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Britain's hospitality payrolls fell 2.7% in October, the steepest drop among sectors

Tax-record data showed accommodation and food services declined far faster than the wider economy, where payroll employment slipped 0.3%

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Payroll employment in Britain’s hospitality sector fell more sharply than employment across the wider economy in October, according to provisional tax-record data released Tuesday, November 17 by the Office for National Statistics and HM Revenue & Customs.

The number of people on payrolls in accommodation and food services was down 2.7% from October 2025, the agencies said in their joint employment and earnings bulletin. The figures are seasonally adjusted and based on records from the Pay As You Earn tax system, which tracks formal payroll employment.

That made hospitality the steepest year-over-year decliner among the sectors highlighted in the bulletin. Across the whole British economy, the number of payrolled employees fell 0.3% from a year earlier, equal to 95,000 fewer people. The drop in accommodation and food services was therefore 2.4 percentage points deeper than the national decline.

The data point to a weaker formal labor market in a sector that includes hotels, restaurants, pubs, cafes and other food and lodging businesses. The bulletin did not assign a specific cause for the decline. It said the October estimates are provisional and remain subject to revision as more payroll information is received.

Pay in the sector also remained well below the national level. Median monthly pay for employees in accommodation and food services was GBP1,464 in October, compared with GBP2,669 across the economy as a whole. That left hospitality workers earning GBP1,205 less a month at the median than the typical payrolled employee nationwide.

The figures come from administrative tax data rather than a business survey, making them a closely watched indicator of formal employment trends. Because the numbers are drawn from payroll submissions, they capture employees who are paid through the tax system but do not cover all forms of work outside standard payrolls.

The hospitality industry has long stood out for lower wages and a workforce that can be sensitive to changes in consumer spending, seasonal demand and operating costs. The new data show that, at least in payroll terms, the sector continued to lose ground in October at a faster rate than the broader labor market.

The joint bulletin from the statistics office and the tax authority framed the October reading as an early estimate. Revisions are common in the monthly payroll series, especially for the most recent month, because employers can update submissions after the initial release.

Even with that caveat, the October figures place accommodation and food services in a notably weaker position than the wider economy. The sector not only posted the largest percentage decline among the industries singled out in the release, but it also remained one of the lowest-paid parts of the payroll workforce by median monthly earnings.