



# All Party Parliamentary Group for Hospitality and Tourism

## Meeting of the Hospitality and Tourism APPG

Park Plaza, Westminster Bridge, 9am-11am

### Minutes of meeting

#### Attendees

##### Parliamentarians

Chris Webb (Chair)	Labour	Blackpool South
Damian Hinds (Vice-Chair)	Conservative	East Hampshire
Manuela Perteghella	Liberal Democrat	Stratford-on-Avon
Mike Reader	Labour	Northampton South

Allen Simpson	UKHospitality
Luke Cheadle	UKHospitality
Ruby Sampson	UKHospitality
Isabella Roberts	UKHospitality
Daniel Pedreschi	Park Plaza

#### 1. Introduction and sector update

Allen Simpson, (AS) started the meeting by welcoming attendees and giving a state of the nation update in relation to the hospitality and tourism sectors. It was noted that this is the first Christmas where trading will not be impacted by Covid or train or tube strikes.

But the market is about to get tougher for several reasons and 2025 was dubbed the year of survival for hospitality businesses.

AS went on to discuss how businesses were feeling about the impact of announcements in the budget but particularly the changing thresholds of NICs. AS stated, it is less the amount raised but who it is raised off the back of that is surprising. He suggested that it is a deeply regressive move and 50 - 100,000 job losses will largely fall on those on minimum wage.

The Employment Rights Bill was discussed. AS said, we are largely supportive of the Bill especially the aim of stopping bad practice surrounding zero-hour contracts while maintaining flexible work for those who want it such as single parents, students and careers. The balance is right, but concerns remain around reference periods especially for seasonal workers.

He noted that businesses are struggling to absorb the £3.4 billion in employment cost increases from the budget combined with the increases in the National Living Wage and taxes. (Breakdown summary below).

- Employment Rights Bill will cost the sector at least £0.5 billion.
- Minimum wage increase in 2024/25 will cost £1.9 billion.
- £500 million increase for hospitality through a cut in business rate relief.
- NICs changes will cost hospitality £1 billion.

## **2. Update from Daniel Pedreschi, Vice President of Operations UK at Park Plaza**

Daniel Pedreschi (DP) gave a presentation on hotel trading, future investment and PPHE's work on the skills agenda.

He noted that The Park Plaza owns their hotels, so they leave a long-term footprint in the local area. He noted that they are the largest rate payer in Lambeth, paying £8.5 million currently, which will increase as a result of the recent Budget.

DP discussed several macro challenges affecting city hotels such as the shift in corporate travel plans and external influences such as high energy costs still affecting housekeeping and laundry services. For instance, there being little to no demand for Mondays and Friday conferences following the pandemic meaning Park Plaza loses 30% in potential business.

DP explained the need to move from full-service hotels to select service due increased costs and less consumer demand. When demand is high enough, they stop taking one-night bookings and guests are encouraged not to have their bedrooms cleaned which saves on average 45 staff members per day. But there is increase demand for 'bleisure travel' and small-scale events. The opportunity for team building in-person results has been lost because of hybrid working and ESG targets.

DP discussed their different outreach programmes including to the Somali community. He also noted that offering flexible work reflecting working parents' other responsibilities has significantly helped recruitment. Instead of 8-4pm shift there is an option to work, starting at 9:30 am and working through lunch, gaining a credit for their lunch break so they can leave at 2:30pm in time for school pick up.

DP then took the group through their onboarding and training programme, and he said that they had increased their recruitment team from 1 to 10 and onboarding and training team has increased from 3 to 7 people. Every General Manager's bonus is based on the number of team members they develop. They also bring in external experts and use digital learning platform for statutory learning programmes.

DP summarised some staff statistics including: 2,651 team members in total, 900 in Accommodation Services. Staff represent 94 different countries and 11% have been working at the Park Plaza for 5-10 years and 39% for 1-3 years. 54% of staff are female and the youngest member of staff is 16 and oldest is 72. 38% of all employees come through refer a friend scheme.

## **3. Q and A session**

Mike Reader MP (MR) asked how many apprenticeships graduate a year in hospitality. *DP stated that 15 in total using all the apprenticeship levy funds.*

MR then asked about the impact of Brexit on recruitment. *DP said that the skills level remains mixed amongst trained hospitality, food and beverage professionals.*

MR asked if the move away from full service was a London challenge or a wider problem. *DP noted that London hotels operate in a way that select service is more obvious and smaller hotels tend to be more discreet.*

Chris Webb MP asked about the hotels plans to expand outside London. *DP said that the hotel is keen on expanding to Manchester and Edinburgh due to their scale and size.*

Manuela Perteghella MP asked about the risk of AI on employment. *DP said that the two new hotels Park Plaza is opening will have no receptionists and you can only book and pay online. This move comes because of cost burdens.*

DP then gave MPs a tour of the hotel and the opportunity to meet staff in different roles in the hotel as well as seeing the events space and kitchens.

**The meeting closed.**