

Holiday parks face “huge rise” in housekeeping costs with hikes in National Insurance and National Living Wage

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Holiday park operators are facing huge increases in housekeeping costs when changes to employer National Insurance and the National Living Wage come into effect in April.

The Class 1 National Insurance secondary threshold is dropping from £9,100 to £5,000, while the main rate will rise from 13.8% to 15%.

The National Living Wage, which currently stands at £11.44 per hour for employees over 21, will rise by 6.7% to £12.21 per hour.

[Godfrey Group](#), the only holiday park housekeeping provider with UK-wide coverage and a strategic partner of Hoseasons, has calculated the impact that the changes will have on operators.

It says that for an employee on a 16-hour per week contract, which is common in the sector, the change to National Insurance will increase costs by £715.56, while the increase in salary due to the National Living Wage change will mean an additional £640.64.

Added to these extra costs will be an increase in employer pension contributions of £4.76 giving a total increase per employee of £1,360.96.

Based on these extra costs, Godfrey Group has further calculated that, from April, the cost to clean a typical unit at a holiday park will increase by £4.91, solely on direct cleaning. This does not include any increase for checkers, linen droppers, housekeeping managers, chemicals, materials and many other

essential items.

Godfrey Group's research went on to compare the average cost from April of an operator managing the cleaning of a two-bedroom unit against the outsourced cost if an operator contracted with Godfrey Group.

This showed a typical in-house cost of £52.96 against Godfrey Group's charge of £44.92.

Godfrey Group, which is based in Ruthin, North Wales, has expanded rapidly during the last two years and now provides housekeeping services to holiday parks, holiday homes, resorts and hotels. Turnover and headcount have more than doubled in this time. The company currently employs over 300 people at sites across the UK.

Clients that have used Godfrey Group over the last three years include Landal Green, Away Resorts, Centre Parcs, Darwin Escapes, Leisure Resorts, Luxury Lodges, Wayfind Escapes, Meadow Bay Villages and Charteroak Holiday Lodges.

Andrew Godfrey, Managing Director of the Godfrey Group, said: "The changes to National Insurance and the National Living Wage will put a further squeeze on already hard-pressed holiday park operators.

"Our research highlights that the cost of employing a cleaner to clean a unit will increase by £4.91 from April. This doesn't include the myriad of other costs that are involved in holiday park housekeeping including checkers, HR and payroll support, management time, materials, chemicals and many additional items.

"All of these factors are considered in Godfrey Group's pricing. There is also the seasonality of the sector with different level of demands for housekeeping during the year.

"Godfrey Group is finding more and more operators, of all sizes, are choosing to outsource their housekeeping with a typical saving of over £8 per unit per clean.

"On top of this, holiday parks have so many other facilities to manage, whereas Godfrey Group is focussed solely on the crucial service of housekeeping.

"We operate on a fixed price per clean. If you let out a unit, it is cleaned on departure. If your units are not let out, there is no charge. Additionally, only paying your staff minimum wage can lead to them becoming transient.

"In the case of some holiday park operators with multiple sites, we are enabling them to save hundreds of thousands of pounds a year."