

Hotel

Business Opportunity Profile

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Introduction

Independent, privately owned hotels are typically family run and usually based in popular tourist locations. Unlike guest houses, hotels generally have a restaurant, bar or lounge which is open to non-guests and have a function room for events such as wedding receptions or other celebrations.

Hotels typically have more than five bedrooms, although in Northern Ireland, hotels are defined as properties that have more than 15 bedrooms.

This profile provides information about running an independent, privately owned hotel. It describes the training available, the current market trends and the key trading and legal issues.

Training and resources

There are a range of courses and resources for hoteliers that cover the practical issues involved in running a hotel. Example of courses include:

- Hotel Management, which is a distance-learning course provided by New Skills Academy. The course costs £100 and covers topics including welcoming guests, staff engagement, front desk management, housekeeping and building and facilities management. Go to <https://newskillsacademy.co.uk/course/hotel-management-diploma> for more information.
- Social Media Marketing: Hospitality & Travel Professionals, which is an online course provided by Udemy. The course costs £15 and covers using Facebook, Pinterest, Twitter, Google+ and Instagram. Go to www.udemy.com/course/social-media-marketing-for-hospitality-industry for more information.
- Welcome Host, which is a one-day course that covers understanding customers, successful communication, meeting specific needs (including accessibility and diversity) and dealing with difficult situations. The course costs £95 (excluding VAT). Go to www.welcometoexcellence.co.uk/training-courses/welcome-host for further information.
- The Level 3 Event and Wedding Planner online course provided by the UK Open College, which covers client preferences, planning methods and managing finances. The course costs £349. Go to <https://ukopencollege.co.uk/product/wedding-planner-course-level-3-endorsed> for more information.

- Free videos and webinars provided by HM Revenue & Customs (HMRC), which cover topics such as self-assessment, becoming an employer and VAT. Go to www.gov.uk/government/collections/hmrc-webinars-email-alerts-and-videos for more information.

There are various resources and events to help hoteliers develop their knowledge and skills, including:

- Hotel Owner (www.hotelowner.co.uk), which is an online resource providing news and information about the UK's domestic tourism industry.
- The Institute of Hospitality (www.instituteofhospitality.org), which provides members with access to business and legal support.
- UKHospitality (www.ukhospitality.org.uk), which provides advice on food hygiene, allergens and fire safety.
- Boutique Hotelier (www.boutiquehotelier.com), which is an online resource providing news and updates.
- The Pink Book (www.visitbritain.org/business-advice/pink-book), which is published by VisitBritain and includes practical information and toolkits for accommodation providers.
- The Independent Hotel Show (www.independenthotelshow.co.uk), which is an event aimed at hoteliers who run luxury and boutique hotels. The two-day event is held at Olympia, London each October.
- HRC (Hotel, Restaurant & Catering) (www.hrc.co.uk), which is a three-day trade event held at ExCeL, London each March/April.

Key market issues and trends

Current market issues affecting both start-up and established hotels include the following:

- Employment costs, sustainability, high employee turnover and the cost of living are some of the biggest challenges faced by hotels in the UK. However, in 2025, improved income growth and yields and a resurgence in international travel were expected to boost the hotel industry (<https://boutiquehotelnews.com/features/uk-hotel-sector-growth/>).
- In 2025, the US was predicted to remain as the UK's largest and most valuable visitor market. Other key inbound visitor markets include France, Germany, Australia, New Zealand, Saudi Arabia and China (www.visitbritain.org/news-and-media/industry-news-and-press-releases/visitbritain-publishes-inbound-tourism-forecast-0#).
- Many hotels market themselves as being dog-friendly In 2024, there was a reported increase in people booking holiday accommodation that accepts dogs (www.theguardian.com/lifeandstyle/2024/feb/10/to-me-its-a-fad-a-fashion-rising-demand-for-dog-friendly-uk-holidays-divides-opinion).

- In 2024, around 29% of couples held their wedding at a hotel. Around 70% of couples chose to hold both their ceremony and reception at the same venue. Overall, there was an estimated 164,000 weddings held in the UK in 2024 (<https://partyhouses.co.uk/wedding-statistics-uk>).
- In 2025, the UK Government consulted on plans to make it easier for hospitality businesses such as hotels, restaurants and tourist attractions to collaborate and offer package deals (www.gov.uk/government/news/cuts-to-red-tape-to-make-great-british-staycations-cheaper).
- The biggest hotel chain in the UK is Premier Inn, which has over 800 hotels, 85% of which are in England. The second biggest chain is Travelodge, followed by IHG, Best Western, Ember Inns and Marriott (www.scrapehero.com/location-reports/10-largest-hotels-in-the-uk/).
- Hotels are regularly for sale on a leasehold or freehold basis, especially in seaside destinations such as Blackpool and Llandudno. Details of hotels that are available for sale are listed at <https://uk.businessforsale.com/uk/search/hotels-for-sale> and www.daltonsbusiness.com/hotels-and-motels-businesses-for-sale.

Trading, commercial and legal issues

Start-up and established hoteliers face the following trading, commercial and legal issues:

Statutory certification

In England, Wales and Scotland, there is no statutory requirement for hotels to be registered as accommodation providers.

In Northern Ireland, all tourist accommodation providers, including hotels, must apply for a Tourism NI Certificate issued by Tourism Northern Ireland. For more information about the certification process in Northern Ireland, go to www.tourismni.com/business-guidance/sector/accommodation/accommodation-getting-started/what-do-you-need-to-consider.

Food business registration

All hotels must be registered as a food business with the environmental health department of their local authority. Go to www.food.gov.uk/business-guidance/getting-ready-to-start-your-food-business for a guide to food business registration.

The hotel will be inspected on a regular basis by a local authority environmental health officer. Under the Food Hygiene Rating Scheme in England, Wales and Northern Ireland, the hotel will be given a rating from zero to five, based on its standards of hygiene and food safety. In Scotland, hotels will be provided with a rating of 'pass' or 'improvement required' under the Food Hygiene Information Scheme.

Managing food allergens

Under the Food Information Regulations 2014, hoteliers must manage food allergens effectively. This includes providing information about allergens on menus and notices in the restaurant or bar. Allergen

information must be visible, clearly legible and easily accessible. A list of the 14 regulated allergens is available at www.food.gov.uk/safety-hygiene/food-allergy-and-intolerance.

Go to www.food.gov.uk/business-guidance/allergen-guidance-for-food-businesses for more information about allergens and hoteliers' responsibilities.

Alcohol licensing

In England, Wales and Scotland, hotels are required to hold a premises licence and appoint a designated premises supervisor (England and Wales) or premises manager (Scotland) who holds a personal licence. The supervisor/manager will have overall responsibility for the day-to-day running of the licensed premises.

Go to www.gov.uk/guidance/alcohol-licensing for more information about alcohol licensing in England and Wales.

Go to www.gov.scot/publications/alcohol-licensing-guidance/pages for more information about alcohol licensing in Scotland.

In Northern Ireland, hotels must hold a liquor licence. Go to www.nidirect.gov.uk/articles/selling-alcohol-licensed-premises-and-registered-clubs for more information about liquor licensing in Northern Ireland.

Under the Wholesaling of Controlled Liquor Regulations 2015, hotels can only buy alcohol from suppliers that been approved by HMRC under the Alcohol Wholesaler Registration Scheme. Go to www.gov.uk/guidance/the-alcohol-wholesaler-registration-scheme-awrs for more information.

Tourism schemes

Tourist authorities in England, Wales and Northern Ireland provide accreditation, assessment and award schemes to help hoteliers meet minimum quality standards and promote their business. There are currently no accreditation schemes operated by the tourist authority in Scotland.

To apply for an assessment, go to:

- VisitEngland (<https://visitenglandassessmentservices.com/our-schemes/hotels/>).
- Visit Wales (<https://industry.visitwales.com/supporting-you/visit-wales-quality-schemes>).
- Tourism Northern Ireland (www.tourismni.com/business-guidance/sector/accommodation/accommodation-getting-started/quality-assurance).

Other examples of quality assessment schemes include:

- The AA Assessment Scheme (<https://business.ratedtrips.com/join/aa-quality-assessment-scheme/hotels>).

- Welcome Schemes, including Cyclists Welcome, Walkers Welcome, Families Welcome and Welcome Pets, which operate in England and Wales. Go to <https://visitenglandassessmentsservices.com/our-schemes/welcome-schemes> and <https://industry.visitwales.com/supporting-you/visit-wales-quality-schemes#GradingWA> for more information..
- Green Tourism, which is a sustainable tourism certification scheme for accommodation providers across the UK, validated by VisitBritain. Go to www.green-tourism.com for more information.

Wedding venue approval

Some hotels are registered or approved venues where civil marriages and partnerships can be held.

In England and Wales, hoteliers need to apply to their local authority for a 'grant of approval' to hold civil marriages and civil partnerships. Go to www.gov.uk/find-licences/approval-of-premises-for-civil-marriage-or-civil-partnership for more information.

In Northern Ireland, hotels must be registered with their district registrar. Go to www.nidirect.gov.uk/contacts/district-registrars-northern-ireland for more information.

In Scotland, there is no requirement for hotels to be registered or approved.

Guest room supplies

Suppliers of equipment and supplies typically provided in guest rooms, such as wall-mounted hairdryers, welcome trays and other accessories, include:

- Out of Eden (www.outofeden.co.uk).
- MBS Wholesale Supplies (www.mbswholesale.co.uk).
- GRS Guest Room Supplies (www.guestroomsupplies.com).
- The Hotel Supplies Company (www.thehotelsuppliescompany.co.uk/acatalog).

Suppliers of locks and electronic locking systems for hotel rooms include Dormakaba UK (www.dormakaba.com/gb-en) and Onity (<https://buildings.honeywell.com/gb/en/brands/our-brands/onity>).

Music and TV licences

Hotels that play music in reception areas and dining rooms or provide TV in guest rooms must have been granted TheMusicLicence by PPL PRS Ltd. Go to <https://pplprs.co.uk/themusiclicence/sectors/accommodation> for more information.

A TV licence for hotels costs £174.50 per year for up to 15 rooms. Go to www.tvlicensing.co.uk/check-if-you-need-one/business-and-organisations/hotels-hostels-mobile-units-and-campsites-aud13 for more information.

VisitBritain provides further guidance on TV and copyright licences. Go to www.visitbritain.org/business-advice/pink-book/tv-and-copyright-licences for details.

Consumer and business protection legislation

Under the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 (CCRs), hoteliers must provide consumers (anyone booking accommodation for purposes unconnected to their business or profession) with their pricing, payment and cancellation terms before accepting a booking.

VisitBritain provides guidance in the Pink Book on booking terms and conditions at www.visitbritain.org/business-advice/pink-book/bookings-and-tickets and on cancellations and 'no-shows' at www.visitbritain.org/business-advice/pink-book/cancellations-and-no-shows.

Under the Consumer Rights Act 2015 and the Supply of Goods and Services Act 1982, hotel accommodation and the facilities available must be as described and of satisfactory quality.

Hotel management software

Specialist software is available to help hoteliers manage and accept bookings and check-ins, process payments and manage guest communications. Examples of software packages include:

- Little Hotelier (www.littlehotelier.com).
- Q-Book (www.queensboroughgroup.co.uk/booking-software-for-small-hotels/).
- Room Raccoon (<https://roomraccoon.co.uk/solutions/hotel-management-software/>).

Travel companies

Many hotels use online travel companies to promote and market their business and take bookings on their behalf. Hoteliers pay a commission fee on every booking made via the travel company. Examples include:

- Booking.com (<https://join.booking.com>).
- Hotels.com (https://apps.expediapartnercentral.com/en_GB/list).
- Airbnb (www.airbnb.co.uk/host/homes).
- LateRooms.com (www.snaptripgroup.com/list-your-property).
- Lastminute.com (www.lastminute.com/help/partners.html).

Accessibility and discrimination

In England, Wales and Scotland, hoteliers must not discriminate against anyone on the grounds of any of the nine protected characteristics covered by equality legislation.

These are age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex and sexual orientation. Similar protections apply in Northern Ireland.

VisitBritain has published guidance on equality law for tourist accommodation providers. Go to www.visitbritain.org/business-advice/pink-book/accepting-customers to view the guidance.

Workplace health and safety

The Health and Safety at Work etc. Act 1974 and the Health and Safety at Work (Northern Ireland) Order 1978 place a general duty of care on hoteliers to protect the health and safety of their guests and anyone else that may be affected by their business activities.

VisitBritain provides guidance on managing hazards within tourist accommodation, such as slips and trips, electrical equipment and using safety glass, at www.visitbritain.org/business-advice/pink-book/hazards-workplace.

Under the Management of Health and Safety at Work Regulations 1999 and equivalent legislation in Northern Ireland, hoteliers must carry out suitable and sufficient health and safety risk assessments. Go to www.visitbritain.org/business-advice/pink-book/safety-management for guidance on carrying out a risk assessment.

Under the Regulatory Reform (Fire Safety) Order 2005 and equivalent legislation in Scotland and Northern Ireland, it is a legal requirement for hoteliers to install appropriate fire detection and prevention equipment in the property. More information about fire safety can be found at www.visitbritain.org/business-advice/pink-book/fire-safety-general.

Under the Electricity at Work Regulations 1989 and equivalent legislation in Northern Ireland, hoteliers must regularly assess the safety of portable electrical appliances that are provided for guests, such as kettles and hairdryers, and ensure that they are properly maintained and tested for safety through PAT (portable appliance testing). Go to www.hse.gov.uk/electricity/faq-portable-appliance-testing.htm for information.

Insurance

A hotel requires several types of insurance cover, including:

- Public liability insurance, which covers the hotel against claims for compensation from anyone injured or adversely affected as a result of their activities.
- Legal expenses insurance, which covers against defending disputes with guests, suppliers, local authorities, travel companies and tourist authorities, or to defend employment tribunal cases.
- Buildings cover, which will be needed to cover the costs of repairing damage to the hotel, boundary walls, fitted kitchens and bathrooms.

- Hotel contents insurance, which provides cover for items such as furniture, TVs, kitchen equipment and supplies.
- Guest contents insurance to cover the loss of or damage to guests' belongings while they are staying at the hotel.
- Cover for business interruption and loss of trade, for example resulting from fire, flood or power failure at the hotel.

Specialist insurance for hotels is available from insurers and brokers such as PIB Insurance Brokers (www.pib-insurance.com/business/hospitality/hotels) and Towergate Insurance (www.towergateinsurance.co.uk/commercial-property/hotel-and-guesthouse-insurance).

Legislation

This section provides an at-a-glance list of the key legislation that hoteliers must comply with.

Licensing and regulation

- The Copyright, Designs and Patents Act 1988 requires hoteliers to obtain consent before playing copyright-protected music in public and the Communication Act 2003 requires hoteliers to hold a TV licence.
- The Licensing Act 2003 regulates the sale and supply of alcohol in England and Wales. Under the Act, hoteliers intending to supply alcohol for consumption at the hotel must hold a premises licence and a personal licence.
- Licensing in Scotland is regulated by the Licensing (Scotland) Act 2005, as amended by the Alcohol etc. (Scotland) Act 2010.
- In Northern Ireland, a liquor licence is required and this is covered by the Licensing (Northern Ireland) Order 1996.
- The Tourism (Northern Ireland) Order 1992 requires all business owners providing tourist accommodation in Northern Ireland to have a valid Tourism NI Certificate issued by Tourism Northern Ireland.
- Under the Wholesaling of Controlled Liquor Regulations 2015, hoteliers must check that any UK wholesalers they buy alcohol from have been approved by HM Revenue & Customs (HMRC) under the Alcohol Wholesaler Registration Scheme.

Food safety and hygiene

- EC Regulation 852/2004 (on the hygiene of foodstuffs) covers registration of food business premises (including hotels), cleanliness of the premises, equipment used, facilities and temperature control. It introduced the concept of Hazard Analysis and Critical Control Point (HACCP), which involves setting up a food safety management system.

- The Food Information Regulations 2014 place legal obligations on hotels in relation to the provision of allergen and nutrition information on dining room or restaurant menus.

Health and safety

- The Electricity at Work Regulations 1989 place duties on employers, employees and the self-employed to ensure that all electrical equipment, including kettles and hairdryers provided for guests' use, is suitable for its intended use and properly maintained. In Northern Ireland, similar provisions are made under the Electricity at Work Regulations (Northern Ireland) 1991.
- The Health and Safety at Work etc. Act 1974 and the Health and Safety at Work (Northern Ireland) Order 1978 place a general duty of care on hoteliers to protect the health and safety of themselves, their employees, guests and anyone else that may be affected by their business activities.
- The Management of Health and Safety at Work Regulations 1999 require all employers, and self-employed hoteliers, to identify and assess any work-related risks. In Northern Ireland, the Management of Health and Safety at Work Regulations (Northern Ireland) 2000 apply.
- The Regulatory Reform (Fire Safety) Order 2005 requires hoteliers in England and Wales to install appropriate fire detection and prevention equipment on their premises. Similar requirements apply in Scotland and Northern Ireland.

Consumer and business protection

- Under the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 (CCRs), hotels must provide consumers (anyone booking accommodation for purposes unconnected to their business or profession) with their pricing, payment and cancellation terms before accepting a booking.
- Under the Consumer Rights Act 2015 and the Supply of Goods and Services Act 1982, hotel accommodation and the facilities available must be as described and of satisfactory quality.
- The Equality Act 2010, which applies in England, Wales and Scotland, makes it unlawful for accommodation providers to discriminate against anyone on the grounds of one of the nine protected characteristics covered by the Act. In Northern Ireland, the Disability Discrimination Act 1995 (as amended by the Equality Act) applies.

Related factsheets

SEC011 UK Travel and Tourism - Sector Update

SEC033 Hospitality - Sector Update

SYN008 Travel - Industry Snapshot

SYN030 Hospitality - Industry Snapshot

BOP066 Bed and Breakfast (B&B)

BOP408 Guest House

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