



All Party Parliamentary Group for Hospitality and Tourism

Meeting of the Hospitality and Tourism APPG

Room O, Portcullis House, 05.03.2025, 3pm – 4pm

Minutes of meeting

Attendees

Parliamentarians

Bayo Alaba	Labour	Southend East and Rochford
Caroline Voaden (Vice-Chair)	LibDem	South Devon
Chris Webb (Chair)	Labour	Blackpool South
Damian Hinds (Vice-Chair)	Conservative	East Hampshire
Jack Rankin	Conservative	Windsor

Secretariat

Luke Cheadle	UKHospitality
Isabella Roberts	UKHospitality
Ruby Sampson	UKHospitality

Panellists

Kate Nicholls	Chief Executive	UKHospitality
Mike Worley	Managing Director	HIT Training
Ilona Hodson	National Apprenticeship Manager	McDonald's
Paul Collins	Head of Talent	Whitbread
Kirsty Adams	People Director Talent, Leadership, Learning & Inclusion	Compass Group

1. Introduction and welcome

Chris Webb, (CW) started the meeting welcoming attendees to the meeting and introduced the meeting as an inquiry session into 'How Government can empower hospitality and tourism to help deliver its skills agenda'.

With the creation of Skills England in April 2025, the APPG for Hospitality and Tourism is keen to understand what the sector needs from the new body and from government to help them deliver growth and skills.

Kate Nicholls, (KN) started by giving an overview of UKHospitality as the national trade body for the sector representing 750 members and 130,000 venues. She said it represents businesses from those which make your morning coffee to your late-night venues to the public sector catering which feeds schools, hospitals and prisons.

She said that the breadth of hospitality means the sector is the third largest public sector employer, employing 3.5 million people and that including the supply chain that increases to 6.5 million jobs. KN said these are jobs which are not clustered but are everywhere in the country and in every constituency. They're powerful tools of social mobility with no barriers to entry, stating that nearly 39% of our workforce is under 24, the highest in any sector, and half are under 30. Only 18% of our leaders have degrees. She said it is a place where workers can progress from entry level to management in just 2 years

KN expressed that the sector is ready to play our part in growing the economy and helping to upskill in terms of the Growth and Skills Levy. She said we're ready to go further than the current Government structure will let us as the apprenticeship levy is clunky and not well suited to a sector where people move between different jobs within the sector.

KN highlighted that we're ready to deliver a foundational apprenticeship now, but the sector is not included as one of the eight growth sectors identified in the Government's Industrial Strategy. A foundational apprenticeship would be a quicker, a 7–8-month programme, to give applicants key skills that allows you to access higher levels of apprenticeships.

CW passed over to Mike Worley.

2. Panellists

Mike Worley, (MW) introduced himself as the Managing Director of HIT training, a market-leading specialist apprenticeship and training provider for the UK's hospitality, catering and retail industries

MW said HIT Training currently has 5,000 apprenticeships and works with 2-3,000 employees at any one time. Their business is made up of 50% large employers and the other 50% is the SME market.

MW explained how they work in every county in England and there is real appetite to get people into work but the ability to access appropriate level work is missing from the current levy system. He said it's clunky, bureaucratic and time consuming particularly for the SME market.

He said that hospitality is a sector where workers gain transferable skills and at the moment apprenticeships focus on one channel of learning and there isn't enough breadth for the hospitality sector. MW went on to say that there is a real untapped market in supporting people into work with learning difficulties and with a foundation to support them further into work we can grow our infrastructure to suit their needs.

Ilona Hodson, (IH) introduced herself as National Apprenticeship Manager at McDonald's.

Ilona discussed the history of McDonald's offering apprenticeships for 20 years as well as supporting over 21,000 apprenticeship opportunities in that time. They have over 1,100 apprentices in learning at any one time and work with 6 training providers, 4 universities and 20 different apprenticeships for both corporate and restaurant-based roles.

Ilona said that McDonald's employs 170,000 people across the UK and Ireland and 98% of apprenticeships are existing employees. Apprenticeships are available for every operational job in McDonald's and 150 managers at any one time are on a degree programme.

Ilona went on to talk about hospitality as a driver of social mobility and McDonald's are proud that many wear it as a badge of honour that their first job was at McDonald's and 70% of their employees are under 24.

McDonald's welcomed the duration of the apprenticeship programmes being reduced as this has been a pain point in McDonald's and will ensure more access to apprenticeships.

Ilona concluded with their top three asks for Government:

- Recognising the role hospitality plays as a driver of social mobility especially for young people. Too often reforms are not inclusive or applicable to hospitality.
- McDonald's are supportive of foundation apprenticeships and the structured way this will bring the people furthest from the labour market with less academic attainment into the workforce who can then progress to an apprenticeship later. She expressed keenness to have more clarity on what those will look like in practice.
- The differences between devolved nations on funding and standards makes it difficult for national employers to offer consistent programmes for their people. In addition, employers in Wales & Scotland pay the levy but have no say in how it is then used.

Paul Collins, (PC) Head of Talent at Whitbread, introduced Whitbread as an operator of 850 hotels, and hundreds of restaurants across the UK, employing more than 35,000 people and are committed to investing £2 billion in the UK over the next 5 years.

PC talked about hospitality being an unrivalled engine of social mobility as for many people working in a hotel, restaurant or pub is their first introduction to the workplace, or a way back into it for those who've taken time out to have a family or study. PC said we're in a unique position to be force for good as we have no barriers to entry so there are no limits to the ambition of our workers.

PC explained how Whitbread offers apprenticeships and development programmes at every level from team member through to hotel manager, with over 750 apprentices in learning and 2,000 promotions each year. PC noted apprentices are paid the rate for their role, rather than an apprenticeship rate.

PC said they are proud to welcome young people with learning and physical disabilities for employment through their 'Thrive Programme', in partnership with a network of SEN college as well as supporting care experienced young people into employment through pre-employment programmes, in partnership with Barnardo's.

Whitbread identified opportunities for Government to expand growth:

- Whitbread support the creation of Skills England and replacing the Apprenticeship Levy with a broader Growth and Skills Levy. Whitbread support the removal of Functional Skills as an exit requirement and reducing the minimum length of an apprenticeship.
- More flexibility is needed to allow the levy to fund broader initiatives which support the growth and skills agenda. They currently pay over 3m into the apprenticeship levy each year but currently can only draw down funding for apprenticeships. They also invest c. £2m on

inhouse training and development programmes which can't be funded by the levy. Whitbread welcome a review of what is included within the levy to enable employers to invest more efficiently in a broader growth and skills agenda.

- Hospitality being included in the Apprenticeship Levy reforms as a key foundational sector.

PC concluded saying that we need to be conscious of increasing employment costs and the unintended consequences this can have on the skills agenda. He said that UKHospitality estimate that there will be an additional £3.4 billion of employment costs for the sector following the budget, something that needs to be considered as part of the reform to avoid further cost being added to employers.

Kirsty Adams (KA) introduced herself as Talent Director at Compass Group UK and Ireland who employs 55,000 people across 5,000 sites. KA reiterated that they are often unknown but are everywhere from defence to offshore energy.

KA said Compass are delighted by some of the reforms but do think the sector needs a bigger voice at the table regarding the potential for growth the sector can bring as a tool for social mobility due to being a sector with no or low barriers to entry.

KA explained that this is particularly important when as a country we have 1 million young people not in education, skills or employment. As a sector we have the capability to train people in skills that can become a long-term career and engaging with our nontraditional workforce.

In terms of education, skills and employment, KA said people want jobs, they want to contribute to society and the sector has the opportunity to move on this and the sector is ready to go but needs more access to foundational apprenticeships.

KA discussed how Compass has invested 2 million in a state-of-the-art skills training centre in Edgbaston and because of this 2,000 people have gone through centre and have either obtained the basic skills to secure a role or have indeed secured roles in the food and hospitality industry. Compass are looking to expand their training centres and continue to bring people into the world of work who don't necessarily have high academic achievement, have been long term sick or unemployed.

KA summarised Compasses top three asks for Government:

- More flexibility around how the levy is used.
- Hospitality having access to foundational apprenticeships.
- To be able to work with the Government to expand Compass' blueprint of training centres across the UK.

3. Q and A session

Damian Hinds MP (DH), asked about the differences between shorter apprenticeships which the Government recently announced and the ask for hospitality to be included in foundational apprenticeships.

KN said Government is moving to allow shorter apprentices from August, but these will have the same structure. There are standard apprenticeships that can now be completed in less than 8

months. But there is clunkiness to it as that 8 month is based off 13 hours work whereas lots of people work 20 hours in hospitality and will move from different hospitality jobs. Foundational apprenticeships are a rapid run through of level one and two while achieving apprenticeship ready status.

Jack Rankin MP (JR) asked if Level 2 apprentices included an English and Maths qualification as a requirement.

KN says this will no longer be a barrier to completion, but you will have to have functional literacy and numeracy skills that are relevant to the qualification that you're doing. This is seen as a positive move as often these qualifications are a deterrent to applicants who have struggled more informal education. Employers will train them in literacy and numeracy instead. But it's not clear if people who are currently on an apprenticeship programme when this change takes place will still be required to sit that exam.

Bayo Alba MP (BA) asked if it is difficult to bring SMEs into the apprenticeships mind set.

MW said it's not difficult to get them to support young people, but the actual apprenticeship levy bureaucracy is the challenge. MW explained how if you pay more than £3million payroll then you pay into the levy but every step that is clunky switches off the SME market. They do see value, but each barrier of bureaucracy is a deterrent in getting involved.

BA asked what the incentive is for small businesses trying to overcome the bureaucracy in the levy.

KN explained the Government pays for 95% of the training and the business is obliged to pay 5%. The incentive is investment in skills, good quality training and the person being retained. But she said that the process isn't sufficiently fluid for efficiency, and there is a need to improve the process particularly for SMEs. 90% of the sector is an SME so the system needs to be simplified.

MW added that training providers help with the administration to ease the burden on businesses

DH asked about the idea of campaigning to get out of the apprenticeship levy as a sector.

KN said that part of having the levy is so the sector can demonstrate this is career and a professional industry to work in. The number of apprenticeships starts have dropped off and we need to make sure they happen for the right reason and in the right way. She said that the sector doesn't want to be outside the levy and employers still find it a good route to reach people outside the academic route.

BA asked about whether there is a case for mandatory apprenticeships.

KN said they effectively are mandatory as any business over the £3million payroll must pay into the pot and will want to extract the value from the levy. There is a risk of further deterrents to SMEs if they are made mandatory when there is already the option for inhouse training.

BA asked if the sector is being listened to on this issue.

KN said the sector has participated in consultation exercises from the last Government and the present Government and we made representations on foundational apprenticeships to the Department of Business and Trade and the Industrial Strategy minister. But she warned that there is

limited cross governmental and cross Whitehall working which hinders getting our overall messages across effectively.

CW thanked everyone for attending the meeting and mentioned that the sector should submit written evidence to the inquiry as soon as possible and that the APPG is hoping to host a meeting with the Department of Education as part of the inquiry in due course.

The meeting closed.