

# Major change coming to Manchester's biggest hotel as group reveals multi-million golf and spa investment

Major change is coming to the biggest hotel in Manchester after it was acquired by a private equity firm, which owns part of Typhoo Tea, [towards the end of last year](#).

The prominent Macdonald Hotel, which boasts 338 bedrooms, is preparing to pull out of the city after the pandemic hit its finances and forced the company to dispose of two of its largest assets.

That move raised a much needed £78m for the business and helped reduce its ballooning debt from about £700m to £28m.

While the hotel is set to be rebranded later this year, under new owner Zetland Capital Partners, Macdonald Hotels & Resorts is turning its eyes to investing in its other North West locations, as well as improving its golf and spa attractions.

Speaking exclusively to BusinessLive, regional managing director Annie Brown lifts the lid on the impact the pandemic had on the company, the continuing challenges around recruitment, plans for major reinvestment in the portfolio and how to keep up with the competition.

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“Like all of the hospitality businesses it was a challenging year where we were opening and closing hotels all over the UK”, she said.

“Macdonald Hotels has been through quite a transition period

towards the end of 2021 where we had a disposal programme in place and we sold two of our biggest assets at the time.

“The disposal programme actually raised £78m and that enabled us as a company to reduce the debt to £28m which had been at a high of around £700m.

“That really enabled us to look at the future very differently and we have a refinancing programme in progress and on completion of that the view is that we will be reinvesting heavily into the hotels that are remaining within the portfolio.

“It’s still a big portfolio of over 24 hotels in the UK and we have more in Spain as well.

“The profit for 2021 was £29m so we came out of the pandemic and had, like most operators, a very busy summer last year and from what we can see the staycation market still seems to be looking like it is heading for another strong season.”



Macdonald Hotel & Resorts regional managing director Annie Brown

On how the company is recovering from the pandemic, she added: “Everyone’s budgets are being stretched but what we are seeking from our bookings is that it’s very encouraging compared to last year.

“We are still seeing that there is that confidence to book.

“I think what the difference we are noticing is that people are expecting excellence and people will pay to go away but the expectation is that they have that perfect break.

“It’s on our shoulders as an industry to uplift our service levels and really focus on experience-led breaks.

“The last two years have tested every business in the UK. On a personal level, and for my team, it has tested us in ways that we probably didn’t even know we could be resilient enough to get through.

“Whether that be the uncertainty of job roles and redundancy process that we were forced to go through at the start of the pandemic to then reopening the business and growing back to a full-scale staff with the recruitment challenges that faced us as an industry.

“It has tested us all in many ways and resilience is probably what we have all learnt.”

After shedding staff because of the enforced UK lockdowns, the Manchester Macdonald Hotel had the same problem others were facing across the country – how to recruit enough staff from a severely depleted workforce pool.

“It was a challenge to go from a skeleton staff and scaling it up to run the biggest hotel in Manchester”, Annie Brown said.

“There is a condensed workforce in the city centre but it still was not easy to recruit.

“However out in the region it was even more challenging where there is maybe not public transport and some of the workforce that we used to rely on are not there any more and have chosen new careers.

“We are having to be really creative and look at different partnerships, different ways we can work as well as setting up our own training academies.

“We are doing a lot to try and prevent issues in the future but it’s not going to be a quick fix.

“It’s extremely competitive because we are competing against not only our own industry but also now with retail.

“We have also found a lot of people through the pandemic have sourced jobs like delivery drivers and those jobs still remain quite strong.

“The rates of pay you get in those jobs has pushed us as an

industry as maybe we have not been the best payers in the past.

“We have had to reinvent how we do things and we have set up new ways of working and earning money for skill levels.”

Coming out of the pandemic, and in the wake of selling its Manchester hotel, Annie Brown has also outlined the company’s strategy for reinvesting in its other North West locations.

“There are two areas of the business that we have seen grow more than would be normal is golf and spa”, she said.

“We have three big spa hotels in the North West and we have seen significant double-digit year-on-year growth and we are predicting that it will continue over the next 12 months.

“In golf we have seen significant revenue growth of up to 35% year on year which is really encouraging and I think the sport saw a big boom during the pandemic in the UK and we are seeing that continue into this year.

“Our focus is investing in the quality and we put £250,000 into machinery last year and on-course work. We see that continuing over the next two years to continue to elevate the course quality that we have.

“We also have aspirations to invest within the hotels and relaunch food concepts. That’s all work in progress behind the scenes.”

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