

SW REGION SECTOR SUMMARY

PEOPLE 1ST

SECTOR FOOTPRINT

People 1st is the Sector Skills Council for Hospitality, Leisure and Travel & Tourism. It includes: hotels; pubs, bars and nightclubs; membership clubs; gambling; tourist services; youth hostels; self-catering accommodation; restaurants; contract food service providers; events; travel services; visitor attractions; holiday parks and hospitality services (www.people1st.co.uk).

- Sector Skills Agreement in 3rd Tranche.

PEOPLE 1ST LABOUR MARKET

Source: SSDA Sector Factsheets May 05 and People 1st Regional Profile March 2006, SLIM SW Sector balance sheet, June 2008, NESS 2007 data derived from LSC SW research team.

Sector size & business unit size

- There are 130,600 employees in the SW, of which almost a quarter work in pubs, bars and clubs.
- Sector share of SW employment is 5.3%.
- 5th largest sector workforce in the SW.
- Approximately 18,300 establishments in the SW, of which 13,500 are VAT registered businesses.
- 75% of businesses have 10 or less employees
- There was a 17% change between 1998 and 2003 in this sector of employment in the SW. Forecasts of employment growth suggest that from 2004 to 2014, there will be 7,000 new jobs created through expansion of the sectors employment, and that an additional 83,000 jobs will need to be filled due to replacement demand (created by people leaving that sector of employment or retiring).
- Employment in the restaurant business has grown by 16% in recent years
- Travel & Tourism Services have declined by 6%

Profile of workforce

- 60% of the workforce in this sector in the SW are female compared to 47% for all industries.
- 95% of the workforce is white.
- 36% of the workforce is aged between 16 to 24 compared to 14% for all industries as a whole in the region.
- Just under half (48%) of the workforce is occupied in elementary occupations.
- 46% of the workforce is part time compared to 29% for all industries.

Vacancies & recruitment

- Employing establishments within People 1st in the SW reported 6,550 vacancies in 2007, accounting for 11% of the total number of vacancies in the region. Along with Skillsmart Retail this is the highest proportion of any SCC.

All information and data contained in this sector summary is accurate up to 31May 2008

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- Of those vacancies 41% were hard-to-fill, higher than the overall average for the SW of 35%.
- In 2007 there were 1,325 vacancies that were as a result of skills shortage accounting for 20% of all vacancies. Skills shortage vacancies also account for 50% of all hard-to-fill vacancies, lower than the SW average of 62%.
- 22% of People 1st establishments in the SW reported skills gaps amongst their existing workforce, higher than the regional average of 16%.
- 13% of all vacancies notified to Jobcentre Plus are for this sector.

Qualifications in the workforce

- Just over one third of the People 1st workforce in the SW is qualified to Level 3 and above.
- One fifth have their highest qualification at Level 2.
- 17% are qualified to below Level 2 and 11% are without qualifications (8% for SW as a whole).
- 70% of People 1st establishments in the SW provided on or off the job training in the 12 months prior to the NESS07 survey, marginally higher than the average for all industries as a whole in the SW (68%).

KEY DRIVERS AND ISSUES

Sources: People 1st research and analysis for Sector Skills Agreement [national data]

- Sector will generate 15,000 new jobs and requires 846,000 replacement jobs over the period 2002-12
- Leadership & Management skill deficiencies impact on recruitment of staff without the skills to satisfy or exceed customer expectations
- 61% of vacancies for managers are hard to fill
- Qualifications/training undertaken at Level 2 or below are focussed on regulatory training
- Chef skills are in short supply, with 55% of vacancies hard to fill, due in part to many of those already qualified lacking the basic technical skills to deliver to industry standards; NVQs delivered full time in colleges are cited as one of the reasons
- Sector has a poor reputation for Customer Service and its attitude towards service as a career choice; employers prioritised communication and customer service skills (64% and 52% respectively in People 1st Needs Analysis)
- Retention is worse than any other sector in UK - average staff turnover is 30%
- Top 3 reasons for lack of training are: lack of time, lack of cover, lack of funding
- There is a high reliance on the student workforce, which results in high staff turnover, especially in restaurant, pub, bar and nightclub businesses
- International migrant workers mask skills shortages
- Implications on the sector to meet demand for 2012 Games, and to benefit from their legacy, will form part of the Sectors Skills Agreement.

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NSAS/COVES /14-19 DIPLOMA/HE (NATIONAL SKILLS ACADEMIES AND CENTRES OF VOCATIONAL EXCELLENCE)

- Bournemouth & Poole College, Culinary Arts, Round 6 - started approximately October 04
- Plymouth College of FE, Centre for Hospitality & Tourism, Round 7 – started approximately April 05
- Cornwall College, Tourism, Customer Care - Round 8 started approximately July 05
- City of Bristol and Weston College, Catering, Round 8 - started approximately October 05
- Bridgwater College, Tourism & Hospitality, Round 7 - started approximately April 05
- Expression of Interest for Skills Academy in Hospitality has been approved to take to business planning phase in 2007, which links SWRDA, providers and Barcelo Hotels in support of a Hotel School in Bournemouth (SW hub). This has now been successful and People 1st are planning the approach to the business plan.

KEY EMPLOYERS

Eden Project; Paramount Hotels; Torquay Leisure Hotels; Brend Hotels; plus many SME /micro businesses operating across all areas of the sector footprint.

LOCAL & REGIONAL PROJECTS/NETWORKS

- The RDA supports a regional tourism sector skills project called the Tourism Skills Network (TSNSW), which works with regional partners and local Destination Management Organisations, to manage development projects to improve skills and identify employer demand; The TSNSW is managed by Destination Bristol.
- TSNSW supports the 10 year action plan for tourism in the region – ‘Towards 2015’ which was developed by South West Tourism and SWRDA.
- The TSNSW works closely with People 1st to represent the sector on a regional basis.
- The TSNSW conducted a large regional research project in 2002 to identify the skills needs of tourism and hospitality businesses and from this produced 7 sub-regional and 1 regional workforce development plan for the sector. In 2006/07 additional research was completed through employer led focus groups throughout the SW, to identify future skills needs (rather than the current skills needs) and specific skills needs relating to the Olympics/the Olympic legacy, and county workforce development plans were again produced. The TSN revisits these workforce development plans annually to check that they are still valid and to update them as necessary.
- The TSNSW has developed a series of Leadership and Management Development courses/programmes (Nov 06- Mar 09) which are being offered throughout the region.
- The TSNSW manages the contract for Customer Service Ambassador project (West of England) which aims to develop customer and host services across a variety of hospitality/tourism and retail businesses.

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- The TSNSW also either directly manages or supports approximately 20 further LSC funded projects across the SW region.
- The TSNSW is a member of the Service Industries Skills Alliance, which is an informal group of SSCs and partners meeting to discuss shared issues and plans; the group includes GoSkills, Skillsmart Retail, Improve SkillsActive, People 1st and Logistics.
- In excess of £330,000 was invested last year by local LSCs in the SW from LID Funds.
- £3.4m invested through ESF (Objectives 1 & 3) up to Dec 07, including 2.16m (Objective 1) in Devon & Cornwall being used to fund 11 sector based projects to encourage employer engagement and raise skills in the sector.

Examples of funded projects:

- Skills for Life delivery through Health & Safety and sector skills training
 - Progression to Level 2 qualifications in sector
 - Updating and multi-skilling employees in sector
 - Customer Service skills training
- Current projects funded by the RDA
 - “Tourism Skills 2015: Delivering Competitive Advantage through Skills Development”. This phase of the project will develop an umbrella funding and delivery framework to support tourism skills development activity throughout the region. Total project value: £2,232,740.00. Timescale: 2006-2009
 - “e-business Action Plan for Tourism in Somerset”. Strategy and action plan for destination management system/e-business implementation in Somerset. Total project value: £1,049,200. Timescale: 2003-2009
 - “Bournemouth Hotel School”. Hotel and training facility in hospitality skills for the SW region. Total project value: £22,375,000. Timescale: 2003-2008
 - “Fifteen Foundation”. The project will create a high quality training restaurant, Fifteen Cornwall, dedicated to delivering Level 2 vocational training and employment in the food and drink sector, recruiting trainees from the most deprived wards in Cornwall. It will be operated as a franchise of celebrity chef Jamie Oliver’s ‘Fifteen’ charitable foundation and will recruit and train 15 youngsters annually who are not in employment, education or training and provide ongoing assistance to them post ‘graduation’. Total project value: £1,110,000. Timescale: 2005-2008.

SUMMARY OF SUPPLY

Source: LSC IPOL data (ILR extract)

Analysis of further education and work based data by Sector Skills Council footprint is not yet available for 2006/07. The data presented below relates to Train to Gain activity which can, in most cases, be attributed to a specific sector.

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People 1st Starts 06/07		
Starts	NVQ in Food and Drink Service	186
	NVQ in Food Processing and Cooking	152
	NVQ in Multi-Skilled Hospitality Services	185
	NVQ in Team Leading (although generic first step management qualification, this is most like to have been delivered in Hospitality/fast food sector)	361
	NVQ in Front Office	16
	NVQ in Hospitality Supervision	77
	NVQ in Housekeeping	149
	NVQ in Professional Cookery	210
Total Starts		1336

SUMMARY OF DEMAND

Sources People 1st SNA England- Draft v2 R 060206.doc and People 1st LMI SW Profile March 06

From national research through 2,000 employers, the demand for skills are for:

- Leadership & Management
- Customer Handling and Service
- Communications Skills
- Team working
- IT
- Skills for Life

Many employers hire staff for their attitude and personal qualities then train them in technical skills required for the job.

The table below sets out some of the qualifications required by the industry and comments from the employer demand survey –

* Chefs - the LSC is currently piloting support for full time delivery of the City and Guilds VRQ at level 1 and 2 in Professional cookery, the sector are seeking full roll out in 07/08 but the obvious funding issue for the LSC needs to be clarified – see comment in section 1.4 'Key Drivers and Issues'

Occupation	Qualification	Level	Demand
Publican/Manager of licensed premises	National Certificate for Licensees or National Certificate for Personal Licence Holders	2	Requirement of the Licensing Act 2003
All food handlers	Foundation Level 1 in Food Safety/Level 2 Award Food Safety and Catering	2	Law requires all food handlers to be supervised, trained or instructed in food hygiene
Chefs *	NVQ in Food Preparation and Cooking, Apprenticeship in Hospitality (food preparation)	2/3	Many fine dining establishments value the old 706 qualification
Tour guides	Blue badge	Unknown	Recognised symbol of professionalism in tourist guiding

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Tourism – customer service	Welcome Host suite	2	The most recognised short course in customer service for the sector
Conference and events organisers	Event management degrees	4	Degree level qualifications are generally expected of new entrants
Gambling occupations	Most employers do not require new staff to have specific qualifications		

Targets being set for 2012 by People 1st after employer survey for SSA

- To develop one gold standard Foundation Degree and agree number of managers to be trained through the Skills Academy
- All businesses to have access to HR advice
- Productivity to have improved by 25%
- Retention to have improved by 20%.