

Leisure & Tourism Sector Intelligence Summary

Demand Side Profile

Sector Profile

- The Leisure and Tourism sector is a significant part of the national and regional economy, both in terms of value added and numbers employed. In 2004 (most recent data available for GVA, by sector and region), Leisure and Tourism (measured in terms of 'Hotels and Restaurants' and 'other services') accounted for 12% of the Region's Gross Value Added.
- According to the Annual Business Inquiry, the sector currently employs 206,000 people in the West Midlands, a workforce employed by 17,600 employers. Working Futures III estimates, which include self-employment, put the total employment figure at around 212,000 in 2007.
- The Leisure and Tourism sector has an above average proportion of employers with a workforce of between 11-49 employees (19% compared to 13% across all sectors). Those employing 10 or fewer staff account for 77% of the 17,600 regional employers.
- The age profile of the Leisure and Tourism workforce is predominantly made up of young employees 16-24 (40%), whereas the regional average is 15% for this age band. However, 62% of the workforce is female and 83% are from white ethnic groups.
- The qualifications profile of the Leisure and Tourism workforce contrasts to that of the whole workforce in the West Midlands. The sector has higher than average proportions with no qualifications than the average across all sectors and lower than average proportions with a level 2, level 3, and level 4 or above qualification.

Future Employment

- The most recent forecasts focus on expected change in the sector between 2007 and 2017. It is very important to note, however, forecasts pre-date the recent unprecedented turbulence in global financial markets, and recent economic slow down, and so do not specifically factor in the impact of this on the Leisure and Tourism sector.
- Employment forecasts suggest that, by 2017, regional employment in the Leisure and Tourism sector will stand at around 230,000, up from 212,000 in 2007. If this comes to fruition, it would represent a net change of around 18,000. The bulk of this expected growth (approximately 14,000) is associated with sectors covered by People 1st Sector Skills Council.
- Replacement Demand is a huge factor in the sector. Forecasts suggest that over 70,000 jobs within the sector will need to be filled, across the region, over the next ten years or so, to replace those leaving the current workforce. This is primarily due to people retiring or leaving the sector for other reasons. This will have a particular impact on the management positions, personal service occupations and the lower level occupations.
- There is some recent evidence that the credit crunch and recent economic downturn is starting to impact on employers in the sector. A recent People 1st survey showed that almost two thirds of respondents had already experienced some effects of the credit crunch, with an even larger proportion (about 90%) believing that business will be affected in the future.

Recruitment, Skills and Training Issues

- Encouragingly, the proportion of vacancies, which are hard to fill vacancies, have fallen to 24% within the sector between 2005 and 2007, which is inline with the regional average across all sectors. Although Skills Shortage Vacancies, as proportion of vacancies, have increased to 11%, they remain slightly below the average across all sectors of 12%.
- The Leisure and Tourism sector has a greater proportion of employers reporting skills gaps than the average across all industries (16% against 14%). Skills gaps, as a percentage of employment (7%), are also above those across all sectors (5%).
- The main areas for skills gaps, cited by employers, were customer handling skills, technical, practical or job-specific skills and team working skills.

Supply Side Data

Enrolments by Local office

LSC	2005/06 (FO5)		2006/07 (FO5)		2007/08 (FO4)		% Change 2005/6 to 2007/08	
	16-18	19+	16-18	19+	16-18	19+	16-18	19+
Birmingham and Solihull	3,335	6,507	2,899	2,165	2,303	1,254	-31%	-81%
Black Country	3,671	6,703	2,479	1,957	1,978	1,286	-46%	-81%
Coventry and Warwickshire	3,146	4,334	2,044	1,291	1,407	564	-55%	-87%
Herefordshire and Worcestershire	2,426	3,697	2,048	1,051	1,290	767	-47%	-79%
Shropshire	1,972	3,198	1,730	1,769	1,507	490	-24%	-85%
Staffordshire	2,582	3,242	2,385	1,820	2,156	1,716	-16%	-47%
WM	17,132	27,681	13,585	10,053	10,641	6,077	-38%	-78%

- There has been a significant decrease in FE enrolments, across the whole of the region, but particularly in Coventry and Warwickshire. The main reason for this is that Food Hygiene has no longer been funded by the LSC and overall enrolments in Food Hygiene have dropped from over 16,000 in 2005/06 to under 200 in 2007/8
- The total number of FE enrolments in the Region, over the 3 year period is 85,169, of which:
 - 23% (19,587) related to Sports Coaches, Instructors and Officials;
 - 20% (17,397 – most of which were in 2005/06) related to Food Hygiene;
 - 9% (7,659) related to Chefs / Cooks.
- In terms of occupational areas in 2007/08, apart from Food Hygiene, enrolments were highest in Sports Coaches, Instructors and Officials, Chefs/Cooks, Sports Players, Fitness Instructors and Sports and Leisure Assistants
- There is a 46% (F) and 54% (M) gender split.
- 80% of the Region's total enrolments are classified as White British, with Birmingham & Solihull and the Black Country having the highest proportion of BMEs in relation to the sub-regional totals.

FE Enrolments by Notional NVQ Level (excluding Food Hygiene – generally not funded after 2005/06)

LSC	2005/06 (FO5)		2006/07 (FO5)		2007/08 (FO4)		% Change 2005/6 to 2007/08	
	16-18	19+	16-18	19+	16-18	19+	16-18	19+
Entry Level	84	752	25	34	12	39	-86%	-95%
Level 1	4,140	3,189	3,462	3,620	3,543	3,055	-14%	-4%
Level 2	4,613	7,989	3,078	4,788	2,581	2,070	-44%	-74%
Level 3	5,720	1,398	5,926	934	3,902	796	-32%	-43%
Level 4 or 5 or Higher	14	54	#	25	#	15	-93%	-72%
Unkown	518	213	473	131	512	59	-1%	-72%
Total	15,089	13,595	12,971	9,532	10,551	6,034	-30%	-56%

Note: # less than 10 enrolments

When excluding food hygiene:

- In 2007/08 40% of enrolments in the Region were at level 1, with level 2 and level 3 enrolments each accounting for 28% of enrolments. More than half (52%) of provision in Birmingham & Solihull was at level 1.
- There were a higher than average proportion of level 2 enrolment in Coventry & Warwickshire (41%) and the Black Country (42%)

Annex A to LSC West Midlands Strategic Analysis 2008

- The main drops in level 2 were due to falls in specific qualifications. “NVQ in Sport Recreation and Allied Occupations: Spectator Control” fell from 1,403 in 2005/6 to no enrolments in 2007/08 and National Certificate for Personal Licence Holders fell from 1,865 to 295 in 2007/08, due to the eligibility of funding.

WBL Enrolments by Local office

LSC	2005/06 (P15)		2006/07 (P15)		2007/08 (P12)		% Change 2005/6 to 2007/08	
	16-18	19+	16-18	19+	16-18	19+	16-18	19+
Birmingham and Solihull	556	949	423	581	324	388	-42%	-59%
Black Country	668	1,081	432	721	321	642	-52%	-41%
Coventry and Warwickshire	337	648	263	404	188	310	-44%	-52%
Herefordshire and Worcestershire	352	690	252	530	178	451	-49%	-35%
Shropshire	220	320	171	227	113	198	-49%	-38%
Staffordshire	493	712	320	505	208	480	-58%	-33%
WM	2,626	4,400	1,861	2,968	1,332	2,469	-49%	-44%

There has been a significant overall decrease in both age ranges in all sub-regions.

As in FE this is accounted for by drops in particular qualifications over the three year period:

<i>Certificate in Food Hygiene</i>	-1,201
<i>Intermediate Certificate in Food Safety</i>	-446
<i>NVQ in Bar Service</i>	-425
<i>NVQ in Food Preparation and Cooking</i>	-409
<i>NVQ in Hospitality Quick Service</i>	-253
<i>National Certificate for Licensees</i>	-224

- Together, Birmingham & Solihull account for 45% of total WBL enrolments.
- 72% (11,306) of all WBL enrolments are apprenticeships (level 2).
- The total number of WBL enrolments in the Region, over the 3 year period, is 15,656, of which:
 - 18% (2,759) related to Waiters and Waitresses;
 - 16% (2,484) related to Chefs and Cooks;
 - 13% (1,977) related to General Hospitality Management;
 - 11% (1,788) related to Fitness Instructors;
 - 9% (1,414) related to Food Hygiene.
- There is a 52% (F) and 48% (M) gender split, of which both are approximately 91% White British.
- Each sub-region has proportionally equally high numbers of White British and low numbers of BMEs, in contrast to FE provision, where Birmingham & Solihull and The Black Country have slightly higher percentages of BMEs.

Train to Gain Enrolments by Region

LSC	2005/06 (P15)		2006/07 (P15)		2007/08 (P12)	
	16-18	19+	16-18	19+	16-18	19+
WM	0	0	0	1,641	0	3,319

- Encouragingly, since the start of the Train to Gain programme, enrolments have increased by 1,678 between 2006 and 2008.
- The largest number of TtG enrolments are in the following occupational areas:
 - Chefs / Cooks, with 35% (1,739) of total enrolments (4,960) – 98% of which at level 2 and only 2% at level 3.
 - Waiters / Waitresses, with 25% (1,230) of total enrolments (4,960) – 100% of which at level 2.
 - General Hospitality Management has seen the highest number of level 3 enrolments, with 6% of total TtG enrolments.

Annex A to LSC West Midlands Strategic Analysis 2008

- Chefs / Cooks, Front of House and Reception, Waiters / Waitresses have all seen a significant increase in TtG enrolments over the 2 year period.
- Total level 3 enrolments account for 7% of total TtG enrolments
- General Hospitality Management has more than doubled its number of level 3 enrolments in the 2 year period.
- NB: All enrolments are under Birmingham & Solihull, due to contracting arrangements.

ESF Enrolments by Local office

LSC	2005/06 (P15)		2006/07 (P15)		2007/08 (P12)		% Change 2005/6 to 2007/08	
	16-18	19+	16-18	19+	16-18	19+	16-18	19+
Birmingham and Solihull	#	42	19	165	#	197	400%	369%
Black Country	31	32	41	74	54	116	74%	262%
Coventry and Warwickshire	79	110	45	169	57	107	-28%	-2%
Herefordshire and Worcestershire	233	0	187	12	261	#	12%	-
Shropshire	40	34	62	40	36	18	-10%	-47%
Staffordshire	10	#	30	20	35	71	250%	689%
WM	394	227	384	480	448	513	14%	126%

Note: # less than 10 enrolments

- The Region, as a whole, has seen a total of 2,446 ESF enrolments in the 3 year period, of which 50% are 16-18 provision and 50% 19+. There has been a significant increase in the number of 19+ ESF enrolments, between 2005/06 – 2007/08 – 286 enrolments, equating to 126%.
- 46% of total ESF enrolments, over the 3 year period have been at level 1, and only 34% at level 2.
- Chefs and Cooks is the occupational area with the highest number of ESF enrolments (521 = 21% of total ESF enrolments), closely followed by Food Hygiene (480 = 20% of total ESF enrolments). However, Food Hygiene has seen a decrease of 158 enrolments since 2005/06. In contrast, Waiters / Waitresses have seen the largest increase (93) in ESF enrolments since 2005/06.
- Sports Coaches, Instructors and Officials only account for 8% of total ESF enrolments, 77% of which are at level 1, which is concerning. Leisure and Sports Managers only have 1 ESF enrolment in the 3 year period, which is at level 3.
- Interestingly, Hereford and Worcestershire appears to be the area most heavily dependent on ESF, with just under 60% of their enrolments being at level 1 (current contract). This is closely followed by Birmingham and Solihull, who have 21% of total ESF enrolments for 2007/08, 45% of which are at level 2.
- Shropshire has only 6% of the Region's ESF enrolments for 2007/08.

LLDD Enrolments by Programme for learners who have a disability or learning difficulty

LSC	2005/06		2006/07		2007/08		% Change 2005/6 to 2007/08	
	16-18	19+	16-18	19+	16-18	19+	16-18	19+
FE	1,964	1,807	1,932	776	1,449	529	-26%	-71%
WBL	271	274	151	188	117	142	-57%	-48%
TtG	0	0	0	128	0	200	-	-
ESF	46	#	62	19	62	17	35%	467%
Total	2,281	2,084	2,145	1,111	1,628	888	-29%	-57%

Note: # less than 10 enrolments

- FE has seen the highest proportion of LLDD enrolments in the 3 year period, with 83% of total LLDD enrolments. This is notably highest within the 16-18 age range. The number of LLDD 19+ enrolments has decreased by 1,278 enrolments since 2005/06.
- WBL has 11% of the total LLDD enrolments for this period.
- TtG has seen a 56% increase in LLDD enrolments, since its rollout in 2006.
- ESF has seen a magnificent increase in LLDD enrolments, particularly in the 19+ age range.

Success Rates FE

- The success rates are consistently high across the Region, for the 3 year period, averaging approximately 80%.
- Herefordshire & Worcestershire and Coventry & Warwickshire have only seen a decrease of 4% over the 3 year period, but still have over 80% success rate.

Success Rates WBL

- There has been a gradual overall increase in WBL whole framework success rates over the 3 year period, with a total of 15% increase.
- Success rates are generally higher for the Apprenticeship rather than the Advanced Apprenticeship.
- Herefordshire and Worcestershire have the highest WBL success rate in the Region, with 54% for the whole period, closely followed by Coventry & Warwickshire, with 52%.
- Shropshire has the lowest WBL success rate with 41% across the 3 year period. However, Shropshire has seen a 15% increase since 2005/06 – increased from 35% in 2005/06 to 50% in 2007/08.
- Each local area has demonstrated an increase in WBL success rates, which is encouraging.

Success Rates Train to Gain

- The average TtG success rate in the sector is 66%. However, there has been an overall decrease, of 17%, in TtG success rates from 06 to 07, which is concerning.
- TtG success rates for 07 currently stand at 63% for level 2, and 55% for level 3.
- Particular focus needs to be given to improving TtG success rates in this sector.

Key Issues and Responses

Key issues identified by Demand Side Profile and Sector Skills Agreements:

- Higher than average proportion of workforce with no qualifications, and lower than average proportions with level 2, 3, 4+ qualifications, than average across all sectors. Current supply not addressing this issue, as there has been an overall decrease in both FE and WBL provision, at all levels.
- Sector suffers from high turnover of staff (churn). Forecasts indicate requirement for 70,000 jobs, across region, over next 10 years. This will have particular impact on management positions, personal service occupations and the lower level occupations. In addition; expected growth requirement of 18,000.
- Particular difficulty in recruitment of skilled or experienced managers.
- Employers reporting skills gaps show higher than average, across all sectors. Chef applications, in particular, fall into this category, although TtG starts are highest in this area – FE provision needs to be addressed.
- Customer Service top in the list of skills required – this is reflected in supply data and increased provision required.
- Numeracy, not currently captured in supply data, is a priority for this sector.
- Top 5 positions, employers have recruited for, in the People 1st sector footprint are: Skilled Chefs; Waiting Staff; Kitchen and Catering Assistants; Senior Managers; Other Chefs and Cooks.
- Data shows current levels of BME provision are low, given that the sector is currently taking advantage of increased number of migrant workers.

Response

- Sector needs to see increased provision of economically valuable level 2 and 3 qualifications, particularly in the key occupational areas, as highlighted above.
- Maximum use of Train to Gain Flexibilities within sector to address above issues.
- In addition; for both level 2 and level 3 qualifications, additional support and flexibilities being agreed through Sector Compacts. People 1st - compact signed off and final details under review for implementation. SkillsActive compact – will be developed in 2009.
- Growth in Apprenticeships required within sector: Development of National Apprenticeship Service will support this. Service to be promoted to providers and stakeholders throughout November 2008. In addition, National marketing campaign will start in February 2009.
- Recruitment and retention issues need to embrace Integrated Employment and Skills strategy, linking to Jobcentre Plus, to improve progression into employment and on to TtG / Apprenticeships, to equip people with the required skills to help sustainability.
- More work needs to be done around the kudos of Apprenticeships particularly in schools. Apprenticeships need to be promoted as an alternative progression route to FE into HE.
- Required increase in Apprenticeship starts will be addressed through the National Apprenticeship Service. The service is being promoted to providers and stakeholders throughout November 2008. In addition a National marketing campaign will start in February 2009.
- Use 2012 “Gold Dust” as a hook for engagement:
 - Gold Standard Customer Service Award is being developed, which will address issues of Customer Service requirements.
 - Personal Best pre-volunteer programme is being rolled out in the run up to the 2012 Games. This is a level 1 accredited events / volunteering course, which will allow individuals to register on the 2012 Games Time Volunteer database and is seen as providing a progression route into volunteering / employment.
- WBL and TtG need to target hard to reach groups, making full use of IES, to get groups into labour market.