



All Party Parliamentary Group for Hospitality and Tourism

Meeting of the Hospitality and Tourism APPG

Room O, Portcullis House, 20.05.2026, 2:30-3:30pm

Minutes of meeting

Attendees

Parliamentarians

Chris Webb (Chair)	Labour	Blackpool South
Damian Hinds (Vice-Chair)	Conservative	East Hampshire
Joe Robertson	Conservative	Isle of Wight East
Nigel Huddleston	Conservative	Droitwich and Evesham
Charlie Dewhurst	Conservative	Bridlington and The Wolds
Caroline Voaden	LibDem	South Devon
Office of Rachel Gilmour MP	LibDem	Tiverton and Minehead

Secretariat

Kate Nicholls	UKHospitality
Sam Ette	UKHospitality
Ruby Sampson	UKHospitality

Panellists

Barrie Robinson	National Operations Director, Parkdean Resorts
Georgios Maridis	Senior Economist, Oxford Economics
Tim Hassell	Estate Director, Thurlstone Hotel
Alice Jeffries	Head of Tax Policy, CBI
Giles Croot	Director of Communications, Haven
Kate Nicholls	Chair, UKHospitality

Observers

Aisling Walsh	Head of Corporate PR, Communications and Affairs, Parkdean Resorts
Kate Backhouse	PR Executive, Haven
Yasemin Satir Cilingir	Associate Director with Tourism Economics, Oxford Economics

1. Introduction and welcome

Chris Webb MP (CW), Chair, announced that we would be starting our first session of the APPG's inquiry into the visitor levy, with sessions on the principle, the impact on the visitor economy and design and implementation of a levy. The inquiry aims to create a series of recommendations on the basis the evidence sessions will form part of these, so the levy does not harm the hospitality sector and the communities it sustains.

Chris introduced panellists and passed over to Barrie Robinson.

2. Panellists

Barrie Robinson, (BR) from Parkdean Resorts introduced himself as National Operations Director at Parkdean Resorts, representing one of the UK's largest holiday park operators, with 65 parks across the UK, welcoming 3 million guests each year and employing 9,000 people.

BR explained that he understands the intention behind a holiday tax but is concerned it will have unintended negative consequences for the visitor economy and could easily be the tax that breaks the camel's back.

BR talked about the impact on lower income families who are holiday parks core customer base and chose these holidays for their value. Many of these customers cannot afford to go abroad. BR explained a case study that at Parkdean a family of 4 can enjoy a holiday during the off-peak season for £55. A flat £2 per person, per night levy would add £56 - more than doubling the total cost of the holiday. BR said that financial pressure on guests means socialising budgets are being cut back already with one case study showing only 7% of guests on a park were dining in the restaurant showing lack of disposable income. Most guests choose to self-cater, underlining constrained budgets and how even marginal price increases can limit a family's ability to eat out or travel.

BR then discussed the consequences a levy could have on visitor numbers and local spending. He spoke about how guests support shops, cafés, attractions and transport providers in often fragile coastal and rural economies. A drop in footfall doesn't just affect one business - it hits entire communities resulting in job losses and cost increases in these rural locations.

BR reiterated that the levy puts jobs at risk. A decline in visitor demand and tourism spending could reduce business revenues, potentially leading to staff redundancies, reduced working hours, and even more financial pressure on our business. He said Parkdean employs 9,000 people, and often in areas where other employment opportunities are limited.

BR then addressed the cumulative burden on hospitality from higher National Insurance, rising wages, business rates and energy costs. Adding an additional tax will risk some businesses being forced to close. BR added that the impact would fall hardest on young and seasonal workers, especially in the context of rising youth unemployment, now at the highest level in over a decade. BR said how during peak season, approximately 40% of their workforce is aged 16–24, underlining how tourism and hospitality plays a critical role in providing first jobs.

BR moved onto international competitiveness saying that the levy would weaken the UK's competitiveness as a holiday destination with many European destinations applying a much lower rate of VAT with a holiday tax. With an already cost-conscious customer base, they may choose to go abroad where their money may go further.

BR urged the government to avoid introducing a holiday tax that is counterproductive, risking lower demand, growth and weaker competitiveness in light of the already high overall tax burden on the sector.

BR passed over to Georgios Maridis.

Georgios Maridis, (GM), introduced himself as Senior Economist from Oxford Economics and talked through the findings from the Oxford Economics Research on the visitor levy.

GM started by mentioning the abnormality of the UK's 20% VAT rate, while destinations like Barcelona, Rome, Paris and Lisbon see an effective tax between 11% and 18%.

GM talked through the three most debated scenarios: 5% levy on total accommodation costs, flat £2.00 levy per visitor night, and a flat £2.00 levy per room night.

GM explained how Oxford Economics research considered different behavioural responses and the potential for substitution towards non-paid accommodation or day trips for domestic travellers.

GM said that the net tax benefits are outweighed by the broader economic contraction caused by the levy. GM discussed that a 5% levy could lead to almost 12 million fewer nights in paid accommodation, 1.5% loss international nights and a 2.5% loss in domestic nights in paid accommodation. This loss in activity would impact wider spending beyond hotels and B&Bs, and the wider visitor economy from restaurants, pubs, and retailers to transport companies including rail, coaches, taxis and rental cars. This loss in spending is estimated at £1.8 billion.

Oxford Economics predicts this will impact the wider supply-chain and employee earnings, leading to a GDP contraction of £2.2 billion and a loss of around 33,000 jobs in the country. This will also reduce investment decisions by the industry, leading to a loss of £101 million in direct investment in 2030.

GM concluded that the visitor levy could also lead to an additional revenue in local government, but it will take away revenue from central government through reduced VAT receipts, corporation tax and national insurance contributions while also leading to the wider economic contraction.

GM passed over to Tim Hassell.

Tim Hassell, (TH), introduced himself as the owner of the Thurlestone Hotel which has been in the same family since 1896 making it the longest single operator in England.

TH stressed that this is yet another tax on the industry and that he worries about the cost and complexity of administration and that enforcing it will be difficult. He said the sector is already highly taxed, and the holiday tax is another tax on the sector. In 2023 the Thurlstone was paying £156,000 in business rates and at the end of next year will have paid £295,000.

TH explained some figures showing that at the end of 2025, his two hotels will have turned over £10.5 million and of that £2.5, million is collected in tax from the Treasury. That's VAT, ENICs, income tax for employees, business rates. For every person per night, £70 is collected in tax meaning there isn't much marginal room for business to be taxed further.

TH made the point that tourism employs 50% of jobs in coastal communities so Government must be careful about the effects of reduced investment and fewer job opportunities. He said that his hotel had been planning to build a £1.7 million sports facility but because of the impact of NICs this was cancelled. When investment is cancelled, this impacts local economies and investment. Investment projects provide work for trades people, brings in local jobs and helps local communities have pride in their areas.

TH concluded by saying we don't need another tax and especially one which is complicated.

Alice Jeffries, (AJ), Tax Policy Manager at the CBI, set out the CBI's set of principles to govern what 'good' tax is and that the visitor levy breaks all those rules.

The CBI believes tax policy should be simple, bring certainty or be predictable, provide competitiveness for the taxpayer and for the UK economy, and to be proportionate in terms of time and cost of administering.

AJ said that a small franchise hotel will have to set up a whole new administrative system to deal with the local authorities' collection and administration of the levy. And a larger hotel group could be dealing with at least 12 authorities setting their own rates and using their own administrative systems, making it an incredibly complicated system. AJ said that the CBI believe that it is highly likely the scope and rates will creep over time as local authority budgets are stretched. AJ added that it makes the UK less competitive with other jurisdictions and regions which have it less competitive with neighbouring regions which don't have it, or have a lower rate, and given its complexity and the relatively low revenue estimates expected it is not going to be proportionate.

AJ mentioned that revenue raised by the levy is often overestimated and took the group through two different reasons why it is possible for there to be a behavioural response to these taxes:

Some travel is optional - those who do not have to travel may not do so or may travel for shorter periods to reduce costs. Eg. businesses to move in-person meetings to online.

Some travel is location agnostic - travellers have criteria for their travel which can be met by multiple locations. This change may lead them to choose a location which is not in a region with overnight stay levy, or even to move it abroad (an example was discussed where a conference previously held in the UK had been moved to Portugal to avoid costs).

AJ said that expected behavioural shifts mean that overnight stay levy revenue estimates are likely to be overestimates. This has happened in other jurisdictions: the CBI's sister federation in France, MEDEF, showed that in the case of Paris, the original estimate of €200m was three times higher than the €50m achieved in the first year.

In terms of concerns about complexity, rate creep and scope creep, MEDEF said, in France rates have crept up significantly since they started, with new municipal and regional elements added to the tax across France, and hypothecation had weakened as revenue was absorbed into general municipal budgets. The French government recognised the complexity of the rules and announced in 2025 that they would review the entire system to try to simplify it.

AJ ended up by stating that while businesses recognise the value in well-funded local authorities, this proposal is not the right way to do this. Instead, the CBI points to a fiscal devolution roadmap, which could allow for centrally collected funds to be distributed based on an allocation formula, which would allow better funding locally without adding to administrative burdens to businesses.

AJ passed over to Giles Croot.

Giles Croot, (GC), introduced himself as Director of Communications at Haven. GC said he has a 14,000 team during the peak season most of which are based in coastal areas. GC focused on the unintended consequences of the levy and said that he appreciates that councils need to have the funds to deliver services, but the holiday tax isn't the answer.

GC went through the MRP polling conducted by UKHospitality of 10,000 people which showed that consumers are exceedingly price sensitive, with 73% of people saying they would have to take shorter holidays, fewer holidays or no holidays in England at all if the tax were introduced, with almost 40% says they would holiday abroad instead.

Importantly, this would impact the sector's ability to provide employment, especially in typically underserved areas.

GC said that the uncertainty caused by the potential holiday tax is already impacting investment decisions even in areas where the tax were not being introduced.

GC concluded by saying the hospitality sector is already highly taxed by European standards. GC stressed that even in Barcelona a couple visiting for a weekend would expect to pay less in taxes than they would today for an equivalent visit to York. These taxes are often brought into regulate and decrease tourism, and not to encourage it.

Kate Nicholls, (KN), came in to give the context of the economic impact of the levy. KN said that we're now at the anniversary of the final re opening of hospitality post covid. It takes twice as long for tourism to recover when the sector has had a big hit. The years since Covid have not be inconsequential with the 2024 Budget seeing £3.4 billion in annual tax increases for the sector, meaning businesses have been forced to take tough decisions. With fixed costs, the only flexibility businesses have is their people leading to reduced hours and cancelled recruitment plans. For that reason, it is not surprising that UKHospitality latest member survey showed two-thirds (64%) of businesses have had to cut jobs and half (51%) have had to cancel investment plans. This fees into cut in productivity and competitiveness as well as societal challenges of bringing more people into work.

Kate explained how the existing weight of taxation and regulation on businesses is leading to 3 businesses closing every day this year so far and this tax would be further regulation and more tax. This is not a cost-free solution, and the UK is already a high cost and high tax destination.

Kate concluded by saying that there is a difficulty in introducing this before statutory registration was in place, as there is a legal liability of who pays if a customer refuses to pay. Government must pause and think about the context this tax would come in with UK inbound tourism down and a war in the middle east, this is the worst timing for holiday tax.

3. Q&A session and discussion

Damain Hinds MP raised concerns about the rising of the price of the levy saying this would mirror what happened with air passenger duty.

Joe Robertson MP expressed his concerns that the tax raising power would be used as a default replacement for funding local authorities.

TH said that sleeper nights are down 2017 were 39,00 and are now around 34,000.

Charlie Dewhirst MP said that he could have two businesses in his constituency under different local authorities despite being in close proximity to each other who could be under different tax regimes.

GC added that we must remember this is a family holiday tax as it is families that stay for multiple night and not one and often during peak summertime in the school holidays.

AJ reinforced that the revenue raised will be an overestimate as cannot reflect changes of behaviour and the impact on businesses.

BR said Government must also consider the impact of the infrastructure trickle down into the local economy as smaller operators are being forced to close for weeks of the year during the off-peak season when it is no longer viable to be open. There is then a loss of key income to the local economy via suppliers through cleaning, electricians and repairs which are part of the supply chain when operations are open as usual.

Nigel Huddleston MP pointed out that emergency service workers and construction workers staying in hotels will be impacted and the inflationary impact will be passed onto customers and businesses.

GC also said that overnight visitors create less pollution than day trippers and provide more employment benefits.

AJ said that events and conference centres can be a huge boost to a local area and a levy risks customers moving to use conference centres which are outside the scope of a levy.

Carolien Voaden MP said she has been impacted by the argument around inequality of different regions having the levy vs areas that don't as well as the impact on low-income families.

Chris Webb MP said that his first job was in hospitality at 14 and hospitality is vital for youth employment providing first jobs for everyone everywhere.

The meeting closed with Chris reminding MPs of the dates of the next meeting as **9 and 23 June**.