



All Party Parliamentary Group for Hospitality and Tourism

Meeting of the Hospitality and Tourism APPG

Room T, Portcullis House, 09.06.2026, 2-3pm

Minutes of meeting

Attendees

Parliamentarians

Chris Webb MP (Chair)	Labour	Blackpool South
Damian Hinds MP (Vice-Chair)	Conservative	East Hampshire
Joe Robertson MP	Conservative	Isle of Wight East
Nigel Huddleston MP	Conservative	Droitwich and Evesham
Lord Evans	Conservative	House of Lords
Office of Caroline Voaden MP	LibDem	South Devon
Adam Dance MP	LibDem	Tiverton and Minehead

Secretariat

Luke Cheadle	UKHospitality
Ruby Sampson	UKHospitality
Lily Painter	UKHospitality

Panellists

David Pugh	Global Corporate Communications and Public Affairs Director, Merlin Entertainments
Joss Croft OBE	Chief Executive, UKinbound
Lauren Goodwin	Hotel Sales and Revenue, Greene King
Andrew Clarke	Commercial Director, The Business Travel Association
Kate Shane MBE	Managing Director, Blackpool Tourism Limited
Alistair Handyside MBE	Executive Chair, The Professional Association of Self-Caterers UK
Allen Simpson	CEO, UKHospitality

Observers

Charlotte Lynn	Public Affairs Manager, Business London
Chris Shimwell	Public Affairs Lead, Greene King
Henry Chaves	Public Affairs Executive, Greene King
Kenny Mew	Commercial Operations Director, Blackpool Tourism Limited
Shekera Rowe	Culture, Media and Sport Select Committee Specialist
Eddy Leviten	Executive Director, Tourism Alliance

Introduction and welcome

Chris Webb MP (CW), Chair, welcomed attendees to the meeting, saying that we're mid-way through the inquiry with today's session on the impact on the visitor economy. He announced his intention to apply for a Backbench Business debate on the rate of VAT for hospitality and hopes members will support his application. CW encouraged businesses in the room to submit written evidence to the inquiry, and for Members of Parliament to speak to businesses in their constituency about submitting evidence to best inform the recommendations the APPG puts forward for Government on the visitor levy.

Chris introduced panellists and passed over to David Pugh.

Panellists

David Pugh, (DP) from Merlin Entertainments introduced himself as Global Corporate Communications and Public Affairs Director, Merlin Entertainment. DP started by saying that Merlin have 23 attractions across the UK including 2 in Blackpool, CW's constituency. Sites are affected both directly and indirectly as some sites such as Chessington have visitor accommodation, as well as others (without accommodation) being affected indirectly through potentially reduced visitor numbers.

DP set out that Merlin's main concerns regarding the powers given to Mayors are that there are few or little restrictions on how the funds raised would be used and mentioned how some Mayors have already referenced using them for wider spending purposes.

DP explained how the UK already has one of the highest rates of VAT in Europe for hospitality and how other European destinations who have a visitor levy have a much lower rate of VAT. In comparison, in England any new visitor levy would sit on top of an existing high VAT rate.

DP expressed being grateful for the Government's Great British Summer Savings programme and said that they were hopeful that this would be able to provide a clear demonstration of the positive impact of cutting VAT, but it is only a short-term measure.

DP used Staffordshire as an example, where Alton Towers is located, where local hotels and bed and breakfast accommodation benefit from their proximity to the Resort, with families extending their stay to visit the attraction. There is now a risk that families would shorten breaks to day trips because of the levy, meaning surrounding visitor attraction lose out on bookings.

DP pointed out we already have the existing mechanism of a BID to generate funds to support tourism promotion, which raises money in a focused and targeted way with business voice involved.

Joss Croft OBE, (JC), introduced himself as Chief Executive of UKinbound, and thanked the Chair for the opportunity to contribute. UKinbound has over 500 members across all of the UK and focuses on inbound tourism to the UK. JC said that inbound leisure is massively competitive, while domestic visitors postpone or shorten trips, inbound visitors with much more choice in destinations, simply choose not to come if the price isn't right for them. Inbound tourism is worth 35 billion a year to the UK economy which is more than automotive and oil and gas exports. England is the 7th most visited destination in the world. JC explained that there are huge opportunities of choice in where people travel. Inbound visitors spend twice as much of a domestic visitor as well as travelling outside the main season, which is why they are so important.

JC moved onto discuss international competitiveness, with concerns already that the UK is 113th out of 119 for price competitiveness so the levy risks making this worse. JC listed ETAs as doubling in price since their introduction in October 2023, Air Passenger Duty at some of the highest rates in the world alongside the existing 20% VAT in the UK, one of the highest in Europe.

JC reinforced that not just London will be affected, in fact London will be one of the few destinations least affected as the international pull to London will always remain with other areas losing out creating a fragmented tourism market. We are already one of the few major economies in Europe that does not have tax free shopping which also contributes to this. JC said that there will be a massive impact on attractiveness of England as a destination, with tourism being dependent on three things, means, money, motivation. For example, can people get here, do they want to travel and can they afford it.

JC said that this matters because over 80% of all visitors to the UK come through an intermediary. This is particularly important for inbound tour operators and travel buyers who create the multi-stop itineraries and drive that regional spread across the country, bring in over 40% of all leisure visitors; and while only 38% of leisure visitors travel outside London, the Tour Operators send 44% of their business outside London. International travel distribution depends on simplicity and consistency. Complexity equals cost. And if England becomes too difficult to package and sell, intermediaries will simply switch to easier destinations.

JC concluded by saying if a visitor levy was introduced the Edinburgh model must be examined, with UKinbound favouring a fixed or banded fee over a percentage model. The best levies are where visitors see a real benefit, citing Interlaken as a positive example of where the levy has worked.

Lauren Goodwin, (LG), Sales and Revenue at Greene King introduced herself and set out how Greene King operates 137 hotels/pubs with rooms - just under 3,500 rooms across UK with circa 3000 in England.

Talking about the different models, LG explained that Scotland has different rates with 3% in Stirling to 7% in Aberdeen. This means businesses who have venues in different regions of Scotland have a real challenge with a very complicated operating system. Some council areas are capping the length of stay that the levy applies to, and some are not, ie the levy applies for the full length of the stay. However, online travel organisations like Booking.com and Expedia may not be able to cap the length of stay and therefore it ends with businesses reimbursing.

Commented [LG1]: Capping length of stay

LG said that it is vital for the budget sector that the fee remains a low, fixed fee only on the room element only and not on dinner or breakfast.

On the system and process, LG explained that hotels have different mechanism and system providers. As an example, one of the system providers had to put in 30 different rules into its system

for Germany, meaning a significant amount of increased admin and added cost. LG said that in Scotland the tax is at the point of booking making it less competitive and more expensive for customers. LG raised the issue of exemptions and how to manage exemptions and compliance and whether it is best that the tax is paid at check in due to this need to manage compliance. There have been some suggestions that residents are exempt but questioned how this will be proved.

LG summed up by saying that any future levy needs to be simple, easy to understand and aligned with England and be cost neutral for businesses to administer.

Andrew Clarke, (AC) Commercial Director at the Business Travel Association (BTA) introduced himself and thanked the Group for their time. BA look after travel management companies who represent £28 billion to UK economy. Business travel contributes £750 per trip which is 3 times the contribution of a domestic visitor. People who travel on behalf of their work do not choose where they travel. BTA believe by taxing them, Government are taxing UK productivity and businesses. AC then took the room through 2 design flaws, percentage charge and the compliance burden on businesses.

A percentage charge punishes business travel - Business travel tends to book at short notice, pay high room rates and have zero discretion over destination or timing. A flat fixed fee is predictable, fair and workable for booking systems.

Compliance- The burden on reclaiming costs is unworkable. Mayoral regions with different rules, rates and collection methods is incredibly complex and travel management companies are not built for absorbing 30 or more local schemes. Having many different ways of operating does not build solutions and is a complex burden for businesses to shoulder.

Looking at the case study of Manchester who have an ABID in place since April 2023 4 million has been raised but this has been spent mostly on marketing and not tourism.

BTA are fundamentally against the levy, and their main ask is an exemption for business travel, a flat fixed fee, a national framework which allows consistency and a legal ringfencing with affixed rate cap.

AC summarised saying, if the design is right the levy can fund great things, but if Government gets it wrong, it will tax every activity that makes those cities worth visiting.

Kate Shane, (KS), introduced herself as Managing Director of Blackpool Tourism Limited, and explained the organisation as a wholly owned arm's length company with the local authority. They operate 8 of the major visitor attractions in Blackpool, along with the resort DMO.

KS outlined the vision for the resort, highlighting the benefits of bringing all Council tourism assets under a single company to strengthen links between the public and private sectors and enhance collaborative working. KS explained that the local Tourism BID, which KS chairs, operates democratically, with business representatives determining how the Tourism BID levy is invested to support the wider visitor economy and drive volume to the resort.

KS stressed that seaside resorts face distinct challenges compared with cities, attracting a different demographic and visitor profile. As such, these differences should be fully considered in any decision regarding the introduction of an accommodation levy.

KS reinforced the differences by stating that more than 95% of Blackpool's visitors are domestic and that the resort's core market comprises value seeking families. With leisure spending often being

one of the first areas affected by household budget pressures, Blackpool operates within a highly price-sensitive market.

KS expressed concern that, because of this, accommodation providers would be unable to pass the additional cost of a levy on to customers without adversely affecting demand. Consequently, businesses may be forced to absorb the cost themselves, eating further into profit margins. There is also a risk that short breaks will become day trips, further reducing visitor spend and threatening business viability. This would have wider economic consequences, including increased unemployment, particularly among younger people, an issue that would compound the already disproportionate number of NEET's in seaside towns.

KS highlighted recent market trends in Blackpool, noting a 25% increase in basket abandonment rates, a significant shortening of booking windows, with approximately 90% of visitors now booking within 24 hours of arrival and a significant reduction in average visitor spend.

KS concluded by stating that, should an accommodation levy be introduced, it must be simple and consistent, avoiding unnecessary administrative burdens on the large number of micro and SME accommodation businesses operating within the resort. KS also stressed that seasonality should be taken into account and that governance arrangements should be jointly led by local/regional authorities alongside private sector representatives.

Alistair Handyside MBE, (AH), thanked the group for the opportunity to give evidence, and introduced PASC UK as the largest membership Trade Association for the self-catering sector in the UK.

AH echoed previous panellists' points about simplicity, having one national framework, ringfencing of funds and Tourism Bids, as well as lessons from Scotland.

AH spoke about how the self-catering sector provides the critical bed-stock in rural and coastal areas, supporting the hospitality ecosystem of pubs, cafes and restaurants.

AH said how tourism is a unique sector, creating flexible economic opportunities across all parts of the UK, supporting 1 in every 15 jobs. AH spoke to concerns about adding to existing pressures on the sector and the risk of deterring visitors, with knock-on impacts for employment. Government should therefore be cautious about measures that could weaken job creation, particularly in rural and coastal communities where alternative economic opportunities are more limited.

AH discussed the demographic of the self-catering sector being primarily female and over sixty, living onsite or nearby the properties, and are micro, micro businesses. In rural and coastal areas, alongside farming, the visitor economy is a key provider of economic activity, and employment. The administration of the levy will be carried out by these micro businesses who will make up the majority that will be required to collect the tax.

AH went on to discuss the cumulative burden on the hospitality sector including changes to National Insurance, increases to minimum wage and changes to business rates increases and many more, resulting in over 100,000 jobs lost.

AH gave a case study of how the levy will hit lower income families the hardest. A £2 per person per night levy adds £84 to a family holiday, when many self-catering providers offer very low-cost breaks, such as winter breaks in holiday cottages for as little as £250-£300.

AH concluded by stating that tourism taxes are often introduced to reduce activity or when VAT or other taxes are considerably less. The sector needs growth, the Government needs growth and this is the wrong tax at the wrong time and if introduced will do considerable harm to the wider self-catering sector, and to local visitor economies across England.

Allen Simpson, (AS), CEO of UKHospitality, closed the panellist's part of the session by reinforcing that there is no version of this tax that isn't economically very damaging. AS said the chances of the funds raised going on domestic spend are small, with Government saying it will go on measures that are a public concern. For example, in Edinburgh, it is being spent on social housing. Per person per night and a percentage model are both damaging. AS said per person per night could be 100% the price of a holiday and this would mean regressively taxing working-class holidays as they would be taxed greater than other holidays. A percentage charge creates the most job losses as the most money is raised.

AS ended by saying that there have been 100,000 hospitality job losses since the 2024 Budget, with 33,000 jobs possibly lost with this tax, compared to 65,000 jobs lost in the worst year of the miner's crisis. This is historically unprecedented.

Q&A session and discussion

Damian Hinds MP said that there is no good version of the tax, but some arguments are stronger than others. The arguments about different tax rates across England is weakened by European cities have different tax rates for their visitor levy. He said the best argument is the commercial disadvantages on coastal communities compared to international destinations giving the *On the Beach* advertisement as an example of this. DS also spoke about the sector being 80% AI proof which makes it even more reliable partner for the Government on youth employment.

JC said that he recognises the challenge of a percentage versus fixed fee. The experience in Scotland shows there is a 3rd route with a banded approach.

DP brought up the imminent Visitor Economy Growth Strategy, with the ambition for 50 million international visitors by 2030. DP said that the levy runs entirely contrary to this ambition.

AS said the recent MRP polling by UKHospitality, which shows that voters reject the idea of a levy especially in tourism led economies. For every 1 person likely to vote for an MP who back the levy, 9 people will vote against an MP who backs the levy.

Adam Dance MP said that if MPs promise the funds will be allocated for public services like street cleansing and public safety, many of the public would distrust this would happen, even if it is promised by MPs.

Lord Evans brought up the high cost and complexity of the New York tourist tax. Lord Evans asked about the impact on young people of operating costs increasing and fewer job opportunities.

AS responded that young people are disproportionately impacted by the job losses and reduction of entry level jobs and have a 3-1 over prescribed in job losses. Larger businesses will shrink hours before they cut jobs, and small businesses are forced to cut jobs and in the worst case close when profit margins are squeezed even further.

The meeting closed with Chris reminding MPs of the date of the third and final APPG meeting on **23 June and the UKHospitality Parliamentary Reception on 20 October**.