

Premier Inn owner Whitbread to axe 1,500 jobs as it looks to expand hotel business

Premier Inn owner Whitbread is set to axe around 1,500 UK jobs as part of plans to build more hotel rooms and slash its chain of branded restaurants by more than 200.

The company said, while announcing a 36% hike in annual profits to £561m, that it was to begin a consultation on cutting roles under an “accelerating growth plan”.

That was to focus on hotel investment, Whitbread explained, that could see some of the jobs saved through redeployment.

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The group’s restaurant arm includes the Brewers Fayre and Beefeater brands.

The division has dragged on Whitbread’s performance since the pandemic, with the end of public health restrictions being followed by the energy-led [cost of living crisis](#) that has raised costs and damaged consumer spending power.

The company, which employs 37,000 staff in the UK, said it was to “optimise” its food and drink offering to add more than 3,500 hotel rooms across its estate and increase “operational efficiencies”.

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Whitbread said it wanted to sell 126 of its less profitable branded restaurants, with 21 sales already having gone through.



Image:

Brewers Fayre, the pub/restaurant chain, is among Whitbread's brands

It will also convert 112 restaurants into new hotel rooms.

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The company revealed a 2% dip in sales across its food and beverage arm in the first seven weeks of its financial year to date.

Dominic Paul, Whitbread's chief executive, said: "We recognise that our transition will impact some of our team members so we will be providing support throughout this process and we are committed to working hard to enable as many as possible of those affected to remain with us."

Shares were down almost 15% in the year to date ahead of the company's announcements.

They rose by 1.7% at the open.

Analysts said it reflected the focus on achieving more profitable growth in the UK core market and a rise in awards covering the year to 29 February.

They included plans for a share buyback of £150m on top of a £110m final dividend.

The latter award was 26% up on the previous year's payout.