



‘WE INSIST THAT ANY TIPS HAVE TO BE IN CASH’



STEVE WARBURTON IS OWNER OF STEPHEN JAMES HAIR SALON IN MORECAMBE, LANCASHIRE.

Steve Warburton

We've been open since 1983 and Stephen James Hair Salon is a medium-sized salon. We have around 18 staff in total, about 11-12 stylists then receptionists, apprentices, and part-time weekend or evening staff.

We've been very, very clear about tips ever since the day we opened. We make it very clear we do not handle any gratuities - zero - through the payroll (in other words tips via cards), because of the tax implications. We do not take gratuities on the card machine; we keep them completely separate.

So the client, if they want to leave a tip, will give it direct to the stylist. Or they might say, 'I'd like to give a £1 to the girl who shampooed my hair' or whatever it might be. Or it might be £2-3 to the person who did the cut. And it is all in cash, always.

What that also means is it then up to the individual stylist or employee to declare it for tax purposes. In reality, a lot of the junior staff are going to be under the tax threshold anyway, so it probably won't apply.

CHANGING ASSUMPTIONS

Gratuities have, I agree, got smaller. Since the last recession in 2008/09 things have become tougher and I would say that, certainly for the past five to six years, gratuities have reduced. People generally have less money to go

around these days or simply feel worse off.

Also, whether they're shopping, at a restaurant or getting their hair done, they are more likely to assume a price for something is all-inclusive and therefore there is less incentive to add a tip.

That does make it hard because some weeks a stylist might get a number of tips, other weeks there will be nothing.

Although we do have a clear policy, it's not a formal thing written down on paper; it's verbal. Would I agree with the government changing the current code of practice from being voluntary to being statutory, in other words something people had to follow?

It wouldn't be a huge extra burden, but at the moment what we do works perfectly well - everyone knows where they stand. Therefore, having a formal code that you have to follow, rather than just something there for good guidance is, I feel, unnecessary.

➔ Facts and figures

Percentage of NHF salons that...



80%
Were unaware of the government's voluntary code of practice



79%
Strongly agree tips should always be passed on to workers



72%
Explain how tipping works to staff during induction sessions



70%
Strongly agree it should be explained to customers and employees how tips are treated.



60%
Say they already have a firm policy on what happens to tips left by clients, although more commonly verbal than written down



47%
Report a drop in the number of tips left by clients



7%
Barber shops that say they have a written policy on tips