for us and raise the status of the industry in Wales**

## THE ISSUE

Hospitality is a crucial provider of first jobs, early-stage careers, and routes back into work, or people returning after retirement or periods of economic inactivity. Yet deep rooted misconceptions still exist about working in hospitality in the eyes of the public, parents, teachers and even in parts of government.

We have made good gains in recent years but further action is required to realise the potential of one Wales's core industries, strengthen long-term workforce sustainability and provide a greater range of high-quality career options for young people across Wales.

## THE SOLUTION

Post-school connectivity around skills provision has been dramatically enhanced since UKHospitality Cymru instigated the Wales Hospitality and Tourism Skills Partnership eight years ago. The Partnership is industry-led, bringing together all parties with an interest in the skills agenda, with the Secretariat provided by Visit Wales.

To date, the partnership has delivered successful Welsh Government-funded recruitment campaigns, increasing candidate volumes while challenging outdated perceptions of hospitality careers.

This model provides a blueprint for deeper partnership working in the next Senedd five-year term, supporting both workforce growth and skills development.

The UKHospitality Cymru-led Hospitality and Tourism Skills Partnership would benefit from additional, dedicated resourcing to extend its reach and impact. A sector-specific funding would support joint activity to attract, train and retain our people, while reinforcing hospitality's role as Wales's leading employer of young people.

Apprenticeships and in-house support for our workforce are also deeply important to in hospitality. The sector currently recruits around 725 new apprentices each year and provides training to over 100,000 people annually through all routes.

However, apprenticeship support for hospitality and tourism, particularly at higher education level, does not share the same support as other industrial sectors. More could be done to help attract young people into the industry if similar funding were available, building upon the success of initiatives such as the Hospitality Skills Passport (entry level qualification) which has proven effective in supporting people back into work. The Welsh Government should work with businesses to ensure Apprenticeship Levy funds are allocated to support hospitality. This includes reinstating funding for the Flexible Workforce Development Fund.

UKHospitality is also working with Springboard and DWP on a pilot to deliver an essential foundational skills training module for new starters in England and Wales. The success of that pilot and the resulting sector-based work academies demonstrates the value of an employer-led, modular approach. The next Welsh Government should work with UKHospitality Cymru to implement a similar scheme in Wales.

Finally, targeted government support is needed to improve productivity, including helping hospitality businesses understand, adopt and implement AI and digital tools in practical, accessible ways.



## Support green investment in the sector and revisit sustainability from an industry perspective

### THE ISSUE

As a major user of energy and food, the sector has an important role to play in achieving Wales net zero and environmental ambitions.

However, while businesses are committed to improving sustainability, the cost of investment required to decarbonise operations is often prohibitive, particularly for small and medium-sized enterprises operating on tight margins.

Without targeted support, the pace of transition risks being slower than required - despite strong willingness from the sector to act.

There is also a need to ensure that sustainability policy reflects the operational realities of hospitality, rather than applying one-size-fits-all approaches that can increase costs without delivering proportionate environmental benefit.

### THE SOLUTION

The Welsh Government should support hospitality businesses to transition to net zero by incentivising investment in green energy and decarbonisation. Our businesses would welcome particular support to make heat in buildings more efficient and to reduce food and packaging waste.

The Welsh Government should work with hospitality and tourism industry partners to develop a Regenerative Tourism Strategy that supports destinations to manage visitor growth sustainably, protect community wellbeing, and maximise long-term economic value, particularly in areas experiencing seasonal or infrastructure pressures.

The Food 7 Cymru network, bringing together seven farm-to-fork trade associations, provides an incoming Government a ready-made mechanism for coordinated engagement on food, farming and hospitality policy. Indeed, the effectiveness of how this group has worked together could be mirrored within government, as it is important that pan-industry matters do not fall between departmental boundaries and that businesses can maximise the impact of available support.



## Infrastructural and connectivity improvements for growth

### THE ISSUE

Hospitality is a pan-Wales, place-based industry that depends on effective transport, digital connectivity and coordinated policymaking.

Current infrastructure constraints, including road congestion, limited rail capacity to parts of Wales, and fragmented planning and policy decisions restrict growth, visitor dispersal and local regeneration.

At the same time, hospitality's farm-to-fork supply chain spans multiple government departments, yet policy and support mechanisms are often disconnected, reducing their overall effectiveness.

### THE SOLUTION

The next Welsh Government should adopt a coordinated, place-based approach to infrastructure and connectivity that supports sustainable growth and regeneration.

This should include:

#### Transport and roads

- Re-evaluating transport policy to ensure road investment reflects economic and visitor pressures as well as environmental objectives, including addressing chronic congestion on the M4 corridor, which acts as a critical gateway into south Wales and a major constraint on economic activity, visitor flows and supply chains. This should include a re-evaluation of current policy on strategic road capacity, considering a range of evidence-based options, including targeted upgrades, demand management and, where appropriate, new infrastructure solutions, alongside environmental objectives.

#### Rail connectivity

- Working with rail operators and UK Government partners to increase capacity, reliability and services to west and north Wales. This should build on demonstrated demand for Great Western Railway services to Carmarthen and Pembroke Dock, and explore opportunities for additional services to Milford Haven and Fishguard.

#### Public transport integration

- Accelerating delivery of the South East Wales Metro, improving integration between rail and bus services, and promoting the combined network more effectively to visitors to support visitor dispersal.

### Air connectivity

- Supporting the growth of Cardiff Wales Airport through targeted route development and improved inbound and outbound connectivity, aligned with tourism and trade priorities, to increase international visitor access to Wales.

### Planning and high streets

- Reforming the planning system to place hospitality-led regeneration at the heart of town centre and high-street strategies, supported by faster, more proportionate planning processes for hospitality and leisure developments.

### Joined-up government and supply chains

- Strengthening structured engagement between Welsh Government departments and industry supply-chain networks such as Food 7 Cymru, to improve policy coherence across food, farming, hospitality, transport and skills.

Together, these actions would improve connectivity, unlock investment and ensure the benefits of growth are shared across urban, rural and coastal communities.

## A Tourism and Hospitality Governmental Review

### THE ISSUE

During the previous Senedd term, hospitality and tourism businesses were subject to a high volume of new and proposed legislation, much of which increased costs or regulatory complexity. These included, but were not limited to, measures such as the complex visitor levy legislation; the Wales-only Deposit Return Scheme; restrictions on the promotion of high fat, salt and sugar foods; and a wide-ranging consultation on restricting alcohol advertising and promotion.

Taken together, these measures have created cumulative cost, uncertainty and regulatory pressure for a sector made up predominantly of small and medium-sized businesses. There is currently no single, formal mechanism to assess the combined impact of these policies on the visitor economy, or to ensure hospitality and tourism are fully involved in shaping decisions that affect their long-term viability.

### THE SOLUTION

The next Welsh Government should commission a Tourism and Hospitality Governmental Review early in the Senedd term.

The Review should:

- assess the cumulative impact of regulation and taxation on hospitality and tourism businesses,
- identify opportunities to reduce barriers to profitability and resilience, and
- consider how policy can better support sustainable growth, investment and job creation across the visitor economy.

Its findings should inform the development of a New Deal for the Visitor Economy, setting out a clear, long-term framework for hospitality and tourism policy in Wales.

To support this, the Welsh Government should establish a formal, structured mechanism for engagement with UKHospitality Cymru and industry representatives, ensuring early involvement in policy design, and better alignment between policy intent and delivery.

## Current policy issues

Alongside longer-term structural challenges, hospitality businesses in Wales face a number of immediate policy pressures that affect confidence, cashflow and investment decisions.

These issues are already legislated for or imminent, and without careful implementation risk undermining business viability, particularly for small and medium-sized operators that form the backbone of the visitor economy.

The next Welsh Government should take a pragmatic, evidence-led approach to these policies, working closely with industry to ensure objectives are met without unintended economic harm.

This should include action in the following areas:

### The Visitor Levy

#### THE ISSUE

The Welsh Government Visitor Levy Act remains a huge concern for the accommodation industry, particularly around collection costs, administrative burden and uncertainty over how revenues will be used. Many fear that rather than being spent on its stated target of supporting the visitor economy levy income could be used to displace existing local authority spend.

#### THE SOLUTION

Although the Levy is a local government responsibility, the Welsh Government should issue clear statutory guidance requiring local authorities to ringfence money for Visitor Economy projects only and for local authorities to clearly demonstrate how funds are allocated and spent.

### 182-day rule

#### THE ISSUE

The current 182-day self-catering “rule” for professional operators is proving unrealistic for many operators, particularly following the post-pandemic correction in tourism demand. The threshold was set based on the exceptional 2021 peak for ‘staycations’ without sufficient evidence of long-term economic impact. As a result, some viable businesses now face financial hardship or exit, with knock-on effects for local suppliers, services and employment.

#### THE SOLUTION

The qualifying threshold should be reduced to a realistic, evidence-based level, reflecting current market conditions and supporting business sustainability while meeting policy objectives.

## VAT and taxation

### THE ISSUE

The industry in Wales is taxed out. The taxation burden on hospitality is higher than that of any other sector – as much as 75% of pre-tax profit. Much was made of other nations' practices of adopting tourist taxes to justify Wales introducing one here, while ignoring that all of those nations have a lower level of VAT on hospitality than the UK, with a significant number charging customers half of the UK's 20% rate.

### THE SOLUTION

**20% VAT is too high.** The Welsh Government has been sympathetic to this issue and has helped in the past to pursue the matter with UK Government. The newly elected Welsh Government should lobby UK Government to reduce VAT on hospitality products.







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