LUNAR

Lunar's Bold Plan: Ditch 'Discretionary' Service Charges, Increase Staff Pay, Save Hospitality

With crippling cost increases looming for the UK hospitality sector in 2025, award-winning restaurant Lunar at World of Wedgwood is taking drastic action in a move that could set a new standard & shake up for the sector. Lunar will be scrapping the 'discretionary service charge' added to the end of each bill, which has become an industry standard in recent years.

Following Rachel Reeves' first budget which sees further costs for businesses, entrepreneur Craig Wilkinson believes this will put even further strain on the hospitality sector which is already navigating tight margins, fluctuating supplier costs, and unpredictable consumer spending. These increases could be a breaking point. But rather than simply passing costs onto customers or cutting corners, Lunar's owner, Craig Wilkinson, is charting a different course with what he calls "The Lunar 25 Plan", an altruistic vision he hopes is beneficial to all; customers, employees and the company.

So, what's behind this drastic shift? At its core, the decision is about rethinking the role of the discretionary service charge in today's economic landscape. A discretionary service charge is an optional fee added to a customer's bill at the end of a meal, typically around 7-12.5%, which diners can choose to pay - or not. Historically, it's been a way to reward staff beyond their basic salary, especially in an industry known for demanding hours and modest pay. But Wilkinson argues that this model, once a practical solution, is losing its relevance as wage increases have increased significantly in recent years, with costs spiraling and regulations changing.

"I used to bus tables overseas 20 years ago, just out of university," Wilkinson recalls. "Back then, I had no basic wage - just a share of the tips. When I came back to the UK, discretionary service charges were becoming common here, layered on top of a minimum wage that was £6.70 in 2015. Fast forward to 2025, and that minimum wage has climbed to £12.21. That's nearly doubled in a decade, and it's a good thing - cost of living has soared, and staff deserve a fair wage. But the numbers don't add up for businesses anymore".

He points to recent legislation as a tipping point. In 2024, new laws mandated that 100% of tips and service charges go directly to employees. But it also shifted the burden of administration and bank processing fees adding more cost to the company - previously offset by service charge revenue - entirely onto businesses. For Lunar, those fees alone amounted to thousands in 2024, money Wilkinson says adding more costs which are simply unsustainable for the business. "Add that to rising wages and National Insurance hikes, and you're looking at thousands more. We can't just sit still and let that cripple the hospitality industry. Not just for our company, but on a personal level I want to continue to enjoy going out to eat and drink at the great variety of hospitality options we have in our great country".

Starting March 1st, 2025, Lunar will eliminate its discretionary service charge entirely. Instead of letting that revenue slip away, Lunar is stepping up - taking that 12.5% and channeling it into increasing staff salaries and giving customers no additional costs to their bill. This ensures Lunar's team earns above-average wages for the

industry, offering them stability in uncertain times, all while keeping customer satisfaction front and centre, and, for Lunar, it gives a fighting chance to weather the storm.

"We're not saying tips are off the table," Wilkinson clarifies. "If a customer wants to tip - they absolutely can. That's their choice, and it'll go straight to the team as always. But we're taking the pressure off that expectation for the customer. The discretionary service charge has become a crutch for an industry under strain, and I'm not convinced it's serving anyone well anymore - our customers, our company and least of all our staff, who deserve stability over uncertainty'.

Wilkinson sees this as more than just Lunar's story. If it succeeds, he hopes it could inspire others in the industry to rethink how they navigate these challenges. "I've been around long enough to know survival means adapting," he says. "This isn't just about us - it's about proving there's a way to keep hospitality alive without compromising on what matters: our people and the folks who walk through our doors."

Lunar's new approach kicks off on March 1st, 2025, Wilkinson extends an invitation: "Come dine with us, enjoy what we're building, and tip if it feels right. But rest assured, our team's taken care of either way. We're here to create a better future for hospitality - one (Wedgwood) plate at a time.

Sources

Increases in Employers National Insurance Costs as of April 2025 - Click here
Significant increases in National Minimum Wage costs as of April 2025 - Click here
Energy Price Increase (Energy Price cap increase 6.4% April 2025) - Click here
Food Inflation increases (forecast to increase by 4.2% 2025 - Click here

About Lunar

Lunar is an award-winning modern dining experience, located at the World of Wedgwood, Staffordshire, comprising a restaurant, bar, and gallery themed around the Past, Present & Future.

Inspired by the past, notably Josiah Wedgwood and fellow founders of the Lunar Society, the venue pays homage to some of the incredible work that came out of 'The Midlands Enlightenment' through the work of the Lunar Society. At the same time, guests can enjoy a quality dining experience - recognised by numerous accolades - served upon Wedgwood tableware and Waterford Crystal glassware.

Working closely with Barewall Gallery of Burselm, Lunar celebrates and showcases local artists throughout the restaurant, as well as sourcing from local suppliers, where possible, to celebrate the Staffordshire region. Lunar strives to provide guests both quality and taste that serve the now, always aiming to provide a great experience for all who pass by today, whilst being mindful of tomorrow by being as sustainable as they can across their kitchen, bar, and interior design.

Lunar showcases the creativity and talent of the region to a local, national, and international audience to make all who encounter Lunar inspired, delighted, and proud of the wonderful area of Staffordshire.

Awards & Accolades include:

Enjoy Staffordshire "Restaurant of the Year 2023" & 'New Tourism Business of the Year 2023'

Finalist 2025 winner announced March 20th 2025

Michelin Guide 2022 - 2025

Recently in the guide for 2025 - 1 of 5 in Staffordshire

2 AA Rosettes

43 of top 100 restaurants in the UK from Squaremeal

Tripadvisor's Travellers Choice Award 2024

OpenTable's Diners' Choice Award 2024

Nominated for Best Sunday Roast by The Good Food Guide

Craig Wilkinson Staffordshire Entrepreneur of the Year 2021

Press Contact:

Craig Wilkinson | Owner | craig@wilkinsoncollective.com

Samuel Deakin | PR Contact | sam.deakin@dashagency.co.uk