



**The Marches Sector Skills Deep Dive -
Hospitality, Catering and the Visitor Economy
Report September 2021**



Black Country Consortium



Economic Intelligence Unit

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Sector Key Stats:



2,585 businesses

Including employers such as PGL Travel, Gastronomy Restaurants, Hoshizaki, Globebrow, Shrewsbury Town Football Club, Lion Quays Hotel, IPS at Edie Stobart



25,100 employees



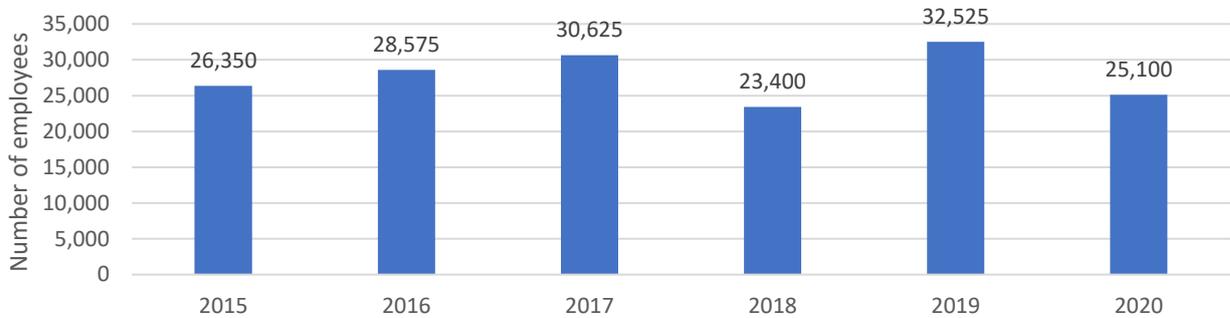
£595m GVA

Hospitality has dozens of different definitions, but it can be broken down to the act of making someone feel welcome, usually through entertainment and comfort. It includes many businesses that fall under this large umbrella, such as hotels, motels, resorts, restaurants, theme parks, their supply chains and much more.

1. A look at the sector pre-pandemic

In 2020 there were 25,100 employees in the hospitality, catering and visitor economy sector across the Marches LEP area, accounting for 9% of total employment. This is a decrease of 23% (-7,425 employees) since the previous year. 28% of these were in Herefordshire (7,150 employees), 49% were in Shropshire (12,200 employees), and 23% were in Telford and Wrekin (5,750 employees).

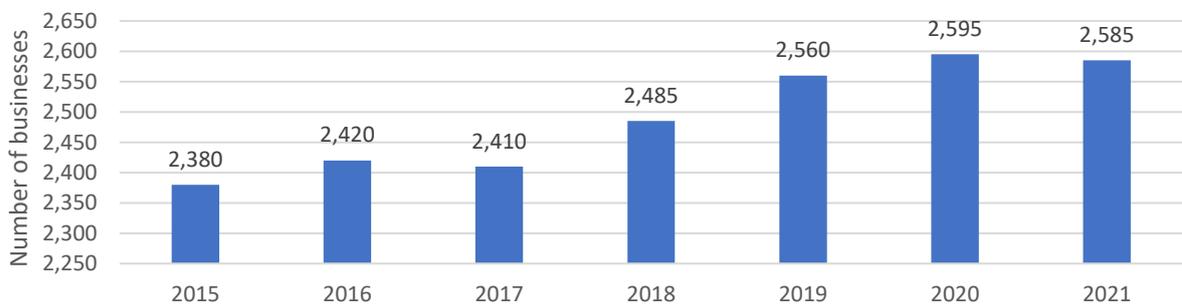
Figure 1: Employees, 2015-2020



Source: ONS Business Register & Employment Survey

In 2021 there were 2,585 business across the Marches LEP area in the sector, accounting for 8% of total businesses. This is a decrease of 0.4% (-10 businesses) since the previous year. 33% are in Herefordshire (850 businesses), 52% were in Shropshire (1,340 businesses), and 15% were in Telford and Wrekin (395 businesses).

Figure 2: Businesses, 2015-2021



Source: ONS UK Business Count

In 2019 the sector contributed £595m towards the Marches economy, an increase of 7% (+£40m) since the previous year, accounting for 4% of total GVA. 35% of the sectoral GVA came from Herefordshire (£209m), 47% came from Shropshire (£282m), and 18% came from Telford and Wrekin (£107m).

Figure 3: GVA, 2015-2019



Source: ONS Regional Gross Value Added (Balanced GVA)

1.1 Job hotspots

An average of the years 2017, 2018 and 2019 show that there were 1.6 million trips to the Marches area, visitors reportedly stayed for 4.5 million nights and spent £239 million. In Herefordshire there were 0.4 million trips, 1.3 million nights, and £72 million spent. In Shropshire there were 0.9 million trips, 2.5 million nights and £132 million spent. In Telford and Wrekin there were 0.3 million trips, 0.7 million nights and £35 million spent.¹

Key hotspots of hospitality, catering and visitor economy activity are displayed in figure 4 below, depicting the concentration of these jobs. More detailed maps, including related to growth, are available to view [here](#).

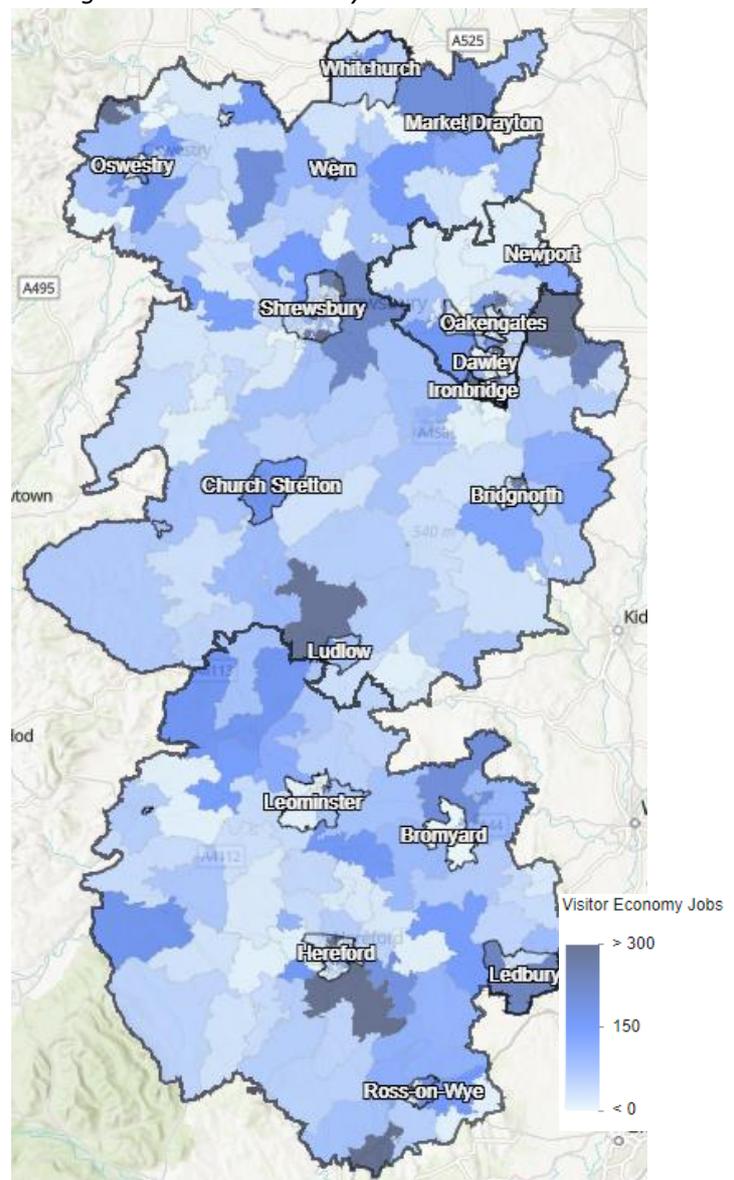
The spatial analysis reflects the key Marches town centres that are the hubs of visitor attractions in the LEP area. In particular:

- **Telford and nearby market towns of Ironbridge, Madeley and Wellington:** The East of Telford, parts of Dawley and Ironbridge saw growth in jobs since 2016.
- **Shrewsbury:** with concentrations of visitor economy jobs in the town centre, and in the outskirts to the north and south. Growth of these sectors has remained relatively flat.
- **Hereford:** high concentration of jobs particularly in the city centre, while also just south of the city in Ridgehill & Ballingham where there has been a steady rise in these jobs and pockets of high visitor economy jobs growth around Hereford.
- Other small towns, with differing characteristics. For example:
 - **Ledbury, Ross-on-Wye, Ludlow, Church Stretton, Kington and Bridgnorth** have high, but distributed, levels of visitor economy jobs.
 - **Church Stretton, Bishop's Castle and Kington** have experienced relatively high levels of visitor economy job increases.
- Overall, visitor economy jobs are widespread across rural areas and not necessarily concentrated in the urban areas.

More information on towns in the Marches can be found [here](#).

Please look at [The Marches Evidence Base for VES 2019](#) for more information on the visitor economy offering across the Marches.

Figure 4: Visitor Economy Jobs in the Marches



Source: ONS Business Register & Employment Survey

¹ GB Day Visits Survey (GBVS)

1.2 Skills situation

The vacancy situation in 2019 in the hotels and restaurant sector shows that 16% of companies in the Marches had a vacancy that is hard to fill, and a further 8% have a skills shortage vacancy. In the arts and other services sector this is lower at 4% for both. This is compared to an overall England average across all sectors of 8% and 6% respectively.

Figure 5: Hotels and Restaurants Vacancies

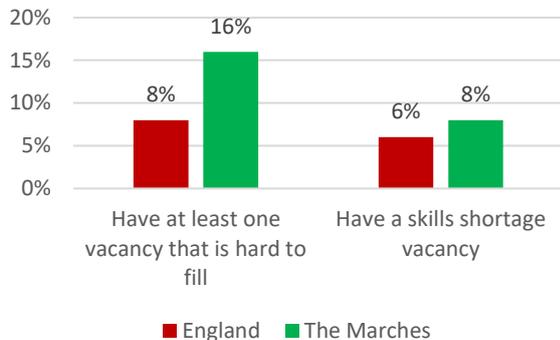
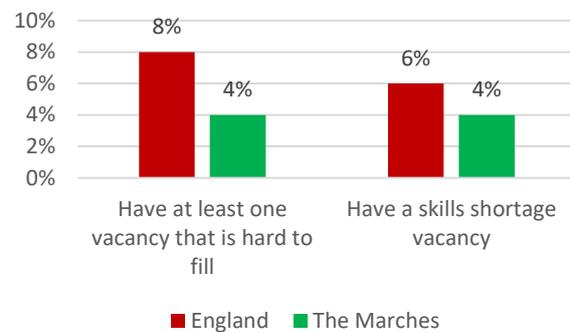


Figure 6: Arts and Other Services Vacancies



In terms of skills gaps, 23% of establishments had staff who aren't fully proficient within the hotels and restaurants sector, this is compared to 7% in the arts and other services sector. 7% of all employees within the hotels and restaurants sector are not skilled enough, compared to 2% in the arts and other services sector. Across England, 13% of establishments have staff who aren't fully proficient and 5% have skills gaps.

Figure 7: Hotels and Restaurants Skills Gaps

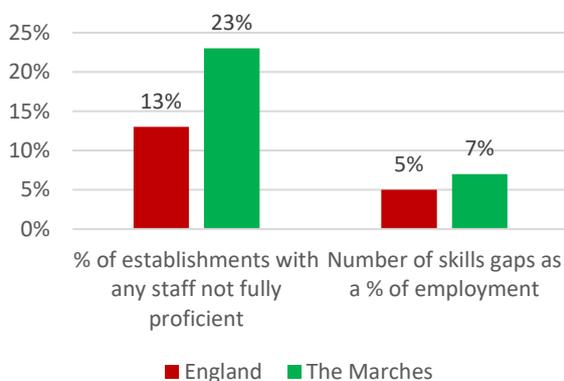
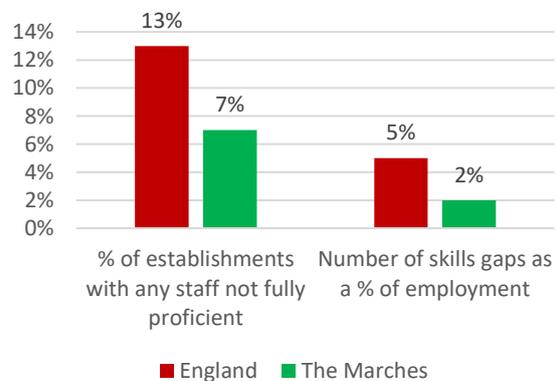


Figure 8: Arts and Other Services Skills Gaps



In the hotels and restaurant sector, 51% of staff are trained compared to 71% of staff in the arts and other services sector. This is compared to 60% as a whole across England.

Figure 9: Hotels and Restaurants Staff Trained as a % of all Staff

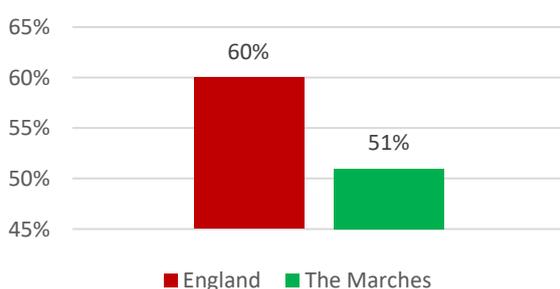
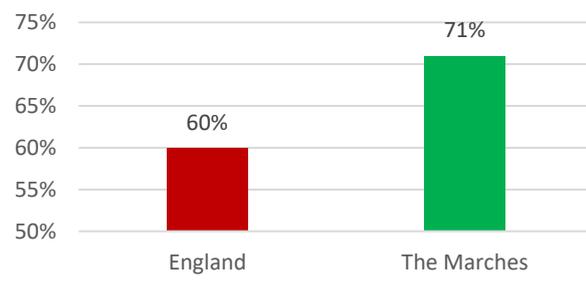


Figure 10: Arts and Other Services Staff Trained as a % of all Staff



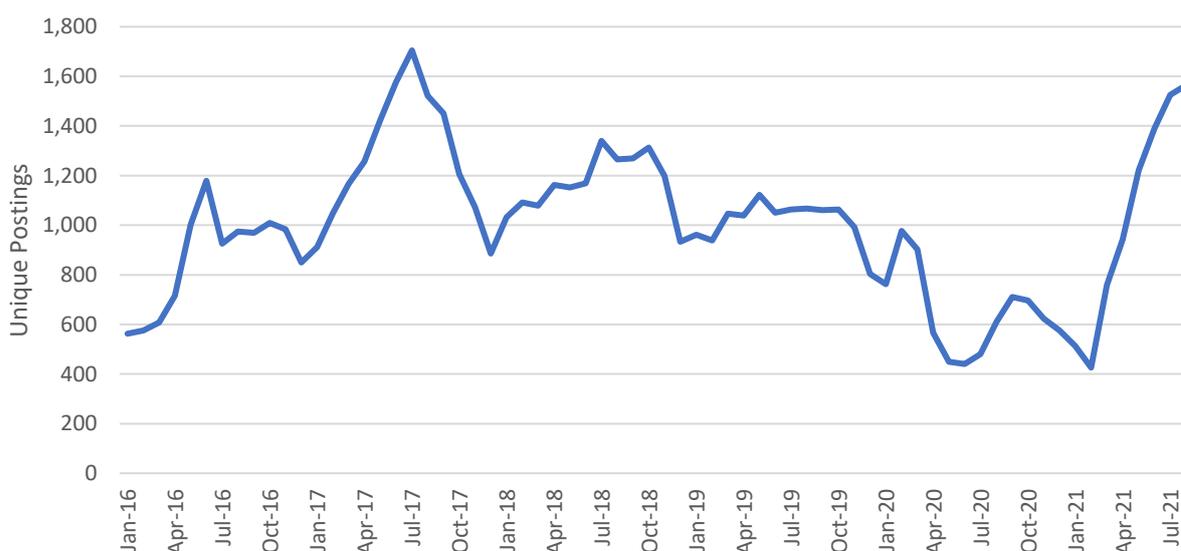
Source: Employer Skills Survey, 2019

2. COVID-19 impact on the sector

2.1 Job postings

On the 23rd March 2020 a lockdown came into effect across the UK as people were told to stay at home to reduce the spread of COVID-19. The below graph highlights the immediate impact it had on the sector via a sharp decline in postings in the month of March 2020 (902 postings) to April (567 postings). The sector logged a nadir of 440 postings in June before increasing again as the sector was allowed to reopen in July (480 postings) climbing to reach 711 postings in September 2020, before a second lockdown in November stifled job postings again. The sector has since rebounded in terms of job postings and reached 1,564 postings in August 2021.

Figure 11: Unique Postings, January 2016 - August 2021



Source: EMSI Analytics

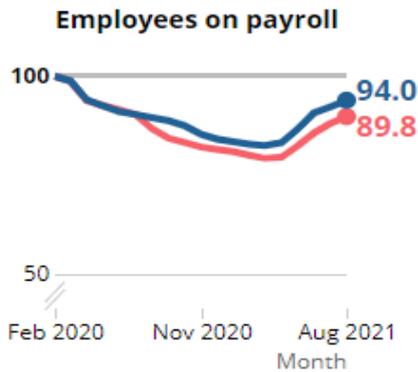
There were 1,034,000 job vacancies in the UK in June to August 2021, an increase of 35.2% (269,300) on the previous quarter, and the highest since the series began in 2001. As of September 2021, hospitality businesses are more than twice as likely as other industries to be experiencing challenges in filling vacancies compared with normal expectations for this time of year. Between 23 August and 5 September 2021, 30% of hospitality businesses said that vacancies were more difficult to fill than normal. This compares with 13% across all industries (up from 9% in early August). These difficulties coincide with a very busy time for recruitment, according to the latest labour market data, with hospitality among several industries posting record numbers of vacancies in June to August 2021, up 59.1% compared to January to March 2020. Of all businesses that were experiencing recruitment challenges, one in four (25%) said that a reduced number of EU applicants was a factor.²

In hospitality and arts and recreation, vacancies have jumped above pre-pandemic levels and employment has recently increased too.

² ONS, 2021



Figure 12: Vacancies in hospitality and arts and recreation, UK, December 2019 to February 2020 to June to August 2021, Index Jan-Mar 2020 = 100; Payrolled employment in hospitality and arts and recreation, UK, February 2020 to August 2021, Index Feb 2020 = 100

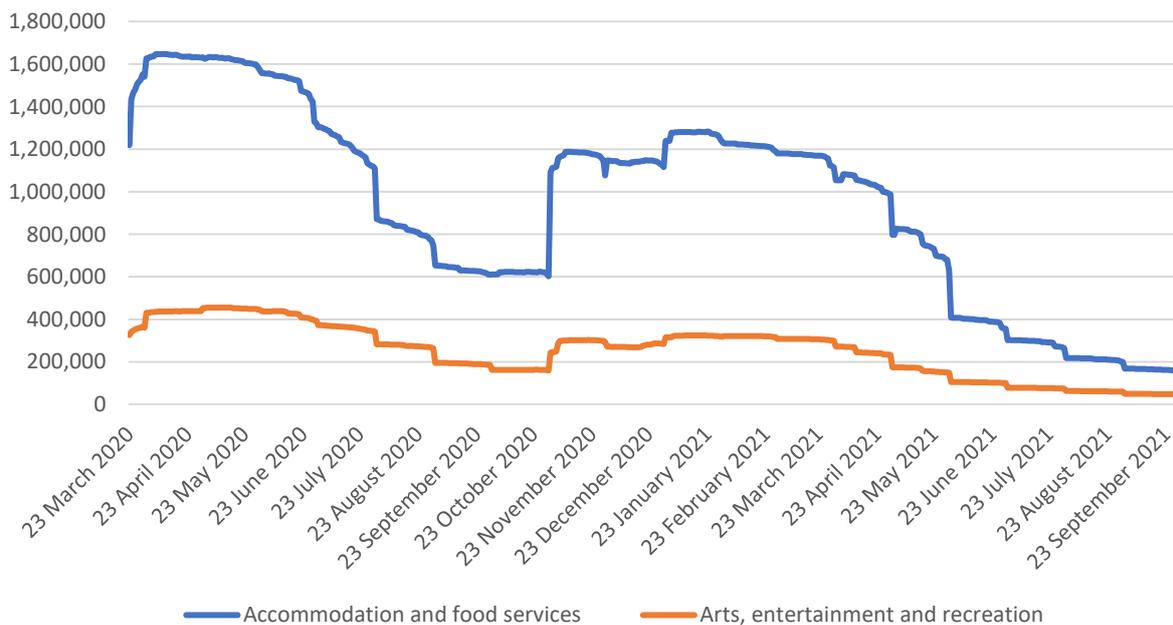


Source: Office for National Statistics – Vacancy Survey; HM Revenue and Customs – Pay as You Earn Real Time

2.2 Furlough

Across the UK, employments furloughed in the accommodation and food services & arts, entertainment and recreation sectors increased dramatically in March 2020. The number has since declined, then increased again during the second and third lockdowns, and then fell back down to lower levels by September 2021. Currently in the UK, accommodation and food storage employees make up 14% of all employees on furlough, and arts, entertainment and recreation employees make up 4%.

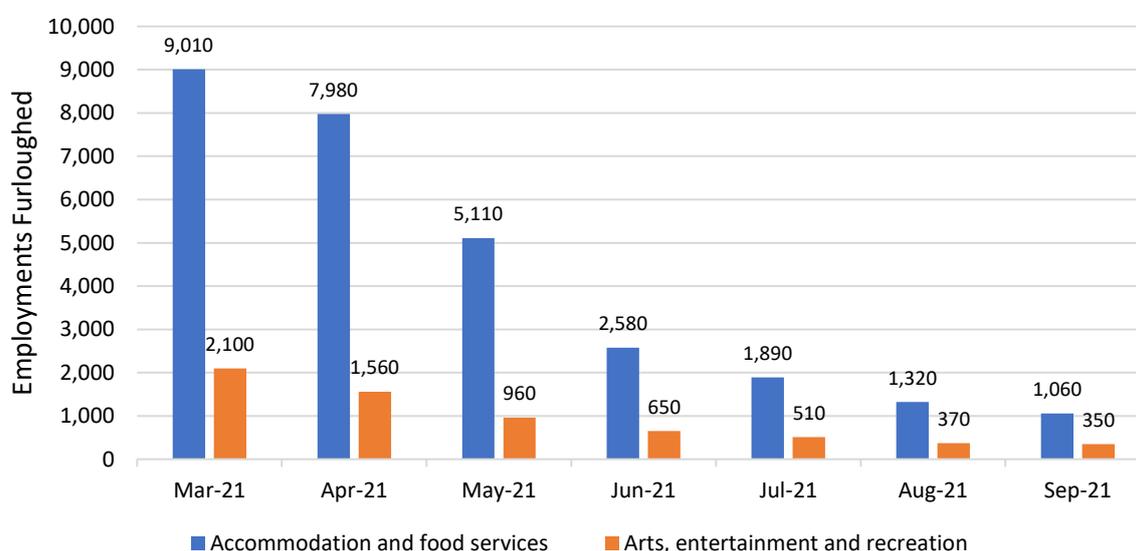
Figure 13: Accommodation and food services & arts, entertainment and recreation employments furloughed in the UK



Source: HMRC Coronavirus Job Retention Scheme statistics

Marches furlough data is available for the months March 2021 onwards. We can see a general decrease in the number of employments furloughed between March and July 2021. Currently in the Marches, accommodation and food storage employees make up 12% of all employees on furlough, and arts, entertainment and recreation employees make up 4%.

Figure 14: Accommodation and food services & arts, entertainment and recreation employments furloughed in the Marches



Source: HMRC Coronavirus Job Retention Scheme statistics

2.3 SEISS

There has been a total of 107,900 claims made from 32,300 individuals in the Marches across all SEISS grants; the total claims reached a value of over £293.6m. The Self-Employment Income Support Scheme supports people who are self-employed and whose earnings have been impacted by the pandemic.

West Midlands Region: Claims by Broad Industry

In the West Midlands region, accommodation and food services saw a take up rate of 35% with a total value of claims at £5m. Arts, entertainment and recreation saw a take up rate of 42% and a total value of claims at £5m.

Figure 15: SEISS breakdown by broad industry associated with hospitality, catering and visitor economy activities for the West Midlands Region:

Sector description	Total potentially eligible population	Total no. of claims made to 07/10/21	Total value of claims made to 07/10/21 (£)	Average value of claims made to 07/10/21 (£)	Take-Up Rate
Accommodation and food service activities	6,100	2,100	5,000,000	2,300	35%
Arts, entertainment and recreation	5,200	2,200	5,000,000	2,300	42%
All	258,000	95,000	200,000,000	2,100	37%

Source: HMRC Self-Employment Income Support Scheme statistics

The government's furlough scheme has been an important means of business support during the pandemic. It has enabled pub landlords to keep staff on their books while their establishments have been closed. In the November 2020 lockdown, 91% of pub and bar staff were on furlough. This compares with overall 8% to 15% of staff on furlough in all other businesses during the same period, indicating the heavier reliance of pubs and bars on the scheme. A downward trend of pub and bar staff on furlough since restrictions were lifted on beer gardens has been observed. Despite this, the percentage of staff that were on furlough has remained high. This suggests that where pubs and bars have been open, they have been operating with reduced numbers of staff.

2.4 Employment

Not all pub and bar jobs will have been saved by the furlough scheme. In the weeks just after Christmas 2020, 12% of pubs and bars reported that it was likely they would make redundancies in the next three months. This number fell to approximately 4% by late February 2021. It is unclear whether this is because of increased certainty or because the redundancies had already gone through.³

Prior to the pandemic, employment in pubs and bars (particularly pub chains) was increasing but given the interruptions to trade in 2020, it's likely that staffing levels will have changed significantly. Wider reports from those representing the hospitality industries suggest jobs may have been lost during the pandemic, with workers retraining for other industries.

The social distancing measures put in place to reduce the spread of COVID-19 would have a disproportionate impact on hospitality, leisure and retail businesses. Across the economy, between February 2020 and May 2021, over 342,000 people lost their jobs, 81% of which were in the accommodation and food services sector⁴, despite the success and extension of the Coronavirus Job Retention Scheme.

Despite £352bn in government support, much of it targeted at hospitality, leisure and retail businesses, hospitality businesses operated at a loss and some, for example nightclubs, were unable to operate at all. Targeted support included grants, business rates relief, a VAT cut and the Eat Out to Help Out scheme, along with cutting red tape to make it easier for hospitality businesses to operate outdoors.

Since March 2020, international tourism has all but ceased, with inbound flight arrivals to the UK down around 90% on 2019 levels for much of 2020 and into 2021, and outbound flights from the UK down around 85%. International rail operators through the Channel Tunnel (who transported more than 20 million passengers per year pre-COVID-19) have seen a substantial fall in demand.⁵

A large degree of uncertainty exists around employment impacts during the current crisis due to labour hoarding and the furlough scheme. In 2020, an estimated 1.1 million travel & tourism jobs were cumulatively at risk (i.e., this is the number of jobs that is approximately equivalent to the loss in output for that year) in 2020 as a result of the reduced travel activity. Not all of these jobs will be lost (due to government support schemes and employers wanting to keep labour even if they are not fully employed) but they are all vulnerable to persistent weak demand. In 2021, when recovery gets underway, the cumulative jobs at risk estimate will shrink, ranging from 793,000 – 1,065,000 jobs.⁶

Employment impacts are difficult to fully quantify due to a significant proportion of furloughed jobs across the UK, and this is disproportionately felt in tourism related sectors. The accommodation & food services sector had the largest proportion of employees estimated to be on furlough in 2020 – almost 80% of all jobs in the sector. Although only a proportion of these jobs directly serve the travel & tourism sector. Detailed sector analysis alongside furloughed jobs information and tourism demand losses has been used to determine an estimate the number of cumulative job losses. An estimated 140,000 direct T&T jobs were cumulatively lost in 2020 as result of the pandemic – more than 10% of the jobs at risk with many protected by the furlough scheme. As demand returns but with overseas travel restrictions still in place, furlough fully unwinds and labour hoarding ends, the number of cumulative jobs at risk is projected to remain above pre-pandemic levels in the medium term.⁷

In 2020, baseline direct Travel & Tourism GVA fell by 63% relative to 2019 levels, with the contribution to wider economic activity falling to 1.5%pts (down from 3.7%pts in 2019). The loss in Travel & Tourism GVA accounts for 36% of the total GVA contraction in the UK in 2020, demonstrating the disproportionate impact of the pandemic on travel and tourism activity. It is expected from mid-2021,

³ [Food Service Equipment Journal, 2021](#)

⁴ [ONS, 2021](#)

⁵ [DCMS, The Tourism Recovery Plan, 2021](#)

⁶ [Tourism Economics, 2021](#)

⁷ [Tourism Economics, 2021](#)

direct Travel & Tourism GVA will begin to recover but will remain 53% below 2019 levels, contributing 1.9 percentage points to the wider economy. Prolonged restrictions on the Travel & Tourism sector through the first half of 2021 will put the sector further behind the wider economic recovery, with the loss in Travel & Tourism GVA accounting for half of the GDP losses between 2019 and 2021.⁸

2.5 Business confidence

In May 2021 there was a revival of confidence amongst pub and bar owners, with data showing 24% of pub and bar owners had “high confidence” about the survival of their business beyond three months. ONS speculates that this return of confidence could have been the result of the unveiling of the road map out of the pandemic and the subsequent reopening of hospitality.

2.6 Challenges facing the sector

Though many hospitality businesses were thriving and expanding before the COVID-19 pandemic, the sector faced some underlying challenges. Growth was fuelled by an influx of investment, but against a backdrop of a general decline in high street footfall. Businesses tended to operate on very small margins and with low cash holdings, partly due to a high level of fixed costs. As a result, hospitality businesses were, and remain, more vulnerable to income disruption than other parts of the UK economy.⁹

Brexit: Tourism has been impacted particularly heavily with regard to skills shortages (in both hospitality and culture) and the more limited ability to travel abroad at leisure, including the loss of visa-free travel for performers and artists. In hospitality, a potential labour market crisis is brewing in the sector, caused by a multiplicity of Covid and EU Exit factors. It is reported that many EU citizens who have worked in the sector in the UK are returning home, leaving widespread gaps in skills.

2.7 Demand recovery

With the aid of initiatives such as the Eat Out to Help Out scheme, activity in the sector bounced back to almost full revenue towards the end of summer 2020. Restaurant bookings data show that August 2020 is the only period since the beginning of the pandemic when bookings have consistently exceeded 2019 levels, although table booking was not as prevalent in 2019 as it has been during the COVID-19 pandemic. On average, table bookings during August 2020 were 22% higher than 2019 levels. On the final day of the scheme (31 August), table bookings in the UK were 219% higher than 2019 levels.¹⁰

Takeaway services have played an important role in stimulating demand. Despite the closure of hospitality venues throughout large parts of 2020 and early 2021, there has been substantial demand for such services.

Nation-wide, the hospitality sector is facing a significant recruitment challenge as it reopens. Specific professions (chefs and associated kitchen personnel, bar staff and waiter/waiteresses) have been particularly impacted, with some businesses introducing bonus schemes for staff recommending friends to fill roles. Short-term issues around recruitment may ease once sector confidence has returned.¹¹

⁸ [Tourism Economics, 2021](#)

⁹ [BEIS, Hospitality Strategy: Reopening, Recovery, Resilience, 2021](#)

¹⁰ [OpenTable, 2021](#)

¹¹ [BEIS, Hospitality Strategy: Reopening, Recovery, Resilience, 2021](#)

3. Future projections for the sector

The Government's recent Hospitality Strategy: Reopening, Recovery, Resilience¹², outlines how to increase the sector's resilience by helping it improve profit margins, ensuring the revitalisation of our high streets and putting hospitality at the centre of local plans to regenerate those areas falling behind. The aim is to strengthen the hospitality workforce by equipping employees to succeed, attracting and retaining the right people and providing clear and rewarding career pathways. Whilst also encouraging the sector to adopt innovative practices that empower growth, bolster productivity, and support the environment.

3.1 Improving jobs and skills

In terms of skills, we need to explore options for vocational training offers that support career paths in the sector by working with the sector to raise the profile of skills and careers in hospitality. Programmes such as the Help to Grow scheme, can improve digital and management skills in the workforce.

Across the country, millions of people work in the pubs, bars and restaurants that are part of the fabric of our communities. Hospitality currently employs approximately over 32,500 people in the Marches. The sector is crucial for providing accessible and flexible jobs, with opportunities to develop valuable and transferrable soft skills, and serves as an important entry point for many young people entering the job market, with 35% of hospitality workers aged 24 or under. However, this accessibility to entry-level work has fed into the sector's reputation as an employer of "low-skilled" labour. Employees in customer-facing roles in hospitality are less likely to receive training than in other roles and less likely to progress if they stay in the sector. Linked to this, in 2020 the median hourly pay of £8.72 was substantially lower than the UK industry-wide median (£13.65).

The environmental sustainability of the sector is also very important moving forward given the immediate threat of climate change and biodiversity loss. The hospitality sector needs to be resourceful and supportive of ambitious targets both locally in the Marches and nationally in terms of reducing waste, eliminating single use plastics, embedding circular economy principles and cutting carbon emissions.

3.2 Opportunities for the hospitality sector

While structural issues and the unprecedented circumstances posed by the pandemic have left the sector facing many challenges, they have also highlighted its adaptability and capacity for innovation. Hospitality businesses have proven to be incredibly resilient and have adapted their operations in a range of different ways – from providing takeaway meals and Home Food Kits to embracing new technology and maximising the use of outdoor space. This adaptability offers a blueprint for the future and gives hope that the businesses that have survived during the pandemic, and those that follow, will emerge stronger than before.

For the Marches and many other areas of the country, demand recovery over the summer was also in large part due to the return of domestic tourism. Hospitality is a key part of the UK's tourism ecosystem. In recognition of the challenges to this part of the economy, the government has published a Tourism Recovery Plan¹³. This plan sets out the role the UK government has already played in assisting the tourism sector through COVID-19, and the government's ambition for the sector's future recovery. The Plan sets out a number of policies that will contribute to the recovery of the hospitality sector. These include a £5.5 million domestic marketing campaign launched by VisitEngland, and other schemes aimed at boosting domestic tourism where hospitality businesses will play a key role.

Oxford Economics does not predict tourism in the UK to return in full to 2019 levels of volume and expenditure until 2025. There are a wide range of factors influencing this, such as the pace of vaccine rollout in inbound markets, the impact of social distancing on capacity, the impact of the pandemic on

¹²[BEIS, Hospitality Strategy: Reopening, Recovery, Resilience, 2021](#)

¹³[DCMS, The Tourism Recovery Plan, 2021](#)

consumers' discretionary spending power, the threat of potential variants of concern emerging and lingering doubts amongst consumers about their own safety when travelling. Nevertheless, these forecasts are simply not quick enough for a sector with so much to offer.¹⁴

There are also measures to support hospitality demand in the High Streets Strategy. During the pandemic, the government supported more alfresco hospitality by making it quicker and less expensive for businesses to get a temporary pavement license, boosting the economy and help licensed premises trade whilst keeping social distancing measures in place. As outlined in the High Streets Strategy, the Government will extend these temporary easements and are considering their long-term future, with the aim of consulting on how to make them permanent.

The UK achieved the swiftest start to vaccinations in Europe. This facilitated the lifting of domestic restrictions in July, uplifting the UK's appeal as a tourist destination due to its vaccination progress, and in turn encouraging countries to open borders to UK arrivals. The UK Tourism Scenario Forecasts Report¹⁵ states that the currently elevated domestic travel share will gradually drop as greater easing of foreign travel restrictions will release pent-up demand for overseas travel will be released after months of lockdown measures. Nonetheless, domestic demand should remain the key driver of overall UK demand in the near-term. The forecasts project that domestic travel will remain 46% below 2019 levels in 2021, but recover fully by 2023.¹⁶

International visits in 2021 are expected to remain 73% lower than 2019 levels in the baseline scenario. Uncertainty hangs over the outlook, with new virus strains and longer-term economic effects likely to exert negative impacts on the travel demand, before an eventual pick-up in the medium term, allowing travel demand to return to 2019 levels in 2025.¹⁷

With more people working from home, this has been bad news for businesses operating in the business and tourism districts of city centres. It has however, provided a big opportunity for those that can connect with their local residents as more people are using nearby businesses for food and drink. Business leaders are turning away from city centres and towards more residential areas as a result, and the fastest recoveries from the pandemic are likely to occur where people live. Food delivery was growing quickly even before the pandemic, but lockdowns have caused it to skyrocket. CGA's Coffer Peach Business Tracker showed that delivery accounted for 10% of total sales in September 2020, twice the 5% from the same month in 2019. The operational logistics of delivery and the relationships with platforms like JustEat, Deliveroo and UberEats are now very important areas of focus. There is also potential for growth in home deliveries of alcoholic drinks and innovations like at-home meal kits.¹⁸

Climate concerns are increasingly important for consumers in where and how they spend their money. There is an opportunity for businesses to adapt to these trends and promote themselves as green and responsible, e.g., BrewDog going 'carbon negative'. Greater efficiency in energy and water usage, and waste, can also help to deliver significant savings.¹⁹

3.3 Future skills trends

Sector-transferable skills: if economic shocks, such as pandemics, become more common in the future, sector-transferable skills will be increasingly important for workers in the hospitality and tourism industries to be more 'sector-mobile'. Highly trained experts in certain areas can face unemployment during the hibernation of their industries and may not find demand for their expertise in other industries, so need to be more flexible and versatile for income security.²⁰

¹⁴ [DCMS, The Tourism Recovery Plan, 2021](#)

¹⁵ [Tourism Economics, 2021](#)

¹⁶ [Tourism Economics, 2021](#)

¹⁷ [Tourism Economics, 2021](#)

¹⁸ [UK Hospitality Future Shock, 2021](#)

¹⁹ [UK Hospitality Future Shock, 2021](#)

²⁰ [Martins, Antje, et al. "A Post-COVID-19 Model of Tourism and Hospitality Workforce Resilience."](#)

Skills Shortages: Hospitality generally has a lower external skills deficit than other sectors (17% vs 23%), but skilled vacancies (e.g., chefs) are more difficult to fill due to a skill shortage (39% deficit compared to 17% for the rest of the sector). Hospitality has a higher internal skills deficit compared to the UK average (7% vs 4%). Overall, employers' biggest challenges in the industry are operational, management and leadership skills.²¹

Over the next 5-10 years, both employers and stakeholders considered digital skills, social and emotional skills, and foreign language skills as the most important.²²

Marketing & Digital Skills: Online marketing, communication, social media skills and online review monitoring are the most important digital skills in tourism and hospitality companies. Social media has been rapidly democratised and moving away from specialist social media managers; employees themselves are more commonly being asked to do social media. The pandemic has sped up businesses' adoption of technology, with a particular focus on booking, ordering, and paying.²³

The skill gap between current and future required proficiency is lowest for basic digital skills (e.g., operating system use and MS Office), and is higher for online marketing and communication, and social media. Research has shown that digital skills gaps are highest for AI, robotics, augmented reality and computer programming; although these are considered the least important digital skills for tourism and hospitality employees in the future, despite that expertise in these areas can be used to exploit new uses of digitalisation.²⁴

'Experiences' are central to attractions and guests are asking for higher levels of customisation, creativity, storytelling; which can be provided through use of VR, AR, mobile phone apps etc. Adoption of these technologies by tourism and hospitality companies requires employees with the skills to operate them.²⁵

²¹ [Economic Insight, Hospitality and Tourism workforce landscape, 2019](#)

²² [Economic Insight, Hospitality and Tourism workforce landscape, 2019](#)

²³ [UK Hospitality Future Shock, 2021](#)

²⁴ [The digital skills divide: evidence from the European tourism industry, 2020](#)

²⁵ [The digital skills divide: evidence from the European tourism industry, 2020](#)

4. Skills delivery assessment

Figure 16: Curriculum overview of courses delivered in the Marches to learners:

Program	Achievements	Subject Achievements Quotient	Annual Openings	Variance	% Variance	Regional Jobs (2021)	Regional Jobs (2025)	% Jobs Growth (2021-2025)	Median Annual Wages
Cookery and Catering	163	1.25	300	137	84%	6,667	7,078	6%	£20,387.08
Tourism and Hospitality	51	1.41	131	80	156%	2,222	2,390	8%	£23,974.73
Licensed Premises and Bar Services	0	0.00	102	102	Insf. Data	1,997	2,139	7%	£29,994.71
Food and Beverage Services	98	1.49	668	570	581%	14,901	15,691	5%	£14,507.95
Accommodation Services	0	0.00	95	95	Insf. Data	1,567	1,703	9%	£22,640.81
Restaurant and Catering Management	0	0.00	152	152	Insf. Data	2,975	3,162	6%	£28,032.37
Accommodation Management	0	0.00	53	53	Insf. Data	623	718	15%	£33,324.42
Hospitality and Catering n.e.c.	324	1.56	1,062	738	228%	23,040	24,303	5%	£13,706.17
Leisure, Travel and Tourism	0	0.00	0	0	0%	0	0	0%	£0.00
Travel and Tourism	166	1.66	130	(36)	(22%)	1,817	2,027	12%	£23,286.45
Cabin Crew	0	0.00	29	29	Insf. Data	442	489	11%	£18,156.46
Travel and Tour Operations	0	0.00	91	91	Insf. Data	1,648	1,763	7%	£24,094.16
Travel Agency	0	0.00	23	23	Insf. Data	325	359	10%	£23,909.44
Travel Services	0	0.00	64	64	Insf. Data	985	1,082	10%	£21,082.76
Travel and Tourism n.e.c.	1	0.14	32	31	3134%	491	538	10%	£20,724.50
Arts, Media and Publishing	0	0.00	0	0	0%	0	0	0%	£0.00
Performing Arts	225	0.56	11	(214)	(95%)	293	276	(6%)	£27,511.64
Music	172	1.30	5	(167)	(97%)	122	109	(11%)	£30,042.60
Dance	0	0.00	2	2	Insf. Data	55	54	(2%)	£16,412.03
Drama and Theatre Studies	79	3.47	11	(68)	(85%)	293	276	(6%)	£27,511.64
Stage Management	0	0.00	29	29	Insf. Data	588	619	5%	£33,523.50
Performing Arts n.e.c.	12	1.17	22	10	83%	498	495	(1%)	£31,874.66
Art and Design	624	1.32	44	(580)	(93%)	987	1,031	4%	£27,061.19
Fashion and Textiles	8	2.37	30	22	276%	649	688	6%	£26,425.28
Technical Theatre: Sound, Lighting, Set, and Costume Design	0	0.00	24	24	Insf. Data	472	505	7%	£34,411.51
Applied Art and Design	36	1.40	55	19	52%	1,192	1,250	5%	£29,001.06
Wood Crafts	0	0.00	12	12	Insf. Data	262	279	7%	£22,394.00
Illustration	0	0.00	24	24	Insf. Data	562	581	3%	£26,998.22
Sculpture	0	0.00	5	5	Insf. Data	112	115	3%	£34,965.10
Textiles	0	0.00	0	0	0%	0	0	0%	£0.00
Ceramics and Glass	0	0.00	2	2	Insf. Data	72	72	1%	£21,283.31
Crafts, Creative Arts and Design n.e.c.	1,009	0.78	103	(906)	(90%)	2,290	2,421	6%	£26,322.57

Source: EMSI Analytics

In the academic year 2018/19 there were 2,968 achievements in courses relevant for the hospitality, catering and visitor economy sector. There were 1,009 achievements in Crafts, Creative Arts and Design, followed by 624 achievements in Art and Design. The sector subject area with the highest achievement quotient was Drama and Theatre Studies at 3.47. Subject quotient is a measure of specialisation for a subject area. Values above 1 represent relative specialisation. There are 11 courses with subject quotients above 1.

Where the variance figure for a course is red, it means that there is an overprovision of people completing courses in comparison to how many roles are opening on an annual basis, therefore the provider base is currently oversupplying the labour market. When the variance figure is black it means there are areas where the provider base already offers courses, but the data indicates that there may

be room to grow these to meet employment demand. Where the variance figure is blue it shows courses the provider base does not currently offer but employment is in demand locally, indicating that there is potential for creating courses to meet these skills needs.

Skills provision that is aligned to local jobs and industry demand not only helps providers with their Ofsted inspection but also helps to ensure learners are best placed to get employment using the skills they have learned, supply employers with the skills they need and support growth in the local and wider economy.

This provision review identifies areas of misalignment in the Marches for the hospitality, catering and visitor economy sector:

Strengths (course areas that are well met compared to industry demand)

- Course areas which do not have much of a gap between supply and demand, where there are similar levels of provision compared to job supply is a strength as local employers will be supplied with local talent pools. This includes Performing Arts, Applied Art and Design, Fashion and Textiles.
- Disciplines that also have a net positive change in jobs in the next few years are seen as extra strengths to the area. For example, Travel and Tourism.

Opportunities (course areas that are currently under supplied compared to demand)

- Opportunity areas include those courses with an undersupply of provision compared to demand, as these are the disciplines which are sought after but have little provision locally. There is room for courses to be developed in these disciplines to meet local employer needs, such as Hospitality and Catering, Food and Beverage Services, Cookery and Catering, Tourism and Hospitality, Travel and Tourism.
- Opportunity areas also include courses where there is no provision but employer demand locally, such as Restaurant and Catering Management, Licenced Premises and Bar Services, Accommodation Services, Travel and Tour Operations, Travel Services, Accommodation Management, Stage Management, Cabin Crew.

Threats (course areas that are oversupplied compared to industry demand)

- Disciplines with too much provision and not enough employer demand will lead to an oversaturated supply of labour in certain disciplines. Learners from these courses will find it difficult to find employment locally, and may have to move out of the area to find work in their field. People skilled in this discipline might have to upskill or retain in other disciplines to find work elsewhere. Courses in this group include those large Crafts, Creative Arts and Design, Art and Design, Performing Arts, Music, Drama and Theatre Studies, Travel and Tourism.
- The best way to implement change is to prioritise interventions based on biggest misalignments and gaps. Disciplines with a low uptake, need extra resources to highlight the opportunities in these occupations.

5. Conclusions

The pandemic has stimulated new ways of thinking, and accelerated behaviour changes in consumers and businesses alike. Three trends that have been stimulated or boosted by covid have the potential to redefine the economic value of rural locations.

- The rise of 'staycations' has reminded older and introduced new audiences to what the domestic tourism and leisure sectors have to offer.
- Lockdown has allowed many to revisit how and where to carry out 'office' work.
- 'Green values' reinforce the importance of England's natural assets and a local food chain.

If these trends are nurtured, and the appropriate investment is made in rural and coastal communities to leverage the associated economic opportunities, there is the potential for a substantial levelling up of rural areas' prosperity and contribution. On plausible yet indicative assumptions, these three trends could contribute £51 billion per annum to the rural economy by 2030. This represents a growth of over ten per cent on the gross value contributed by the rural economy today. In this context, rural and coastal policy should not be seen purely through the lens of redistribution to reduce inequalities and deprivation. Instead, much the same as urban policy of the past two decades, it should be viewed in terms of investment to deliver sustainable returns to the national economy.²⁶

Given the importance of tourism and hospitality as a foundation sector, its ability to create new jobs relatively quickly which provide accessible opportunities for the whole community, together with its projected growth over the next 5-10 years, more emphasis needs to be given to the strategic value of the sector within local employment and skills plans. The potential for even small productivity gains across such a labour-intensive sector has potential to have a significant beneficial impact on the Marches overall productivity.

Businesses are finding it increasingly difficult to fill open and new positions, especially roles for chefs, kitchen porters, bar staff and waiter/waitresses. The sector is characterised by low wages and a fairly flat employment structure which can make career progression difficult. Research carried out by Amaris Hospitality shows that more than half of businesses felt that 'outdated perceptions' were preventing people from viewing hospitality as a worthwhile career. The roles that do exist are perceived as having long hours, poor pay and prospects.

At the heart of this is the need to raise the attractiveness of the sector to new entrants and to embed tourism-related learning into the curriculum. Critically, employers need to take the lead to make the sector more attractive.

The best ways to attract and retain employees is through developing a positive and supportive workplace with a well-defined career progression plan from the start of employment, and with increased accessibility.

Supply vs Demand

- The following are areas where courses are already offered in the Marches, but there may be room to grow to meet employment demand:
 - Cookery and Catering
 - Tourism and Hospitality
 - Food and Beverage Services
 - Hospitality and Catering n.e.c.
 - Travel and Tourism n.e.c.
 - Performing Arts n.e.c.
 - Applied Art and Design
- Licensed Premises and Bar Services, Accommodation Services, Restaurant and Catering Management, Accommodation Management, Cabin Crew, Travel and Tour Operations, Travel Agency, Travel Services, Dance, Stage Management, Technical Theatre: Sound, Lighting, Set,

²⁶ [Rural recognition, recovery, resilience and revitalisation, 2021](#)

and Costume Design, Wood Crafts, Illustration, Sculpture, Ceramics and Glass learner provision is not currently offered in the Marches so there is potential for creating new courses here to meet employer demands.

- Future drivers of skills include increasing use of technology including social media, foreign language skills and management/leadership skills.

In terms of skills, there is a need to explore options for vocational training offers that support career paths in the sector by working with the sector to raise the profile of skills and careers in hospitality. Programmes such as the Help to Grow scheme, can improve digital and management skills in the workforce. Importantly, further and higher education for young people and adult learners and retraining programmes need to be more accessible and affordable.

[The Marches LEP Visitor Economy Strategy – 2020](#) sets out what needs to be done to deliver the economic opportunity in a way that supports the environment and fulfils the role of tourism as an enabling sector. Any future work should align with the strategy.

Black Country Consortium



Economic Intelligence Unit

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