



All-Party Parliamentary Group for the Visitor Economy

Supporting skills and apprenticeships in the Hospitality and Tourism Industry

November 2016



Photo credit BHA: (L-R): Adam Newth – Chef Proprietor, The Tayberry Restaurant / Sophie Cassidy – Y1 Scottish Apprentice In Hospitality, Cameron House / Daniel Bianco - Premier Inn Apprentice of the Year 2014 & Premier Inn Ambassador / Jamie Scott – Chef Patron, The Newport Restaurant (Winner of MasterChef: The Professionals 2014)

Foreword

As the fourth largest service industry, the hospitality and tourism sector is a major part of the UK's economy. However, there are a number of core issues which are affecting apprenticeships in the industry. There are shortcomings in the school curriculum, particularly in terms of foreign languages which is leading to a skills shortage. There is also a lack of career guidance in respect to pathways into the hospitality and tourism sector, often with a narrow focus on a small number of industries. This perception deficit compounds the general professional skills shortage, specifically in chef training for hotels and restaurants and is not helped by the current major shortfall in high-quality skills development schemes available for small businesses. Additionally, larger businesses struggle to retain apprentices who often leave part way through schemes in favour of entry-level jobs due to higher wages.

This inquiry was conducted prior to the vote on the European Referendum and during a period in which the Government announced, and then clarified, further details regarding the Apprenticeship Levy.

The APPG has found that problems with the perception deficit can be counteracted through increased awareness of the different company programmes and proactive approaches which are on offer, through the use of role models and ambassadors who can help inspire young people to work in the industry.

The APPG has heard recommendations for supporting small businesses regionally by ensuring the industry is well represented on Local Enterprise Partnership Boards. Additionally, an industry-specific apprenticeship training academy would help to ease the burden for SMEs operating beyond major cities to source and host apprentices.

This inquiry has demonstrated the need for a recommitment to the importance of teaching languages in schools to counteract the skill shortage in this area. Furthermore, we welcome the call for greater support to colleges to continue to offer the Professional Cookery Diploma which provides the breadth and depth of training that employers seek, to help combat the major shortage of chefs in the industry.

We would also like to take this opportunity to commend the ministers for the progress already made with the Apprenticeship Levy which will help the hospitality and tourism sector and benefit smaller employers too. As Nick Boles, former Minister of State for Skills, clarified in the final oral evidence session, larger employers will be able to use their portion to help apprenticeships within other businesses and there will be no sector ring-fencing or pooling which was a point of concern raised in the submissions.

These recommendations and the others made in the report should be taken seriously by both the Government and industry alike to support skills and apprenticeships in this important sector. We would like to thank all the organisations who took part in this inquiry.



Margaret Ritchie MP
Co-Chair, APPG Visitor Economy



Nigel Huddleston MP
Co-Chair, APPG Visitor Economy

Contents

Introduction.....	1
Context.....	2
Section 1: Tackling the Perception Deficit.....	3
Section 2: The Apprenticeship Levy.....	5
Section 3: Small and Medium Enterprises.....	6
Section 4: Industry-Specific Challenges.....	8
Section 5: Skills Shortages.....	9
Case Study: The National Coastal Tourism Academy.....	11
Case Study: Whitbread Investing in Skills and Employment.....	12
Section 6: Partnerships between Industry and Government.....	13
Conclusion.....	14
Full List of Recommendations.....	14
Key Excerpts from Submissions.....	16
Acknowledgments.....	18

Introduction

About the All-Party Parliamentary Group for the Visitor Economy

The All-Party Parliamentary Group (APPG) for the Visitor Economy was established in 2015 in order to address priority issues for the hospitality and tourism industry.

About the Report

In October 2015 the APPG announced its first inquiry on 'Supporting Skills and Apprenticeships in the Hospitality and Tourism Industry'.

A Call for Evidence was issued to a range of stakeholders including businesses, local and trade associations, representatives of UK, Devolved and Local Governments, Local Enterprise Partnerships, educational institutions, charities and community groups.

The APPG asked stakeholders to focus on five areas to inform its assessment of skills development across the industry today:

1. Detail on current industry-led activities and programmes to promote skills development and investment
2. The key challenges and opportunities for the industry in the context of the Government plans, including the Apprenticeship Levy, for skills development
3. The promotion of the industry as an attractive, skilled career path
4. Understanding of issues unique to the hospitality industry including skill requirements, seasonality, language ability amongst others
5. How Government can work with industry to support investments in skills

Over the course of the inquiry, 27 submissions of written evidence were received and three oral evidence sessions took place in Parliament. This report provides an overview of that material and the recommendations of the APPG for industry and Government.

Context

The All-Party Parliamentary Group (APPG) for the Visitor Economy was established so that Parliamentarians and industry stakeholders can discuss and represent the interests of a critical national industry.

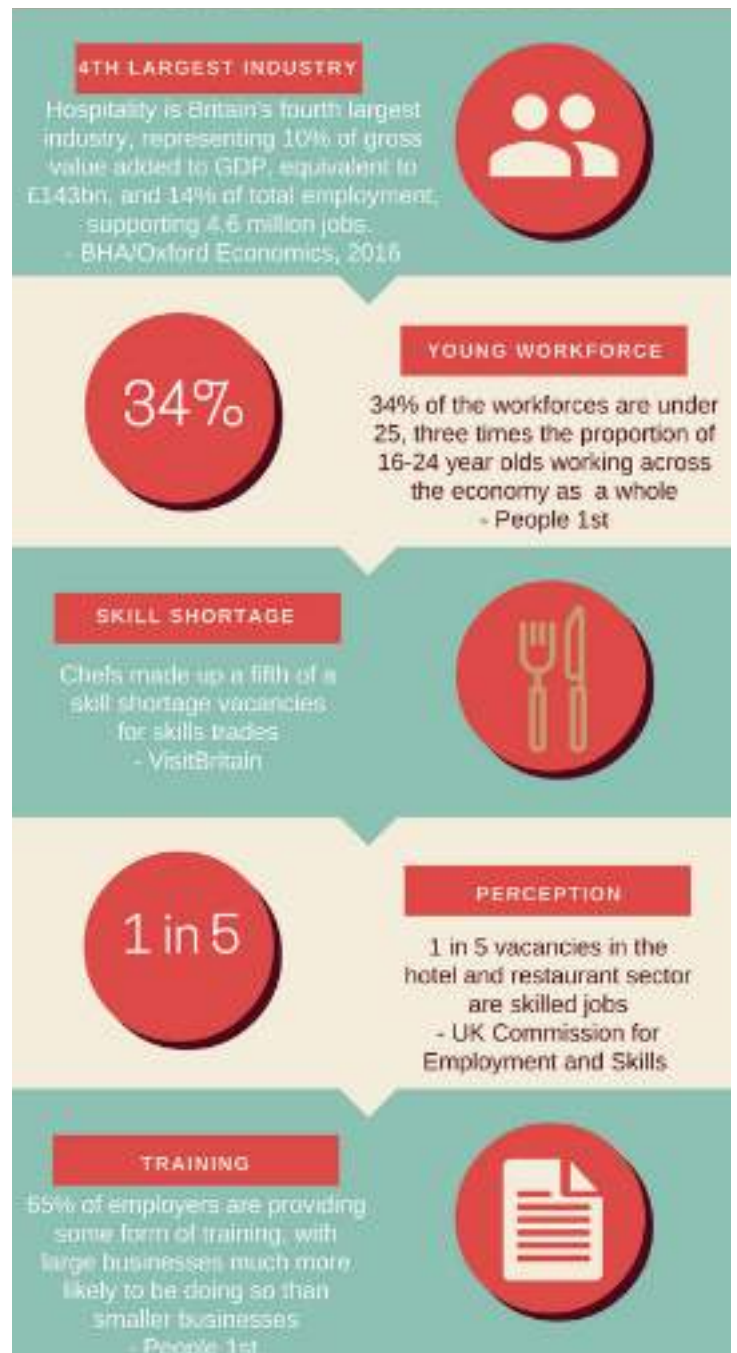
During the difficult years of the economic recovery, the hospitality and tourism industry played a crucial role by providing one in five of all new jobs created. Continuing this growth will be dependent upon guaranteeing both an internationally competitive environment for investment and the supply of a trained, skilled workforce.

According to BHA/Oxford Economics, the hospitality industry in 2014 supported 4.6 million jobs (equivalent to 14% of total employment) and a gross value added contribution to GDP of £143 billion in 2014 (10 percent of UK GDP).

As we consider questions around the provision of industry skills this report recognises that without a healthy visitor economy, the United Kingdom would be a poorer place, not just economically, but in the cultural exchange that take place whenever a people travel somewhere for new experiences.

Over the course of this inquiry APPG members heard from a variety of witnesses about the crucial work being undertaken by companies, charities and local bodies. This report seeks to highlight these positive contributions and the opportunities for Government as it works to achieve its 2020 Apprenticeship Target of 3 million new apprentices.

This report was written before the result of the EU Referendum. The APPG for the Visitor Economy recognises that Britain's departure from the European Union raises profound questions, challenges and opportunities for the hospitality and tourism industry. The APPG plans to address those questions in a future report, in particular on the impact that any limit on the freedom of movement from EU countries will have on industry.



Section 1:

Tackling the Perception Deficit

“The key challenge is simply the lack of young people looking to start a career in the industry.” – **National Coastal Tourism Academy**

“At the time I thought [hospitality] would be ‘just another job’. As I’ve progressed in my journey with Premier Inn, I’ve seen a brighter future and career prospects. The hospitality industry is growing really fast and I do not see myself in any other line of work. I have an opportunity to meet people from different parts of the world and one day is never the same as the next.” – **Shahriar Ahmed, Premier Host, Premier Inn London Docksland [BHA Big Hospitality Conversation]**

“[My colleague John inspired me], he worked as a pot washer and climbed the career ladder to get to a management position and that is what I want to do: climb the ladder and learn from the different departments] – **Joshua Marshall, Ground Floor Team Member, Premier Inn [BHA Big Hospitality Conversation]**

A common thread running through the inquiry was criticism of the public perception of the industry, particularly entry-level jobs. Entry level jobs are viewed as low-pay, low skilled work with limited opportunity for career development. A witness highlighted how a group of young people could only name popular fast-food brands as examples of hospitality companies. This view of the industry may be deterring people from entering the profession.

At the same time, the APPG was told about the various company programmes and proactive approaches taken to retain and develop staff. Many of the organisations submitted evidence which demonstrated their significant investment in training and pastoral care. Through these programmes they hope to challenge the negative perception of the industry in partnership with the Government.

Powerful first-person case studies submitted by the UKInbound and the Big Hospitality Conversation showed that individuals who entered the industry, originally thinking it would be “just another job” found high levels of job satisfaction and career prospects.

One proposed method of challenging the negative perception is the use of role models and ambassadors, working to ensure that young people aspire to jobs in the industry.

“Our workplaces are diverse environments, with college students working next to school leavers, and all drawn from different backgrounds and communities. They all receive effective training and equip themselves with basic skills that benefit them in any workplace environment – such as applying basic numeracy skills, teamwork or new ways in which to meet and exceed the expectations of our customers.” - **Association of Licensed Multiple Retailers**

Businesses reported that careers guidance is often limited in its accessibility and focuses on a small number of industries. Submissions called for the Government to address careers guidance in schools and Further Education colleges to promote vocational qualifications and to help young people access information about options for a career in hospitality and tourism. One way this be implemented is through the inclusion of hospitality and tourism representatives on school boards to help further improve awareness amongst parents and teachers alike.

Nick Boles MP, former Minister for Skills, told the inquiry that the National Careers Service is a good resource for people to use but acknowledged that it is not an industry-specific solution. As an alternative, the former Minister suggested operators involved in the industry should offer work experience to school age children.

Overall, levels of pay remain the most challenging issue to attracting talented young people. Liverpool City Region LEP submission argued that promoting Visitor Economy careers will need to tackle the issue of pay directly in order to overcome negative perceptions. By framing employment in terms of training offered, the varied work on offer, the development of transferable skills and promotion opportunities this should form an attractive package for prospective employees.

“Coming from a disadvantaged background I was lucky to find this course which helped me secure my job. Some people might not be as lucky as me so having more programmes that provide training and work experience will be beneficial to getting a good job for anyone who might have been in my position.”

- **Samantha Blake-Wall, Waitress, Harrods [UKInbound submission]**

Recommendation 1: Role models and ambassadors should be increasingly used by the industry to tackle the perception deficit and ensure that young people aspire to jobs in the industry.

Recommendation 2: The Government should address careers guidance in schools and Further Education colleges, to promote vocational qualifications and to help young people access information about their options for a career in hospitality and tourism. One way of doing this is by including hospitality and tourism representatives on school boards to help further improve awareness amongst parents and teachers alike.

Recommendation 3: Operators involved in the industry should offer work experience to school age children to aid government efforts to address careers guidance in schools and Further Education colleges.

Section 2:

The Apprenticeship Levy



Sarah Nerys-Judge, Apprentice Chef, Hyatt Regency

““The Liverpool City Region firmly believes that the implementation of the levy must ensure that no employer is discouraged from recruiting more Apprenticeships and that businesses who can demonstrate the relevant capacity for delivery should be allowed to apply for further top-ups.” - **Liverpool City Region LEP**

Since the start of this inquiry the Government unveiled further details about the new Apprenticeship Levy which will come into force in April 2017. In November 2015 the Chancellor announced that the Levy will require all businesses with a pay bill over £3 million each year (2% of all businesses) to make an investment in apprenticeships and to access funding through a digital apprenticeship service. In September 2016 the new Prime Minister announced a flexible apprenticeship scheme to allow training to be completed over 16-18 months rather than 12 which was welcomed by the industry.

In recent months the cash expectation has been reduced to 10% for employers with more than 50 employees and zero for micro businesses. The increase in time to spend levy contributions has been extended to 24 months which many businesses say is a huge relief as this allows for a considered approach to this new landscape.

The general economic impact of the Apprenticeship Levy and how it will operate have been the specific focus of other All-Party Groups in recent months. The APPG for the Visitor Economy focused on concerns particular to the hospitality and tourism industry and took the opportunity to share these views with the then Minister of State for Skills in the final oral evidence session.

The Minister emphasised that each company will be able to access and control their given amount from their own apprenticeship levy account, being able to decide for themselves which apprenticeships to use it on, but noted there is no sector pooling or ring fencing. This money will be available over a certain period and companies are able to spend the money on apprenticeships in other smaller companies which could be clients, partners, neighbouring companies or suppliers or charities. However, if the money is not spent then the Minister, without specifying how, confirmed Government will recycle the money into the apprenticeship system. It is hoped the Levy will also benefit smaller employers as large employers are allowed to use their portion to help apprenticeships within other businesses.

The Minister also raised the point that whilst the funding for apprenticeships for 16-18 year olds is more generous, funding is available to apprenticeships of all ages, including those who want a career change or part-time work.

Recommendation 4: Hospitality and tourism companies, from corporates to SMEs, should look to ensure they are prepared to take full advantage of the Apprenticeship Levy once it becomes operative in April 2017.

Respondents criticised the lack of communication surrounding Government proposals for an Apprenticeship Levy. A study (September 2016) by the British Chamber of Commerce showed that two out of five businesses (39%) did not understand or even know about the Levy. Of those that do, many are placing the focus of “apprenticeships” on young people entering employment, whereas this opportunity could and should, benefit a wide range of development opportunities.

Whilst some businesses such as Whitbread felt that the Levy can be reconciled with their training model, others were concerned that it will limit their ability to offer programmes.

Representatives made the case that any Levy is ring-fenced for contributing companies and is in addition to, not in place of current funding of apprenticeship programmes. Larger companies that already implement effective programmes reported that they will be disproportionately paying for others with the scheme. People 1st emphasised the importance of quality assurance as the Government worked towards its ambitious target of three million apprenticeships start by 2020.



Section 3:

Small and Medium Sized Businesses

Four in five hospitality businesses are Small and Medium Enterprises (SMEs) and it is still unclear as to how they can be involved in the developing apprenticeship framework. As Martin Christian-Kent of People 1st noted whilst there is a huge uptake of apprenticeships across the hospitality and tourism sector only 10% of businesses are offering them, and the vast majority are large businesses. He noted that the challenge remains for SMEs who struggle to hire apprentices because of the associated costs and requirements.

Whilst larger organisations have a diversified portfolio of personal development programmes, they recognise that delivering high-quality skills development schemes can be a challenge for small businesses. They cited bureaucracy as a major concern and many are in favour of sector-based regulation that would increase the flexibility of their courses. Educational organisations that submitted evidence were positive about their engagement with small businesses and the quality programmes that these partnerships achieve.

In addition, research submitted by People 1st has shown that smaller businesses already have a much harder time navigating the apprenticeship system and accessing support in setting up such a programme. Prior to the Chancellor's November 2015 announcement other organisations noted their opposition to a levy scheme.

The Campaign to Cut Tourism VAT highlighted the potential to offset the cost by following the example of 25 other EU states in having a reduced Tourism VAT rate.

Recommendation 5: The Government should investigate further ways to financially support SMEs in the hospitality and tourism sector. Such as the positive impact of a reduction in Tourism VAT to help the visitor economy.



Section 4:

Industry-specific challenges

Seasonality

Seasonality, where consumer demand can vary hugely through the year, is a particular challenge for the hospitality industry.

The APPG was encouraged to hear that the former Minister recognised these concerns, and Government and industry stakeholders will continue to work together to address the issue. The group also welcomed the proposal for an industry-specific Apprentice Training Academy to help ease the burden, particularly for SMEs operating beyond major cities, to source, arrange and host apprentices.

In August 2016, Discover England launched a £40 million fund which included addressing the industry's seasonal nature through a flexible apprenticeship scheme that allows training to be completed over 16-18 months, rather than 12, with breaks included.

Recommendation 6: Increased partnership between the Government and industry stakeholders to address the challenge of seasonality and its effects on the hospitality and tourism industry.

Recommendation 7: The creation of an industry-specific Apprentice Training Academy to help ease the burden, particularly for SMEs operating beyond major cities, to source, arrange and host apprentices.

Local and Devolved Hospitality Training Requirements

“Based on provisional full-year data for 2014/15, Leisure, Travel and Tourism accounted for just 740 of Greater Manchester’s 29,700 apprenticeship starts, despite the sector being a significant employment sector for GM. The demand for employees in the sector is predicted to grow by around 11.5% over the next 15 years.” - **Greater Manchester Apprenticeship Hub**

“NIHF would like to see a commitment to training and focus within education on the hospitality and tourism sectors, placing a similar emphasis to STEM skills” – **Northern Ireland Hotels Federation**

The APPG welcomed the benefits of hospitality and tourism as a central part of economic visions across the United Kingdom. Local Enterprise Partnerships including Humberside, Manchester, Liverpool and Hull submitted strong representations on the importance of developing skills needed to support a healthy and attractive hospitality industry.

Naturally, different parts of the country have different local priorities in how to develop and market their hospitality and tourism industries. The APPG encourages local hospitality associations to ensure industry is well represented on Local Enterprise Partnership Boards in England.

Recommendation 8: Local hospitality associations should ensure the industry is well represented on Local Enterprise Partnership Boards in England and equivalents.

Section 5:

Skills Shortages

Foreign Language Abilities

50% of visitors from our top ten inbound countries are not native English speakers, so there is a need for foreign language skills in the tourism and hospitality sector. However, there still remains a language skill deficit in the UK that must be addressed. – **VisitBritain**

“Over the years we have had many skilled school leavers and graduates at our properties, however, there are a few important skills that British applicants often lack – namely language skills... A second language is particularly important for those wishing to work in the international markets and should be a key focus for the industry.” – **The Cavendish Hotel**

The APPG heard how languages make up less than 4% of A-Level subject entries but half of the UK’s visitors don’t speak English as their first language. This means, that despite the status of English as the global lingua franca, businesses serving an international clientele are likely to struggle to recruit the necessary language skills. Considering the huge scale and rapid growth of foreign markets, such as China, this means that significant opportunities will be lost in translation.

Recommendation 9: The Government needs to recommit to the importance of teaching languages in schools. The industry should also consider how it can best address current language skill shortfall.

Chef Shortage

The critical shortage of skilled chefs was a consistent theme in the written submissions. Chefs make up a fifth of all skill shortage vacancies and nearly half of all vacancies for chefs prove difficult to fill because of a shortage of skilled applicants. Furthermore, changes in working visa requirements had made it much harder for restaurants to recruit for non-European cuisines.

As People 1st noted, apprenticeships and recruiting from further education (FE) colleges have traditionally been critical sources of chef recruitment. However, a survey (March 2015) of FE colleges offering hospitality provision found that over half had seen numbers fall.

The APPG welcomes the call for greater support for colleges to continue to offer the Professional Cookery Diploma which provides the breadth and depth that employers are seeking. In addition promotion of hospitality careers should pay special attention to the chef pathway.

The United Kingdom has many famous figures and television shows based around the talent of cooking and baking, the APPG believes more should be made of these assets to promote the skill as a career rather than a hobby.



“I think that young people from an early age should be inspired and educated about the job opportunities available in the hospitality, leisure and tourism industry and the Government should support this by linking businesses up with local school to learn about options available after education. If I got this opportunity whilst at school it would have made my decision to follow a career as a chef quicker.” - **Danny Lotter, Variable Chef, Delaware North Companies, Wembley Stadium & Craven Cottage**

“There are numerous high profile role models that could be recruited by Government and industry to attract new talent to the industry. For example, television series such as the Great British Bake Off raise awareness of the skills involved and the standards that can be attained with expert training.” - **Tresham College of Further and Higher Education**



Recommendation 10: The Government should provide greater support for colleges to continue to offer the Professional Cookery Diploma which provides the breadth and depth that employers are seeking.

Recommendation 11: The industry should make sure engagement with the promotion of hospitality careers includes highlighting the chef pathway specifically.

Developing and retaining the skills and people industry needs

“I started out as a Holiday Home Sales Marketing Administration Apprentice two years ago and my time here has been amazing so far – I have learned so much over the time I’ve been here and Parkdean is such a fun company to work for! Being an apprentice here at Head Office has really helped me to develop my skills - as well as build my confidence.” – **Jess, Marketing Apprentice, Parkdean Holidays**

“The Hotel Collection recognises that sustainable skills are vital in helping the business achieve long-term advantages and growth. Our Apprenticeship Programmes have been designed in partnership with Lifetime Training and leaders within the business to offer a bespoke learning pathway which provides an effective route to skills development aimed at driving greater productivity, motivation and team member retention which are all critical attributes to ensuring business success.” – **The Hotel Collection**

Unlike many other industries, hospitality offers a career pathway where entry is dependent upon aptitude and ability, rather than particular qualifications. The inquiry has heard how the nature of the industry allows promotion from the ‘kitchen floor’ to the most senior levels company management.

There is a clear consensus that retention of staff was one of the biggest challenges for the industry. As such, it was encouraging to see the variety of schemes on offer such as ‘WISE by Premier Inn’ and the respective Lifetime Apprenticeships programme developed by Jury’s Inn and The Hotel Collection. People 1st believe that the introduction of the new National Living Wage will mean businesses focus more on staff retention and developing their employee's skills.

Recommendation 12: The industry should make sure when promoting hospitality careers the variety of schemes on offer is emphasised. This approach should also feed into attempts by the Government to improve careers advice specific to the hospitality and tourism industry. Additionally, the industry should make sure the new National Living Wage is clearly indicated to aid the retention of staff.

Case Study:

Making it easy to train -

The National Coastal Tourism Academy



All of the National Coastal Tourism Academy's (NCTA) training and skills initiatives have focussed on making it as easy as possible for tourism staff to develop skills and knowledge in the workplace.

The NCTA has developed a free online customer service course www.bournemouthambassador.co.uk which staff can do at a time that suits them. More than 2000 individuals have completed the course, and once completed, staff can go on to take the recognised full day customer service course (Welcome Host) in just four hours using the NCTA's specially adapted with skilled progression and engages with the best people, gaining affectionate publicity for the impact the investment is making to people's lives.



Responding to skills shortages identified through our own research, the NCTA has also offered courses in Conflict Management, Handling Customers, Conflict and Complaints, the value of social media marketing and leadership skills.

The NCTA has also run a series of successful seminars on Trip Advisor, the importance of branding – what makes a tourism SME unique and Google analytics.



Case study:

Whitbread's WISE programme



The WISE program transforms the way people work and live in their communities. It creates opportunities with skilled progression and engages with the best people, gaining affectionate publicity for the impact the investment is making to people's lives.

WISE was created in 2012 to speed up, scale up and join up engagement with the education system and employment opportunities with increased attraction and progression through apprenticeships.

On 9th April 2015 Whitbread made an announcement to deliver 6000 Apprenticeships with 7500 work experience and 6500 work placements as routes into employment through the WISE program.

'WISE by Premier Inn' has been a challenging task because of the solid foundations set up to guarantee quality assurance and data management. Premier Inn has moved to a sophisticated program of delivery, underpinned by live time quality assurance and central reporting and tracking, enabling better understanding of the impact and investment return.

Section 6:

Partnerships between Industry and Government

The Tourism Industry Council was established in 2014 to provide collaborative action and two-way dialogue between Ministers and the industry. The APPG agrees with the former Minister for Skills that the Council is a good start for better Government-industry partnership and the momentum behind its programme of work should be continued.

The Council, and the new Inter-Ministerial Group for Tourism, should always have the opportunity to feed into Whitehall discussions of policy which are likely to have an impact on the industry. Key departments such as the Department of Education, HM Treasury and the Department for Communities and Local Government should recognise the opportunity to make use of the Inter-Ministerial Group prior to policy announcements.

“Some outsiders might think that the tourism industry is somehow not "serious", but we within the industry know just how serious it is! We strive for excellence in a competitive market, seeking to showcase our country and culture as best we can whilst supporting and growing businesses that contribute hugely to the UK economy. The Government should highlight the value and prestige of the UK tourism industry, in order to ensure that the highest calibre of candidates puts themselves forward for jobs in the sector: bright, enthusiastic and resourceful individuals who can drive an agenda of growth and innovation in this hugely important market.” - **Benedict Protheroe, Commercial Director, Big Bus Tours**

[UKInbound/Springboard submission]

Recommendation 13: The momentum behind the Tourism Industry Council should be maintained to ensure better Government-industry partnership. Furthermore the Council, and the new Inter-Ministerial Group for Tourism, should feed into Whitehall discussions of policy which are likely to have an impact on the industry especially in light of Brexit.



Conclusion

During this inquiry it has become increasingly clear that there needs to be a greater partnership between the industry and Government to overcome the main issues facing apprenticeships in the hospitality and tourism industry. These issues stem from shortcomings in the school curriculum and the perception deficit has led to a professional skills shortage in the sector, compounded by staff retention problems in larger businesses and high costs preventing small businesses hiring apprentices.

In order to address these problems the APPG has outlined a number of recommendations focused on improving the perception of hospitality and tourism jobs and opportunities for gaining skills including; the use of role models and ambassadors, increasing the awareness of company programmes on offer, an industry-specific training academy, greater support for colleges offering the Professional Cookery Diploma, recommitting to teaching language skills in schools, small business representation on Local Enterprise Partnership Boards and making use of the Apprenticeship Levy when it is introduced.

The APPG urges the Government to consider improvements to the school curriculum and increased support for industry-specific skills training initiatives as a priority. The APPG also urges the industry to take action as well, since the full impact of the recommendations in this report will only be felt if the Government and Industry work together.

Recommendation 1: Role models and ambassadors should be increasingly used by the industry to tackle the perception deficit and ensure that young people aspire to jobs in the industry.

Recommendation 2: The Government should address careers guidance in schools and Further Education colleges, to promote vocational qualifications and to help young people access information about their options for a career in hospitality and tourism.

Recommendation 3: Operators involved in the industry should offer work experience to school age children to aid government efforts to address careers guidance in schools and Further Education colleges.

Recommendation 4: Hospitality and tourism companies, from corporates to SMEs, should look to ensure they are prepared to take full advantage of the Apprenticeship Levy once it becomes operative in April 2017.

Recommendation 5: The Government should investigate further ways to financially support SMEs in the hospitality and tourism sector. Such as the positive impact of a reduction in Tourism VAT to help the visitor economy.

Recommendation 6: Increased partnership between the Government and industry stakeholders to address the challenge of seasonality and its effects on the hospitality and tourism industry.

Recommendation 7: The creation of an industry-specific Apprentice Training Academy to help ease the burden, particularly for SMEs operating beyond major cities, to source, arrange and host apprentices.

Recommendation 8: Local hospitality associations should ensure the industry is well represented on Local Enterprise Partnership Boards in England to make sure the benefits of the hospitality and tourism industry is felt on a local level.

Recommendation 9: The Government needs to recommit to the importance of teaching languages in schools. The industry should also consider how it can best address current language skill shortfall.

Recommendation 10: The Government should provide greater support for colleges to continue to offer the Professional Cookery Diploma which provides the breadth and depth that employers are seeking.

Recommendation 11: The industry should make sure engagement with the promotion of hospitality careers includes highlighting the chef pathway specifically.

Recommendation 12: The industry should make sure when promoting hospitality careers the variety of schemes on offer is emphasised. This approach should also feed into attempts by the Government to improve careers advice specific to the hospitality and tourism industry. Additionally, the industry should make sure the new National Living Wage is clearly indicated to aid the retention of staff.

Recommendation 13: The momentum behind the Tourism Industry Council should be maintained to ensure better Government-industry partnership. Furthermore, the Council, and the new Inter-Ministerial Group for Tourism, should always have the opportunity to feed into Whitehall discussions of policy which are likely to have an impact on the industry.

Key Excerpts from Submissions

“Transport challenges are a barrier to young people entering this sector and career information, advice and guidance needs improving to promote opportunities and positive success stories.” - **South Devon College**

“The average levels of pay and remuneration within the sector remain the most challenging issue to attracting talented young people and any industry led measures to promote Visitor Economy careers will need to tackle this directly in order to overcome any negative perceptions.” – **Liverpool City Region LEP**

“Employer and provider buy-in and the elimination of duplication or confusion with existing initiatives will be key to an [Apprenticeship Training Agency for the Visitor Economy]... being successful.” – **Liverpool City Region LEP**

“The Liverpool City Region firmly believes that the implementation of the levy must ensure that no employer is discouraged from recruiting more Apprenticeships and that businesses who can demonstrate the relevant capacity for delivery should be allowed to apply for further top-ups.” - **Liverpool City Region LEP**

“It is a challenge in itself to provide an accurate assessment of the true number of apprenticeships linked to the visitor economy due to variations in the way in which job roles are categorised” - **Greater Manchester Apprenticeship Hub**

“As a growing industry in Greater Manchester there is an opportunity to professionalise the sector and develop the higher level and leadership skills alongside providing opportunities for young people looking to develop skills such as customer service which can cross sectors.” - **Greater Manchester Apprenticeship Hub**

“The biggest skill shortage facing the hospitality and tourism industry is for chefs.” – **People 1st**

“In our experience more could be done to provide training for specific skills rather than the customer facing training programmes often favoured by supervisors and managers in the industry.” - **Tresham College of Further and Higher Education**

“Overall around 46 per cent of those employed in the [brewing and pub trade] are aged between 16 and 24, providing a platform for young people to launch their careers in hospitality or other sectors.” - **BBPA**

“It must also be clear that the levy is not a tax but a ring-fenced fund that can only be drawn by levy funders to fund apprenticeships. Government must continue to support small businesses to take on apprenticeships alongside the new levy.” – **BBPA**

“Considering how the employment tax regime could be amended to encourage greater support for young apprentices would help to ensure that 16-18 year olds are taken on.” – **BBPA**

“Our workplaces are diverse environments, with college students working next to school leavers, and all drawn from different backgrounds and communities. They all receive effective training and equip themselves with basic skills that benefit them in any workplace environment – such as applying basic numeracy skills, teamwork or new ways in which to meet and exceed the expectations of our customers.” - **Association of Licensed Multiple Retailers** 16

Properly configured, the ALMR considers that apprenticeships provide our workforce with robust, transferable skills that benefit our industry. This allows employers to build on employees' capabilities with additional training programmes tailored to their own business systems as appropriate." - **Association of Licensed Multiple Retailers**

"The impact of the Living Wage, introduced this year, will be considerable, especially for the smaller businesses with tight profit margins and limited price flexibility. A reduction in tourism VAT will enable employers to afford an increase in wages, benefitting not only their employees, but the local economy." – **The Campaign to Cut Tourism VAT**

"We have been working with our Apprenticeship and Diploma provider LifeTime Training for over three years. We work on the basis of a learning partnership meeting with them on a monthly basis to look at learner tracking and how individuals or programmes or learners are performing. We take advice on new qualifications, funding or opportunities identified by them for consideration." – **Jurys Inn Hotels**

"Whitbread Investing in Skills and Employment [WISE] was created in 2012 to speed up, scale up and join up our engagement with the education system, employment opportunities with increased attraction and progression through our Apprenticeships. The WISE program was embraced by Premier Inn who has driven operational integration with award winning success." – **Whitbread PLC**

"It is fair to say that the industry as a whole tends to place enormous value on development of skill in relation to customer service and craft skills." – **WSH Limited**

Acknowledgements

The APPG would like to thank all organisations and witnesses who took part in the inquiry. The APPG would like to extend particular thanks to the then Minister for Skills Nick Boles MP for his contribution and the engagement of the Department for Business Innovation and Skills.

The inquiry received evidence from the following:

Ascott Limited and The Cavendish London
Association of Licensed Multiple Retailers
British Beer and Pub Association
British Hospitality Association
Campaign to Cut Tourism VAT
Hotel Employers
Group Humber Local Enterprise Partnership
Jurys Inn Hotels
Liverpool City Region Local Enterprise Partnership
Merlin Entertainments
National Coastal Tourism Academy
Nick Boles MP, former Minister of State for Skills
Northamptonshire Enterprise Partnership
Northern Ireland Hotels Federation
Parkdean Holidays
People 1st
South Devon College
Springboard
The Big Hospitality Conversation Apprentices Responses
The Greater Manchester Apprenticeship Hub
The Hotel Collection
Tresham College of Further and Higher Education
Umbrella Training
Visit Britain
Visit England
Whitbread PLC
WSH Limited