



Norfolk & Suffolk Skills Economy Project

Norfolk – Hospitality & Tourism Skills Report

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For: Shaping Norfolk's Future

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Trainagain**

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Norfolk – Hospitality & Tourism Skills Report

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Acronyms and Abbreviations used in this report

ABS – Annual Business Survey (see ONS below)

ATA – Apprenticeship Training Association (see GTA below)

B&B – Bed and Breakfast accommodation

BERR – The Department for Business, Enterprise and Regulatory Reform

ESF – European Social Fund

EET – East of England Tourism (now defunct)

EU – European Union

FE – Further Education

GDP – Gross Domestic Product

GLH – Guided Learning Hour

GTA – Group Training Association (employer led training association)

HE – Higher Education

LEP – Local Enterprise Partnership

Micro businesses – very small businesses (qualified as either 1 – 5 or 1 - 10 employees)

ONS – Office for National Statistics (see ABS above)

QCF – Qualifications Credit Framework

RDP – Rural Development Programme

SME – Small & medium sized businesses (usually qualified as 1 – 249 employees – see micros above)

Foreword

The work for this series of reports on the “skills economy” is part funded by the European Social Fund Technical Assistance Fund, which is intended to facilitate the working of the ESF Programme in the East of England. The employer engagement strand aims to: build the confidence of employers in recruiting and retaining staff; challenge negative assumptions about the skills and talents of people coming into employment; and improve employers’ access to practical information, making it easier for them to locate relevant sources of advice and support for their situation.

Our ESF project work explores key growth sectors in Norfolk and Suffolk to identify vocational skills gaps in the workforce and examine how training providers in the county can work together to deliver the skills that employers want for their workforce, and employees need for their personal development.

The Norfolk and Suffolk economies are diverse, dispersed between large rural areas and key urban conurbations, and their skills base is uneven. However the potential for growth across New Anglia is substantial.

This project will attempt to facilitate growth across the two counties by gaining a better understanding of sectors leading to a clearer insight into how supply and demand works for the skills economy.

The project began in 2010 and several skills economy reports have already been completed. These are available from www.skillsfornorfolk.co.uk and from www.esf.trainagain.co.uk . They will soon also be available from the New Anglia website.

We hope you enjoy reading the different sector analyses. If you would like to get involved in any of the issues raised or are keen to address some of the challenges set out, please do contact us. Presentations of these reports are made to various groups and we would be pleased to consider other avenues for dissemination, discussion and involvement.

Chris Starkie
Chief Executive – Shaping Norfolk’s Future

Executive Summary

Tourism

is a crucial industry for Norfolk and Suffolk, employing more than 74,000 people and worth an estimated £4.9bn. The sector has been prioritised by the New Anglia Local Enterprise Partnership as one with significant growth potential. New Anglia LEP is working to develop a coherent marketing strategy for tourism in Norfolk and Suffolk which will help stimulate more customers and help create more jobs in the sector. At the same time it is looking to drive up skills levels to boost the competitiveness of individual businesses and improve the quality of customer experience.

Norfolk and Suffolk are significant UK tourism destinations providing one of the broadest and most dispersed tourism and hospitality offers in England.

East Anglia, a term which in recent times lost out to the larger “East of England”, is nevertheless a popular brand name and only needs the strap-line “exploring Norfolk and Suffolk” to qualify its tourism geography. Although this report is not primarily about marketing, the way businesses can work together, and the importance of looking at both destinations and individual businesses means that marketing considerations are never far from the surface.

To get underneath the tourism sector, its worth starting with the businesses who benefit from, and hope to influence, tourist behaviour. The businesses relationship to its destination is an important factor to consider. Of course some businesses are “the destination”: Potters, for example is marketed solely as a holiday destination. Its revenue streams are similar to a small town; once the tourists arrive, they have a range of competing offers to attract them – different bars, restaurants, amusements, shows and so on. Because each of these are part of the Potters “family” they all share the same ethos, and level of customer care – so visitors expectations across the whole resort, tend to be met. Its no surprise then that Potters has extremely high repeat business figures and similarly high satisfaction ratings.

Most destinations though are not businesses themselves and even fewer have such control over their local environment that Potters enjoy.

One way of thinking about the tourism and hospitality sector is to look at the way demand works for different parts of the tourism offer. In the language of economics, we can say that there are a range of “substitutes” (competing offers) and “complements” (complementary offers). Businesses offering the same product or service are often not competing until the tourist makes a final decision of, for example, where to stay or eat. If other tourism businesses are more often seen as complements rather than substitutes for your offer, the whole way you view your relationship with ‘competitors’ can change. Collaboration on a far bigger scale may be possible.

The hospitality and tourism sector covers many business activities. People 1st, the sector skills council, lists 14 separate sub sectors which together provide a range of

services for people to enjoy, such as eating and drinking, staying away, indoor and outdoor activities and entertainment. The sector is defined by its ability to produce experiences which are consumed at the very time they are produced. This makes the 'people' element so much more important in the sector than in other sectors where much of the 'production' is invisible to the customer.

In Norfolk and Suffolk there are around 7,500 businesses operating in the tourism, hospitality and leisure sector (ABS 2010). Most are SME establishments which are involved in the daily production of experiences for people living in or visiting the area to enjoy.

Lifestyle businesses are a key part of the tourism economy but they are frequently seen as "growth resistant" and therefore public agencies have sometimes been reluctant to invest time in their development. But If Norfolk and Suffolk are to maintain and grow their competitive edge, investment in lifestyle business skills is essential.

Investing in lifestyle businesses then, will have a positive impact on the New Anglia economy and help generate more domestic tourism, towards the Prime Minister's hallowed 50:50 (an aspiration to bring UK resident visitor spend up to 50% by 2015). Persuading British tourists to give up (at least) a portion of their overseas visits means raising the quality of UK tourism so that, despite the varied weather, it can compete with the best destinations abroad.

Of the 1.7 million people working in hotels and restaurants across the UK, 45% are in companies with fewer than 50 employees. More surprisingly, just over 45% of the £74.5 billion turnover is also generated by these businesses.

The Best Practice Forum research into international tourism best practice found that the top 25% of companies need 3 times less overhead than the bottom 25%. Only 7% of productivity gains come from increased skills. 93% arise from improved working practices.

So what does this tell us about skills in the sector? Why bother, one might ask, if staff training makes such a small impact on productivity? But business development shouldn't be a choice between skills or productivity – both need to be addressed. Upskilling should always lead to improved productivity, and conversely improved working practices should be based on, and lead towards skills improvements. This is surely the key: making sure skills are relevant to business growth and equally ensuring that business improvement initiatives lead to individual upskilling.

Unlike the manufacturing sector, service industries, especially tourism, are often defined by the need to produce "experiences" (e.g. eating, drinking & entertainment) at the very time they are consumed. So, in the sense there is no "stock" in the tourism sector – what is produced (an experience for the tourist) is immediately consumed. This has implications for staff training which can sometimes be overlooked. Customer service training is not an "added extra" in tourism, not something to be bolted on to the real tourism business training. Customer service is

the tourism business, precisely because the production and consumption process happen simultaneously. So customer service is the engine room of tourism – without it, there would be no sector, just a collection of facilities.

Choosing FE

The FE sector is extremely well equipped to provide a high quality service to hospitality and tourism businesses but so often there is a mismatch between the FE offer and the employers needs. Publicly funded schemes which bring in outside trainers may be said to exacerbate the problem. Private providers can rarely provide the breadth of service available in FE and long term training commitment is unlikely to be optimised through this route. Moreover, it does nothing to develop colleges capacity to deliver – and simply reinforces a “poor country cousin” image for the (FE) sector. Invitations to tender may be seen as the most competitive and economic way of sourcing training provision but it takes no account of “externalities”, such as college capacity building and long term relationship building with employers. One has to ask why one would invest so much resource into FE and then not optimise the resource usage?

Apprenticeships

Apprenticeships are a very efficient economic tool – offering employers the chance to train up an individual to meet their exact requirements. However, the tourism sector traditionally has not been the most receptive to apprenticeships. Chris Coubrough – managing director of the Norfolk hotel group Flying Kiwi Inns, laments the lack of vitality and aptitude in apprentices and their failure to visualise a future in this fast paced industry.

Suffolk Food Hall on the other hand, sees the potential in apprenticeships and a third of their 35 staff are on apprenticeship schemes ranging from fishmongering and butchery skills to traditional cheffing, customer service and management.

If towns could take on an apprentices it would provide an opportunity to work across a range of service sectors. This would give the apprentice a broad experience of different types of service jobs and allow employers to take on just a small portion of the overall commitment. One could imagine the apprentice working in the local post office on Monday, the hotel on Tuesday, admin at Norfolk Country Cottages on Wednesday, the local pub on Thursday and the catering team at the local school on Friday. Not only do these businesses provide a range of opportunities to learn new skills, and show adaptability but they also work from the perspective of transport: An apprentice from a small market town would be able to do an interesting and varied programme of work all on her doorstep without the need for commuting.

West Suffolk College has set up its own Apprenticeship Training Association (ATA), and has expressed an interest in piloting such a scheme. Working with colleges in their local areas to pilot a number of these cross sector service initiatives could be a good next step.

Although colleges are not the only organisations to set up ATAs it does make sense to work with local FE to find a solution. Colleges have huge resources at their disposal and often have a full range of specialist staff who could support such a cross sector initiative. Moreover, the continuity that colleges offer an apprentice is invaluable – it allows them to think about training progression in a ‘comfortable’ way, knowing the institution they are dealing with and relying on them for planning support.

However there is a role for the private sector in setting up an ATA or a GTA (Group Training Association), especially where one business is a “pace setter” for other smaller businesses. Adnams fits into this mould. With a significant supply chain from across the food sector and its own customer chain of micro businesses running pubs supported by Adnams, the company is in a strong position to set a training standard to which smaller businesses could aspire. This could presumably range from apprenticeship training to workforce development initiatives on a broader scale. Even if a ‘pace setter’ company was reluctant to take on the employment responsibilities of apprentices, this could be done by a college ATA, without affecting the ethos of the scheme.

Career Options

People 1st have developed an interesting on-line career map which demonstrates the complexity of the sector. The hospitality and tourism sector is increasingly becoming an attractive proposition for a career, and young people can choose many different routes into the sector. Whether one is thinking of: opening their own bar or B&B; joining a top class catering team; or more interested in the corporate ladder of a group like Whitbread (the UK’s largest hotel and restaurant company and owners of the Costa Coffee chain), there are low barriers to entry and good progression routes throughout the sector. More importantly, there are many routes through the sector into management positions.

Customer Care

It has already been noted that customer service is at the heart of the industry, so it is surprising not to see more college courses listed in this category. In addition to Edexcel’s BTEC awards, there are two competing short course customer care training brands for the tourism industry: The Welcome to Excellence Programme (including Welcome Host) and the People 1st recently acquired “World Host” Programme.

Given the importance of customer service training to the industry, it is worth looking at these different programmes and decide which one might be best to pursue from an LEP perspective.

The Welcome to Excellence programme is the longest serving customer care programme for UK tourism and has been continuously developed over the last 15 years. The programme includes eight one-day customer service training courses which provide front-line staff and managers with the skills needed to deliver good customer service. Additionally there are a range of innovative short courses on specific themes such as: Green Edge, and Welcoming Walkers and Cyclists. A new

bespoke destination programme has also been developed to provide underpinning knowledge about specific tourism destinations.

Conclusions

This report looks into the issues around skills in the tourism and hospitality sector. It has been noted that the industry has a number of distinguishing features which sets it apart from other business sectors and differentiates it from other service industries. Small and micro businesses are vital to the tourism economy: they dominate the sector in every sense: providing more jobs, greater contribution to GDP and are far greater in number than larger businesses in the sector. Although there have been many successful initiatives aimed at SMEs in the sector, the high growth agenda and the bias against very small businesses (less than 5 employees) has often meant that those most in need have lost out. Moreover we have noted that colleges (and one can add to this, universities and business development agencies) find it easier targeting larger businesses where they can count many more employees “under one roof”.

Whilst the sector is good at joining together to form local associations, it is less enthusiastic about developing joint training ventures. Given that so many tourism businesses are very small – it makes sense to develop sustainable joint training initiatives.

It is no surprise that customer care comes out as the key area of training required. The report emphasises the importance of seeing customer service not as a ‘bolt on’ but as the very heart of the sector – the engine room which powers the industry. This clearly has implications for supporting and developing the sector.

Apprenticeships are key to the health of the sector. Over-reliance on migrant labour is uneconomic since many EU workers will either return to their home country or leave the sector for their chosen career. Either way, this adds to recruitment costs which have always been high in the industry. Creating new flexible apprenticeship schemes could go a long way to reducing these unnecessary costs – and of course it could lead to a new brand of young tourism professionals, proud of the sector and keen to develop a career.

Recommendations

Collaborative training schemes come out as the overriding priority. To this end, the following recommendations are put forward:

- Investigate the popularity of a New Anglia customer care brand which uses one of the established training programmes (Welcome to Excellence; World Host; or BTEC) as its starting point. (Note Welcome to Excellence offers a bespoke destination module).
- Pilot a range of innovative apprenticeship initiatives involving Apprenticeship Training Associations; colleges and employers, as a means of raising quality and developing careers in the sector.

- Promote the importance of working with smaller businesses across the sector and where possible, introduce supply chain or customer chain initiatives (e.g. Adnams Brand) as a means of driving up quality in the sector.
- Explore ways of working with the new Edge Foundation Hotel School in Essex – perhaps looking at satellite programmes for young people at local colleges in Norfolk and Suffolk.

Introduction

Tourism is a crucial industry for Norfolk and Suffolk, employing more than 74,000 people and worth an estimated £4.9bn. The sector has been prioritised by the New Anglia Local Enterprise Partnership as one with significant growth potential. New Anglia LEP is working to develop a coherent marketing strategy for tourism in Norfolk and Suffolk which will help stimulate more customers and help create more jobs in the sector. At the same time it is looking to drive up skills levels to boost the competitiveness of individual businesses and improve the quality of customer experience.

Norfolk and Suffolk are significant UK tourism destinations providing one of the broadest and most dispersed tourism and hospitality offers in England. Here, tourism is not confined to the coast or the city. It includes, but is not defined by its traditional seaside resorts or its distinctive coastal walks. The two counties boast quaint market towns and villages which share a rural landscape that is marked for its beauty and diversity. Its network of rivers have long provided a focus for tourism holidays. Norwich and in different ways, Ipswich, offer visitors a rich urban heritage experience and an opportunity to explore beautiful countryside close by.

East Anglia, a term which in recent times lost out to the larger “East of England”, is nevertheless a popular brand name and only needs the strap-line “exploring Norfolk and Suffolk” to qualify its tourism geography. This report however, is not primarily about marketing, although the way businesses can work together, and the importance of looking at both destinations and individual businesses means that marketing considerations are never far from the surface.

Businesses from the sector have been involved in all sorts of development initiatives over the past decade. These include accommodation improvement schemes (e.g. Objective 5b and RDP programmes); green initiatives (e.g. The Green Audit Kit); productivity programmes (e.g. Profit Through Productivity); good hospitality employer practice schemes (e.g. Excellence Through People); Customer care courses (e.g. EET’s Welcome to Excellence suite); a range of subsidised initiatives to support tourism skills development (e.g. Train to Gain); various legislation driven schemes including: food safety programmes (e.g. the Food Standards Agency’s “Safer Food Better Business”); and Disability Discrimination Act awareness days; SME independent training through the two sequential programmes, “Towards 2010 and Beyond 2010”, and several initiatives that have resulted in tourism businesses being able to participate in book on line schemes (around 200 tourism businesses in the East of England currently participate in EET’s book-on-line system – Norfolk businesses representation is particularly strong, but overall the take up is patchy).

There are two ways to look at improving the tourism economy in New Anglia. The first is a macro approach and involves thinking about the overall destination – how to improve the visitor experience. The second is a micro approach and is focused on the individual businesses which make up the tourism and hospitality sector. Often these two approaches are separated so that a destination approach is seen as unrelated to the needs of businesses.

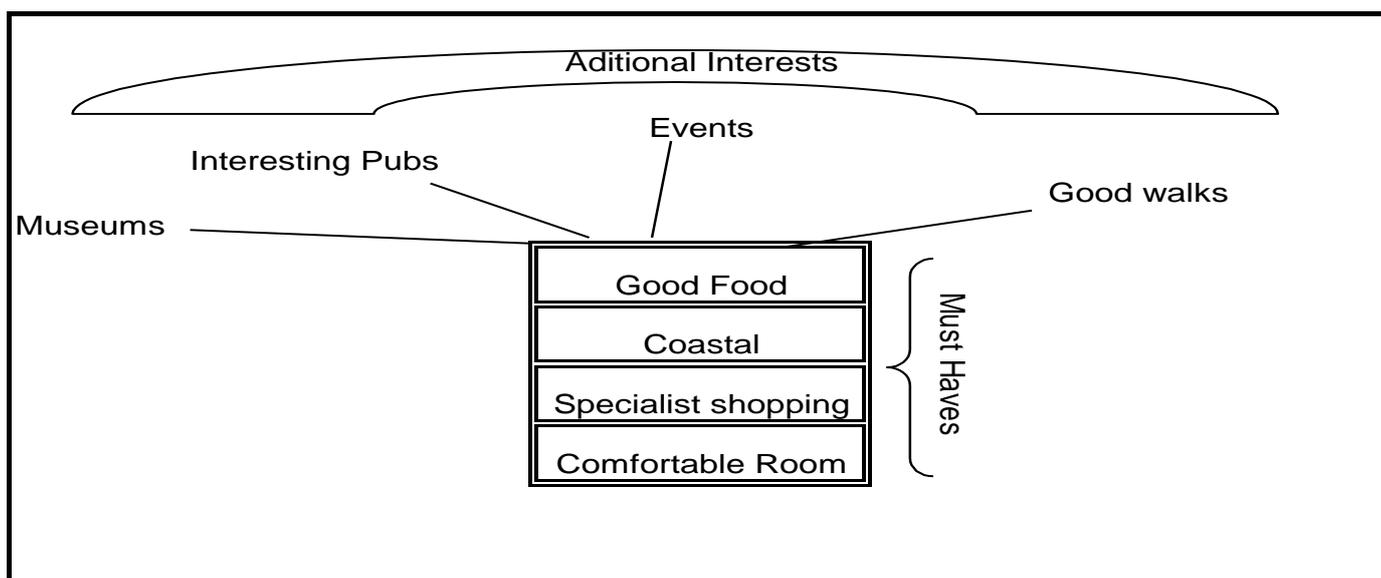
This report starts out by exploring the issue around 'destination' and 'business'. It then sets out the key economic variables – identifying the sector's characteristics, and establishes some tourism economic baselines. The role of small business in general and micro businesses in particular are discussed in more detail. In the Skills section, productivity issues are briefly explored before looking at the role of apprenticeships. The issue of employers skills needs and college provision is set out and Customer service Programmes are explored in some detail.

Businesses & Destinations

To get underneath the tourism sector, it's worth starting with the businesses who benefit from, and hope to influence, tourist behaviour. One might begin with the hotels, B&Bs and self catering cottages spread out across the two counties. To this, one could add the eating establishments, the cafes, pubs, bistros and restaurants which have changed so much in the last decade – (who had heard of barista training before the 1990's?) The changing fortunes of pubs is an obvious example of new patterns of behaviour – though not necessarily connected with tourism.

For the tourist, these two staples, accommodation and food & drink, are important to get right. Other than the warm welcome at reception, their visitor experience will be largely shaped by the comfort of the bedroom, and the availability of good food.

But even before one thinks about the business itself, there is the destination. This is not simply the county or tourism region (East Anglia for example). The destination needs to be viewed in terms of the tourists' decision making process – and given the importance of short breaks, this suggests a level of decision making which involves "must haves" and then "additional interests". The "must haves" can be stacked upon each other to illustrate their co-dependence, whereas the "additional interests" can be treated separately, each one an option to consider on its own.



For the tourist, the destination is the all important decision making factor. Understanding how tourists make decisions can help businesses with their own decision making – especially in relation to marketing costs and the investment in training. For example there would be no good reason (other than altruism), for a business to join in an ambassadors scheme if the volume and level of trade was unlikely to be affected by staff having a greater knowledge about their local area.

If, however it could be shown that tourists behaviour changes and leads to repeat business, this may be worth considering, particularly since repeat visits may be more easily channelled toward off-peak times of the year.

West Norfolk Ambassadors

West Norfolk Ambassadors Scheme was set up in 2004, with the aim of creating tourism community champions – knowledgeable local people who can talk about the local area and have an understanding of the tenets of customer care. The course provides delegates with local knowledge and customer care training and is free for anyone who wants to attend. Since its inception around 700 delegates have been through the training. Kings Lynn & West Norfolk Borough Council usually runs 6 half day courses per year with between 18 to 20 people each time.

Norwich Ambassadors

Norwich Heart has spearheaded an ambassadors scheme in Norwich to raise awareness of heritage and culture in the city. The initiative is part of the Shaping 24 Interreg cross border project and since it was launched a year ago, six 3½ hour sessions have been run with more than 100 attendees so far, from a diverse range of backgrounds including hotels, local authority staff and taxi drivers.

The businesses relationship to its destination, then is an important factor to consider. Of course some businesses *are* “the destination”: Potters, for example is marketed solely as a holiday destination. Its revenue streams are similar to a small town; once the tourists arrive, they have a range of competing offers to attract them – different bars, restaurants, amusements, shows and so on. Because each of these are part of the Potters “family” they all share the same ethos, and level of customer care – so visitors expectations across the whole resort, tend to be met. Its no surprise then that Potters has extremely high repeat business figures and similarly high satisfaction ratings.

Potters Leisure Resort

Potters is a privately owned coastal resort on the border of Norfolk and Suffolk. Founded in 1920 by Brian Potter’s grandfather and kept in the family ever since. Brian’s son is now the Managing Director, while Brian acts as Chairman.

The site stretches across 65 acres. It can accommodate 700 guests at any one time.

Staff retention is good with staff turnover now at just 26%, down from 60% a decade ago.

There are 475 staff across 20 Departments.

Potters have a staff to guest ratio of 1 : 1½

In-house training is consistently and continuously implemented across all departments. The company has a set of “behavioural standards” which all are expected to meet.

Potters prides itself on customer service, which Brian Potter says, “drives consistency”. Annual award ceremonies reinforce the staff quality ethos pervading the company.

Brian Potter Brian Potter has long supported the British Hospitality Association (BHA) and the Tourism Alliance who state that the present level of VAT in the UK is one of the most pressing issues facing the industry today making UK tourism uncompetitive at 20%. Most European competitor countries impose a lower level on accommodation and attractions - France at 5.5% , Germany at 7%, Spain at 8% and Ireland very recently reduced from 13.% to 9%. The uneven playing field affects UK tourism profits, and therefore has a direct impact on investments and quality. This is compounded by the loss of capital allowances which used to be set an 4% a year and have now been scrapped altogether (a legacy of the last labour government).

Most destinations though are not businesses themselves and even fewer have such control over their local environment that Potters enjoy. The Flying Kiwi Inns hotel group in north Norfolk for example may be a direct destination for some tourists but unlike Potters, their offer is not all encompassing. So there is much more of a co-dependence on other businesses, facilities and natural attractions (e.g. beach walks).

Flying Kiwi Inns Hotel Group

Chris Coubrough is Managing Director of Flying Kiwi inns and has built up a chain of five hotels and an Inn, over the last eight years.

The group now employs 160 staff – over 100 of them in catering. 80% of staff come from the Commonwealth. None of them have relevant qualifications but all of them have the right attitude and aptitude.

But Chris Coubrough is certainly not against local recruitment. In 2003 he took over a poorly performing hotel in Wells-next-the-Sea, The Crown, and kept on all the staff (around 20) including Katie – a young hotel receptionist. Three years later she had become house Manager for the hotel. Now she is Area Manager, responsible for the smooth running of the six establishments.

The Group is passionate about developing people to deliver the Flying Kiwi Inns service standard and in-house training is a key part of the culture of the group. However, Chris Coubrough is sceptical about the ability of colleges to deliver similar training and he has not been impressed with students from local colleges. “They keep hold of them too long – it would be better if students got out into the real workplace sooner” Chris maintains.

The Group currently has four apprentices, all signed up with private training providers.

Co-dependence is a key distinguishing feature of the tourism sector. Whereas other sectors take account of logistics; supply chains, and competition, tourism businesses will generally be much more attuned to the local environment, what's on offer and how a tourist's overall experience is likely to unfold.

Southwold Pier is a good example of co-dependence even though the attraction has a broad range of income streams from retail to catering. Stephen Bournes understands the importance of the local setting and the need for the whole Southwold experience to match up to visitor expectations.

Southwold Pier

Stephen Bournes bought Southwold Pier in 2005 and has steadily built it up as a multi-faceted tourist attraction since then. As a seasoned hospitality professional, Stephen understands the sector (he managed Adnams Crown Hotel in Southwold for several years) and knows how to develop a tourism experience based on a range of income streams, including catering, retail and accommodation. At Southwold Pier, there are two restaurants, an amusement arcade, and several shops. In 2008 the Pier won East of England's Enjoy Rural England - Best Tourism Experience 2008 and the following year it won two Tourism in Suffolk awards - Best Large Attraction and Outstanding Contribution to Tourism.

Southwold Pier employs 45 staff all year round – expanding to around 95 during the traditional tourist season. His staff all need to demonstrate a sense of urgency and the right attitude.

There are no split shifts and staff tend to be recruited locally wherever possible.

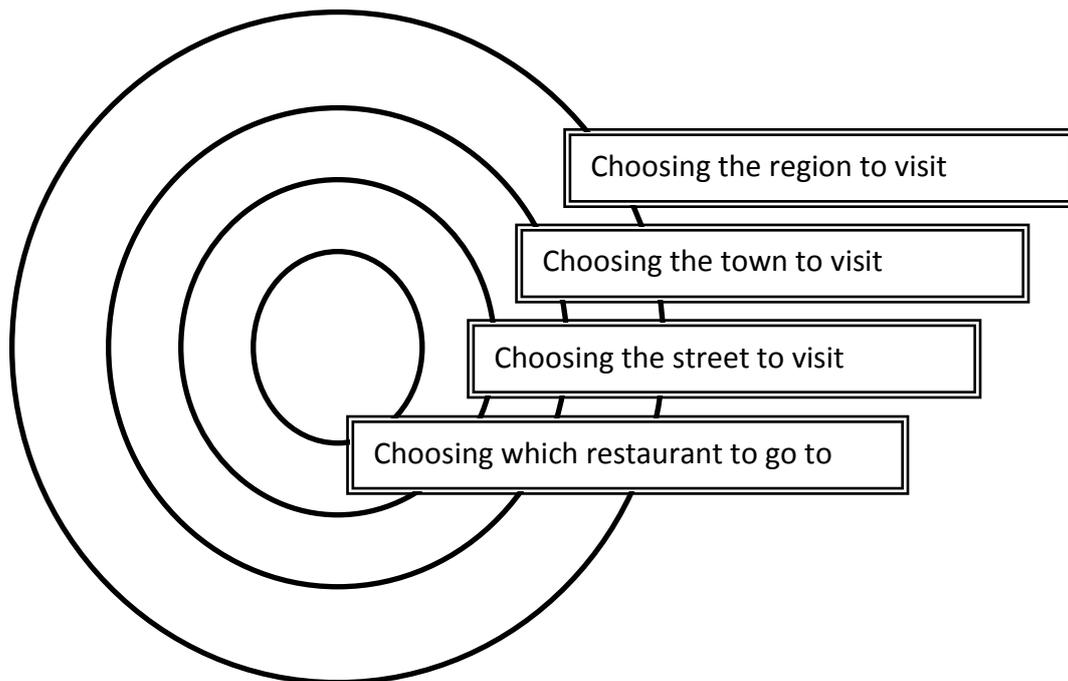
There are no concessions or franchises on the pier – everything on the Pier is owned and run as a private family business.

Although Stephen Bournes is keen on training his staff he is concerned that none of the colleges have ever approached him to find out more about the Pier, or to look at possible training collaborations.

This leads to a possible theory about tourism destinations and businesses which can be illustrated by an onion – with different layers of skin representing tourism offers. In the picture below, it is not until one moves closer to the centre that potential substitutes begin to emerge.

One way of thinking about the tourism and hospitality sector is to look at the way demand works for different parts of the tourism offer. In the language of economics, we can say that there are a range of “substitutes” (competing offers) and “complements” (complementary offers). These tend to correspond with geographic movements so that businesses offering the same product or service are often not competing until the tourist makes a final decision about for example, where to stay or eat.

Complements and Substitutes



If other tourism businesses are more often seen as complements rather than substitutes for your offer, the whole way you view your relationship with ‘competitors’ can change. Moreover, if, as is suggested here, the destination is generally a key part of the tourist’s initial decision making, it makes sense for a business to invest staff time in:

- Understanding more about the local environment; and
- Raising the quality of your business to help meet the expectations of the tourists (think back to the Potters example).

Visit England’s “England Fact Book Key Statistics about English Tourism” August 2010 seems to support this theory and shows that decision making for day trips is often made without prior planning, and with little information about the destination. This suggests that people like the idea of *exploring* towns and cities and they will make food and drink decisions on the spot rather than in advance.

What does this tell us about business decision making? First of all, it demonstrates the importance of working together rather than apart; Even though there are many local hospitality and accommodation associations across the country, businesses in

the tourism sector could do much more work together, but fear of competition stops them. If more businesses realised that their competitors are often all perceived as complements up to the point of decision which may not occur until the tourist has arrived on the actual street, perhaps they would be more amenable to genuine collaboration – in marketing and possibly even in skills sharing (signing up to Group Training Associations or Apprenticeship Training Associations).

The Tourism Economy

The hospitality and tourism sector covers many business activities. People 1st, the sector skills council, lists 14 separate sub sectors which together provide a range of services for people to enjoy, such as eating and drinking, staying away, indoor and outdoor activities and entertainment. The sector is defined by its ability to produce experiences which are consumed at the very time they are produced. This makes the 'people' element so much more important in the sector than in other sectors where much of the 'production' is invisible to the customer.

The hospitality, leisure, travel and tourism sector is made up of fourteen industries:

- Hotels
- Restaurants
- Pubs, bars and nightclubs
- Contract food service providers
- Membership clubs
- Events
- Gambling
- Travel services
- Tourist services
- Visitor attractions
- Youth hostels
- Holiday parks
- Self-catering accommodation
- Hospitality services.

Women continue to represent a greater part of the hospitality and tourism workforce than men (BHA Trends & Developments 2010 p.88) although this has fallen in recent decades. People 1st recent report on women working in the industry shows that the range of occupations enjoyed by women in the sector is broad, and include many management positions across the industry but overall, although women outnumber men in most sub-sectors of the industry, a quarter of the male workforce is employed in management or senior positions whilst only 18 percent of females have similar roles. (The case for change: Women working in hospitality, leisure, travel and tourism Nov.2010)

	Male	Female	Total
Hospitality & Tourism Employment 2009	822,900	1,064,800	1,887,700
Across workforce	44%	56%	
Of which Management/Senior Positions	25%	17%	

Employment in the hospitality industry is dominated by the food & beverage service sector (including restaurants, cafes, takeaways and pubs), and represents just over 50% of all employment in the industry. Other catering (e.g. in-house catering and events) makes up almost a third of employment, whilst accommodation employment represents 17%. (BHA Trends & Development 2010 p. 88)

In Norfolk and Suffolk there are around 7,500 businesses operating in the tourism, hospitality and leisure sector (ABS 2010). Most are SME establishments which are involved in the daily production of experiences for people living in or visiting the area to enjoy.

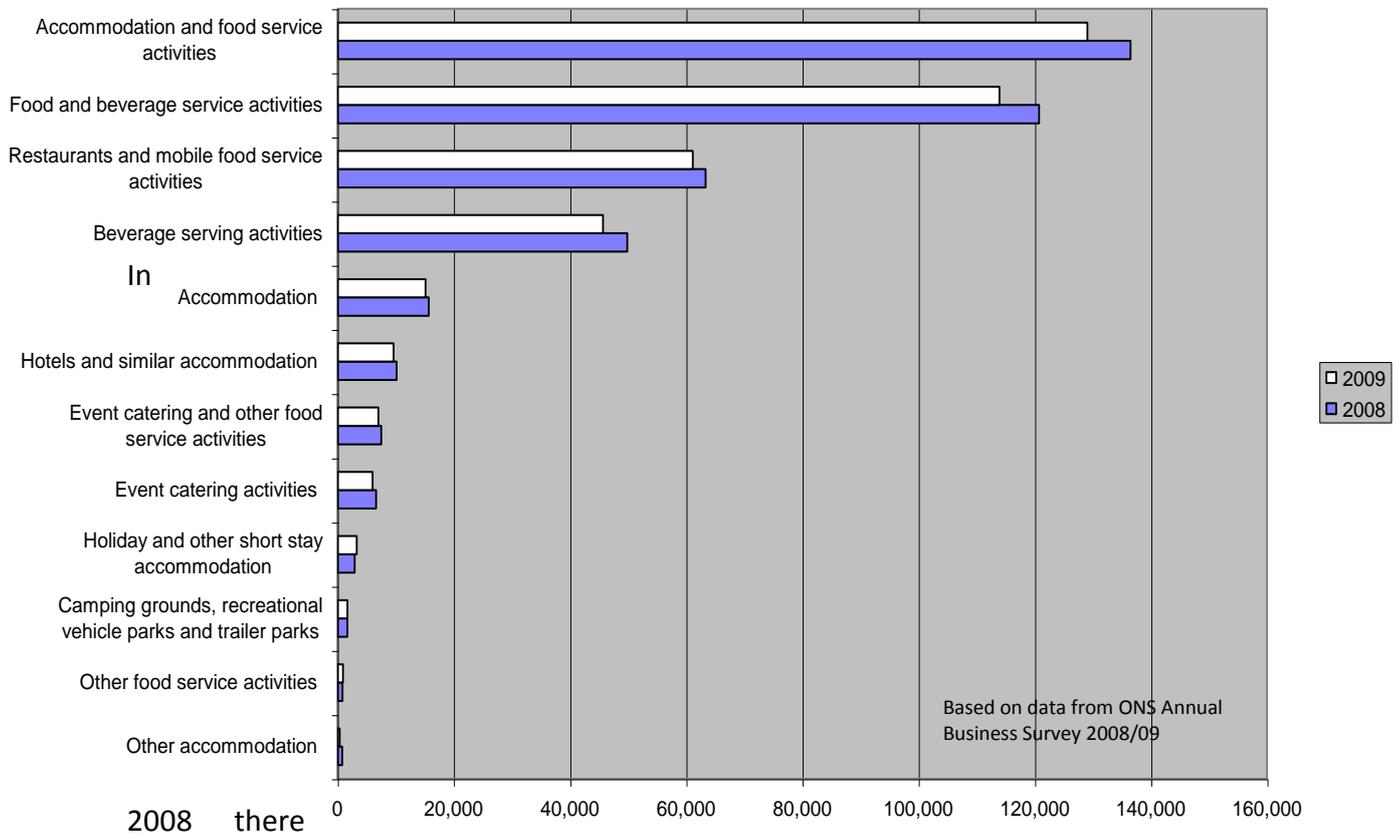
Many of the sector's skills problems stem from it being perceived as a 'poor' employer. These perceptions arise because, in the main, employment in the sector has, in the recent past been characterised by: relatively low wages; unsocial working hours and patterns of work; weak equal opportunities policies; poor or non-existent career structures; informal recruitment systems; a lack of formalised, sophisticated systems of human resource management; lack of any significant trade union presence; and high levels of labour turnover. The sector's poor record on training is, in large part, a reflection of these structural characteristics. However things are improving. In 2004 People 1st reported that 22% of the workforce had no qualifications according to the sector skills council - People First's Market Assessment 2004. (p.33). This now stands at 12% (People 1st National Skills Strategy 2010 p. 15).

The sector is diverse and especially fragmented at the SME level. It is therefore important to be able to identify the characteristics of the SME sector and to pinpoint those companies who have not in the past engaged with the support framework around them. Small businesses whose staff (including the owner-manager) are in need of training and development support may be found across the two counties. Needs range from entrepreneurial guidance or mentoring to very basic skills for life such as numeracy, literacy or language skills. Many staff in the sector have either no or below level 2 qualifications. Given the perceptions of the sector as a low pay low aspiration economy, people in the workforce tend to put up with their lot, and employers are reluctant to invest in their staff who tend to leave at greater frequency than other industries.

What can change this cycle of neglect? Actively pursuing 'needy' businesses would be a good start; getting out to meet café and restaurant owners, struggling pubs and lifestyle B&Bs trying to remain in business but not quite knowing how to reach their market. The challenge is immense – particularly because training is not a buzz word for success. Equally, there is a perception that colleges only waste busy people's time, providing courses which are at best irrelevant, at worst poorly delivered, at inconvenient times and places. Colleges in Norfolk and Suffolk, however, have often risen to the challenge of engaging the workforce and there are many examples of good practice – shorter demand led courses, flexible locations and times and a greater appreciation that there is a need to treat business clients differently from the core 16 – 19 age group which the FE sector serves.

Economy Baselines – size, volumes

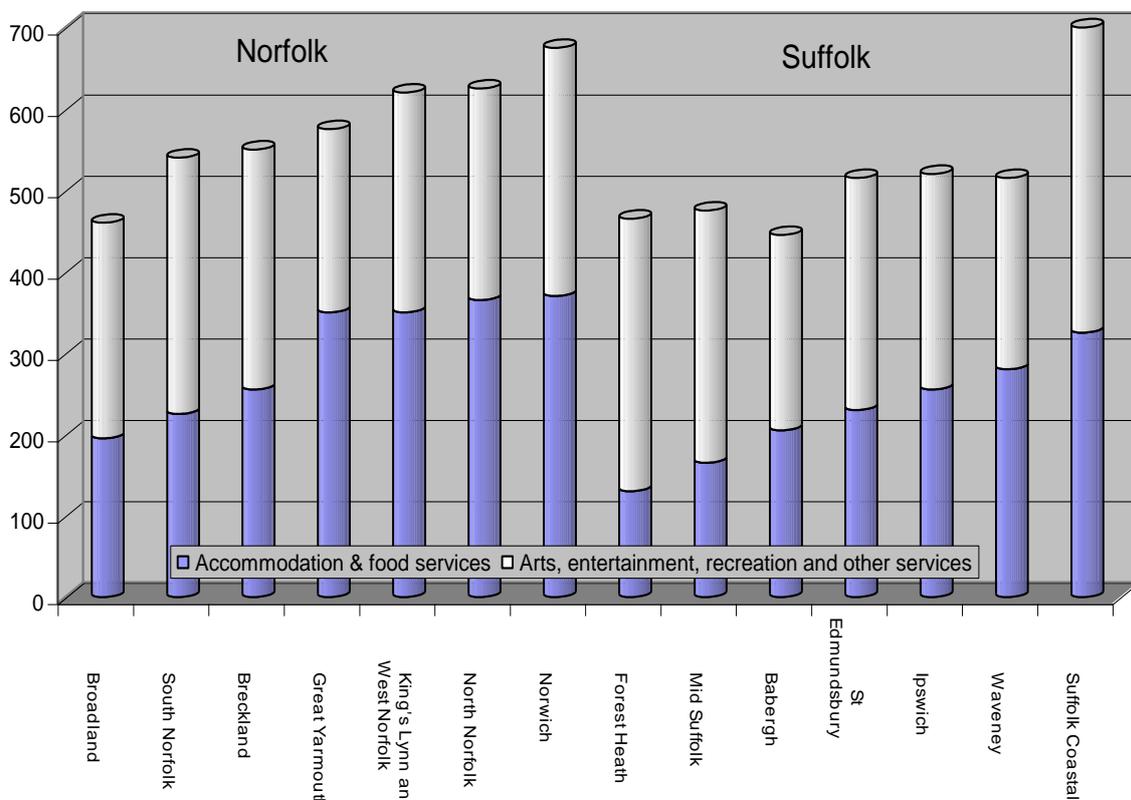
Number of hospitality enterprises in UK by sub sector (2008 & 2009 compared)



2008 there were 136,504 hospitality businesses operating across the UK and as the recession grew this figure shrunk by 5% in 2009 (129,110) (ABS 2010).

Taken together, Norfolk and Suffolk have more than 7½ thousand businesses supporting and benefiting from the tourism economy. Breaking that figure down further is difficult but in 2008 East of England Tourism estimated that Suffolk’s serviced accommodation stock was made up of 511 establishments providing 5488 rooms (and just over 11,000 bed spaces). In the same year Norfolk had 780 establishments, providing 7,762 rooms (offering just over 16,000 bed spaces). B&Bs and guesthouses made up around two thirds of the stock with hotels making up a further 20%. (EET Serviced Accommodation Stock 2008).

**NUMBER OF TOURISM & LEISURE VAT and/or PAYE BASED ENTERPRISES in 2010
Norfolk & Suffolk Business Units**



Based on ONS data 2010

The Importance of Small Businesses

One consequence of low barriers to entry in the tourism industry is the prevalence of life style businesses. This term has been used to describe people (usually couples) who set up B&Bs as part of a lifestyle change – often in association with retirement. Lifestyle businesses are frequently “growth resistant” and therefore public agencies have sometimes been reluctant to invest time in their development. Needless to say, these businesses don’t tend to employ people, other than part time cleaners. But it is a serious mistake to think of these lifestylers as insignificant to the tourism economy – and much more should be done to raise their standards of customer service. As we saw earlier, the tourism economy is measured by its constituent parts. There is therefore a danger that poor accommodation operators can provide the lowest common denominator, from which the overall tourism experience will be judged.

If Norfolk and Suffolk are to maintain and grow their competitive edge, investment in lifestyle business skills is essential. This could involve the kind of partnership schemes discussed later in the Apprenticeship section.

Too often in the past, the tourism economy, which is dominated by micros, has been neglected by development initiatives because it fails to grab the headlines in terms of generating high numbers of employment. But this doesn’t recognise the contribution micro businesses make to the tourism economy. The tourism sector, which is dominated by micro businesses actually contributes 8% of UK employment (ahead of construction, and only just behind education).

Investing in lifestyle businesses then, will have a positive impact on the New Anglia economy and help generate more domestic tourism, towards the Prime Minister’s hallowed 50:50 (an aspiration to bring UK resident visitor spend up to 50% by 2015. Although the recession encouraged the British to holiday at home (the staycation), figures for UK : overseas visitor spend for UK residents was 36:64 just prior to the Crash. Persuading British tourists to give up (at least) a portion of their overseas visits means raising the quality of UK tourism so that, despite the varied weather, it can compete with the best destinations abroad.

Independent accommodation stock continues to be the largest sector in the market (58% independent: 42% branded hotels in 2008 – BHA Trends and Developments 2010 page 32.)

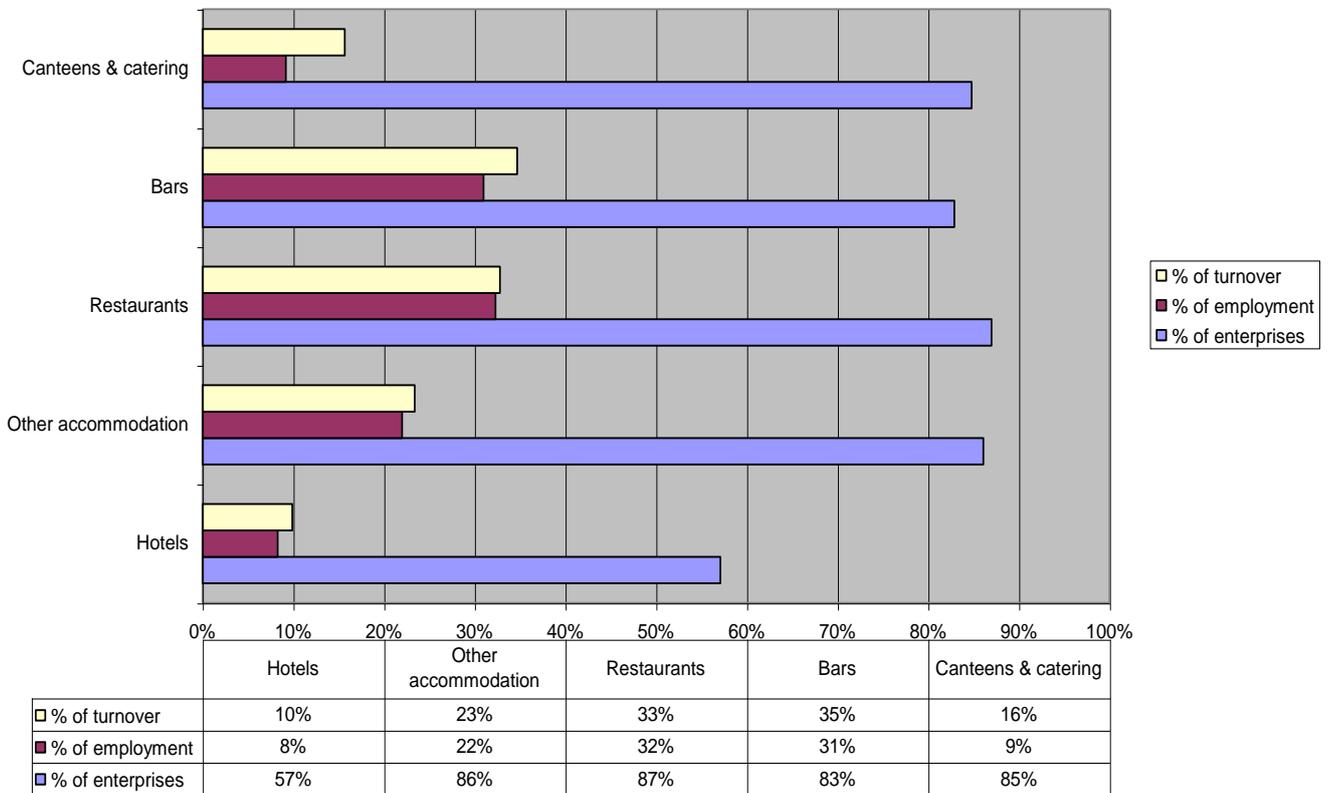
To understand how important small businesses are to the economy, it is worth reflecting on the following 2009 statistic from BERR:

Of the 1.7 million people working in hotels and restaurants, 45% are in companies with fewer than 50 employees. More surprisingly, just over 45% of the £74.5 billion turnover is also generated by these businesses.

Drilling down further one can see that micro businesses (employing less than 10 people) contribute a massive amount of employment and turnover for the sector as a whole – as the tables and figures below illustrate:

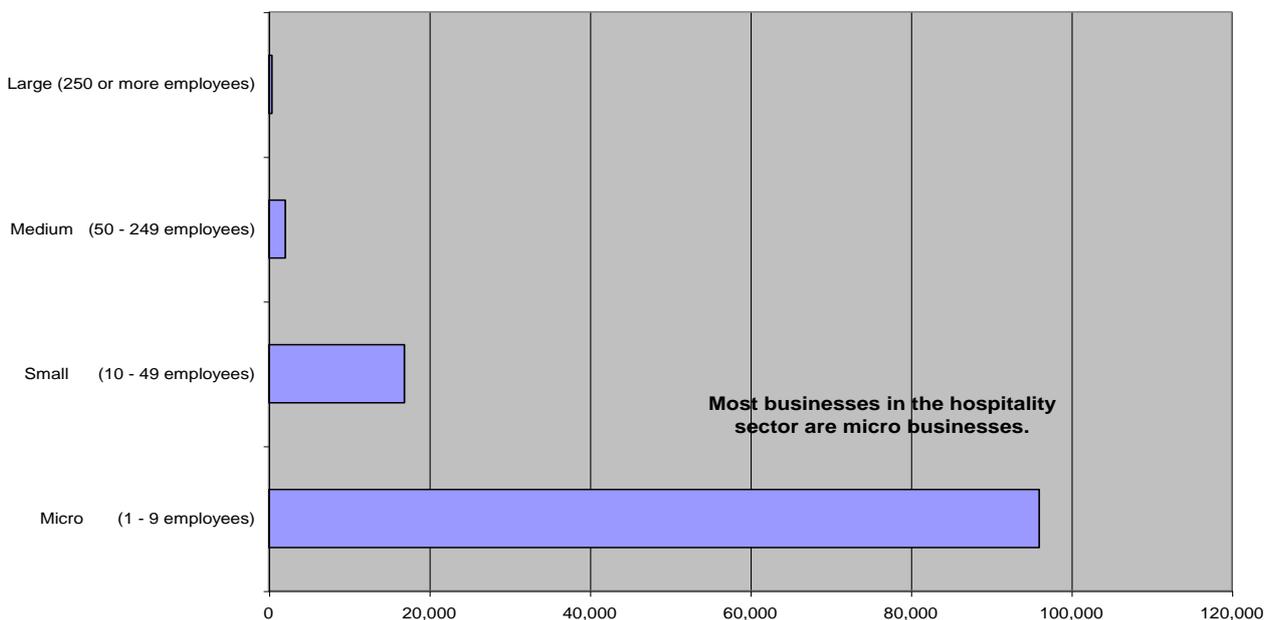
Micro businesses dominate the sector at every level. Over 80% of catering, bars, restaurants and non-hotel B&Bs are micro businesses. More than 50% of hotels are micro businesses.

Comparing Micro businesses contribution to the UK hospitality economy



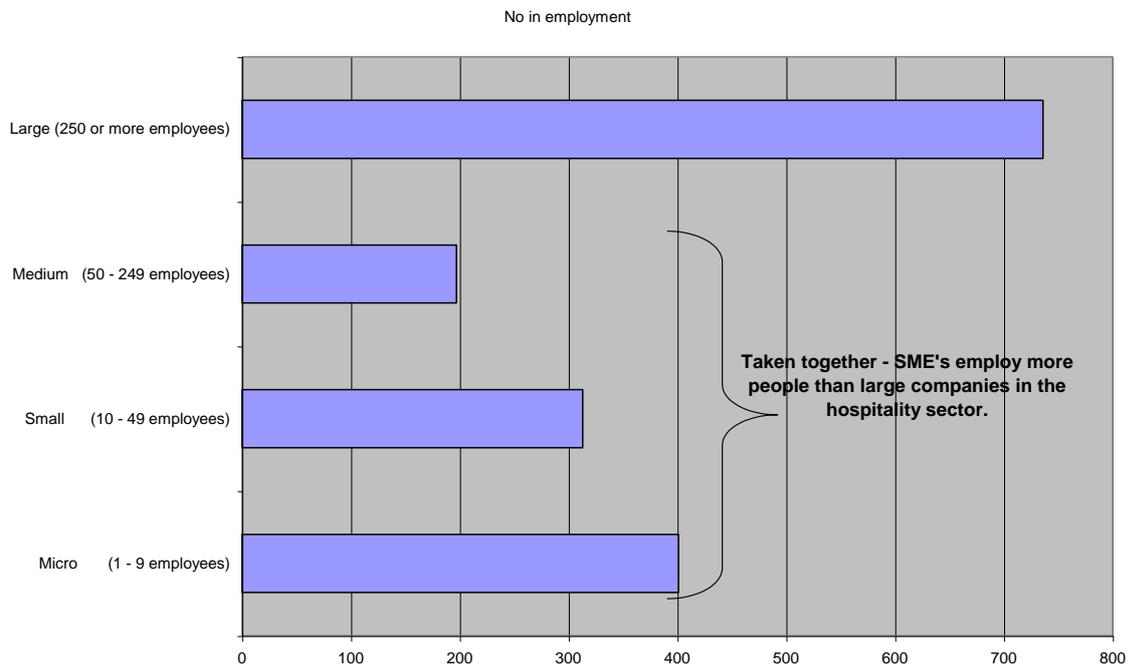
Specifically looking at the number of establishments operating across the sector, its clear that small and micro businesses dominate the industry.

No of enterprises

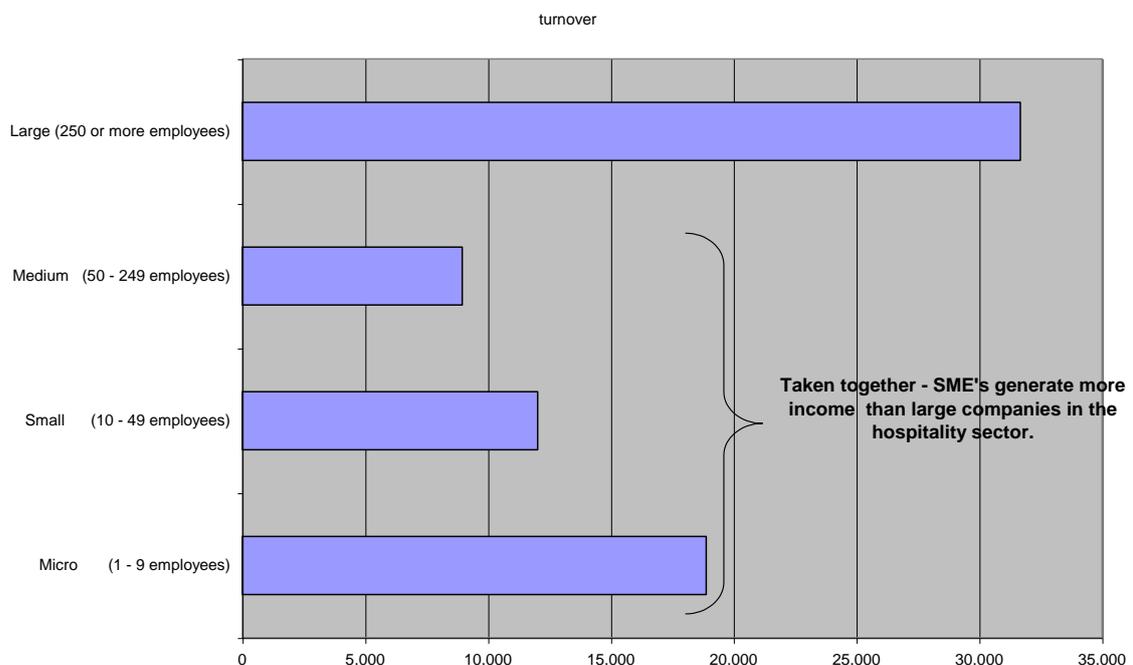


Most businesses in the hospitality sector are micro businesses.

In terms of employment, large companies (over 250 employees) provide more work places than any other single grouping. But taken together SMEs employ more people in the sector than large companies.



And even on turnover, one can see the GDP contribution SMEs are making in tourism. Once again, large branded companies make the single biggest contribution, but turnover is actually higher among SMEs as a group. Moreover, micro businesses on their own, generate more income in the sector than small (10 – 49) or medium (50 – 249) sized companies.



Tourism Skills Issues

Skills Impact on Productivity

The Best Practice Forum research into international best practice found that the top 25% of companies need 3 times less overhead than the bottom 25%. Moreover, they need 3 times fewer indirect staff and half as many managers than the least productive tourism companies. Only 7% of productivity gains come from increased skills. 93% arise from improved working practices.

So what does this tell us about skills in the sector? Why bother, one might ask, if staff training makes such a small impact on productivity? But business development shouldn't be a choice between skills or productivity – both need to be addressed. Upskilling should always lead to improved productivity, and conversely improved working practices should be based on, and lead towards skills improvements. This is surely the key: making sure skills are relevant to business growth and equally ensuring that business improvement initiatives lead to individual upskilling.

Unlike the manufacturing sector, service industries, especially tourism, are often defined by the need to produce “experiences” (e.g. eating, drinking & entertainment) at the very time they are consumed. So, in the sense there is no “stock” in the tourism sector – what is produced (an experience for the tourist) is immediately consumed. This has implications for staff training which can sometimes be overlooked. Customer service training is not an “added extra” in tourism, not something to be bolted on to the real tourism business training. Customer service is the tourism business, precisely because the production and consumption process happen simultaneously. So customer service is the engine room of tourism – without it, there would be no sector, just a collection of facilities.

Poor perceptions of the industry persist. However in the last decade huge strides have been made towards reinvigorating the sector – celebrity chefs have shown a mass audience that there is a dynamic side to the sector – where quality and drive and ambition can combine to create very exciting career prospects. The front of house has also raised its profile – with more talk of sommeliers work, the role of the Maitre 'd and television challenges to find the best restaurant service.

Skills provision is an imprecise science. Employers are rarely training specialists, so even though they may have some idea of skills they need in their organisation, they may be less clear about the underpinning knowledge required to attain those skills. Moreover colleges cannot design courses to fit every employer's specification, and even if they could (and of course the customised offer goes some way to doing this), the cost to the employer would too often be prohibitive.

Colleges are on safer ground offering courses that school leavers wish to attend. But student demand has little relation to employer need or to the broader skills need of the local economy. Hospitality, catering and tourism courses have been a staple of the FE sector for many years. It could be argued that these courses do indeed meet

the demand from school leavers and provide a steady flow of (partly) skilled labour into the workforce.

But not all would agree. Why would a business choose to take on students who are not the 'finished product'? Aptitude, attitude and flexibility are high on all employers recruitment agenda and yet these attributes are so often lacking in college leavers. Colleges provide training which offers students an entry point into employment, but this is not suitable for all employers. Some hospitality and tourism businesses have even claimed that their local college is "irrelevant". This needs to be rectified and the best way to do so is to develop collaborative initiatives which put the college at the heart of the solution. Undoubtedly this will involve change in the way colleges do business, and it should certainly lead to more focused CPD for college staff.

As much as colleges need to change, more needs to be done to engage employers, encourage them to discover their local college and look at ways of working with FE to build their business.

Colleges cannot be expected to turn unpolished stones into precious gems overnight. Some students have the right attitude from day one, but many more take years to develop these interpersonal skills. Why would a business choose to take on students who are not the finished product? There can be lots of reasons: recruitment costs are high and so investing in a young person could mean years of service from a member of staff who can be developed in the company mould; bringing youthful vitality into the company can help update a tourism business and make it more attractive to a younger market; and perhaps most importantly, building a relationship with the local college can be extremely rewarding for the company, and may lead to it addressing staff training needs across the workforce.

What more could colleges do to meet employers needs? Getting out to businesses is the starting point. But the incentive for college staff to break out beyond their traditional client base is lacking – and the difficulty of justifying business engagement at the micro level is a further conundrum given the small numbers involved and therefore the lack of economies of scale. Why would colleges seek out difficult challenges and problems of engagement when they have a 'day job' of full time 16 – 19 courses to run?

Much more needs to be done to support the local college and the LEP has a key role to play in influencing this process. Local authority staff can be the eyes and ears of the FE sector, encouraging employers to participate and helping colleges to change and develop their course offers to meet employers needs.

Choosing FE

The FE sector is extremely well equipped to provide a high quality service to hospitality and tourism businesses but so often there is a mismatch between the FE offer and the employers needs. Publicly funded schemes which bring in outside trainers may be said to exacerbate the problem. Private providers can rarely provide the breadth of service available in FE and long term training commitment is unlikely

to optimised through this route. Moreover, it does nothing to develop colleges capacity to deliver – and simply reinforces a “poor country cousin” image for the (FE) sector. Invitations to tender may be seen as the most competitive and economic way of sourcing training but it takes no account of “externalities”, such as college capacity building and long term relationship building with employers. One has to ask why one would invest so much resource into FE and then not optimise the resource usage.

Apprenticeships

As discussed in the baseline report (2010) of this series, apprenticeships are a very efficient economic tool – offering employers the chance to train up an individual to meet their exact requirements.

However, the tourism sector traditionally has not been the most receptive to apprenticeships. The importance of delivering good customer service as soon as one starts in a front of house role makes some employers opt for safer recruitment practices – taking on students on gaps years for example, rather than risk lowering the customer experience. Perhaps the kitchens of the hospitality sector have been a little more successful in recruiting apprentices, but here too, the pressure to work to exacting deadlines and the unsocial hours have deterred both students and employers from making the most of these opportunities. Chris Coubrough – managing director of the hotel chain Flying Kiwi Inns, laments the lack of vitality and aptitude in apprentices and their failure to visualise a future in this fast paced industry.

Suffolk Food Hall is an exception to this rule. Director Oliver Paul sees the potential in apprenticeships and a third of their 35 staff are on apprenticeship schemes ranging from the fishmongering and butchery skills to traditional chefing, customer service and management. Some trainees have not stayed the whole course, but to Oliver, the investment in time is always worth it – and young people enjoy the experience and see the potential in the sector – indeed two recent early leavers have taken their newly learnt skills with them to hopefully earn while they travel around the world.

Suffolk Food Hall

Suffolk Food Hall was set up in 2007 and has been expanding ever since. The Paul family is behind this farm diversification venture which has won several awards including Best Alternative Land Enterprise in Suffolk and adjoining counties 2009, Best On Farm Butcher in Britain national farm shop awards 2010 and Farm Diversification of the Year 2011, Farmers Weekly finalist.

Oliver Paul who takes care of the day to day running of the business, is passionate about skills.

Almost a third of the staff are on apprenticeship schemes (11 out of 36), learning traditional butcher, baker, chef and fishmonger skills.

Two staff are management trainees studying on day release courses at Easton College.

Although Oliver Paul is keen to employ local people, he admits to interviewing a very large number of people to find someone with the right attitude. “We’re after people with the right mindset - and attitude and aptitude are vital – much more important than paper qualifications”, Oliver believes.

However, there are technical skills which need to be formally learnt, and that is where the apprenticeship scheme comes in. “Technical skills are being destroyed by supermarkets through the division of labour, so its vital that our staff get the right training and qualifications to restore the balance in traditional skills”

But Oliver Paul’s approach is a rarity and certainly more needs to be done to encourage apprenticeship take-up in other tourism and hospitality businesses. One thought is to relieve the employer of the many potential burdens in the apprenticeship scheme. It involves finding a ‘surrogate’ employer who can take all of the employment responsibilities; businesses then have the option to work with an apprentice on a flexible basis. Apprenticeship Training Associations (ATA’s) do just that. They take responsibility for recruitment and employment during the course of the apprenticeship and the businesses from the sector can make variable commitments to training up the apprentice.

Richard Ellis – Chairman of Norfolk Tourism and a tourism business owner (Norfolk Country Cottages) – can see such schemes going a step further; “why can’t towns take on an apprentice who could then be given the opportunity to work on a range of service sectors”, asks Richard. This would give the apprentice a broad experience of different types of service jobs and allow employers to take on just a small portion of the overall commitment. One could imagine the apprentice working in the local post office on Monday, the hotel on Tuesday, admin at Norfolk Country Cottages on Wednesday, the local pub on Thursday and the catering team at the local school on Friday. Not only do these businesses provide a range of opportunities to learn new skills, and show adaptability but they also work from the perspective of transport: An apprentice from a small market town would be able to do an interesting and varied programme of work all on her doorstep without the need for commuting.

West Suffolk College has set up its own Apprenticeship Training Association (ATA), and has expressed an interest in piloting such a scheme. Working with colleges in their local areas to pilot a number of these cross sector service initiatives could be a good next step.

Although colleges are not the only organisations to set up ATAs it does make sense to work with local FE to find a solution. Colleges have huge resources at their

disposal and often have a full range of specialist staff who could support such a cross sector initiative. Moreover, the continuity that colleges offer an apprentice is invaluable – it allows them to think about training progression in a ‘comfortable’ way, knowing the institution they are dealing with and relying on them for planning support.

However there is a role for the private sector in setting up an ATA or a GTA (Group Training Association), especially where one business is a “pace setter” for other smaller businesses. Adnams fits into this mould. With a significant supply chain from across the food sector and its own customer chain of micro businesses running pubs supported by Adnams, the company is in a strong position to set a training standard to which smaller businesses could aspire. This could presumably range from apprenticeship training to workforce development initiatives on a broader scale. Even if a ‘pace setter’ company was reluctant to take on the employment responsibilities of apprentices, this could be done by a college ATA, without affecting the ethos of the scheme. Such training could be branded to reflect the role of the ‘pace setter’ company e.g. The Adnams Training Standard, giving it a business credibility which is sometimes difficult to achieve with purely college based schemes. It could conceivably create a competitive atmosphere around training, as smaller companies vie for a competitive edge – rising to the challenge to develop their staff to the Adnams (or any other willing ‘pace setter’) training brand.

Skills Issues – What employers need and what colleges provide

The recently published Wolf Report (Review of Vocational Education – March 2011), is critical of many qualifications currently available throughout FE. She seems to be saying that the QCF framework is inappropriate for young people because they are too task/sector specific. Unfortunately the framework is unlikely to be useful for adults in employment either – especially because employers tend to recognise aptitude and attitude above formal work based qualifications.

Research for the People 1st Sector Qualification Strategy in 2009 found that:

- Employers do not understand the range or purpose of the qualifications available
- Qualifications to aid workforce development are seen as too big and cumbersome
- Employers tend to recruit on attributes and experience, rather than qualifications
- Existing qualifications (particularly pre-entry) are not appropriate and are ‘surplus to requirements’
- Employers are unaware of the value of qualifications over and above in-house training

- Qualifications are too expensive; particularly for micro businesses which represents 76% of sector businesses.
(http://www.people1st.co.uk/webfiles/Qualification%20Reform/SQS/Action%20Plans/SQS_Action_Plan_England_August_2009.pdf page 2)

This is a fairly damning list of negative perceptions about skills in the industry – and although People 1st has been working to reduce complexity it is telling that the organisation chose to acquire a training programme almost identical to Welcome to Excellence rather than simply promote what is already there (see below).

The colleges in Norfolk and Suffolk offer a range of hospitality and tourism courses and these are listed in Appendix 1a. The ones in bold are at Level 3 and above.

Customer service comes under this sub-heading, and it can be seen that Norwich City College list the BTEC Principles of Customer Service Award at Level 2 and 3. West Suffolk College also deliver this course although it is not listed in the appendices, and is not scheduled in their prospectus. (A Cultural Olympiad initiative called “On Our Marks” promotes several customer service courses delivered by various providers including West Suffolk College – but the exposure these courses get to a wider audience is uncertain – they are currently listed on the LEAP project website).

It has already been noted that customer service is at the heart of the industry, so it is surprising not to see more courses listed in this category. In addition to Edexcel’s BTEC awards, there are two other competing short customer care training brands for the tourism industry: The Welcome to Excellence Programme (including Welcome Host) and People 1st recently acquired “World Host” Programme.

Given the importance of customer service training to the industry, it would be worth spending some time looking at these different programmes and which one might be best to pursue from an LEP perspective.

The Edexcel BTEC Level 2 Award in Principles of Customer Service in Hospitality, Leisure, Travel and Tourism is a 1-credit and 10 guided learning hour (GLH) qualification aimed at pre-16 year olds and consisting of one mandatory unit. The Edexcel BTEC Level 3 Award in Principles of Supervising Customer Service Performance in Hospitality, Leisure, Travel and Tourism is a 2-credits and 20 guided learning hour qualification (GLH) aimed at over 16’s and consists of one mandatory unit.

The People 1st World Host programme includes a range of optional modules: Principles of Customer Service; Customers with Disabilities; Service Across Cultures; Ambassadors Workshop; and a train the trainer course.

The Welcome to Excellence programme is the longest serving customer care programme for UK tourism and has been continuously developed over the last 15 years. The programme includes eight one-day customer service training courses which provide front-line staff and managers with the skills needed to deliver good customer service. Additionally there are a range of innovative short courses on

specific themes such as: Green Edge, and Welcoming Walkers and Cyclists. A new bespoke destination programme has also been developed to provide underpinning knowledge about specific tourism destinations.

The Welcome to Excellence Programme

Welcome Host Customer Service Training Course

Introduction to the essentials of great customer service.

Welcome All Disability Awareness Courses

Providing an insight into how to meet the expectations of people with disabilities or specific needs.

Welcome International Customer Service Training

How to provide an exceptional customer service experience to visitors from overseas as well as build effective relationships with colleagues from other countries.

Welcome Line Telephone Customer Service Training

Designed specially to make sure that all telephone and email contact with customers is top-class and increases sales.

Welcome Host Plus Advanced Customer Service Training

A next step after 'Welcome Host', adding to customer service skills.

Welcome E-business / Smarter Marketing

Making the most of internet marketing.

Welcome Management Customer Service Training Course

For managers and proprietors showing how to develop and implement an effective customer service strategy.

Lead, Motivate and Succeed Customer Service Courses

for first time managers and supervisors – inspiring them to become great team leaders.

The objectives and content of Welcome to Excellence customer service training programmes are linked to relevant national standards at level 2 (Level 3 for Lead Motivate and Succeed, and Level 4 for Welcome Management).

Welcome to Excellence has been accredited by QCA and City and Guilds.

Courses required for legislation purposes include food safety and licensed premises training. The two tables in Appendix 1 (b & c) show the range of courses available in Norfolk and Suffolk in these subjects. In terms of value to employers, there is no question that these are useful courses – without them one could be breaking the law.

There are other courses which provide essential underpinning knowledge and key skills for work. These food skills can be broken down into elementary catering principles; intermediate cookery skills; 'domestic' food craft courses (e.g. for non career people simply interested in cooking); and professional chef skills. Appendix 3d provides a list of these courses by college.

Whilst many of these courses will be of absolute relevance to employers, they are, at the end of the day, only qualifications. They don't guarantee that a person presenting her certificate will have the right attitude or even the aptitude to work in a busy, dynamic kitchen. If all of the chef challenge programmes have shown anything other than good entertainment, it is that qualifications count for little. Experience, aptitude, attitude, flair and flexibility are the attributes employers are looking for. One might ask, why pick on the hospitality and tourism sector? Isn't this same mismatch (between the qualification obtained and the person's suitability for work) the same in any other sector. Unfortunately, the hospitality and tourism sector suffers from this divergence more than most other industries, for several reasons. First, there is plenty of alternative (non qualified) labour for employers to choose from. Apart from the legislative training requirements (which can be handled on the job) there is little in the sector which demands a qualification. Unlike engineering or computer science, hospitality jobs often require no prior learning. A willingness to be helpful, and an instinct for customer care is probably worth more to a hospitality employer than anything else. Even in the kitchens, positive attitude, aptitude and a willingness to learn will frequently be seen as the most important attributes.

So the mismatch in hospitality and tourism is more evident because broadly speaking: (a) there is no need for a minimum skills base and; (b) non qualified people are available for work (e.g. gap year students or those needing part-time work; EU migrant labour; English speaking travellers e.g. from Australia, New Zealand or South Africa). This means that employers don't have to simply take the students from the local college to fill their vacancies – they can recruit unqualified labour with the right attributes: attitude, aptitude and flexibility. This may sound like a defence for 'bad old' employment practices – where split shifts, long hours, low pay and poor conditions typified work in the sector. In fact, hospitality businesses have been steadily improving their terms and conditions of employment over the last couple of decades. However the sector does need flexible, customer friendly staff – and if local students completing their hospitality courses can't offer that as a minimum, they may as well work either in another sector altogether, or move towards the more "institutional" hospitality type jobs (e.g. contract catering) where competition from the unqualified labour market is weaker and customer care standards possibly slacker than the tourism market.

The Edge Hotel School in Essex promises to deliver a new kind of learning from Wivenhoe House which is being extensively restored. The £10 million development will offer "Georgian and Victorian finery" to hotel guests. Managed and staffed entirely by students, and supervised by industry professionals, the project is the first of its kind in the UK. It will be certainly be interesting to observe its progress and to

look for potential alliances in New Anglia, either spinning out the Edge School idea on a franchise basis or innovating to create something entirely new.

Why is it that a mismatch appears to exist between what training is offered by colleges and universities and what training employers feel they need for their workforce? First of all it is important to note that the hospitality and tourism industry is extremely broad – covering many sub-sectors. The BHA notes that the hospitality economy alone includes: hotels and related services (including camping grounds and other accommodation); restaurants and related services (including pubs, cafes, takeaway food shops, licensed clubs and motorway service areas; catering (including contract catering to both private and public sector clients, also including in-house catering across non-hospitality direct sectors such as health and education); and event management (including conference and exhibition organisers). Temporary agency employment across these sub-sectors is also an important labour market all on its own especially owing to the high labour turnover in these sectors, and the variable demand for staff at different times in the year.

So colleges and universities are unlikely to match all employers needs across all sub-sectors. But is it the case that the plethora of hospitality and tourism courses only serve the lowest common denominator – basic, generic skills, without really tackling the aptitude and attitude requirements so treasured by high quality establishments in the industry?

Hospitality and tourism is unique among sectors for this complete mismatch between what some employers need and what college and universities provide. To some extent this is because of the nature of service delivery.

Courses tend to fall into one of the following categories:

- Food and Drinks Service
- Front Office/Housekeeping
- Food Preparation and Cookery
- Food Safety
- Events
- Gambling
- General Hospitality
- Travel and Tourism

(Source: People 1st Sector Qualifications Strategy 2008)

Career Options

The hospitality and tourism sector is increasingly becoming an attractive proposition for a career, and young people can choose many different routes into the sector. Despite the recession, new hotel openings have continued at a pace throughout 2010 (BHA Trends & Developments 2010 p.42), and in the last decade, over 200,000 new jobs (net of replacement) were created in the UK sector (Oxford Economics – Economic contribution of UK hospitality industry Oct 2010 p.8). Whether one is thinking of: opening their own bar or

So the many routes into the hospitality and tourism sector along with the transience of the hospitality labour market means that colleges will always struggle to meet all employers needs. But a key job is being done by colleges nevertheless. They introduce young people to the sector - and they provide a potential trained workforce flow into the local economy. Students may end up in any one of the 14 sectors listed by People 1st. Catering qualifications (including the mandatory food safety certificates) provide opportunities for working in a range of kitchen environments. This could include catering outlets in schools, hospitals, and other workplaces, catering for events, pubs, cafes, hotels and restaurants, to mention just some of the options. Whilst some of these employers may have alternative recruitment routes, many will turn to the newly qualified people trained for the industry.

It is important to emphasise this diversity of employer need within the industry, otherwise stereotyping will continue to dog the sector. For example some employers completely bypass the local college output and see no obvious value for their business in the courses or the skills being delivered. But this is certainly not the case for all businesses. West Suffolk College, for example, cites many examples of employers recruiting, retaining and promoting ex-tourism/hospitality students (see below).

West Suffolk College – Student Destinations

West Suffolk College prides itself on delivering training that is needed in the local economy and as the table below shows, a diverse range of businesses from the hospitality and tourism sector have provided employment for ex-students of the college. Several now have senior positions.

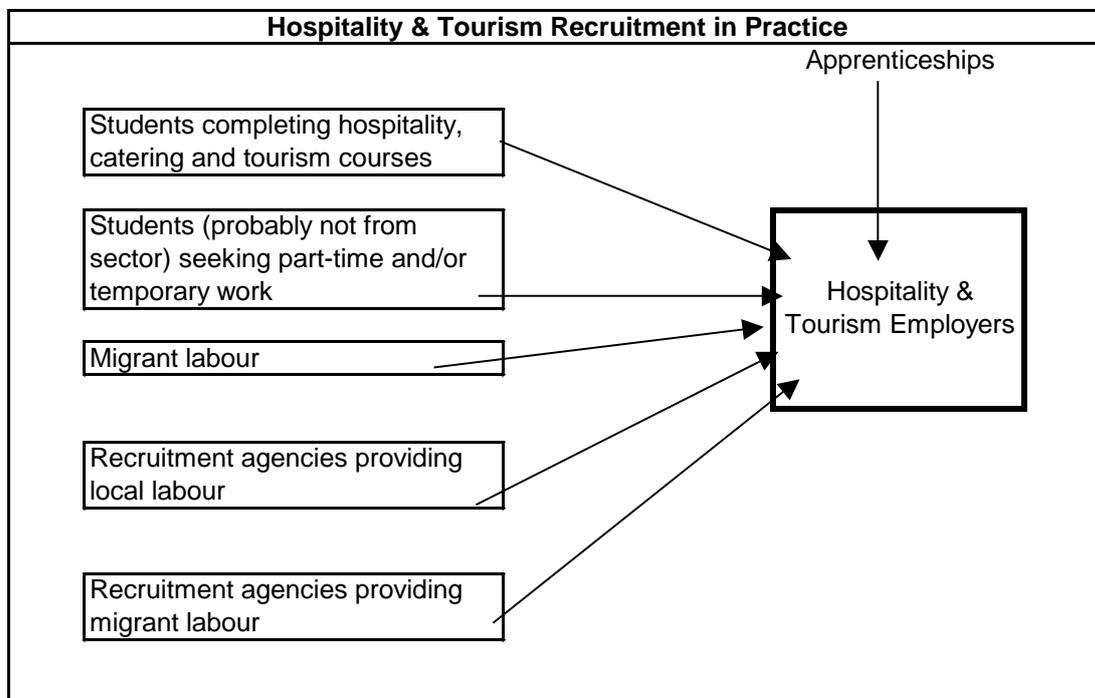
Manager/Owner of Infusions	Supplier of specialist ingredients
Catering Manager @ Sodexo West Wing	Contract Catering
Exec Chef/Owner@ Moveable Feast	Outside Catering
Exec Chef @ Ickworth Hotel & Apartments	Hotel
Exec Chef/Owner @ The Grid Restaurant	Restaurant & Outside catering
GM @The Angel & Salthouse Harbour Hotels	Hotels
Regional Manager -National Trust	Heritage/cafes/restaurants
Head Chef at Crown Bildeston	Gastro Pub/Restaurant
Hospitality Manager - The Rowley Mile Racecourse	Contract Catering
Head Chef/owner@ Theobalds Restaurant	Restaurant
Head Chef@ Tuddenham Mill	Restaurant Hotel
Ipswich Town Football Club	Contract Catering
Ickworth Hotel & Apartments	Hotel
Head Chef West Suffolk Hospital	Contract Catering
Deputy Manager Brasilia's	Night Club
Officers Mess Manager RAF Lakenheath	Services Catering
C & E Mg @ Thetford Joy of Food	Conference & Events Mg
Head Chef @ 5 Lakes Hotel Tolleshunt Knights	Hotel, Spa & Golf Complex

Chef @ Leaping Hare Wyken Vineyards
Manager/Owner of First Contact

Restaurant
Recruitment

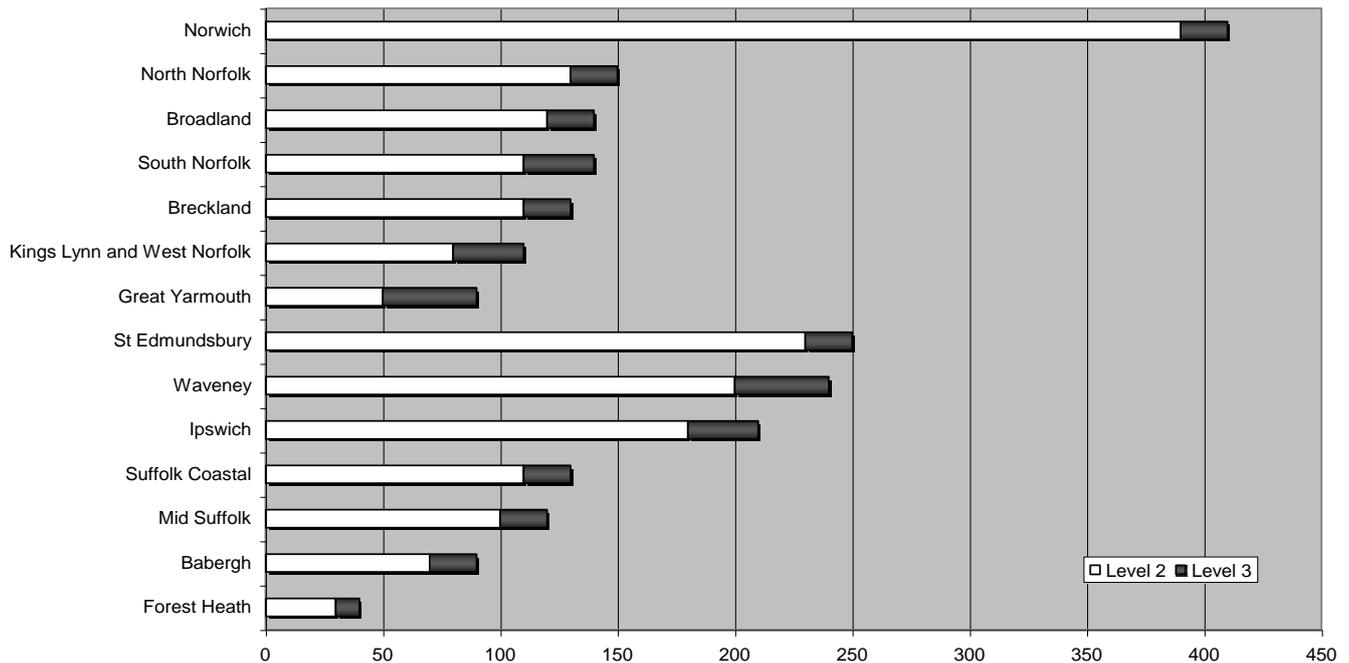
The most recent destination data from the School of Hospitality at the college shows that overall 33% of students gained employment and 35% continued with further programmes of study at the college. At Level 3, 39% gained employment. In total then, some 80% progress into the industry with higher level students very often moving into trainee management positions.

The importance of a qualification in hospitality, catering or tourism is not high among many employers. The diagram below illustrates the recruitment options among employers from the sector. Students completing relevant courses is just one route into employment, and some employers view this route as the least important.



Qualifications may not be critical to the growth of the industry but it is nevertheless worth establishing a baseline for New Anglia. Below, Level 2 and Level 3 achievements in hospitality and tourism subjects are shown for the 2008/09 year broken down by district level. Norwich is clearly providing many more Level 2 qualifications in the sector than anywhere else in the two counties, and twice as many as some of the districts. However its Level 3 output appears to be much less impressive, less than Ipswich, Waveney, Great Yarmouth, Kings Lynn & West Norfolk and South Norfolk. It would be interesting to find out why this is the case.

2008/09 FE Achievements at Level 2 & 3



Conclusions & Recommendations

This report has looked into the issues around skills in the tourism and hospitality sector. It has been noted that the industry has a number of distinguishing features which sets it apart from other business sectors and differentiates it from other service industries. Small and micro businesses are vital to the tourism economy: they dominate the sector in every sense: providing more jobs, greater contribution to GDP and are far greater in number than larger businesses in the sector. Although there have been many successful initiatives aimed at SMEs in the sector, the high growth agenda and the bias against very small businesses (less than 5 employees) has often meant that those most in need have lost out. Moreover we have noted that colleges (and one can add to this, universities and business development agencies) find it easier targeting larger businesses where they can count many more employees “under one roof”.

Whilst the sector is good at joining together to form local associations, it is less enthusiastic about developing joint training ventures. Given that so many tourism businesses are very small – it makes sense to develop sustainable joint training initiatives.

It is no surprise that customer care comes out as the key area of training required. The report emphasises the importance of seeing customer service not as a ‘bolt on’ but as the very heart of the sector – the engine room which powers the industry. This clearly has implications for supporting and developing the sector.

Apprenticeships are key to the health of the sector. Over-reliance on migrant labour is uneconomic since many EU workers will either return to their home country or leave the sector for their chosen career. Either way, this adds to recruitment costs which have always been high in the industry. Creating new flexible apprenticeship schemes could go a long way to reducing these unnecessary costs – and of course it could lead to a new brand of young tourism professionals, proud of the sector and keen to develop a career.

Recommendations

So collaborative training schemes come out as the overriding priority. To this end, the following recommendations are put forward:

1. Investigate the popularity of a New Anglia customer care brand which uses one of the established training programmes (Welcome to Excellence; World Host; or BTEC) as its starting point.
2. Pilot a range of innovative apprenticeship initiatives involving Apprenticeship Training Associations; colleges and employers, as a means of raising quality and developing careers in the sector.
3. Promote the importance of working with smaller businesses across the sector and where possible, introduce supply chain or customer chain initiatives (e.g. Adnams Brand) as a means of driving up quality in the sector.
4. Explore ways of working with the Edge Foundation Hotel School in Essex – perhaps looking at satellite programmes for young people at local colleges in Norfolk and Suffolk.

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Appendix 1 – College courses

1a. Hospitality and Catering Courses offered in the two counties

City College Norwich	Advanced Apprenticeship in Hospitality and Catering - Hospitality Supervision and Leadership (Route A) Level 3
	Advanced Apprenticeship in Hospitality and Catering - Professional Cookery (Route A) Level 3
	Apprenticeship in Hospitality and Catering - Beverage Service (Route B) Level 2
	Apprenticeship in Hospitality and Catering - Food Processing and Cooking (Route D) Level 2
	Apprenticeship in Hospitality and Catering - Front Office (Route C) Level 2
	Apprenticeship in Hospitality and Catering - Hospitality Services (Multi-skilled) (Route N) Level 2
	Apprenticeship in Hospitality and Catering - Housekeeping (Route L) Level 2
	Apprenticeship in Hospitality and Catering - Professional Cookery (Route E) Level 2
	BA (Hons) Hospitality Tourism and Leisure Management (Top-up From Foundation Degrees and Hnds)
	BTEC Award in Principles of Customer Service in Hospitality Leisure Travel and Tourism Level 2
	BTEC Award in Principles of Supervising Customer Service in Hospitality Leisure Travel and Tourism
	Foundation Degree (FdA) in Hospitality Management Level 5
	Foundation Degree (FdA) in Leisure and Events Management Level 5
	Foundation Degree (FdA) in Travel and Tourism Management
	Hospitality Travel and Tourism BTEC Introductory Diploma Level 1
	Hospitality and Catering Increased Flexibility
	Hospitality and Catering Studies ABC Certificate Level 1
	Hospitality Foundation Diploma Level 1
	Hospitality Higher Diploma Level 2
	Hospitality Supervision NVQ Level 3
Hotel Reception Programme Level 2	
The College of West Anglia	Advanced Apprenticeship in Hospitality and Catering
	Apprenticeship in Hospitality and Catering
	Diploma in Hospitality Level 1
	Diploma in Hospitality Level 2
	Diploma in Reception and Customer Services Level 2
Great Yarmouth College	Front Office / Reception - Level 2 NVQ
	Hospitality Services - Level 2 NVQ
	Hospitality Supervision & Leadership (Restuarant) - Level 3 Diploma
	Hospitality: Multi Skills - Level 2 NVQ
	Housekeeping - Level 2 NVQ Diploma
	Professional Cookery - Introduction - Level 1 Vrq Diploma
Lowestoft College	C&G Working in Travel L2
	C&G Working in Travel L3
	CGLI Diploma Air Cabin Crew L2
Suffolk New College	BTEC Level 2 Diploma in Travel & Tourism - Mtt92f0
	BTEC Level 3 Diploma in Travel and Tourism - Mtt43f1
	City & Guilds Level 3 Diploma in Hospitality Supervision and Leadership NVQ
	City & Guilds NVQ Level 1 in Hospitality
	City & Guilds NVQ Level 2 Front Office
West Suffolk College	Cleaning and Support Services Skills - Apprenticeship
	Front of House Reception - Apprenticeship
	Hospitality Services - Apprenticeship
	Hospitality Supervision and Leadership Skills - Advanced Apprenticeship
	Level 2 14-16 Young Apprenticeships in Hospitality
	Housekeeping - Apprenticeship
	Level 2 Certificate in Cleaning and Support Services Skills
	Level 2 Diploma in Front of House Reception
	Level 2 Diploma in Hospitality
	Level 2 Diploma in Housekeeping
	Level 3 Diploma in Hospitality Supervision and Leadership Skills
NVQ Level 2 in Hospitality Multi-skilled Services	
Level 5 Foundation Degree (FdA) in Hospitality & Events Management	

1b Food Safety Courses offered in the two Counties

Bury St Edmunds Sme Health and Safety	CIEH Level 1 Award in Food Hygiene
City College Norwich	CIEH Level 3 Award in Implementing Food Safety Management Procedures
City College Norwich	CIEH Level 3 Award in Supervising Food Safety in Catering
City College Norwich	CIEH Level 2 Award in Food Safety in Catering Level 2
City College Norwich	CIEH Level 2 Award in Food Safety in Catering
City College Norwich	CIEH Level 2 Award in Healthier Foods and Special Diets
City College Norwich	CIEH Level 2 Award in Food Safety in Catering
Great Yarmouth College	CIEH Award Level 2 Food Safety in Catering / Manufacturing / Retail
Great Yarmouth College	Food Safety (Supervising) - Level 3 CIEH Award
Great Yarmouth College	Food Safety (Refresher) CIEH Award Level 2
Great Yarmouth College	CIEH Award Level 2 Food Safety in Catering / Manufacturing / Retail
Great Yarmouth College	Food Safety (Supervising) - Level 3 CIEH Award
Great Yarmouth College	Food Safety (Refresher) CIEH Award Level 2
Lowestoft College	C&G Catering Food Prep NVQ2 C&G Hospitality Supervisory L3 Award in Food Safety in Catering L2
Hospitality Training Services Training Centre	Food Safety in Catering (Level 2)
North Norfolk District Council	Food Safety in Catering (Level 2)
Norvic Training	Food Safety in Catering - Level 2
Otley College	Food Safety in Catering (Level 4)
Otley College	Food Safety in Catering (Level 3)
Otley College	Food Safety in Manufacturing (Level 3)
Otley College	Food Safety in Manufacturing (Level 4)
Otley College	Food Safety in Catering (Level 2)
Otley College	Food Safety in Manufacturing (Level 2)
P & K Training Services	Level 2 Award in Food Safety in Catering
SM Associates Ltd	CIEH Level 2 Award in Food Safety
The College of West Anglia	CIEH Level 2 Award in Food Safety in Catering
West Suffolk College	CIEH Level 3 Award in Supervising Food Safety in Catering
West Suffolk College	CIEH Level 2 Award in Food Safety in Catering
West Suffolk College	CIEH Level 2 Award in Food Safety in Catering
West Suffolk College	Food Safety and Catering - Level 2 Certificate

1c Licensed Premises courses

Provider	EventName
City College Norwich	BIIAB National Certificate for Personal Licence Holders
	Foundation Degree (FdA) in Licensed Retail Management
City College Norwich	Intermediate Certificate in Wines Spirits and Other Alcoholic Beverages (WSET)
City College Norwich	Level 2 Award for Personal Licence Holders Aplh
The College of West Anglia	BIIAB National Certificate for Personal Licence Holders (NCPLH)
Great Yarmouth College	Alcohol: Responsible Retailing - Level 1 BIIAB Award
Great Yarmouth College	Bar Service - Level 2 NVQ Diploma
Great Yarmouth College	BIIAB Award in Responsible Alcohol Retailing
Great Yarmouth College	Door Supervisors - Level 2 BIIAB
Great Yarmouth College	Foundation in Wine Level 1
Great Yarmouth College	National Certificate Personal Licence Holders BIIAB
West Suffolk College	BIIAB Level 1 Award in Responsible Alcohol Retailing
West Suffolk College	BIIAB Level 2 Award in Conflict Management for Licensed Premises Staff
West Suffolk College	BIIAB Level 2 National Certificate for Personal Licence Holders Certification
West Suffolk College	NCPLH Level 2 National Certificate for Personal Licence Holders Certification

1d Cookery Skills

City College Norwich	Advanced Diploma in Professional Cookery Vrq Level 3
	CIEH Level 2 Award in Healthier Food and Special Diets
	Diploma in Culinary Skills (City & Guilds 332-04) Level 3
	Food Studies City & Guilds
	Food Studies City & Guilds
	Foundation Degree (FdA) in Management of Culinary Arts Level 5
	Gastro Chef Level 2
	Gastro Master Chef Level 3
	Professional Cookery Advanced Diploma Level 3
	Professional Cookery Level 2
	Professional Cookery Level 3
	Professional Cookery Vrq Level 1
	Professional Cookery Vrq Level 2

The College of West Anglia	Diploma in Professional Cookery Level 3
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Great Yarmouth College	Cake Decoration - Level 1 ABC Certificate
	Food & Beverage Service - Level 2 NVQ Diploma
	Food & Drink Service (Drink Service Only) - Level 2 NVQ
	Healthier Food & Special Diets - Level 2 CIEH Award
	Hospitality Services: Food & Drink - Level 2 NVQ
	Hospitality Supervision & Leadership - Level 3 NVQ
	Multi-skilled Hospitality - Level 2 NVQ
	Pastry Chef - Level 2 ABC Certificate
	Professional Catering - Level 2
	Professional Cookery - (Advanced) - Level 2 Vrq 2
	Professional Cookery - Level 2 NVQ
	Professional Cookery - Level 3 NVQ
	Professional Cookery (Preparation & Cooking) - Level 3 NVQ

Lowestoft College	C&G NVQ3 in Professional Cookery C&G Hospitality Supervisory L3
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Otley College	1 Day Award in Barista Skills
	Level 2 Award in Barista Skills

Suffolk New College	City & Guilds NVQ Level 2 Food & Drink Service
	City & Guilds NVQ Level 2 Professional Cookery
	City & Guilds NVQ Level 3 Professional Cookery
	Junior Chef Academy

West Suffolk College	Beginners Cake Decorating
	Cake Decorating and Sugarcraft
	Food and Beverage Service - Apprenticeship
	Introduction to Sugarflowers
	Level 2 Award in Healthier Food and Special Diets Certification
	Level 1 Certificate in Food Preparation & Cooking
	Level 1 Certificate in Food & Beverage Service
	Level 1 Diploma in Introduction to Professional Cookery (VRQ)
	Level 2 Diploma in Professional Cookery (VRQ)
	Level 3 Diploma in Professional Cookery
	Level 3 Diploma in Food & Beverage Service Supervision
	Level 3 BTEC National Extended Diploma
	Level 2 Diploma for Proficiency in Food Industry Skills
	Level 2 Diploma in Food and Beverage Service
	Level 2 Diploma in Food Production and Cooking
	Level 2 Diploma in Professional Cookery
	Level 2 Food Production and Cooking - Apprenticeship
	Level 3 Diploma for Proficiency in Food Industry Skills
	Level 3 Diploma in Professional Cookery
	NVQ Diploma in Food Production and Cooking (QCF)
	NVQ Diploma in Professional Cookery (Preparation and Cooking) (QCF)
	Professional Cookery - Advanced Apprenticeship
	Professional Cookery - Apprenticeship