

West of England Local Enterprise Partnership Workshop

Workshop H

Sector Skills & Competitiveness Statement

Tourism

Definition

1. The World Tourism Organisation defines tourists as people who "travel to and stay in places outside their usual environment for more than twenty-four hours and not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited".
2. The Leisure and Tourism sector is usually defined to include the following:
 - Accommodation (including hostels, camp sites and self catering)
 - Tour operators and travel agents
 - Attractions including museums, galleries and events
 - Sports events; sports and recreational facilities; gambling facilities.
3. This sector can be defined in many ways and often overlaps into hospitality, leisure and travel. Therefore for the purposes of this report, information that is relevant to both the sector and the geographical sub-region has been included.

Background

4. Tourism is one of the 10 areas selected by SWRDA as being a priority for the whole region. As a sector it has great strategic importance to the sub-region, employing 37,518 (27,600 FTE) people in the West of England. It ranks highly in terms of income generation and research shows that expansion is likely to benefit the local economy as a whole significantly. Tourism supported business turnover of £1.9 billion. The sector is well networked and well supported, particularly in Bristol. Bristol has been a largely business related tourist city whereas Bath relies on leisure tourism, as does Weston-super-Mare.
5. Bath is expected to accommodate 16-20,000 additional jobs and 15,500 new homes (within B&NES) by 2026, according to the Regional Spatial Strategy (2006 – 2015). Bath is highlighted as being of international significance owing to its World Heritage Status. The main attractions being The Roman Baths, Thermae Bath Spa, The American Museum as well as a host of smaller museums. Many of the museum staff are volunteers. In Bath consultants have recommended plans for a small casino and conference facilities, however these are currently on hold due to the current economic climate.

6. There are plans for a £70 million National Wildlife Conservation Park in Bristol. The 55-hectare park, proposed for land at Cribbs Causeway, will be the first conservation-led animal visitor attraction of its kind in the UK. The first phase is due to be completed in 2012.
7. Weston has had particular problems associated with delays in redeveloping the pier, however the pier opened in September 2010. The Tropicana complex is currently closed and development is being sought.
8. The economic objectives for this sector are clear:
 - to encourage longer stays with an accompanying increase in per capita expenditure
 - to encourage expenditure on locally sourced services and on local products through locally based enterprises
 - to spread the impact of tourism by opening up the appeal of less obvious areas of the three destinations and thereby give the visitor a more diverse and less commoditised experience in terms of attractions, shopping and entertainment.
9. People 1st, the Sector Skills Council most concerned with this sector, covers the hospitality, leisure, travel and tourism sectors. The sector has a young workforce and 90% of the businesses are SMEs. Skill shortage is one of four areas of national concern that “could prevent the Visitor Economy from optimising its potential”.
10. Tourism is vital to the sub-region; visitor spending supports local jobs and businesses and is an important strand of the local economy. Tourism makes the difference between local businesses simply surviving and their profitability. It also helps to underpin a wide range of facilities and services, which combine to create the tourist experience.

Outlook

11. The South West region has the largest hotels and restaurants sector in the UK, in terms of percentage of both employment and GVA and receives more domestic tourists than any other UK region or country.
12. Tourism is forecast to experience a continued shift from overseas to domestic visitors. There are likely to be increasing opportunities for encouraging inward tourism from emerging markets. With the growth of the Internet has come the ability to trade online. Overall, with the exception of travel companies and hotels, the sector has been slow to move into online trading. There is considerable scope for more businesses, particularly smaller ones, to capitalise on new technology to reach and attract more customers. According to People 1st's 2010 Industry Survey, IT skills are the main skills that need to improve amongst the sector owner/managers. Sporting events in the next decade present a significant opportunity to invest in raising customer service

skills and creating a legacy for tourism e.g. UK Paralympics pre-training camp being held at Bath University in 2012.

13. The hospitality, leisure, travel and tourism job market has changed dramatically over the last 12 months as a result of the recession and competition for jobs is now tough. Whereas previously many employers constantly had vacancies and struggled to recruit, as the demand for labour has dropped and unemployment has risen, some employers who are recruiting are being inundated with applications. As a result of increased competition employers are now placing more value on sector-related qualifications as a way of distinguishing between candidates.

Local Support Infrastructure

14. The concentration of this industrial sector in the sub-region has been reflected in a significant investment by the public funders of business and skills development, notably SWRDA and the LSC. The key elements of this are listed below:
15. The Tourism Skills Network is well established (originally started as the Tourism Taskforce in 2000). It is part of the Tourism Skills Network South West. It is a regional tourism skills project funded by SWRDA involving employers, training agencies and sub-regional tourism partnerships. Its main purpose is to increase the competitiveness of the workforce so that it is better skilled and prepared to meet the current and future challenges of the industry. The TSN is currently under threat due to the lack of proposed funding and the abolition of SWRDA.
16. The Rural Tourism network was launched in January 2008 as a result of funding from SWRDA through Rural Renaissance. The project started with three rural tourism business cluster groups being set up in B&NES, North Somerset and South Gloucestershire in order to facilitate the exchange of development ideas and produce a programme of events to support members' business needs. The aims were achieved including networking, voucher schemes for training and development, and seminars. This was a one-off project and no longer exists due to lack of funds.
17. Destination Bristol was launched in 1999, as the Bristol Tourism and Conference Bureau, and is the destination management partnership for Bristol and South Gloucestershire. It works in close partnership with its members, with SWRDA, South West Tourism, Visit Britain and partner destination management organisations. Destination Bristol was re-formed in 2008 through the merger of Broadmead Board, the Bristol Harbourside Sponsors Group and the existing Destination Bristol partnership, to create a single body. The organisation works with over 600 major businesses and strategic partners with the aim of increasing business competitiveness within the city centre, supporting employment and economic growth, and raising the profile of the Bristol city-region as a world-class place to visit, study, work and live.

18. Bath Tourism Plus introduced a membership scheme for tourism businesses, thereby establishing a groundbreaking partnership between the public and private sector. The scheme now numbers some 420+ members and provides access to a wide range of commercially focussed benefits and services, including marketing and promotion.
19. The UK Skills Passport is the one-stop-shop for everything associated with jobs skills and training within hospitality, leisure, travel and tourism. It is an online tool to let employers and learners know about courses as well as find out the latest developments on skills and qualifications.
20. A West of England Tourism Development plan exists for 2007 to 2010.

Inward Investment

21. Major inward investments have come from international hotel chains, particularly in Central Bristol and the North Fringe in South Gloucestershire. Investors have included Accor Hotels, Radisson, Travel Inn and Travel Lodge. Many of these developments are closely linked to regeneration projects and are built into the development frameworks at the master planning stage. Other large projects have included re-use of grade B office space in central Bristol to create modern hotel facilities. There is probably limited scope, outside of retail / hospitality activities (addressed in a separate paper) for attracting inward investment in this sector due to the size and specific planning requirements of potential investments. There may be some opportunities, particularly for the attraction of investors, in the development of new visitor attractions on previously occupied but now under-utilised space.

Skills Issues

In summary the following were identified as the main areas for skills development:

22. Business management skills at all levels are critical in SMEs and in rural areas as opposed to the larger chains of hotels based in and around the cities particularly in the current and future economic climate.
23. Tourism has capitalised on the influx of eastern European staff keen to work in the industry over the past 10 years. However, these individuals are now returning to their countries leaving a lack of skilled staff at the lower and intermediate skill levels and therefore generating a significant recruitment demand.
24. Supervisory skills, as identified by People 1st Skills Needs Assessment are: General IT, Communication, Customer Handling, Team Work, Problem Solving, Management and Leadership of People.

25. Customer Service Skills are still the primary cause for concern. Therefore there is a need to increase the quality standards (European Foundation for Quality standards), communication skills (particularly spoken English) and sometimes English as a second language for non-English speaking employees.
26. Craft Skills especially chefs. Many chefs entering the industry do so without the basic craft skills to cook 'from scratch' thus falling behind the growing consumer trend for locally produced home cooked food. Housekeeping employees lack basic craft skills required, exacerbated by the fact positions are seen as 'stop gaps' that do not lead to 'proper employment'.
27. These craft skills should be developed within the vocational qualifications offered by the colleges, to produce potential managers with craft skills. This will benefit businesses more than potential managers that have the theory but lack the skills.
28. Skills for Life. Many entering this industry lack basic numeracy and literacy skills required to progress.

Key Challenges

For the tourism sector locally the challenges are:

29. Improving Customer Service
30. Poor perception of the industry by potential job seekers:
 - Jobs in tourism are still seen as jobs requiring few skills and qualifications rather than lifetime careers
 - Need to improve the perception of the industry not just in the eyes of the student but also careers advisers, teachers and parents perhaps by creating greater dialogue with schools.
31. Reduction in overseas staff leaving vacancies that are hard-to-fill.
32. Lack of basic craft skills in new recruits.
33. Problems with basic language skills needed to provide good customer service.
34. Relatively high rates of employment (although there are pockets of severe deprivation).
35. High staff turnover rate.
36. Engaging and supporting SMEs and rural tourism business.

Priorities for Action

37. A priority of the West of England Partnership's Skills & Competitiveness Board is to implement a targeted approach to employer engagement and drive up higher and intermediate level skills. Tourism is clearly an area of business growth in the sub-region and will need a collaborative approach on action for skills to ensure this growth can be achieved. The ultimate aim is for the West of England Partnership to help shape employment and skills outcomes in order to increase the competitiveness of the West of England economy.
38. The Tourism Skills Network is under threat due to lack of future funding. If this successful body no longer exists it is critical that another mechanism is found for linking all the tourism SMEs in the region.
39. A need has been identified for better-coordinated interaction between local tourism firms, the universities, colleges and other training providers. This interaction would focus on:
 - a) The delivery of better information and guidance on careers opportunities within the industry via talks to schools, colleges and the unemployed.
 - b) The creation/development of a work placement database providing details of employers offering placements and information on how to apply.
 - c) Producing a careers website promoting pathways within tourism and promoting the industry as a first choice career.
 - d) Produce and maintain an induction pack for overseas workers.
 - e) To encourage business to take up locally provided management and leadership programmes.
 - f) Encourage businesses to invest in staff development.
 - g) Promote Skills for Life and signpost learners to relevant basic skills provision and funding streams.
 - h) To establish the Customer Service Skills Strategy.

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