



Dear Chancellor,

We are writing ahead of the forthcoming budget as a sector united behind one message: deliver the urgent changes needed for hairdressing, barbering, beauty, spa services to save employment, apprentices and allow us to get back to growth.

We are calling on you to reduce VAT from 20% to 10% on services included under SIC code 96.020 - 'Hairdressing and other beauty treatment' at the next Budget."

This is not a request for a handout. It is an urgent, evidence-led intervention to prevent the collapse of employment and apprenticeships across the UK's largest high-street occupier.

These businesses provide people-powered services that cannot be moved online, automated, replaced by AI or relocated overseas. They employ locally, train the next generation and bring millions of repeat visits to high streets throughout the year.

Time is running out.

- **The sector lost 1 in 5** employees in 2025 - the largest loss of employment of any occupation in the UK, leaving just 68,500* employed workers.
- This is the equivalent of **20 employing salons closing every** working day.
- **Apprenticeship starts have fallen by approximately 84%*** since 2015 and could effectively disappear without urgent action.
- **CBI Economics warned** in 2025 that employment could fall by 93%* to approximately 6,700* workers by the end of this Parliament if the current trajectory continues (Just 3% of the workforce*).

*(ONS Dec 2025 - British Hair Consortium and CBII Economics 2026 "The Collapse of Employment and Apprenticeships in the Hair & Beauty Sector - An Update on Securing the Future of British Hair & Beauty"

British Hair Consortium and CBI economics 2025 SECURING The future of UK Hairdressing and Beauty - The economic, fiscal & societal case for VAT reform

There is no shortage of young people who want careers in our industry. There is a rapidly diminishing number of employers who can afford to employ and train them. Without salons providing structured workplace training and commercial experience, the next generation will be denied the opportunity to build sustainable lifelong careers.

VAT is penalising employment and growth.

Employing salons must absorb 20% VAT alongside wages, employers' National Insurance, pensions, holiday pay, sick pay, apprenticeship training, energy costs and business rates.

For businesses operating on narrow margins, VAT registration can make growth, recruitment or taking on an apprentice financially impossible. The system is penalising the very businesses that the Government needs to create jobs and skills.

A targeted 10% VAT rate would give viable employers the headroom to protect jobs, rebuild apprenticeships, invest, grow and remain on the high street. CBI Economics analysis indicates that tax reform could generate approximately £766 million in additional VAT receipts by 2030 compared with the deteriorating position if no action is taken. Protecting employment and business growth creates a stronger, more sustainable tax base.

URGENT REQUEST - We call on the Chancellor to:

1. Introduce a 10% VAT rate for professional hairdressing, barbering, beauty, spa and aesthetics services at the next Budget.
2. Meet the leaders from the hairdressing and beauty industry before Budget decisions are finalised to consider the independent economic evidence and implementation.

Hair, barbering and beauty businesses have remained rooted in their communities while other major high-street occupiers have withdrawn. However, with the cumulative burden that is stifling the sector their presence is becoming increasingly unsustainable.

Salons, barbershops, beauty salons and spas generate millions in cyclical footfall supporting surrounding shops, cafés and local services. When an employing salon closes, a community loses skilled jobs, apprenticeships, trusted relationships and another reason to visit its high street.

This industry has enormous untapped potential to create employment, train young people and help revitalise communities but employers are running out of time.

Chancellor, cut VAT to 10%. Protect jobs. Save apprenticeships. Support our high streets. Please act before more viable businesses, skilled jobs and apprenticeships are lost.

Yours sincerely,

Signed



We will also add names and signatories of each organisation and signatures below