VISITOR AND RETAIL ECONOMY

Skills and Training Insights D2N2

September 2018 - FINAL REPORT

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Local Partnerships, World Class Skills

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Purpose

This report was commissioned by learndirect on behalf of D2N2 LEP. The purpose of the study was to gain a clear and up to date picture of the skills and training needs of the sector.

This report contains an analysis of the findings from a range of activities including: online survey of employers, providers and stakeholders in the sector, a series of in-depth telephone interviews and desktop review of several key documents which are referenced in the appendices.

Acknowledgements

Marketing Peak District and Derbyshire, Marketing Nottinghamshire, D2N2 LEP, D2N2 Growth Hub, East Midlands Chamber of Commerce, Derbyshire County Council, Nottingham Council High Peak Borough Council and Destination Chesterfield.

A special thank you to all the employers and providers who took the time to complete the online survey and provide subsequent in-depth interviews.

About skillslocal

Skillslocal provides expert consultancy, project management, new and existing product development and workforce development support. We predominantly service the education and training sectors but have specialist knowledge across a wide-range of sectors. We are passionate about delivering dynamic partnerships that drive productivity and economic growth. Working with a range of organisations, businesses and commissioners and offer practical, cost efficient bespoke solutions.

We are an impartial, trusted and effective strategic partner, passionate about transforming skills and education and training, with over 25 years' experience working in the sector.

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Executive Summary

Context

The Visitor Economy Sector is a priority sector within the D2N2 Local Enterprise Partnership (LEP). In April 2018, Skillslocal Ltd was commissioned by learndirect (on behalf of the LEP) to identify: key insights for the sector; the key skills required by the sector, now and in the future; identify any skills shortages, describe gaps in existing provision; explore how apprenticeships can support the sector and encourage involvement and sharing of best practice.

The last Sector Skills Action Plan was produced in 2014[1], The sector Skills Asks[2], derived from a sector seminar in 2016 and the Visitor Economy Skills Need[3] which were refreshed in 2017 were taken into consideration in the design and structure of this research.

We utilised a range of methodologies including online survey and in-depth telephone surveys. Over 120 completed online surveys were received and the results used to shape the in-depth survey, which was delivered to over 20 employers. An online provider survey was also deployed to 20 sector specialists, followed-up with five in-depth surveys. In addition, a mapping exercise was conducted of training provision in the region.

Key Findings

- Over half the respondents were sole traders, providing a unique perspective that differs widely from previous studies of the sector.
- The majority (81%) of employers surveyed are experiencing business growth, particularly around demand for goods and services.
- Of the employers surveyed, 88% reported a positive outlook in the stability of their workforce.
- The greatest areas of skills need for the sector across the D2N2 area are: job specific skills; managerial; customer service and IT.
- Recruitment of skilled workers with the right technical skills was seen by all sub-sectors to be the biggest challenge.
- The biggest barriers to accessing training include staff availability and cost, but also relevance and flexibility of training on offer.
- Very few employers in the survey are accessing training provided by colleges and universities preferring in-house and on-the-job training.
- 56% had invested in training in the past 12 months.
- 77% of employers surveyed do not have a budget specifically allocated to training.
- Only 30% of businesses who completed the online survey had employed, or currently employ, an apprentice. This is despite the majority of employers believing they are a good method for developing the skills the business needs.
- Only 27% of those employers surveyed had accessed funded training.
- For 31% of businesses, Brexit is seen as a potential business threat and it is clear that they are not sure how best to plan for the future and are nervous about future prospects.
- When employers are engaged with business and personal development, they will attend short courses, as evidenced from the success of the Marketing Peak District and Derbyshire programmes.
- Whilst online training is a preferred method of training for employers, none of the current providers offer this, except as part of an Apprenticeship programme.
- There are more than 200 sector specific qualifications available in the D2N2 area and just over 20 new Apprenticeship Standards, mainly available via national providers and colleges.

- Provision in the D2N2 region is good at Level 2 and 3 but decreases significantly for Level 4 and above.

Conclusions and Recommendations

Digital skills and online training are areas that need to be explored in greater detail. Many of the businesses said online training was their preferred choice, however few had used it. With a large proportion of the sample being SMEs, this response is most likely because online training is perceived to require less of a commitment away from the business. For a sole trader, this is the training paradox, knowing training is needed, but not being able to close the business in order to access it. It was clear from the results of the surveys and interviews with providers, that online learning isn't something that is currently offered outside of an Apprenticeship framework.

There is an appetite for online learning and economically it would be a cost-effective method of delivering training to more businesses. A simple solution would be to consider how the training and workshops being delivered by the funded route could be offered via live streaming and webinars (which if recorded could also provide a legacy for projects). The ESS 2017[4] highlights that 51% of employers providing training have made use of online training, increasing from 45% in 2015. Take-up has increased across the whole of the UK and in all sectors.

The project scope did not include an investigation of what online learning is available to the sector, but would be essential to explore this in the future. This would help to understand how it can be best utilised to support the high volume of small, rural businesses who struggle to attend workshops and training, which are too often held in and around the major urban conurbations.

There is a wide range of skills support and training available regionally, and only a small percentage is reaching the businesses surveyed in this study. Stakeholders should consider the support commissioned in the future, to encourage more proactive delivery and engagement with the sector.

Brexit, whilst seen by many businesses as a threat, also provides an opportunity to re-engage with the sector. 39% of those surveyed are not sure what implications it will have and feel it will be negative. Skills development and training could allay some of their concerns, and reduce a sense of isolation, particularly for sole traders.

The ESS 2017[4] includes a section on High Performance Working (HPW) processes, which should also be considered as a way to encourage the sector to adopt smarter/better working practices. It's clear from the ESS survey that businesses who embrace HPW practices are seeing benefits, which include supporting staff retention and improved productivity.

A key challenge for anyone wanting to engage with the Visitor Economy sector presently, is that there isn't one point of contact and this makes providing a consistent regional offer convoluted.

This report recommends that a Visitor Economy Sector Skills Action Group including representatives from a range of organisation across the sector, is re-instated to:

- co-ordinate activities in the sector;
- work with funding contract holders to ensure the sector offer is co-ordinated and not duplicated;
- communicate effectively with the sector;
- maximise all new funding opportunities;

- collate new evidence of emerging skills needs;
- act as ambassadors in the sector;
- represent a wide range of partners and employers;
- work with providers and commissioners to ensure funding is delivering the necessary qualifications and skills.

This group would address the three key themes that this report highlights as being required by the sector:

1. Funding – ensure funding effectiveness and accessibility are maximised and delivering what employers need. Explore how funding can be repurposed to support wider distribution of learning across the whole region.
2. Marketing and engagement – using existing networks to grow and encourage other businesses to engage with skills and learning development.
3. Knowledge – explore how we influence the sector to help them see the benefits of investing in themselves and their workforce.

1. Sector Introduction and Context

The Visitor Economy Sector covers activities directly associated with tourism – including hotels and restaurants, museums and cultural attractions, as well as activities related to the sports and wider cultural sectors, which attract and serve domestic and international visitors. The D2N2 area attracts over 70 million visitors a year (a combination of day and night visitors), contributing over £3bn to the local economy[3]. Approximately 39 million visitors visit Derbyshire each year, and 34 million visitors visit Nottinghamshire[3]. Retail is a common companion of any tourism activity. Substantial synergies exist between the Retail Sector and Visitor Economy. As such, it was agreed that, for the purposes of this study, Retail would will be included.

The combined Visitor Economy and Retail sector employs 223,000 people in the LEP area. Retail is the largest sub sector with 154,000 employees followed by Accommodation and Food Service Activities at 69,000[5].

The Visitor Economy is characterised by seasonal, temporary and part-time working and high levels of self-employment.

TABLE 1: D2N2 VISITOR ECONOMY AND RETAIL SECTOR OVERVIEW

Scale	**Employees 223,000[5] (visitor economy and retail)**
Growth	24.3%[3] D2N2 Growth compared to 5.8% across England since 2015
Business numbers & structure[3]	10,895 businesses Majority are SMEs with only 15 large employers (250+ employees)
Emerging opportunities[3]	Increasing employment through new opportunities and markets e.g. cycling, development of market towns and local assets and encouragement and support of entrepreneurship.
Sector skills need[3] (D2N2 sector action plan 2014)	Need to improve professionalism, with higher standards of service and customer care. Skills shortages identified include chefs, customer service staff and hospitality management. ICT/ Social media skills.

The visitor economy has outperformed other priority sectors in recent years. Between 2008 and 2015, GVA increased by 30% in retail, 52% in hospitality and tourism, 54% in passenger transport and 198% in travel – compared to a 28% increase across the economy as a whole[6].

2. Survey Methodology and Scope

We utilised a range of research methodologies to collect and analyse data including: relevant labour market intelligence, mapping training provision in the sector and undertaking interviews with a wide-range of employers, key stakeholders and providers. This report provides an update of the current needs and challenges faced by the Visitor Economy and Retail sector in the D2N2 region.

At the point of writing this report, the Employer Skills Survey (ESS) 2017[4] was launched and so where possible, reference has been made to national data, particularly where a comparison helps to provide context to the regional challenges in the sector.

The Project's aims and objectives were to:

- Establish the key skills required by the Visitor Economy and Retail sector in D2N2, now and in the future;
- Map and understand the need for training provision in the sector, how the workforce is currently recruited, trained and what qualifications are available locally and to understand need;
- Identify any skills shortages, gaps in existing provision, barriers to engagement and risks for both smaller and larger businesses;
- Explore how apprenticeships can support the sector, encourage involvement and sharing of best practice.

To meet these aims the team:

- Undertook desk-based research of key documents locally and nationally. A full list of these documents is listed in the appendices;
- Engaged with key stakeholders to provide valuable insights which helped shape the online surveys;
- Designed and deployed an online survey to over 3000 businesses and which was targeted at each sub-sector.
    - Despite a full marketing campaign which was backed up with social media, weekly targeted emails and shared by the Destination Management Organisations (DMOs) in newsletters and emails, take-up from this activity was low. It is also worth highlighting that GDPR compliance emails were also hitting employer's inboxes at the same time, so despite best efforts from the team, this activity didn't deliver sufficient numbers for the results to be reliably extrapolated.
- A more proactive approach was subsequently adopted, and the team attended several sector events with iPads. This face-to-face approach proved very successful and delivered over 50% of the results. It was also a useful mechanism to engage with the sector and gain anecdotal information. Over 120 completed online surveys were received.
- Collated results from the online survey were used to shape the in-depth questionnaire, which was delivered to over 20 employers.
- Deployed an online provider survey to 20 sector specialists in the D2N2 area which was then followed-up with five in-depth surveys. In addition, a mapping exercise was conducted of training provision in the region. Eleven responses were received, representing 50% of providers.

The employer survey included 53 quantitative questions and 9 qualitative questions. Certain questions were routed to respondents based on their previous answers. For example, sole traders were not asked questions regarding workforce development.

Online survey respondents were asked if they would be willing to take part in follow-up interviews. Despite having their permission, this exercise proved very challenging to complete. All unreachable respondents were sent a Word version of the interview questions as an attempt to obtain responses from busy employers. This approach was also used with providers and stakeholders.

Results presented in this report are representative of the whole of the D2N2 area, covering Derbyshire and Nottinghamshire equally. In addition to employers, several stakeholders and providers were also surveyed. This provided a broad view of the needs of the sector in the D2N2 LEP area, which helped to shape the online survey, recommendations and conclusions.

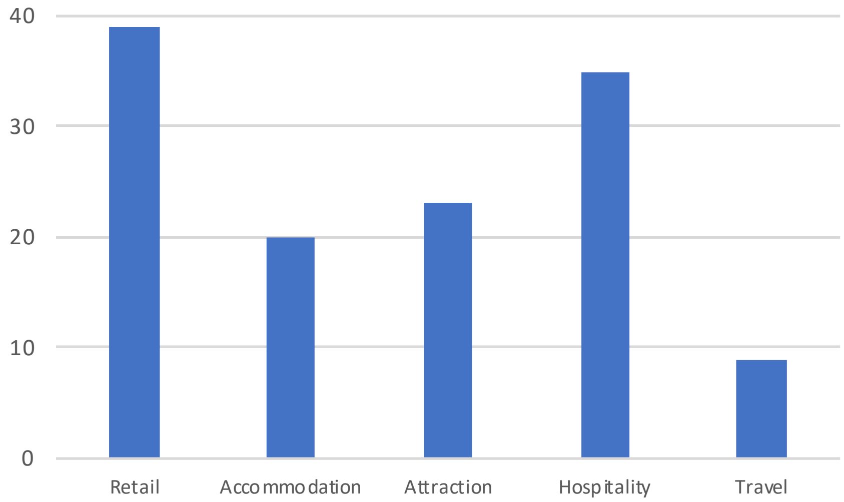
3. Employer Survey Results

3.1 Sector Representation

Employers were equally spread across the region, Nottingham 51%, Derbyshire 49%. Nearly every local authority area was represented, Sutton-in-Ashfield was the only local authority area with no representation.

Responses to the online survey received good representation from the sub-sectors and is in proportion to the range of businesses in the sector from across the region. Travel being the smallest of the sub sectors. Figure 1.

FIGURE 1: SURVEY RESPONSE BY SECTOR



3.2 Size of Businesses

A key feature of all regions in the UK is the large proportion of small businesses. Table 2 shows the breakdown of businesses in the D2N2 area. It is expected that the Visitor Economy and Retail sector will broadly follow this pattern.

The majority of sector businesses in the region are SMEs, with a large percentage of sole traders. Table 3 shows the size of businesses that took part in the survey.

Many larger surveys, such as the ESS Survey 2017[4] concentrate on medium/large businesses, largely ignoring the hard-to-reach smaller micro businesses. A strength of our methodology is that it has captured significant input from small and micro businesses.

TABLE 2: D2N2 BUSINESS SIZE [5]

Size of business	Employees	%
Micro	0-9	88.2%
Small Business	10-49	13.1%
Medium	50-249	2.8%
Large	250+	0.4%

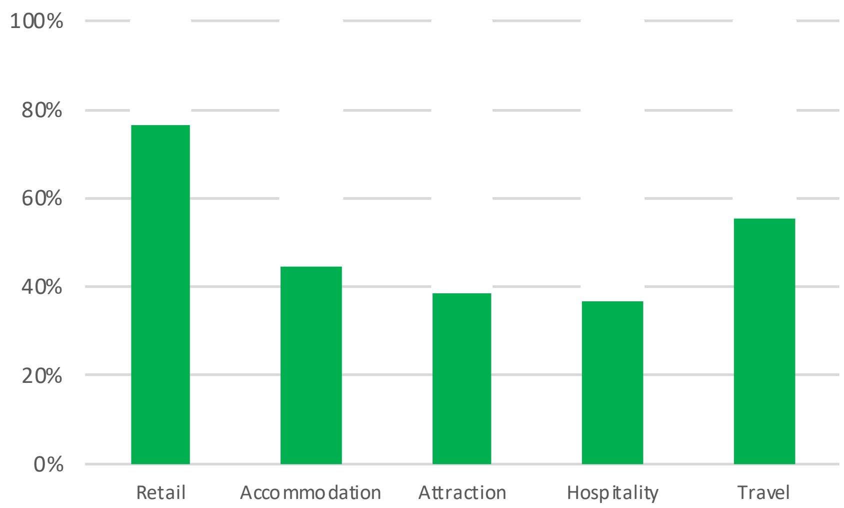
TABLE 3: SURVEY RESPONDENTS BY BUSINESS SIZE

Size of business	Employees	%
Micro	0-9	60.4%
Small Business	10-49	15.6%
Medium	50-249	15.6%
Large	250+	8.3%

Over half of the respondents in the survey were sole traders (50.4%), Figure 2. This gives the survey a unique viewpoint, as it is often difficult to get responses from busy, small enterprises. Results have been apportioned by size where this makes a significant impact on the findings.

The sample sector with the highest proportion of sole traders was retail with over 75%.

FIGURE 2: ARE YOU A SOLE TRADER? RESPONDENTS BY SECTOR



Sole traders in retail were the most likely to have accessed training for themselves, with 75% having done so in the past 12 months.

TABLE 4: % OF SOLE TRADERS ACCESSING TRAINING BY SUB SECTOR

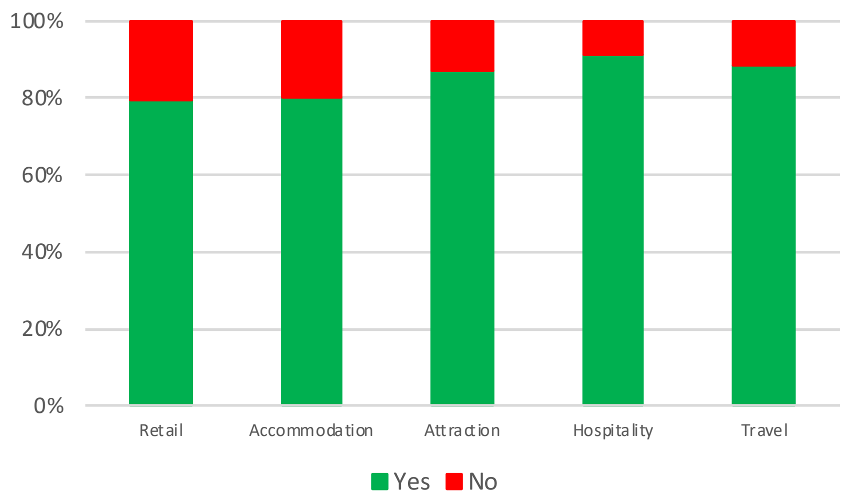
Retail	Accommodation	Attraction	Hospitality	Travel
75%	43%	37.5%	36%	50%

3.3 Business Growth

FIGURE 3: BUSINESSES GROWTH

Figure 4 shows that business confidence is evenly reflected across the sample.

FIGURE 4: IS YOUR BUSINESS EXPERIENCING GROWTH?



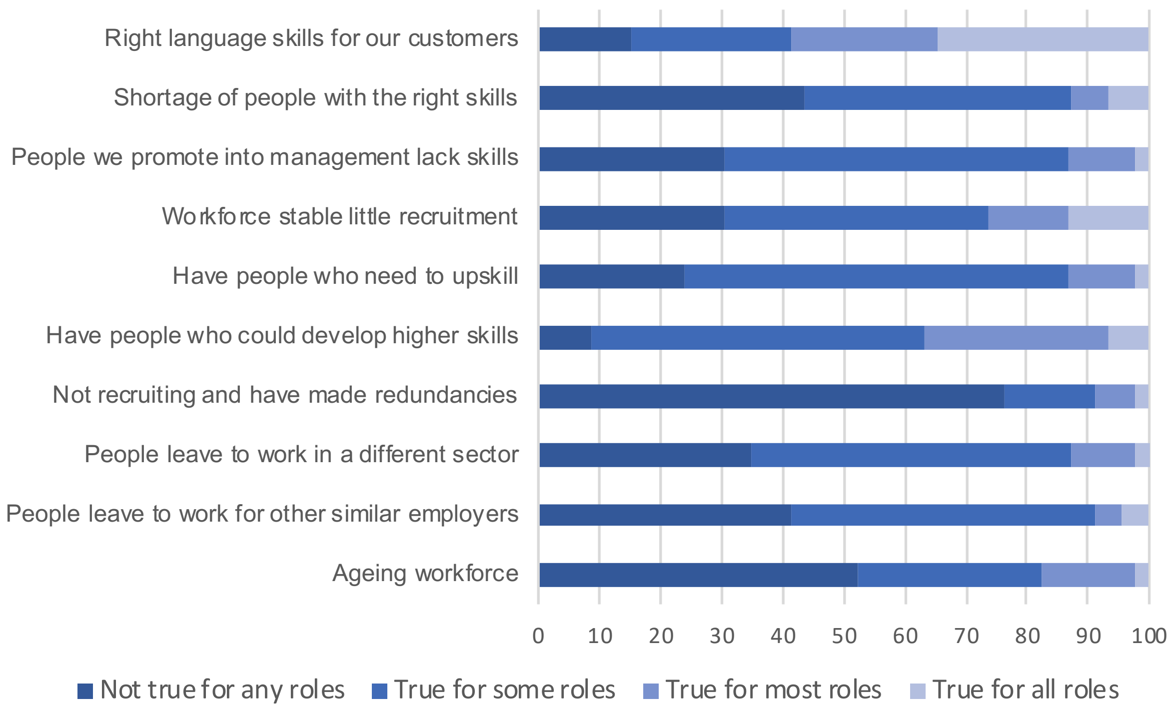
When this growth was explored during the in-depth interviews, a number of key themes emerged:

- Marketing via social media;
- Word of mouth;
- Business is now more established;
- More people taking weekend breaks and opting to stay in UK;
- Good weather has had a positive impact.

3.4 Workforce Development

Many of the figures below show an amalgamation across all sub-sectors, however, where there is a significant variation, a breakdown by sub-sectors is provided. Full charts across sub-sectors for each question have been provided in Appendix 1.

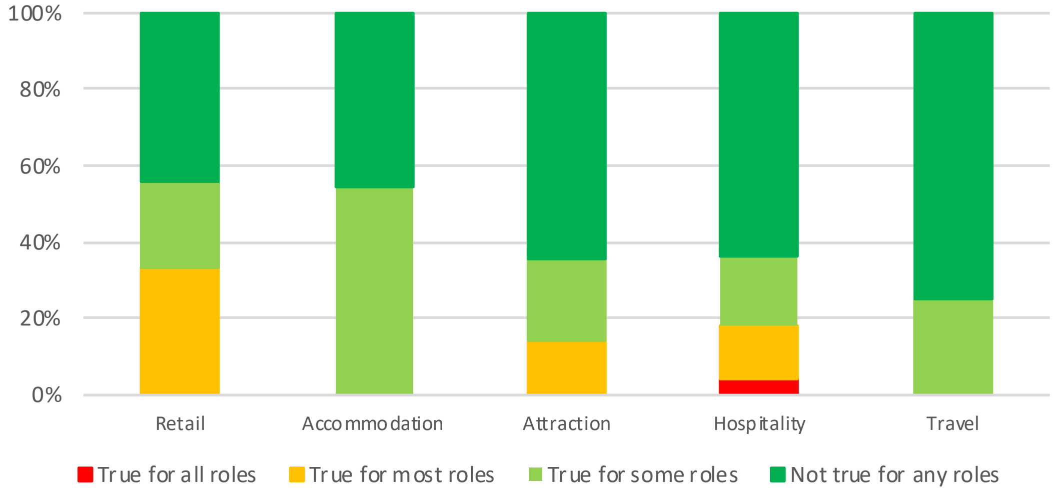
FIGURE 5: WORKFORCE DEVELOPMENT - SKILLS NEEDED TO YOUR GROW BUSINESS



Needing the 'right language skills for our customers' had the highest total saying that this was true for most or all roles and yet this evidence was contradicted when businesses were asked what training they would look for. The question did not clarify why this was. Is it a reflection of the employee's ability to speak languages other than English in order to communicate with their customers, or just to speak appropriately? This could be an area for further research, as it could also be an impact of Brexit and EU nationals leaving the UK.

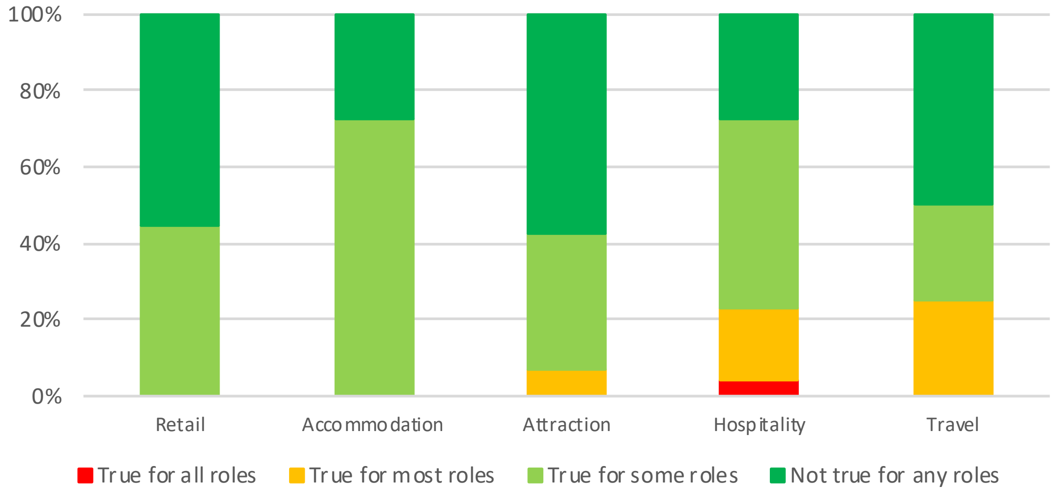
The retail sector faces some challenges with an ageing workforce however, more generally this is not perceived as a major issue. The travel and accommodation sectors are least affected by an ageing workforce, possibly a reflection of a higher proportion of entry-level positions being available for young people.

FIGURE 6: IS YOUR WORKFORCE AGEING?



Attracting new workers to the sector was not seen as a challenge across all sub-sectors. However, retaining staff in travel and hospitality sectors is more problematic. The hospitality sub-sector loses the highest proportion of staff to other sectors (22%).

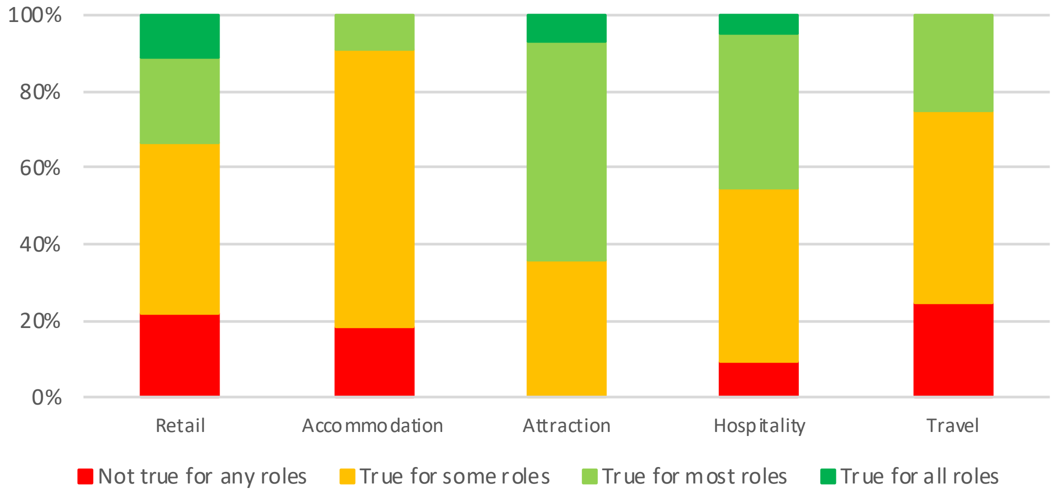
FIGURE 7: STAFF ARE LEAVING TO WORK IN OTHER SECTORS



The overwhelming majority (87.5%) of employers reported a positive outlook in the stability of their workforce with very few (14%) having recently made redundancies.

When recruiting, employers felt they were able to find people with the right skills their businesses needed. However, they did not feel they had the right staff within their businesses to develop.

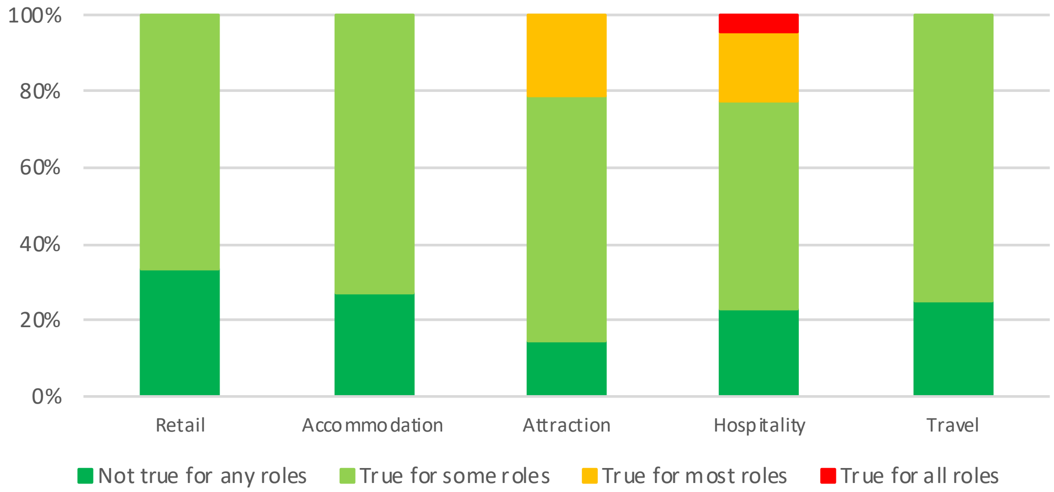
FIGURE 8: DO YOU HAVE STAFF WHO COULD DEVELOP HIGHER LEVEL SKILLS AND GROW IN THAT ROLE?



When questioned, employers felt they were able to easily find the best people for a vacancy, but they did not believe that their staff had the skills necessary to self-improve or to help the business develop. This was most obvious in the Accommodation (90%) and Travel (78%) sectors and least obvious in the Attraction sector (38%). This would suggest that upskilling staff for specific jobs and intermediate supervisory posts is a barrier to development. An opportunity may exist here for training in recruitment and selection and succession planning, to help managers see further ahead, rather than just filling a single vacancy.

The findings highlighted a specific need to upskill staff to keep pace with technology, particularly in the hospitality and attraction sectors. This highlights a training opportunity for providers.

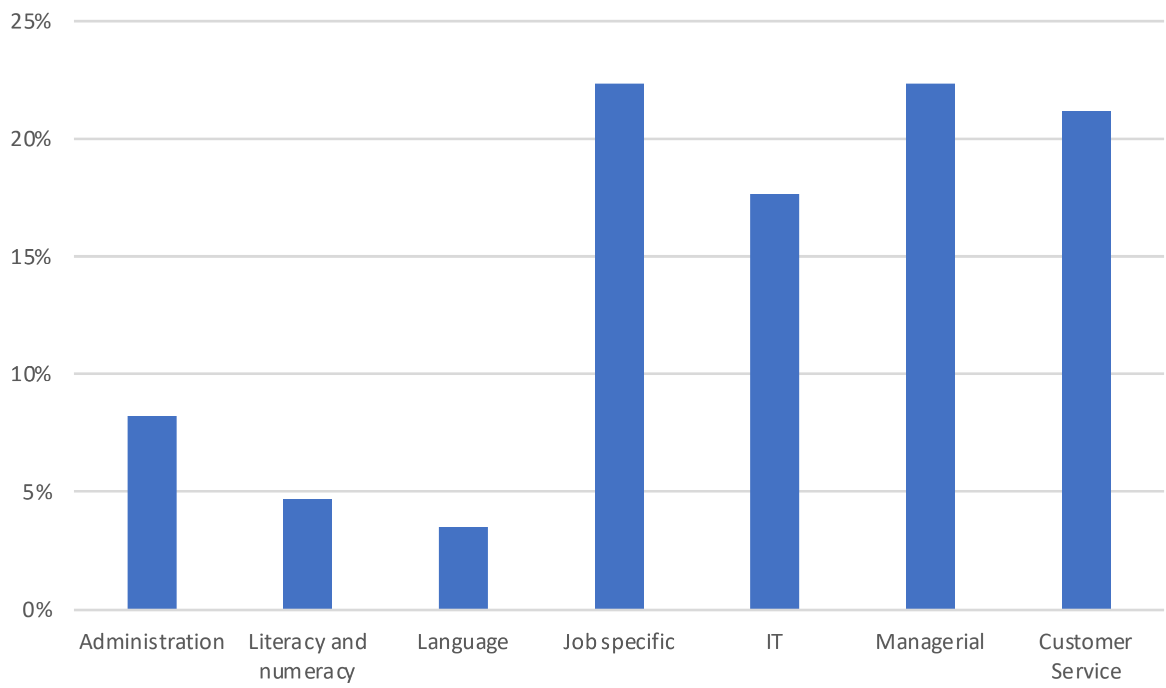
FIGURE 9: WE HAVE PEOPLE WHO NEED TO UPSKILL DUE TO CHANGING WORK PRACTICES AND TECHNOLOGY



3.5 Skills Gaps

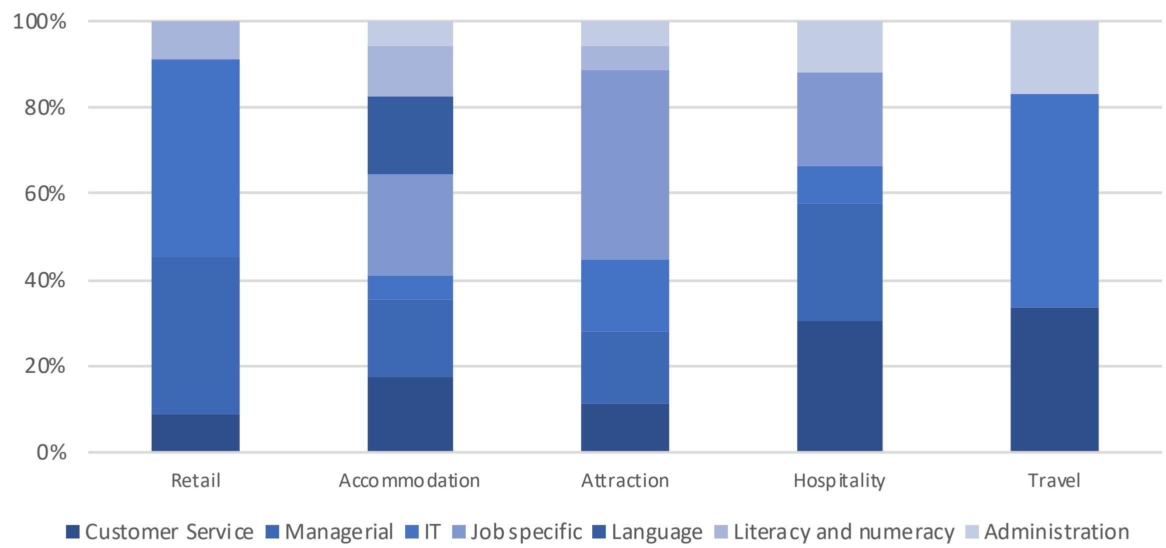
The survey highlighted the greatest areas of need across the sectors as: job specific; managerial; customer service and IT. These represent the skills that are in shortest supply in their businesses.

FIGURE 10: WHAT ARE THE SKILLS GAPS IN YOUR SECTOR



Job specific and managerial skills were identified as the largest skill gaps in the Visitor Economy. However, businesses also believe that they are getting the right people for their vacancies. This again indicates that recruitment is not considering the long-term development needs of the business, succession planning etc. Retail and travel sub-sectors show the highest demand for IT skills. This is likely to reflect the increase in online competition felt by those sectors.

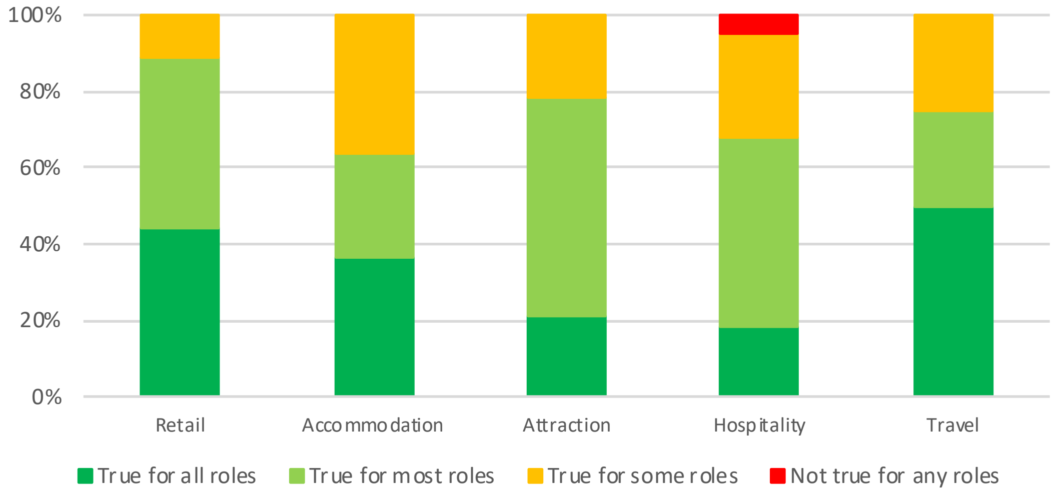
FIGURE 11: SKILLS NEED BY SECTOR



3.6 Management Skills

The employer survey asked a series of questions relating to the skills of their managers. The skill sets investigated were people management, financial management, understanding of their marketplace, project planning skills, capacity for innovation and leadership Overall, the majority of employers believe their managers have the skills they need to be good managers.

FIGURE 12: OUR MANAGERS HAVE GOOD PEOPLE MANAGEMENT SKILLS

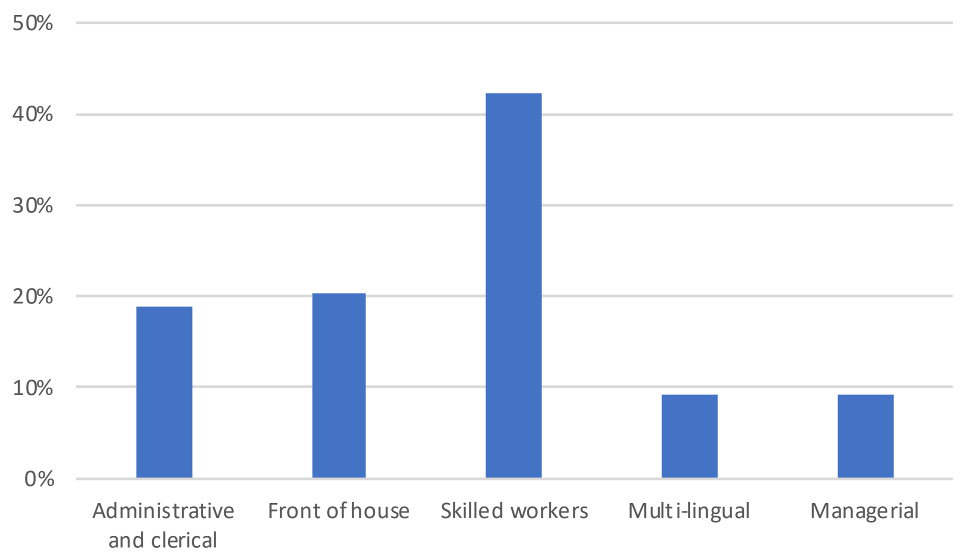


No significant sector-specific skills gaps were identified, again indicating that the need is for internal upskilling rather than difficulties in recruitment. Upskilling is often less risky for a business. People are not always as they describe themselves on a CV and good candidates sometimes interview badly. It is worth considering that D2N2 is an area with pockets of low population density, so upskilling existing workers will reduce potential productivity dips when bringing new staff in to a location.

3.7 Recruitment Challenges

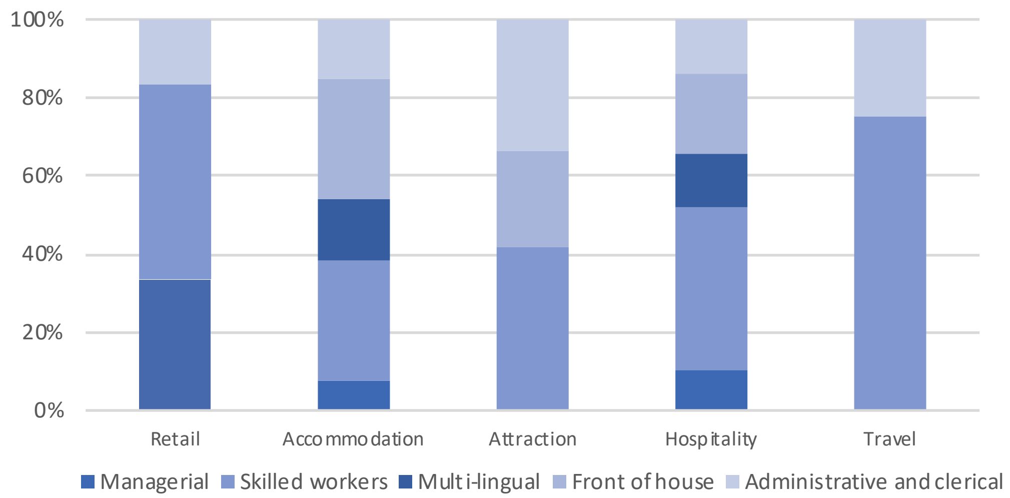
Recruitment of skilled workers was seen by all sectors to be the most challenging area, figure 13. This result resonates with the finding from the ESS 2017[4] where skilled and technical workers were in short supply. This is particularly true for trained chefs, who represented 17% of all skill-shortage vacancies for Skilled Trades.

FIGURE 13: THE BIGGEST RECRUITMENT CHALLENGE IS FOR SKILLED WORKERS



Finding people with the right managerial skills is most challenging in the retail sector and multilingual skills are only a challenge in the Hospitality and Accommodation sectors. The table below illustrates the training needs for each sub-sector and should help providers to target their offer more precisely.

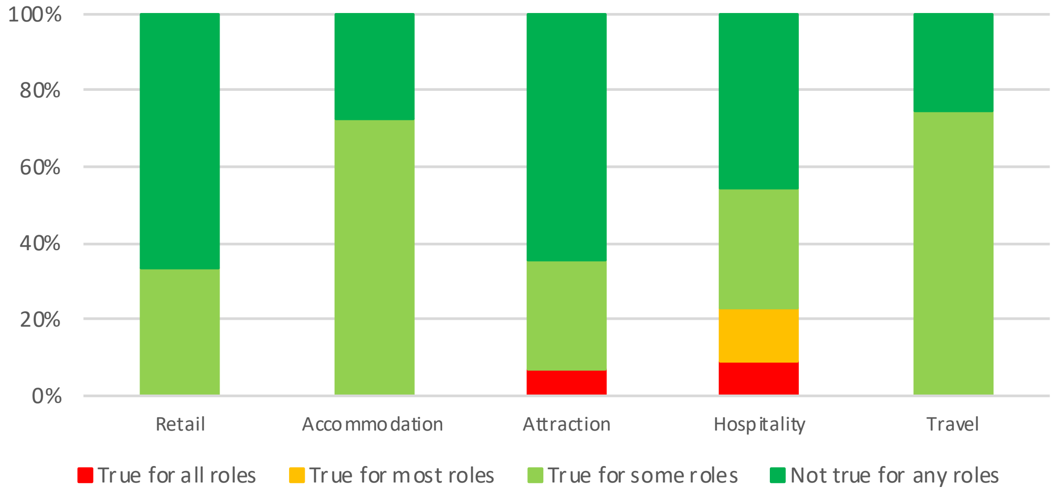
FIGURE 14: WHAT ARE THE RECRUITMENT CHALLENGES IN YOUR SECTOR?



Respondents were asked to list their main challenges and a qualitative picture then emerged of key shortages. Specific job roles highlighted as being difficult to recruit to included qualified kitchen staff; baristas; volunteers; fundraising; event staff; cleaning staff and specific operational staff.

Several respondents commented that finding people with the 'right attitude' was a challenge. This could reflect the age of the respondents or the age spread of their workforce. Young people are often sweepingly referred to as having a poor attitude to work in terms of punctuality, consistency etc.

FIGURE 15: THERE IS A SHORTAGE OF PEOPLE WITH THE RIGHT SKILLS FOR OUR VACANCIES



The sector with the biggest recruitment challenge is the Hospitality Sector with a 20% shortage across most roles. The whole sector is facing an element of skills-shortages.

3.8 Skills and Qualifications

Employers were asked if there were any specific skills or qualifications that they struggle to source. The figure below shows an equal level (30%) for roles across all sectors in terms of the skills and qualifications that they need in their business.

FIGURE 16: ARE YOU EXPERIENCING RECRUITMENT CHALLENGES IN TERMS OF SKILLS OR QUALIFICATIONS?

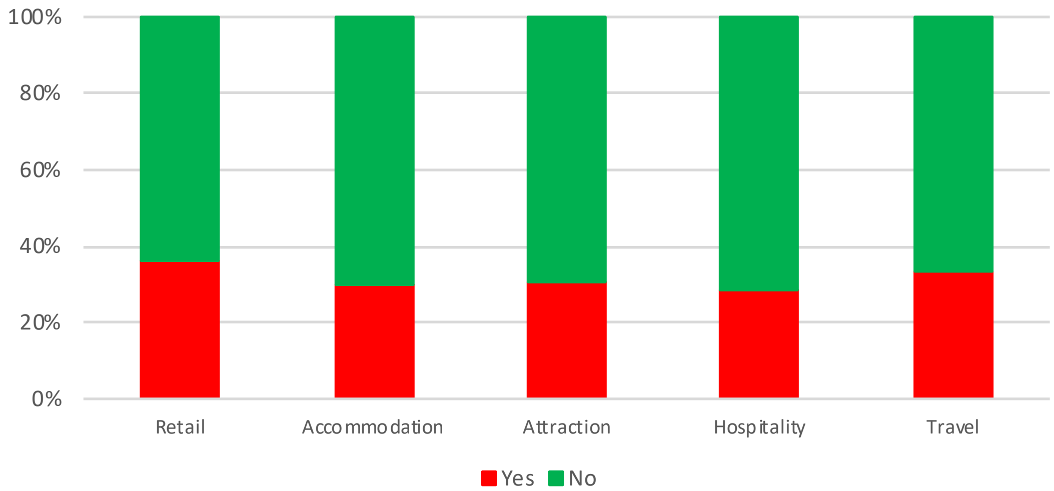


TABLE 5: PLEASE SPECIFY THE SKILLS THAT YOU ARE LACKING

Skills/Qualifications	Responses
Social Media	14
Job Specific	12
IT	10
Digital Marketing	5
Management	5
Customer Service	3
Admin	2
Basic Skills	1
H&S	1
Languages	1
Planning	1
Project Management	1
Recruitment	1
Web Development	1

Respondents were asked to indicate the qualification levels within their existing workforce and Table 6 shows the breakdown.

TABLE 6: QUALIFICATION LEVELS

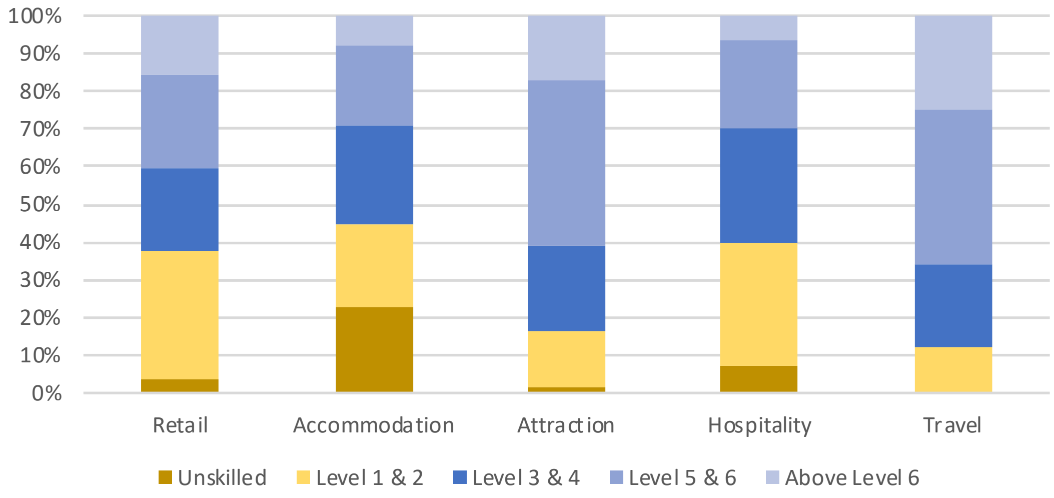
Qualification Level	Definition	% of surveyed workforce with this qualification level
No qualification	Unskilled	11%
L1 & L2	GCSE Grade A-C (7-4)	34%
L3 & L4	A Levels or Foundation Degree	27%
L5 & L6	Degree	25%
Level 7+	Masters or PHD	3%

45% of the surveyed workforce is educated to below L1 & L2 standard. 28% of the workforce in the companies surveyed are qualified to L5 & L6 or above.

This could be a driver for the apparent lack of interest in training that leads to a qualification.

Accommodation and Hospitality sub sectors had the highest proportion of staff educated to L1&L2 level and below. There is a perception that roles in the Visitor Economy are unskilled and these sectors may therefore be less attractive to people seeking a career, a factor that might also tie to the percentage of people leaving the sector to work elsewhere.

FIGURE 17: QUALIFICATION LEVELS OF WORKFORCE BY SUB-SECTOR



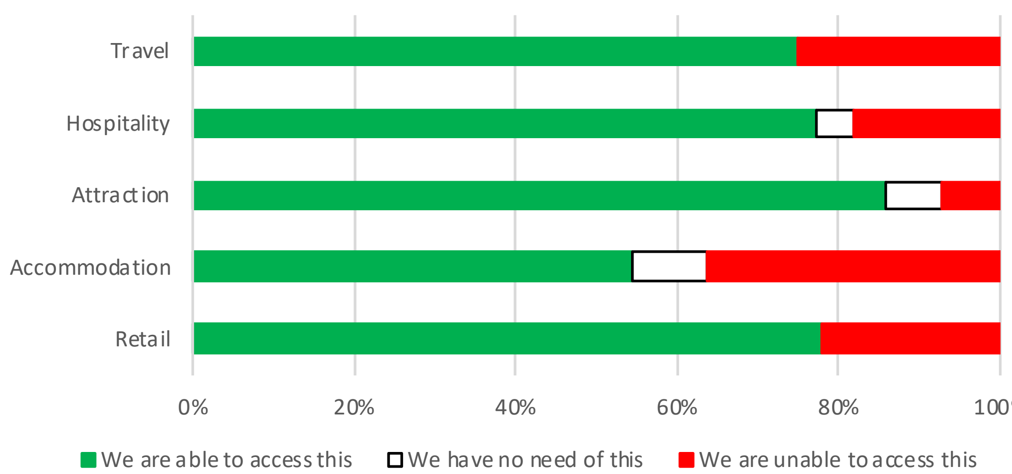
3.9 Training

Employers were asked to rate how easily they felt they could access appropriate training and support to develop their workforce. Questions covered the following subject areas:

- Skills to enable staff to adapt to new technology
- Skills to enable staff to adapt to new work practices
- Skills to enable staff to adapt to regulatory changes
- Skills to train staff who are new to the sector
- Job Specific skills
- Management skills
- Leadership skills
- IT Skills
- Literacy and numeracy skills
- Customer service skills

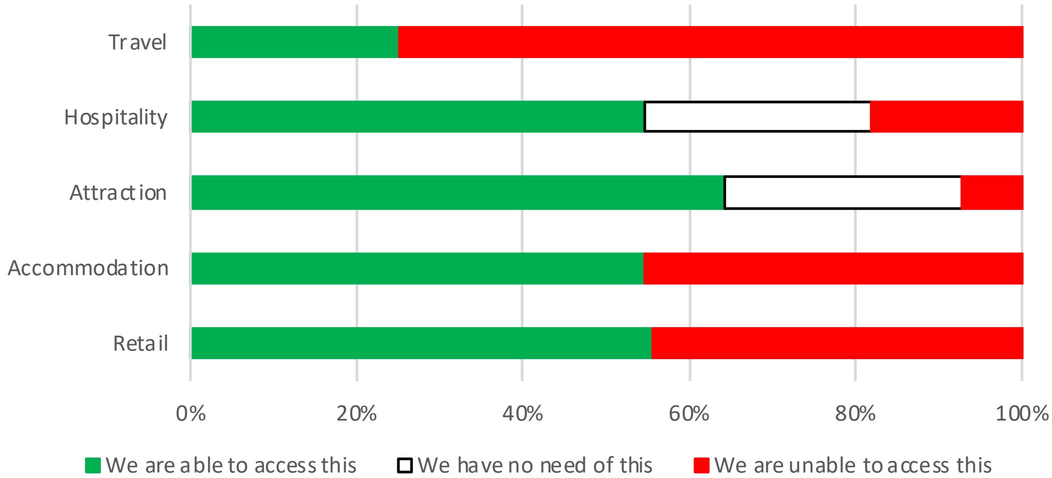
All sectors citied Leadership skills and IT training as being difficult to access. Access to training for new staff joining the sector also appears to be challenging to access. The full breakdown by sub-sector can be found in Appendix 1.

FIGURE 18: ARE YOU ABLE TO ACCESS TRAINING FOR LEADERSHIP SKILLS?



35% of respondents in the accommodation sector said that they had difficulty in accessing leadership skills training. Less than 10% of attraction companies surveyed had similar difficulties. This is likely to relate to the location of the attractions i.e. they are closer to urban conurbations.

FIGURE 19: ARE YOU ABLE TO ACCESS TRAINING FOR IT SKILLS?



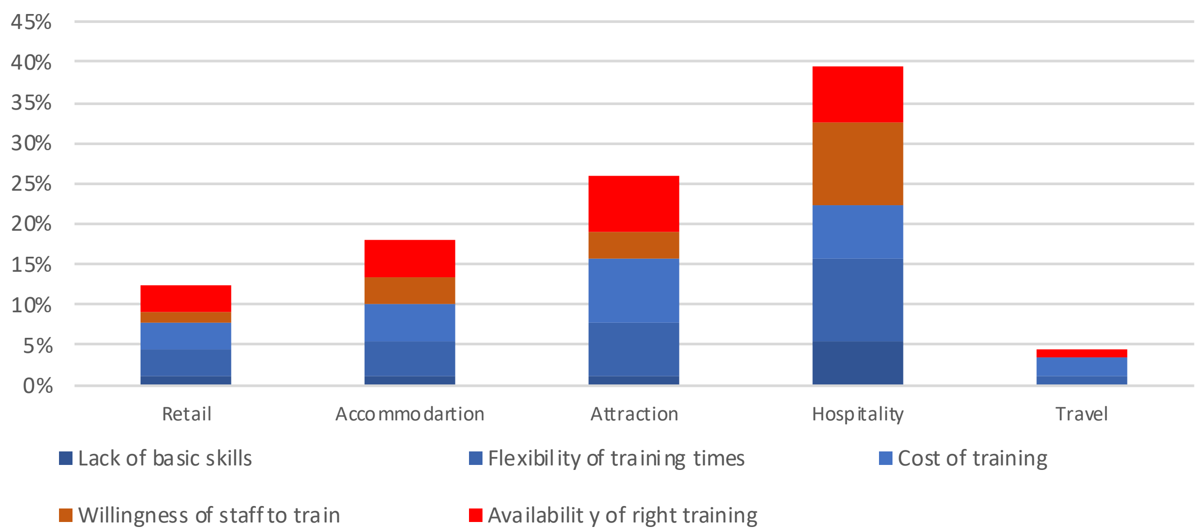
Over 70% of travel companies surveyed experienced difficulties in accessing IT training. Again, the same difficulties are not being experienced in the attraction sub-sector.

3.10 Barriers to Training

Employers were asked what were the greatest barriers they face when accessing training. Figure 21 below shows that flexibility of training to meet staff availability, and the cost of training are the areas most requiring improvement by providers wishing to engage with this sector.

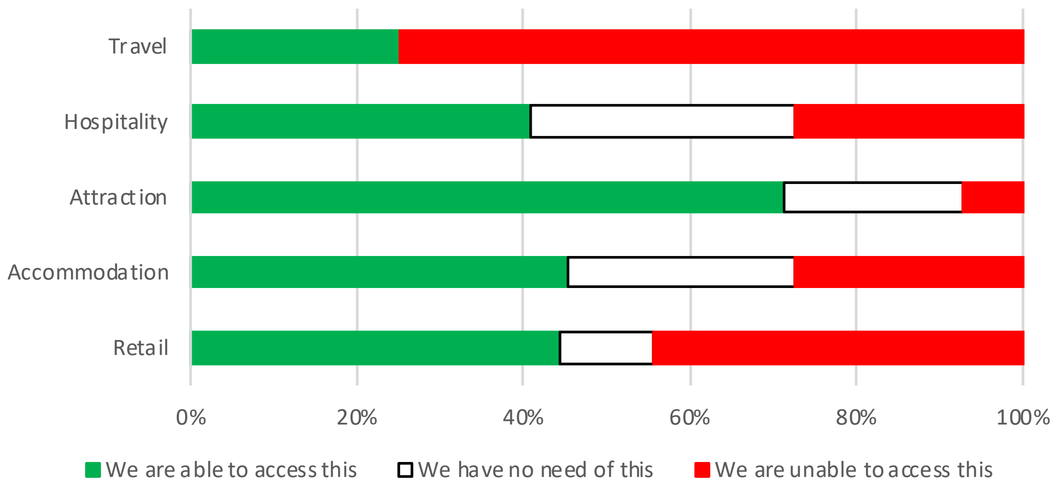
Whilst acknowledging that the difficulties faced by respondents in accessing training are equaled in part for the providers i.e. travel time and distance, the visitor economy is not a Monday through Friday, 9-5 sector. Improved engagement will require re-examination of the delivery models used by providers.

FIGURE 20: WHAT ARE THE BIGGEST BARRIERS TO TRAINING YOUR WORKFORCE?



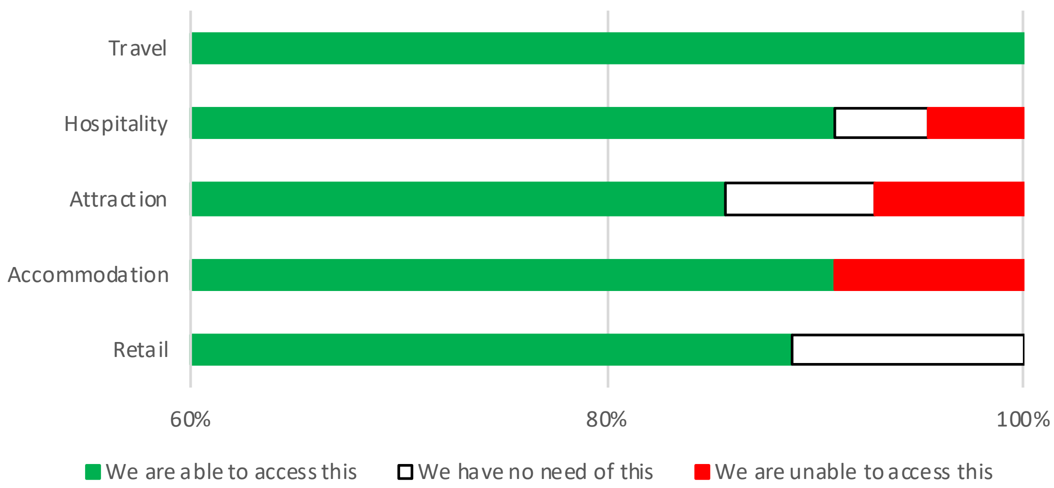
Employers suggested the willingness of staff to train, and the availability of the right training were the biggest challenges, particularly in the hospitality sector, dwarfing the more expected barrier of cost (respondents were able to select more than one reason). However, the online survey suggested that in general, employers appear to be struggling the most in being able to find and access training. Unwillingness to train was highest in hospitality

FIGURE 21: CAN YOU ACCESS SKILLS TO ENABLE STAFF TO ADAPT TO NEW TECHNOLOGY?



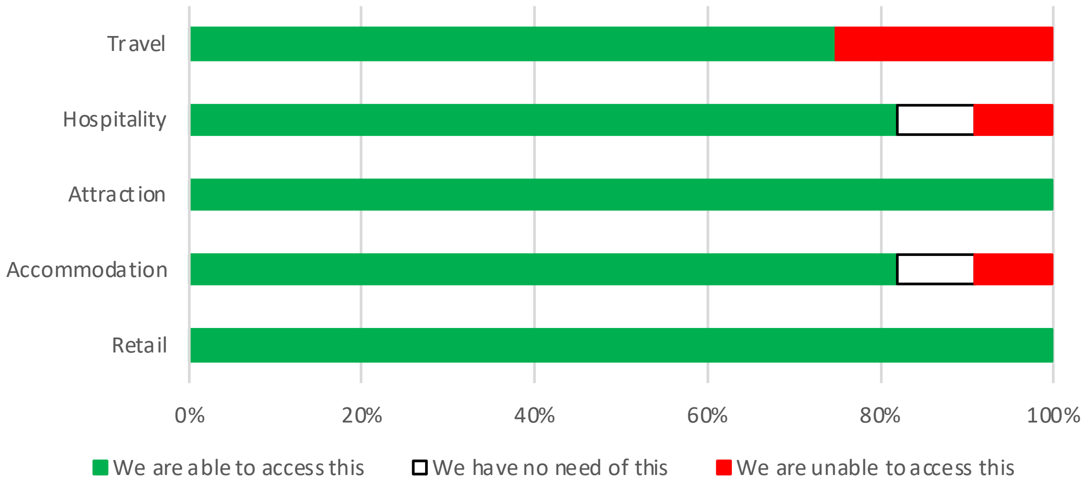
More than 70% of respondents from the travel sector are unable to access training to help their staff and businesses adapt to new technology, as do 45% of the retail sector. However less than 10% of the attractions see the same problems.

FIGURE 22: CAN YOU ACCESS TRAINING TO ENABLE STAFF TO DEVELOP JOB SPECIFIC SKILLS?



Job specific skills are most challenging for Accommodation, which correlates with the earlier findings around their skills needs. Retail however has no problems with accessing training to improve job specific skills.

FIGURE 23: CAN YOU ACCESS SKILLS TO ENABLE STAFF TO IMPROVE CUSTOMER SERVICE?

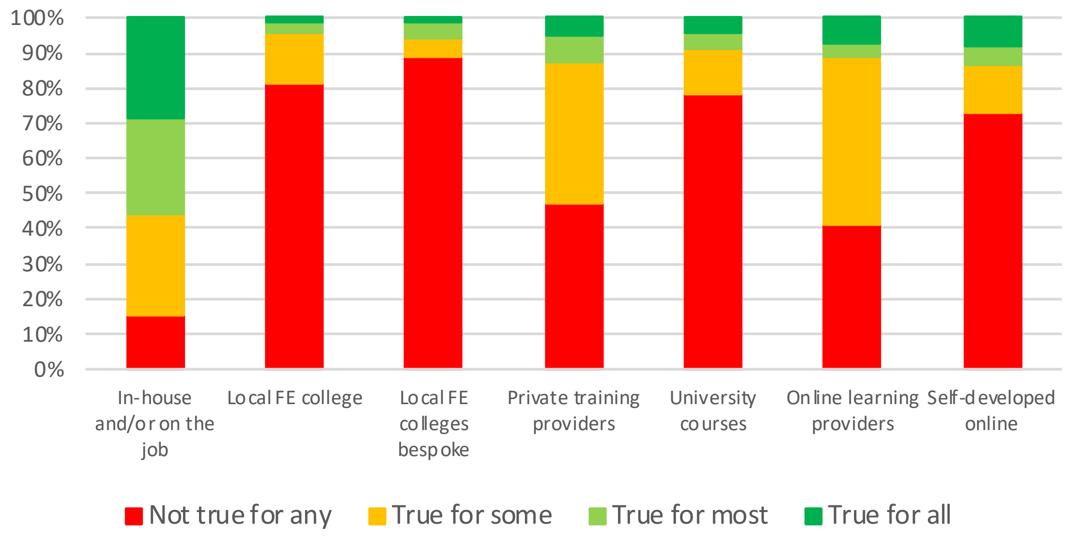


Employers in the main have no trouble accessing customer service training, although again, travel has the biggest difficulty. This resonates with the findings from the qualification mapping and provider surveys, which show a plethora of customer service qualifications. Most providers have some form of customer service offering.

3.11 Preferred Training Methods

Employers were asked about training and development and how they provide training to their employees. The chart below, shows that few employers in the survey engage with colleges and universities. Preferring to provide training in-house or on-the-job.

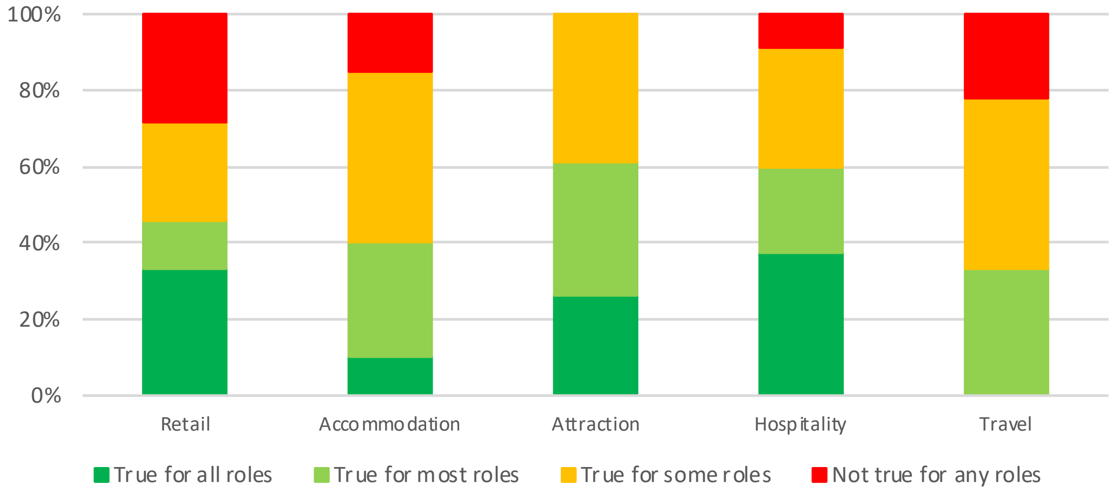
FIGURE 24: PREFERRED TRAINING DELIVERY



The least favoured training providers (red) are Local FE Colleges, who appear to be disengaged from their local employers. This indicates an opportunity for joint learning, which could also improve the employability of students.

Amalgamating the results across the sample, training delivery in-house and/or on-the-job is most popular (greens). Employers are reluctant to send staff away for training courses unless they are on day release courses. This could be a reflection on the geography of the region and the distances that must be travelled to attend delivery off-site.

FIGURE 25: % OF TRAINING DELIVERED IN-HOUSE OR ON-THE-JOB BY SUB SECTOR

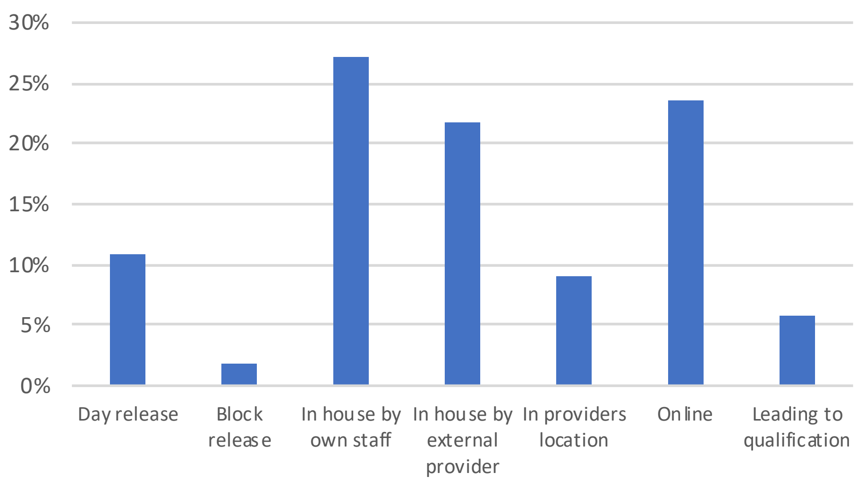


Unusually, all the attractions in the sample say that all of their training is done in-house or on--the-job.

In-house training delivered internally by their own staff is the employers' most common training method, followed by online training. Given online training is the second choice of preferred delivery method, it is surprising that it is not used more by employers (respondents were able to select more than one delivery method). This may be because there is no one, easy-to-access location where all local training information is held. A recommendation of this report is the development of a training directory. As a minimum, this should be available online but if feasible also be distributed in hard copy.

It was interesting that the provider survey highlighted that most providers don't have an online offer, unless as part of an Apprenticeship route. Few employers surveyed have accessed training delivered by local colleges; the biggest sub sector user of this provider is hospitality (though this is still low), possibly reflecting the vocational nature of their offer etc.

FIGURE 26: WHAT IS YOUR PREFERRED TRAINING METHOD?



Onsite training directly by employers covers mainly legislative and mandatory areas e.g. health and safety, fire training, but also general on-the-job training, which tends to be bespoke, flexible and delivered at time to suit the business.

Respondents feel that face-to-face and group programmes, and on-the-job learning are the most effective. With group programmes they like the aspects of sharing experiences and being able to ask questions, but don't tend to use them as they are often inconvenient, time consuming and costly.

The majority of businesses interviewed have chosen online training, due to the low cost and convenience. This was especially attractive for the smaller, more rural businesses; for whom the convenience of online training makes it an easy option.

But, despite the popularity of online learning, none of the businesses interviewed suggested online training was the most **effective** method. This needs to be investigated further, to avoid providers investing in designing online programmes, only to find that uptake is low, because employers are not convinced that it is effective. Further consultation would elicit information on whether there is a bias caused by a lack of personal experience. There is possibly also an age bias in the sample. Younger people have more experience of online learning as integral to their education. Older people may view online learning as an easier option but are not convinced of its effectiveness.

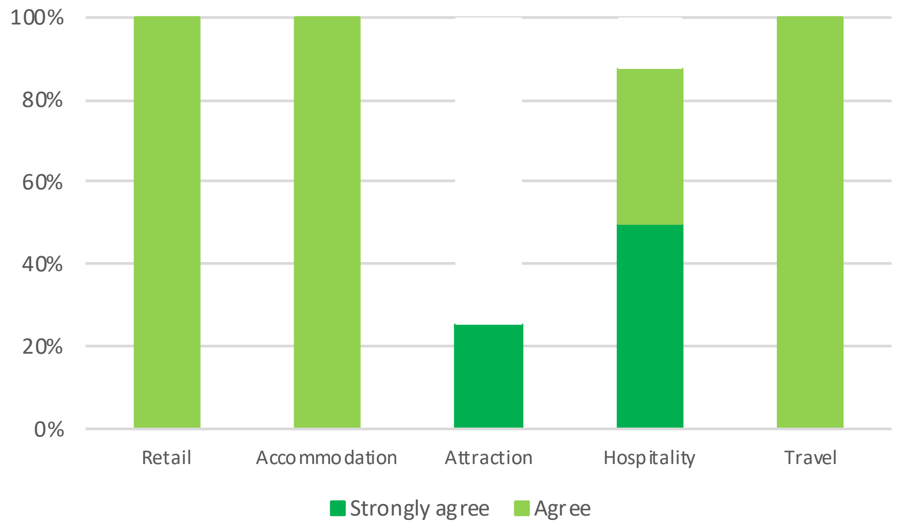
When choosing a training programme, price is a not always a top priority for employers; convenience and relevance are more important. Employers are least likely to use bespoke courses designed by their local FE college.

Interestingly, the ESS 2017[4] also noted a higher take-up of online learning across every Industrial sector since 2015. This suggests that employers are becoming more comfortable with the concept and that online training is improving.

3.12 Apprenticeships

The majority of respondents do not employ apprentices (70%), of those who do, nearly 80% feel apprenticeships provide a good route to develop the skills the business needs.

FIGURE 27: DO YOU AGREE THAT APPRENTICESHIPS ARE A GOOD ROUTE TO DEVELOP SKILLS?



The lowest level of agreement with this statement is for the attractions sub sector.

Only one of the employers interviewed had employed apprentices, and this was with mixed results. They explained that an apprenticeship will only work if the apprentice has the *'right attitude'* for the business in the first place.

It is worth considering that, with the large volume of SME and sole traders in this sample, staffing levels may be linked to the attitudes towards apprenticeships. If a business is staffed at the minimum to sustain business continuity, there will be a perception that any time spent training an apprentice is time not delivering on a job role. That role would then need to be either passed to another member of staff, or the trainer would need to work extra hours (for which they may not be paid).

At the tourism forums visited, there were some interesting conversations with employers. A couple of employers were nervous about the cost of employing an apprentice, both the 10% fee and then the time away from the business. When discussing the survey with several employers, location (for a rural business) was a concern. Without the accessible transport available in urban areas, young people can have difficulties getting to and from work on time.

None of the other employers interviewed are considering apprenticeships. As small businesses, they don't feel they have enough to offer, and wouldn't be able to provide the right level of experience and support.

A legacy output from this research would be the development of online classrooms to give apprentices access to the group experience that helps to reinforce learning and reduce the risk of isolation that young people, away from their peers, might feel.

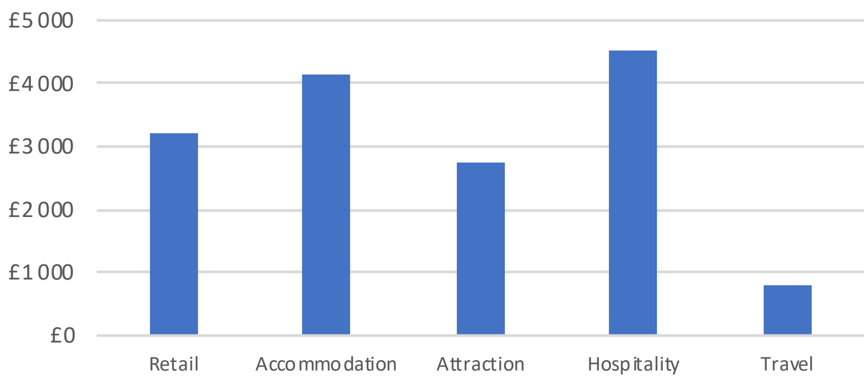
Some of the small employers are planning to, or have taken on, placement students/interns. They have only been able to do this due to the positions being funded, they wouldn't otherwise be able to pay the salaries.

3.13 Employers' Investment in Training

Hospitality and Accommodation sectors have the highest annual spend on training amongst the respondents, with an average of £4500 and £4000 per annum respectively.

The surveyed employers' annual training budgets range from zero to £20k per annum, with an average spend of £2,150. 77% of those with no training budget are micro businesses or sole traders.

FIGURE 28: ANNUAL TRAINING SPEND PER SUB-SECTOR IN THE SAMPLE

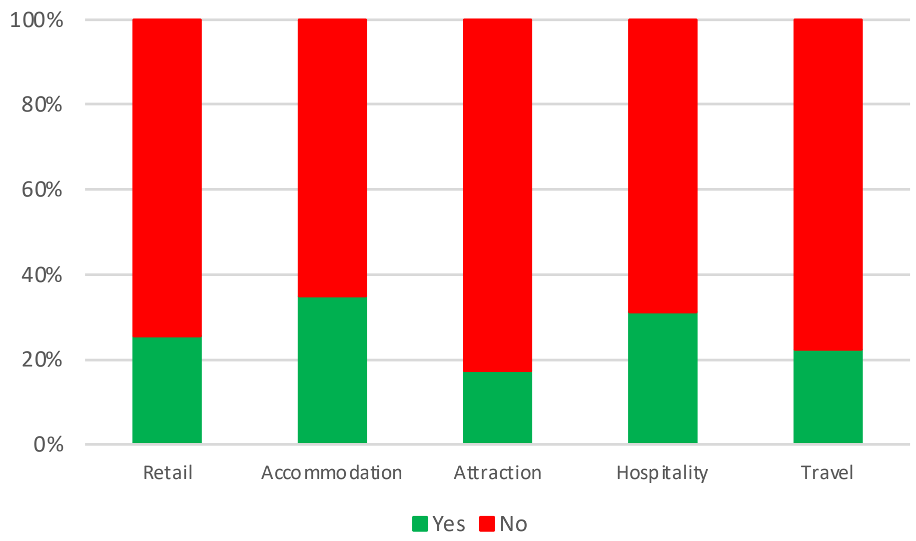


Just over 20% of employers have accessed funding for training, with the majority accessing marketing or social media training. Across the visitor economy, there is a low level of engagement with funded training.

The interviews revealed that some sole traders are just not interested in accessing training, regardless of whether or not it is funded.

The majority of the businesses interviewed were not aware of funded programmes, and many of those who are aware of funded programmes, have not yet had the time to investigate. Reasons provided included the courses are often not relevant, too generic or during business hours.

FIGURE 29: HAVE YOU ACCESSED FUNDED TRAINING?



Whilst the accommodation sector is better at accessing funded training, it is still at less than 40%. Over half of the respondents who specified the actual training used had accessed marketing and social media training.

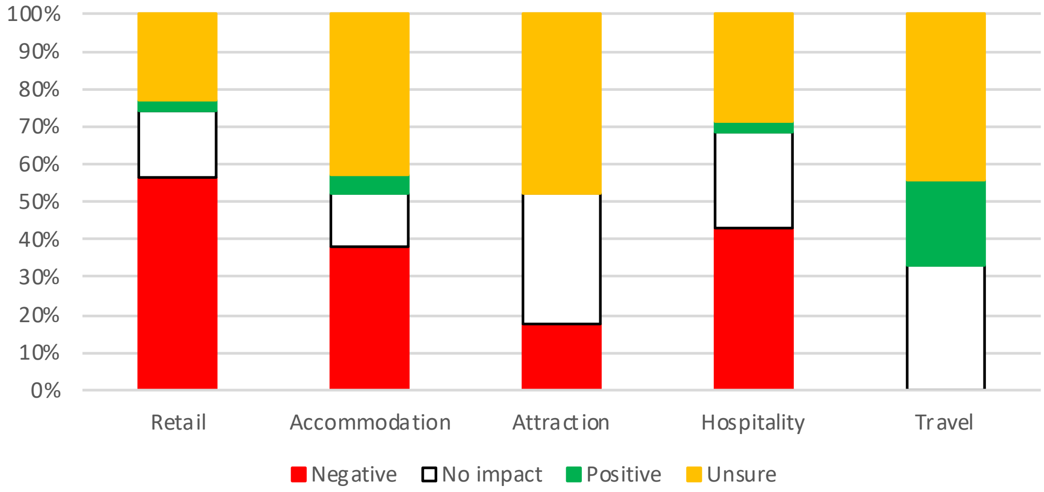
It is contradictory that whilst cost has been cited as a barrier to accessing the skills and qualifications, respondents don't appear to be accessing the funded training either.

3.14 Brexit

Few of the employers surveyed are anticipating that Brexit will have a positive impact on their business. Many are unsure or feel there will be no impact. Just under half however (39%) feel the impact will be negative. Employers are anticipating:

- that the cost of commodities will increase;
- they will lose staff;
- struggle to recruit;
- customer spending may decrease, and tourism may reduce.

FIGURE 30: WHAT DO YOU FEEL IS THE BUSINESS OUTLOOK FOR BREXIT?



The figure above shows that retailers are the most pessimistic sector, with 55% feeling Brexit will have a negative impact. In the retail, accommodation and hospitality sectors, combined positive expectations of Brexit are only 11%

Negative comments included:

"Difficulty recruiting kitchen team mainly chefs, but also front of house."

"Higher costs to import and export goods, more-costly."

"The economy is tanking and nobody has any money. People are not spending on the high street. They are scared. I'm not sure how I'm supposed to train anybody in this climate when I don't know if I can pay the bills. I was looking to expand and get people through apprenticeships etc. But since the vote it's just been worse and worse by the day. I can keep going, just, but I can't expand and certainly can't train."

The positives and unsures:

"Very little staffing wise and not expecting a huge impact from Brexit for tourists ... depends on the value of the pound in the end."

"Who knows. Go with the flow and make the most of opportunities."

Some are unsure of the impact but are concerned that, on a larger scale, this uncertainty makes it difficult to make businesses decisions and could make customers less willing to spend. Aside from Brexit, employers are worried about the general economy, and some mentioned they are looking to develop their marketing strategies to address uncertainties.

4. Provider Survey Response

The providers who responded to the online survey deliver in all the areas within the D2N2 boundary. Half of the respondents were small business (<50 employees), and the other half were large business (200+ employees). The respondents covered all relevant industries, with the majority delivering to the retail, and hospitality businesses.

The majority of the providers who completed both the online survey and in-depth surveys were part of the supply chain, supporting delivery of the European Social Fund (ESF) SKILLS Local contract on behalf of learndirect.

TABLE 7: LARGEST TRAINING DEMAND IN D2N2 AND WHY

Qualification	No of providers	Reason
Customer service	4	• –“this provides some of the real basic skills required for the industry and is a qualification most recognised by the employers” • ” it helps train staff to sell and retain customers” • Level 1/2 customer service - works across all sectors and needed for all
Catering & Hospitality	3	• Hospitality supervisor & Team Leading. Employers seem to want to invest in their management teams rather than 'ground level' staff
Retail	1	• “we also offer a guaranteed interview through a sector-based work academy”
Travel & Tourism	1	• Level 2 Travel and Tourism and LV2 Food Production- Higher student numbers
Management	1	• Management Levy funded L3 & L5 • Chef qualifications due to industry shortages, supervisory and management due to predicted industry shortages and food/drink service due to industry fears over Brexit

4.1 Engaging with the visitor economy sector

Providers engage with the sector in a variety of ways; using business consultants; trainers and or sales staff. Larger providers have a broader approach focussed on attending and hosting events. One provider suggested that larger employers are harder to engage, whilst others suggested that micro businesses were the most difficult to reach, due to being time-poor. These opposing opinions could indicate a reluctance by some providers to engage with the sector on a larger scale. Providers may not feel that the efforts necessary to engage in rural areas or with SMEs will pay dividends or fit their business model.

4.2 Training demand

The most popular qualifications offered by providers are customer service related, because they provide basic skills required by all staff, regardless of sub-sector.

80% of the providers in the survey identified courses they cannot deliver. Delivery barriers included availability of public funding and the ability of individuals to self-fund.

TABLE 8: QUALIFICATIONS IN DEMAND CURRENTLY NOT FUNDED IN D2N2

Qualification	
Management and Leadership	L6 Management; Supervisory and Management qualifications
Legislation Training	L3 Aviation C&G; SIA; Health and Safety; Food Safety; FLT; HACCP.
sector Specific	Small bundles of units – all sectors; LGV Training; Butchery FDQ.
Other	Stand-alone BTEC diplomas; Non-accredited and bespoke packages/training; ESF Funding no longer available in D2N2; Struggling industries restrict employer from self-funding.

Larger providers offer a variety of online training, with one provider suggesting they prefer to use a mix of e-learning and face-to-face learning. One provider did not offer any online learning due to the expense of setting it up.

Despite it being a popular method for employers, providers don't receive a lot of requests for online training. This could also be due to the fact that it isn't offered. It was pointed out that online learning can be challenging if English isn't the first language (for the trainees or their employers). Where a business is based in a rural location, internet access can be challenging.

The in-depth survey asked providers what more could be done to encourage take-up of qualifications and training in the region and the solutions have been grouped into three key areas. These correlate back to the first SSAG action plan and subsequent reports, which discuss raising awareness and education of what is available.

FIGURE 31: BARRIERS TO PROVIDER DELIVERY

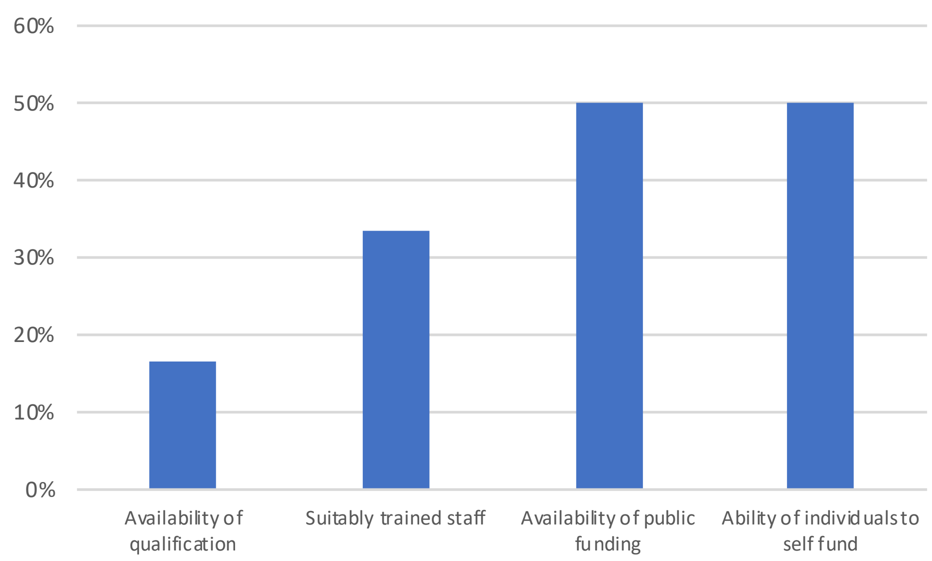


TABLE 9: POTENTIAL SOLUTIONS

Key Actions Needed	Solutions
Increased Funding	• Offer funded courses or part-funded • Free careers seminars to engage individuals to take up training. • Further funding to open up access to those learners who currently cannot access funding for an appropriate training programme • Funded legislative training e.g. H&S, HACCP • Ring fenced funding for rural SME
Product Knowledge	• Hospitality supervisor and Team Leading. Employers seem to want to invest in their management teams rather than 'ground level' staff • Ensuring that knowledge of courses is being delivered by providers are being accurately explained to individuals when out in the community or Jobcentres • Better awareness of the required commitment to training (time, course work etc.)
Marketing and awareness	• More marketing of jobs available. • Publicity support to improve awareness • Greater awareness of funding opportunities • Grants to students, employers or both • Specific skills shortages e.g. chefs to be highlighted at schools, colleges, job centres etc.

4.3 Sector routeways

Pre-employment routeways are offered by 60% of the providers surveyed and examples gave included:

- Funded provision through EMPLOY Local or Adult Education Budget (AEB), and funded training through Sector Based Work Academies' (SBWA);
- Employability courses that give people the tools to move into paid employment and also offer digital job searching to support individuals to either improve their IT skills, how to use a computer to apply for jobs online, send emails with attachments etc. Many of these courses offer a guaranteed interview with an employer;
- Using a wide range of European Social Fund and AEB sector based routeways for delivery. Providers support on average 300 people per month to gain skills and move into/closer to employment;
- Local and employer led provision is based on the employers needs through either SBWA or Apprenticeships;
- Delivery of formal qualifications, as well as intern and volunteer opportunities;
- Provide functional skills and Food Safety training.

4.4 Apprenticeships

The Apprenticeship Levy is seen as a challenge for most of the providers and those interviewed are anticipating it will have an impact on their business. Most of the providers offer apprenticeships but have seen that the Apprenticeship Levy has led to SMEs being less likely to take up apprentices. The reasons given were the 10% fee and the amount of time away from the job. Interestingly, this was also cited by employers as reason not to take on an apprentice.

“Apprenticeships will continue to be critically important and People 1st estimated that a fifth of the money generated from the apprenticeship levy, introduced in April 2017, will come from employers in the visitor economy.”[6]

4.5 Skills Challenges

Providers believe that the main barrier that learners encounter when seeking training in this sector is time, whether this is finding out-of-hours' time for courses, or employers not having the time during the working day to release their staff for training. This barrier was followed by funding, either the ability of individuals to self-fund, or the cost to the employer. Other reasons included the availability of courses, the need to travel for training, lack of self-confidence, and a lack of easily accessible, collated information on courses.

Providers have also encountered a variety of barriers when promoting training, from custom qualifications not being available, funding not being flexible, distance, and cost. SME providers face challenges with their limited capacity, as often there is a short window to engage with employers before they move on to a new training idea. The system often rolls too slowly.

4.6 Funded Training

Larger providers who can offer funded courses, citied hospitality courses, management, and IT courses as having the largest take up. One provider suggested take-up would be greater if employers could choose their own training rather than being tied to credits and qualifications.

It was suggested that funded programmes through the ESF SSW have been very successful because SMEs were able to take advantage of short, industry-specific training that would normally be charged for at commercial rates.

One specialist provider hadn't been able to directly access funding but had been delivering courses on behalf of a partner who had been able to access SSW funding through the skills plans. They commented that they would be able to offer so much more to businesses if they had direct access to funding themselves.

4.7 Brexit

Brexit has not yet had a major impact on providers, however, a reduction in foreign student numbers has already been noted. Providers are concerned that Brexit will have a major impact on employers in the sector, through a shortage of both trained staff and people willing to enter the sector in the future. One provider suggested this may lead to an increase in automation/robotic processes, which will in turn effect the skills and training needed.

5. Stakeholder Responses

5.1 Engaging the sector

Stakeholders engage with the sector through a variety of channels. Those discussed included:

- DMOs and local authorities
- membership groups
- events
- newsletters
- hard copy and via social media
- social media.

No one sub-sector stood out as harder to reach, though one stakeholder felt that independent retailers were the most difficult. The general nature of the Visitor Economy sector makes it hard to engage with certain businesses (especially smaller ones), as they find it hard to leave their business for events and training.

"Accommodation, attractions and activity providers are easiest to engage. The hardest to reach are the independent retailers; less difficult is the food and Drink sector".

"We've used a variety of methods but in general through groups, such as the trailblazers and apprenticeship boards, and networks that we have established and built up to regularly communicate via events, news updates and in particular social media."

"Rather than a sub sector, the most difficult businesses to engage, and keep engaged, are SMEs because of the sheer scale of them – plus in addition to top level engagement they need hands on support to back it up."

5.2 Training Needs

While online training is a preferred method for employers, it is not something that is currently funded, unless as part of an apprenticeship. Stakeholders also noted that when they have asked employers which training they would like, when this is arranged, employers then often don't sign up or turn up to the course. They suggested that there are a number of reasons employers don't engage with training.

Location is a key barrier, as it can be a challenge for rural employers to attend training in urban-locations.

Another key factor is the timing of the course. If a tourism course is run during a peak season, it will have few attendees. Stakeholders also suggested that organisations may not see the value in training, as they often don't realise they need it or don't see the value in attending the course. One stakeholder suggested that businesses are often not interested in qualifications, as they believe that their needs are unique and cannot be shoehorned into an available qualification.

Of course, it is also possible that employers know that they should be seen to want to improve their staff and so give an answer that meets that perception, rather than a true one.

5.3 Brexit

Stakeholders are unsure of how Brexit will impact funding. They are aware that ESIF will end but are unsure how it will be replaced. Some suggested that other LEP funding, schemes like British Business Bank and the UK Shared Prosperity Fund would be made available.

"Government is driving a strategy to put more of the investment onus on employers i.e. through the levy, but with staff shortages that are expected with Brexit there may need to be further government funding particularly in full time vocational training".

"There may be a gap (as ever) between different funding regimes. As we go from ESIF to Shared Prosperity Fund (and any skills & training funding from the government) we will have more national control and possibly local control on budgets to target what is needed."

Stakeholders are concerned that any replacement funding schemes will focus on urban areas, and rural businesses will lose opportunities. Stakeholders are hopeful that a change in funding may mean more control on how it is spent, and that LEPs could choose to try more innovative ways of supporting growth.

In terms of other challenges facing the target sectors, stakeholders are concerned of the impact of Brexit on the economy which could effect exchange rates, infrastructure and transport. The rise in online bookings could have an impact for those in rural areas without adequate broadband. An increasing demand for great service could also impact businesses unable to recruit trained and experienced staff. Stakeholders suggest a general skills shortage (and the chef shortage in particular) are likely to increasingly impact hospitality businesses.

5.4 Challenges Over the Next Five years

As part of the in-depth survey stakeholders were asked about the challenges expected over the next five years. Everyone discussed skills shortages as the UK leaves the EU. Whilst this was not seen to directly hit the more rural areas, it will be more challenging for the conurbations around the major regional urban areas of Chesterfield, Derby and Nottinghamshire. There is also the ongoing shortage of chefs and skilled jobs. The biggest challenge is getting and keeping chefs, a profession known for its mobility. This was also noted in ESS 2017, Chefs represent 17% of all skill shortage vacancies for skilled trades.

Another key challenge identified is how we can change the perception of working in the Visitor Economy sector. High Performance Working practices provide an opportunity for the sector to 'step-up' and improve current working practices e.g. stopping split shifts, better work-life balance and alternative weekends off. Along with breaking the traditional culture of aggressive working environments, this could help to promote kitchens as a creative career of choice.

For Apprenticeships, allowing 20% time out to study and the 10% fee are barriers to taking on an Apprentice. For it to become a more attractive proposition, small businesses could be encouraged to share an apprentice. This could be a popular story for social media promotion, demonstrating local collaboration.

The rise of technology is seen as a challenge, as is how the sector keeps up-to-date on IT skills, new packages and apps. Online bookings and apps will be affected by the limited broadband in some rural areas – those without fast and responsive systems will lose out on bookings. Customer booking habits, the language needs of overseas visitors replacing domestic visitors, changes in expectations of service quality across all sector price levels, will impact training needs, design and delivery in the future.

Difficult to factor in will be changes in the exchange rate (positive at present for inbound travel and UK residents staying home for holidays).

Clearly there is likely to be less grant funding for accommodation conversions, upland farms and tourism expansion which has not been evidenced to have a wider economic benefit. Another challenge for the sector is the commercialisation of websites/social media. Ensuring that employees and owners know how to use and maximise potential and income from these channels is essential for the future. Just having a website will not be enough. Communication and conversation will be the way that consumers are recruited and retained.

Wages, terms and conditions (such as split shifts) - especially in food related tourism businesses - will need to be addressed quickly. High employment rates mean that businesses will not be able to fill vacancies at the low wages previous accepted by EU workers.

"This is already an issue in High Peak where pub chains haven't been able to fill vacancies. This is often confused with skill shortages – but it isn't about skill; there is a considerable out-flow of people from catering and hospitality industries, it's due to terms and conditions offered."

The rise of electric vehicles will require recharging points which will need substantial investment for tourism attractions and accommodation for them to be 'fit for purpose' for the electrification of cars https://www.gov.uk/government/collections/government-grants-for-low-emission-vehicles. Currently these cars are being driven by higher spending visitors. There was a 27% increase in registrations or pure electric and hybrid cars in the UK in 2017, mostly in London and the east of England. China has the largest electric car ownership in the world and this market saw a 37% increase in tourism expenditure to the UL in 2017. Understanding this may act as an incentive for businesses to improve infrastructure.

Public transport is also a major challenge in the more rural locations in the region. As public transport options reduce, how will workers get to rural workplaces, especially young workers.

6. Current Provision

6.1 Qualifications

Current sector specific training provision was mapped across the D2N2 region to identify relevant training options open to the sector. It includes the level and range of qualifications available.

In the D2N2 region, there are a significant number of qualifications available at Level 2 and 3 across a wide range of providers within subjects linked to the Visitor Economy. However, available qualifications decrease significantly from Level 3 and above.

There appears to be a lack of providers offering Entry Points at lower levels for Travel and Tourism, Retail and Customer Services. There is a lack of progression routes and providers at Level 4 and above for Travel and Tourism, Retail and Customer Services.

There is a Level 7 qualification in Museum and Heritage Development which is very specialist. However, there is only a formal, professional progression route for learners to access this course. Most higher-level qualifications have an International focus rather than a local or UK focus, as the shrinking professional job market in local authority owned museums etc. leads to a wider search parameter than was necessary before the cuts.

TABLE 10: SECTOR SPECIFIC QUALIFICATIONS IN D2N2

Level	Providers	Quals	Subject sectors delivered	Subject sectors not covered
Entry level	5	3	Hospitality & Catering	• Travel & Tourism; • Customer Service, • Services to the sector
Level 1	7	11	Hospitality and Catering, Travel and Tourism, Retail (Including customer service)	• Customer Service, • Services to the sector
Level 2	15	53	Hospitality and Catering, Travel and Tourism, Retail, Customer Service, Services (Cleaning and Security)	
Level 3	13	21	Hospitality and Catering, Travel and Tourism, Retail, Customer Service, Services (Cleaning and Security)	Services to the sector
Level 4	3	5	Hospitality and Catering, Retail	• Travel and Tourism, • Customer Services • Services to the sector
Level 5	2	7	Hospitality and Catering, Travel and Tourism	• Retail, • Customer Services, • Services to the sector
Level 6	3	8	Hospitality and Catering (International), Travel and Tourism (International), Services	Retail, Customer Services to the sector
Level 7	2	3	Hospitality and Catering (international), Travel and Tourism	• Retail, • Customer Services, • Services to the sector

Higher Level Qualifications are only delivered in Nottingham or Derby which causes a logistical challenge for those trying to access higher level training in the surrounding rural areas. There are a small number of specialist CPD qualifications available through one specialist provider.

The majority of providers are located in and around Chesterfield, Derby and Nottinghamshire. This means that the more rural areas are not necessarily given the same breadth of options available without significant investment in terms of time and the distance to travel

In addition to qualifications there's been a wide range of short courses developed and delivered to address the "Asks" from the Sector Skills Action Groups (SSAG). These have been delivered as workshops throughout the D2N2 area over the past 18 months. The short courses have been made available through various funding streams, namely ERDF and ESF. They range from social media, marketing, window dressing, how to be an ambassador, digital marketing, business planning and generic marketing courses.

Some of the employers interviewed mentioned these opportunities:

"*social media training* via the *D2N2 Growth Hub Events"*

"Peak District business forum"

"*Tourist guide related training through my professional organisation plus travel trade training through Visit Notts"*

"*Courses delivered by Marketing Peak District and Derbyshire (MPDD)"*

6.2 Short Courses

As part of the learndirect, ESF SKILLS Local funding, a Destination Welcome programme was developed by People 1st for D2N2. The programme was customised for the Peak District and Derbyshire and Nottinghamshire. Several facilitators were trained to deliver the programme and both Destination Management Organisations (DMOs), MPDD and Marketing Nottinghamshire were involved in the delivery and roll out of the programme. Where the programme received most take-up was when it was delivered in-house or on an employer's premises.

The '*open programmes'* have been more challenging to fill, in-spite of the '*Welcome Programme'* being a key ask by employers. An independent trainer attempted to run several '*open programmes'* which received no take-up, despite being free, and all had to be cancelled. This suggests that businesses are more likely to attend a programme being delivered via a trusted organisation such as the DMOs and specifically where there is already a relationship.

ERDF and ESF funding have supported a programme of delivery, provided by MPDD, delivering to over 400 businesses in the Peak District and Derbyshire, since January 2017. The success of this engagement is partly because MPDD are already engaged with the sector, but also because **they went out to the businesses to ask** what support they needed. They also have well developed mechanisms which include a membership database; newsletters; social media and Peak District & Derbyshire Towns & Business Forum (PDDTBF – 219 Facebook members).

Visit Nottinghamshire (169 Facebook members) also received a small allocation of funding via the ESF SKILLS Local project (via learndirect) to promote a range of workshops and support the annual Tourism Forum. It was via the DMOs forums that the research team on this project was able to engage with over 50% of the respondents.

To encourage more businesses to engage with the Destination Welcome programme a tourism standard has also been developed by MPDD. A business can apply to become an 'accredited business' once they have trained a certain number of employees. This initiative had not been launched at the time of writing this report. It will be interesting to see if this type of campaign will encourage take-up of shorter programmes in the future.

The Business Forums managed by the DMOs provide a solid platform for many stakeholders to communicate a wide range of businesses support.

7. Conclusion and Recommendations

7.1 Conclusions

The Project's aims and objectives were to:

- Establish the key skills required by the Visitor Economy and Retail sector in D2N2, now and in the future;
- Map existing training provision for the sector, how the workforce is currently recruited, trained, what qualifications are available locally and to understand need;
- Identify any skills shortages, gaps in existing provision, barriers and risks for both smaller and larger businesses;
- Explore how apprenticeships can support the sector and facilitate employers to identify the right frameworks, encourage involvement and sharing of best practice.

The report explores the current and future skills needs, where these are currently being fulfilled and where there are gaps. There appears to be a mismatch of skills and qualifications in the region with a large proportion of employers not accessing the funded opportunities. With the wide range of support available; a key consideration is how we engage and communicate with the sector.

SMEs play a crucial role in delivering innovation in products, services and processes that are vital to improving the productivity and competitiveness of the regional economy. It's crucial that any future skills for SMEs in the region are considered alongside the needs of the businesses. It's clear that SMEs are currently less likely to engage with full qualifications and programmes, but this may change if the timing and travel issues can be addressed by providers.

The Visitor Economy sector is diverse and there are a number of challenges for employers, providers and stakeholders. The key will be how these are joined up to meet the challenges, balanced against the uncertainties around Government policy and funding. Brexit is clearly on the top of everyone's minds at the moment and this could potentially be used to leverage joint commitment and as such should be seen as an opportunity to join up the sector.

As this report shows, the visitor economy is a critical sector for the regional economy – not only due to its size. The impact that just small productivity increases could have on the economy are huge and need to be considered in line with future funding.

Three key themes that emerge from the report that should be a key focus moving forward:

- Funding – ensure funding is maximised and delivering what employers need, explore how funding can be repurposed to support wider exposure of learning across the whole region.
- Marketing and engagement – using existing networks to grow and encourage other businesses to engage with skills and learning development.
- Knowledge – how do we influence the sector to help them see the benefits of investing in themselves and their workforce.

7.2 Recommendations

In reviewing the findings from this report, we have proposed the following recommendations to support the sector in the D2N2 area.

Sector Skills Advisory Groups

- Re-establish and invest in the sector Skills Advisory Groups to lead and develop an updated sector action plan for the region.
- These groups to advise on how the design and delivery of training could be made more accessible to rural and small businesses.

Funding

- Identify where there are opportunities for the sector and provide one central location for Providers and Stakeholders to share this and communicate opportunities.
- Collate all available information into one database of all providers and share widely. Communication to be an integrated website linked to providers and funders.

Identify Online Training and Support

- There's a wealth of free online materials available to small businesses in the sector but it's not always easily accessible. Websites like Visit England have developed toolkits for the different sub-sectors and this is free. How can the regional support make this more accessible?

Online Learning Resources

- Consider how funding can be maximised by live streaming existing training; this could be recorded to build a bank of materials for the future.
- Support providers to develop online training, if further research indicates that this will be taken up once launched
- Repurpose training that has been delivered through ESF/ERDF, so it is made available online, thus creating a legacy.
- Consider webinars as a tool to aid 'classroom' engagement

Apprenticeships

- Develop a campaign to promote the opportunities to all businesses.
- Develop a campaign to promote opportunities to young people.
- Pilot a shared apprenticeship scheme in the region.

FE and HE

- Encourage the colleges and FE sector to take a more proactive approach to engaging and servicing the sector.
- How can they deliver peripatetic services to support the needs of the sector?
- Can they design short courses to meet specific needs without the extra cost that accompanies accreditation?

Engaging with Schools/Colleges

- Encourage the sector to get involved in careers initiatives to promote the sector.
- Produce attractive online content with 'people like me' explaining how flexible the visitor economy is and how it offers careers potential.

High Performance Working Practices

- Some would say ‘going back to basics’ - promote and encourage sharing of best practice and good People Management Strategies, which have been proven to support businesses to retain and recruit.
- Given the importance that small gains can make to productivity, not only to the businesses but also to the region’s economy, consider how the region could use funding to promote High Performance Working Practices which would encourage the sector to invest in themselves and the workforce.

Brexit – threat or opportunity?

- Use the theme of Brexit over the next 12 months to re-engage the sector and help them to put in place strategies that will support the sustainability of their businesses.

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6. People 1st, An Opportunity Not to be Missed (2017) Why the Industrial Strategy needs to support the Visitor Economy
7. D2N2 Visitor Economy Review and Investment Study (2014).
8. D2N2 Key sectors of Priority (2018). http://www.d2n2lep.org/key-sectors
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Additional Material

- D2N2 Visitor Accommodation Strategy. (2017) Hotel Solutions
- People 1st, Skills and Workforce Profile (2016) Hospitality and Tourism.
- People 1st, Migrant Workers in the Hospitality and Tourism Sector and the Potential Impact of Labour Restrictions (2017).
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- Brexit: The Challenges Facing UK Employers (2018). Perkbox.
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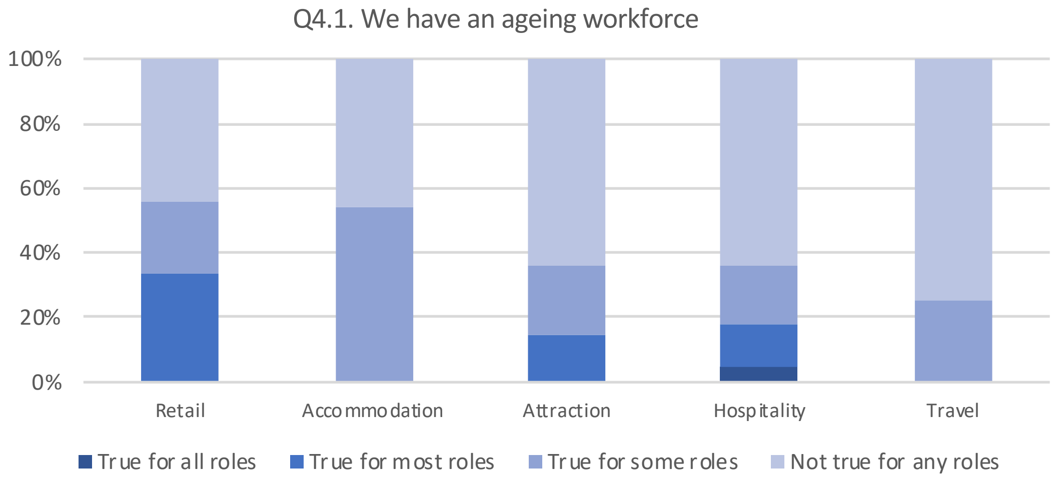
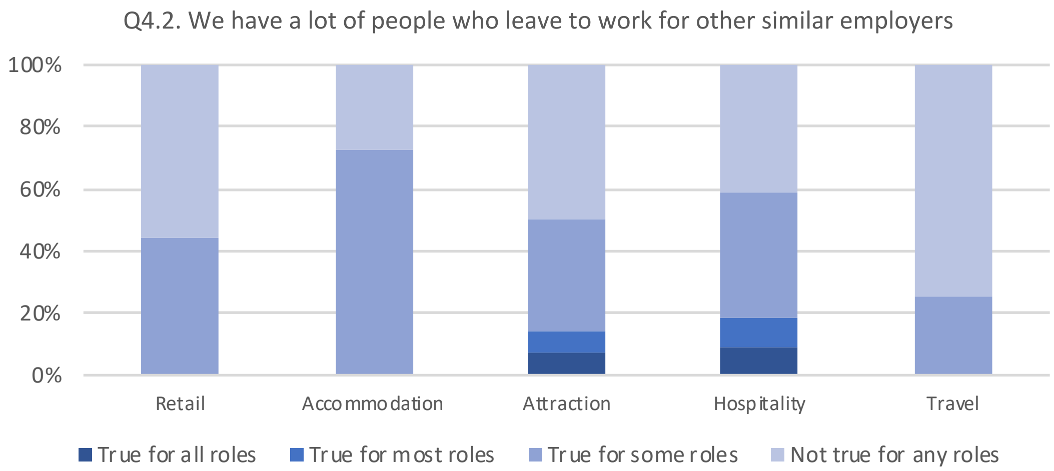
- The Visitor Economy: A Potential Powerhouse of Local Growth (2015). Local Government Association.
- The Economic Case for the Visitor Economy (2008) Final Report. Deloitte.
- UKCES Working Futures 2010-2020 (2012). Evidence Report 41.

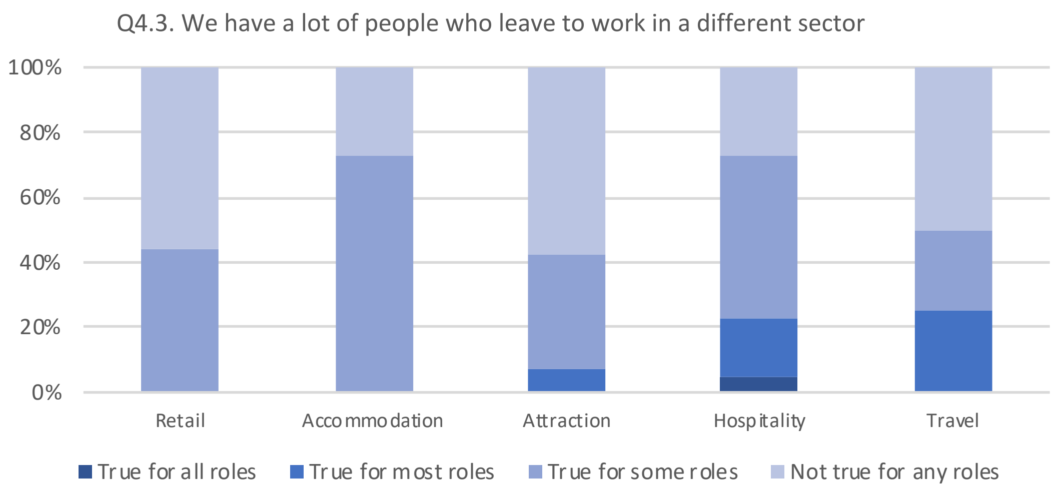
Appendices

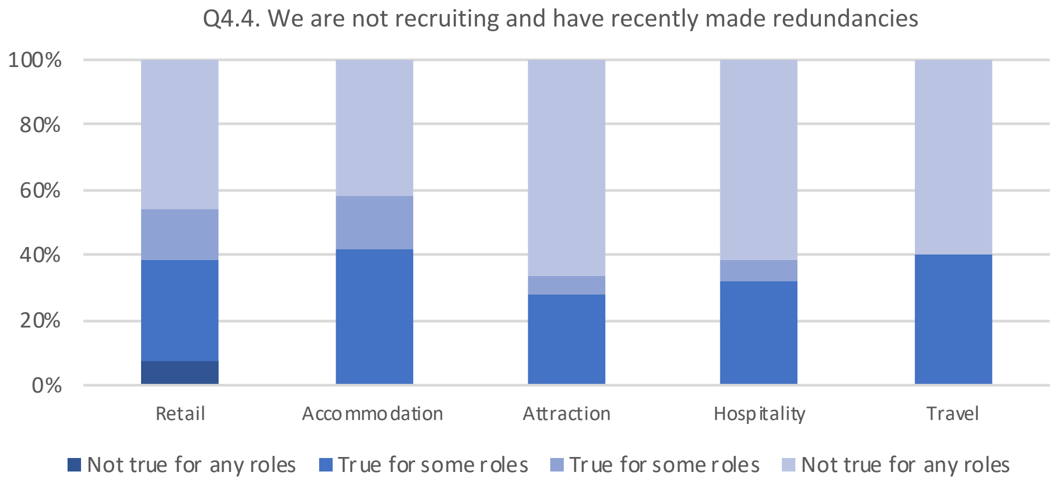
CHARTS BY SECTOR:

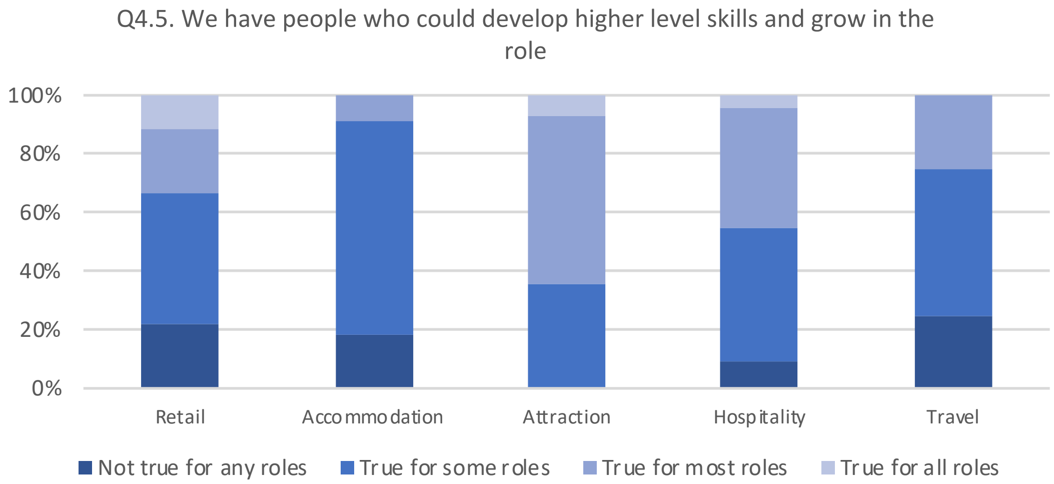
Workforce Development

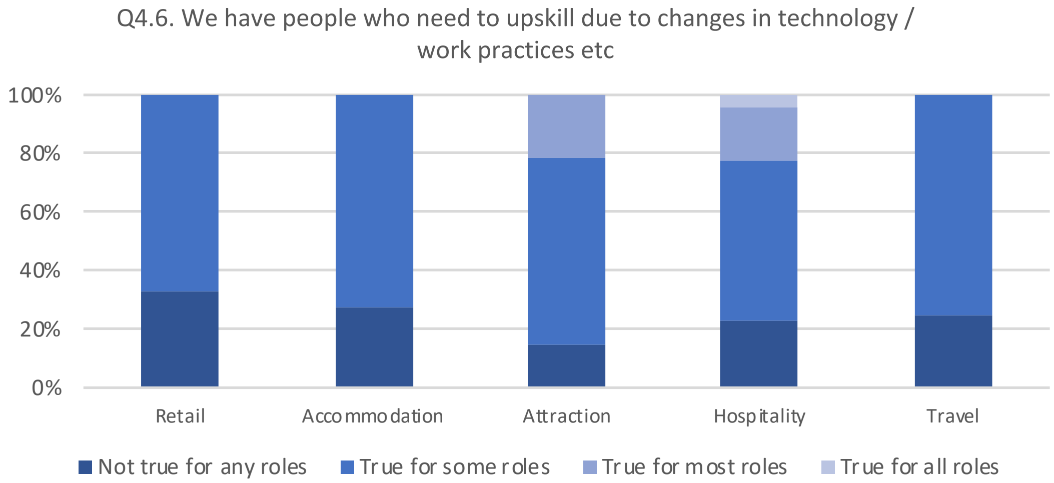


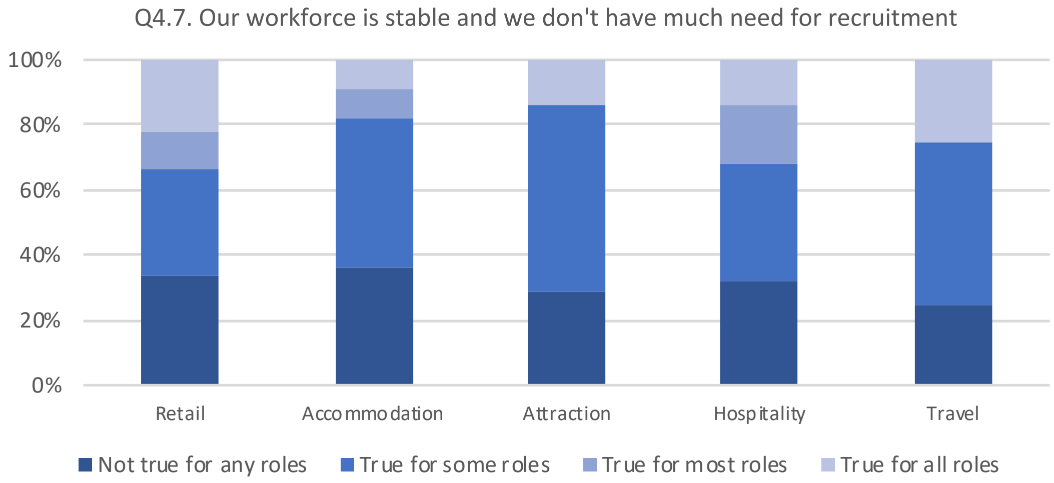


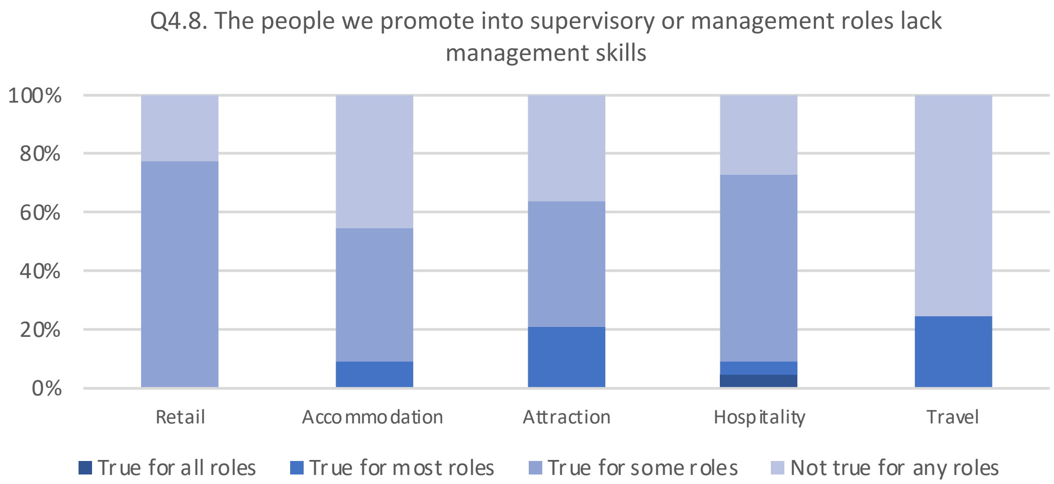


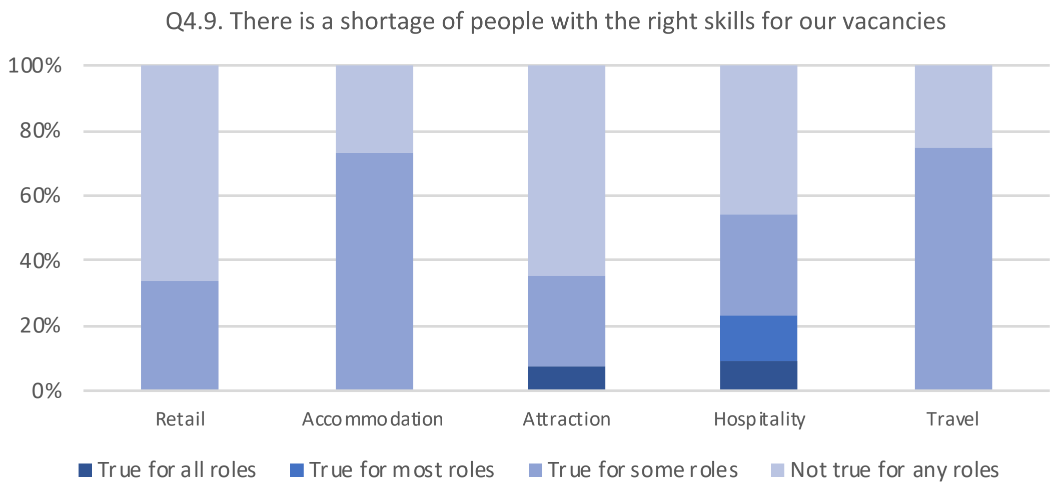

Q4.4. We are not recruiting and have recently made redundancies
100%
80%
60%
40%
20%
0%
Retail
Accommodation
Attraction
Hospitality
Travel
Not true for any roles
True for some roles
True for some roles
Not true for any roles

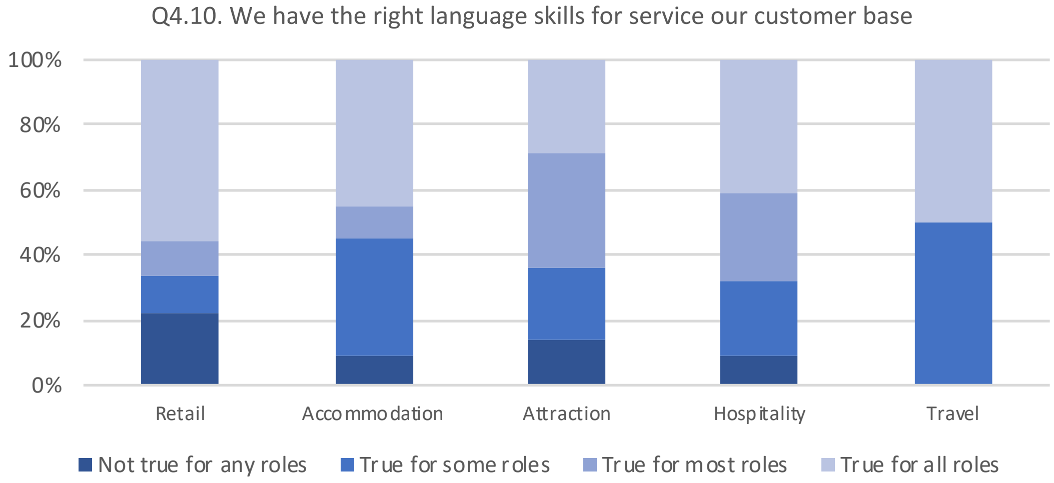

Q4.5. We have people who could develop higher level skills and grow in the role
100%
80%
60%
40%
20%
0%
Retail
Accommodation
Attraction
Hospitality
Travel
Not true for any roles
True for some roles
True for most roles
True for all roles


Q4.6. We have people who need to upskill due to changes in technology / work practices etc
100%
80%
60%
40%
20%
0%
Retail
Accommodation
Attraction
Hospitality
Travel
Not true for any roles
True for some roles
True for most roles
True for all roles

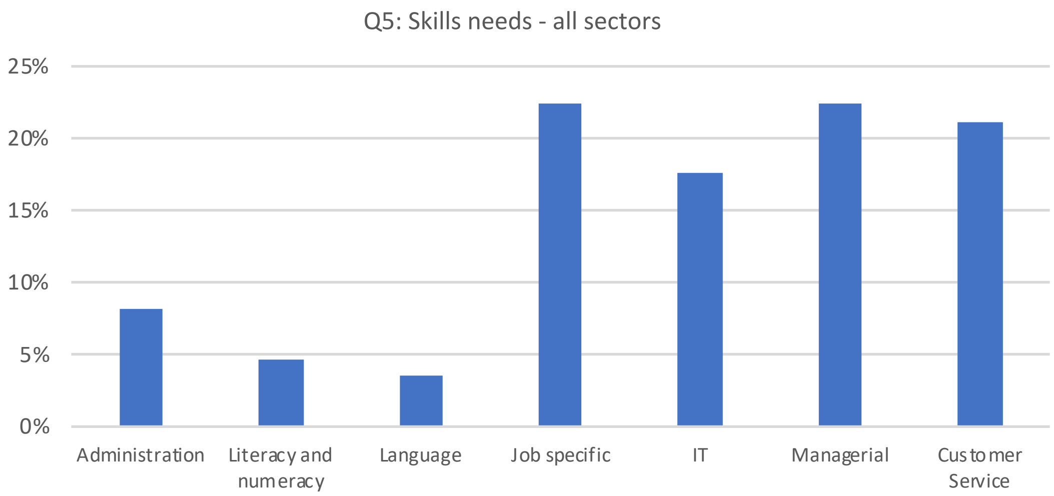

Q4.7. Our workforce is stable and we don't have much need for recruitment
100%
80%
60%
40%
20%
0%
Retail
Accommodation
Attraction
Hospitality
Travel
Not true for any roles
True for some roles
True for most roles
True for all roles

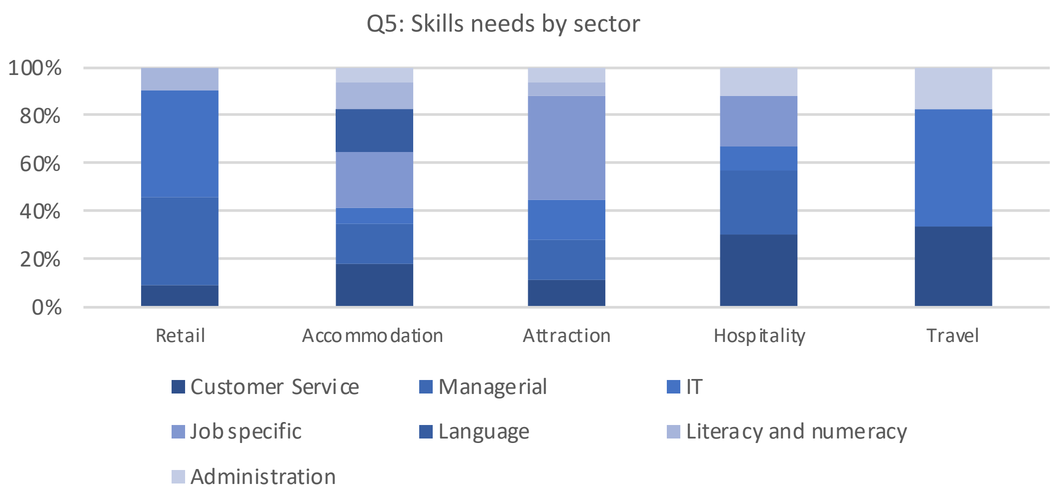

Q4.8. The people we promote into supervisory or management roles lack management skills
100%
80%
60%
40%
20%
0%
Retail
Accommodation
Attraction
Hospitality
Travel
True for all roles
True for most roles
True for some roles
Not true for any roles

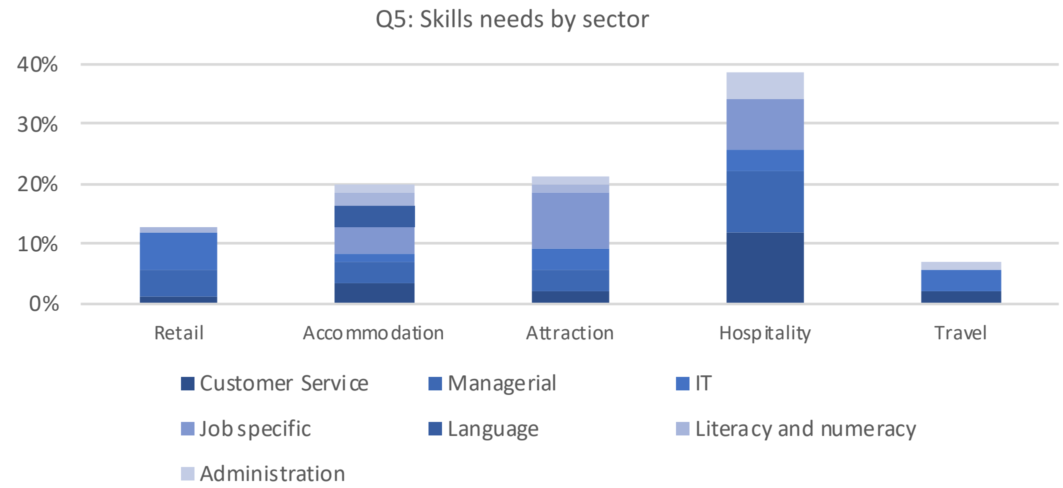

Q4.9. There is a shortage of people with the right skills for our vacancies
100%
80%
60%
40%
20%
0%
Retail
Accommodation
Attraction
Hospitality
Travel
True for all roles
True for most roles
True for some roles
Not true for any roles



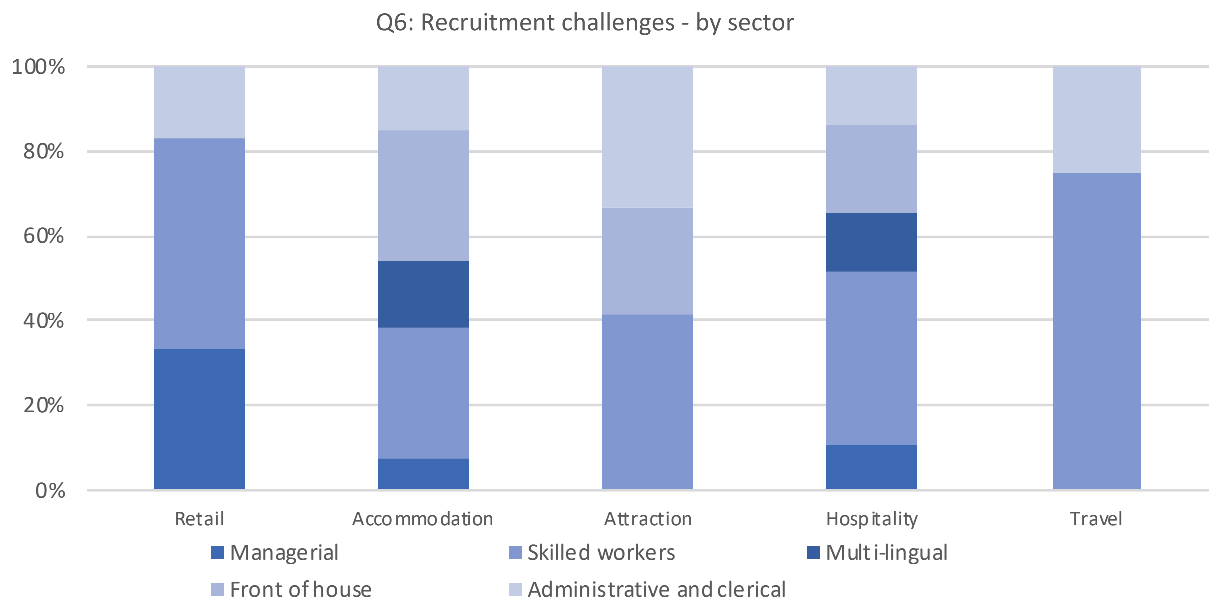
Skills Needs

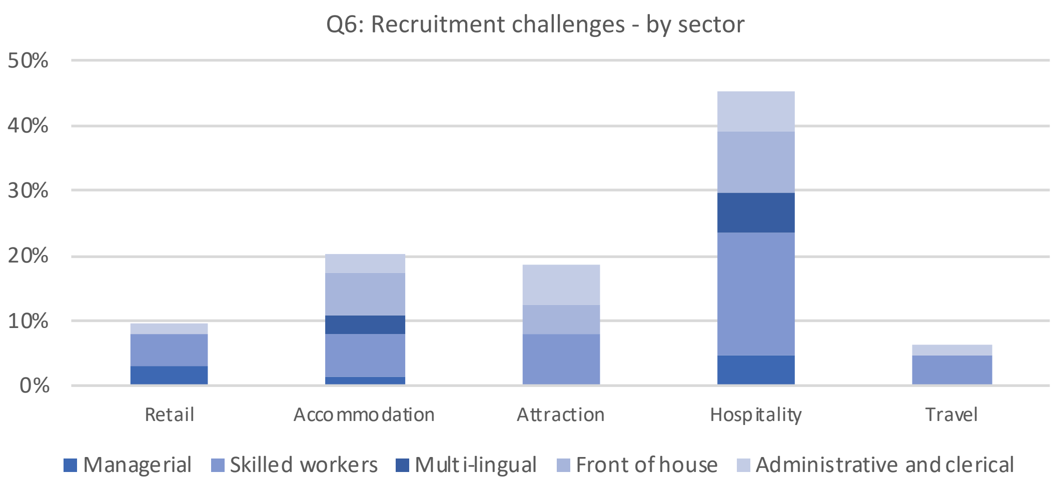


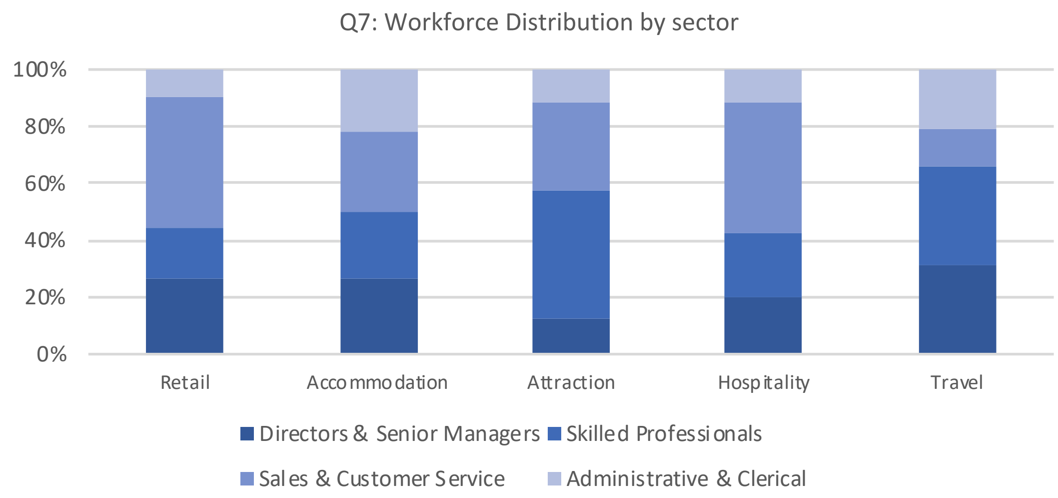


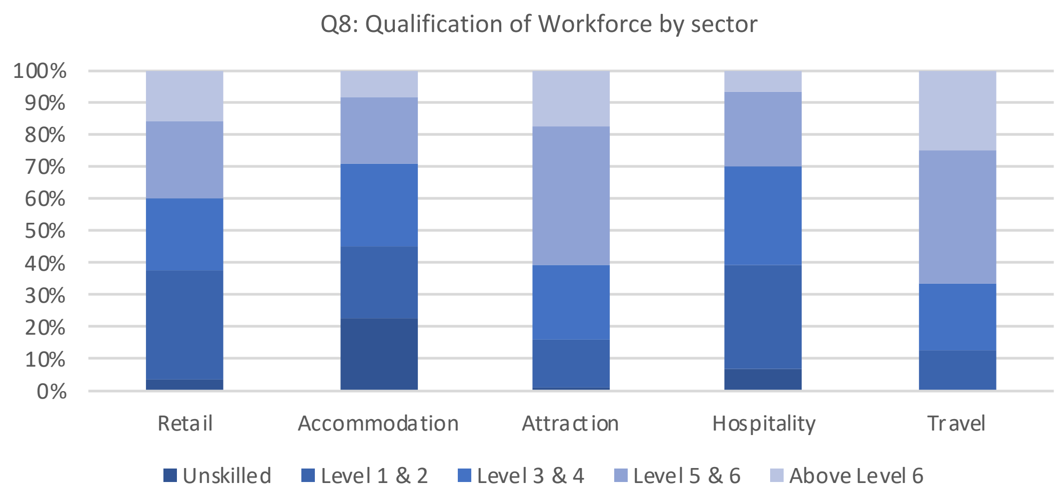


Recruitment Challenges

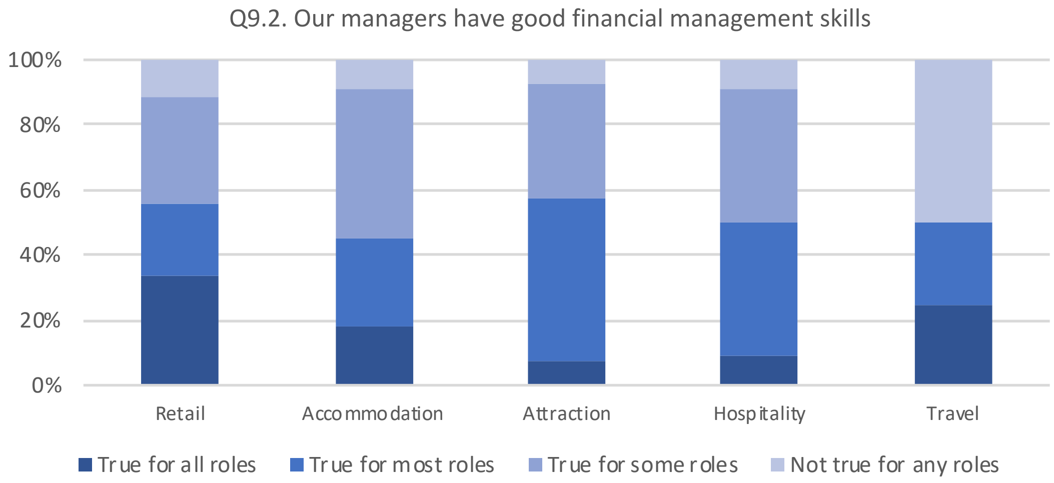


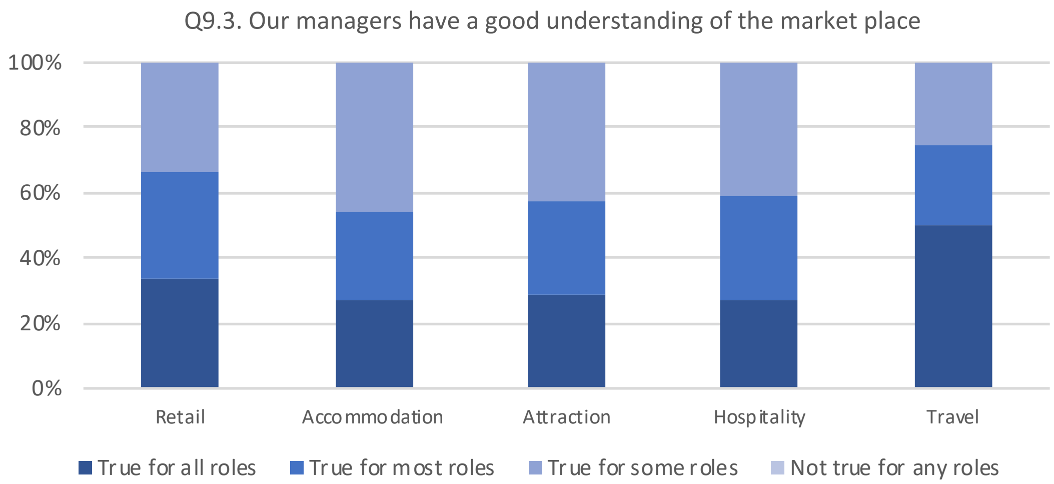


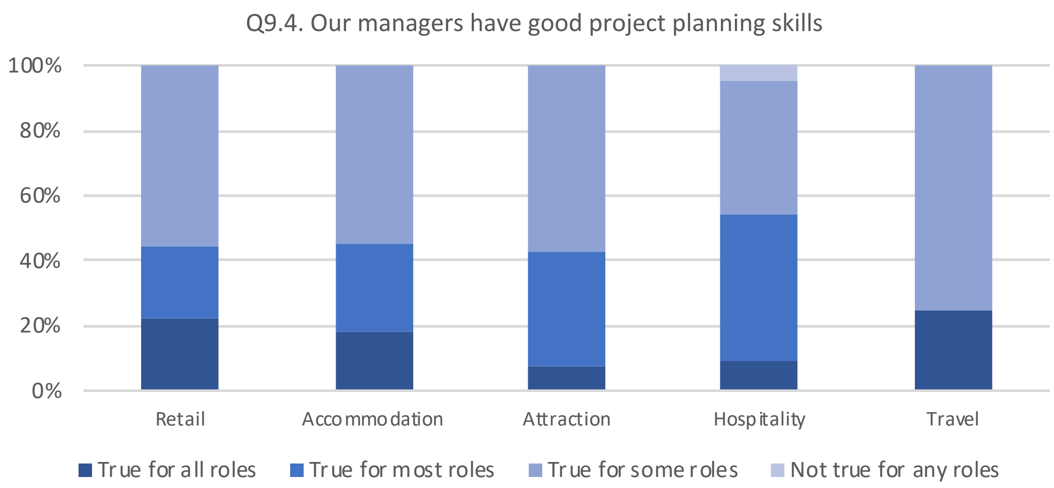


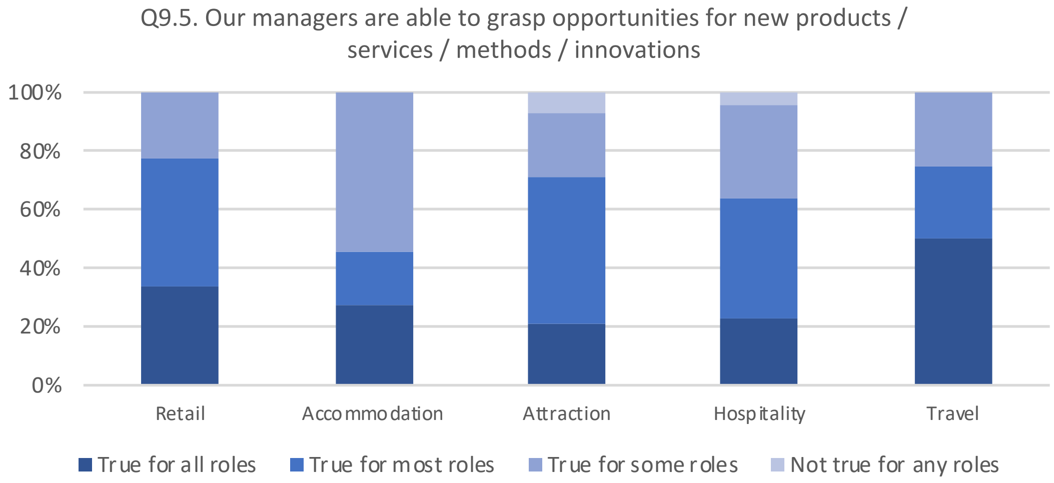


Management Skills

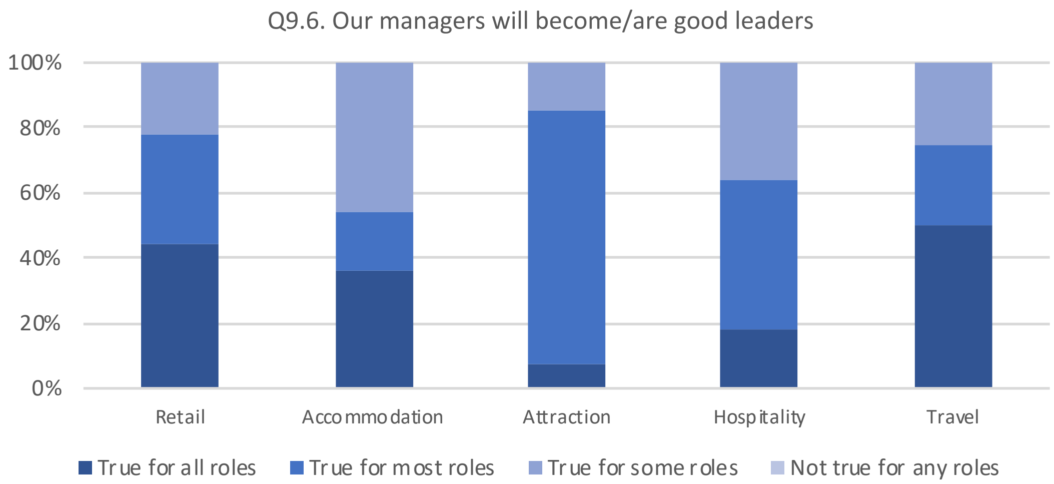

Q9.2. Our managers have good financial management skills
100%
80%
60%
40%
20%
0%
Retail
Accommodation
Attraction
Hospitality
Travel
True for all roles
True for most roles
True for some roles
Not true for any roles


Q9.3. Our managers have a good understanding of the market place
100%
80%
60%
40%
20%
0%
Retail
Accommodation
Attraction
Hospitality
Travel
True for all roles
True for most roles
True for some roles
Not true for any roles

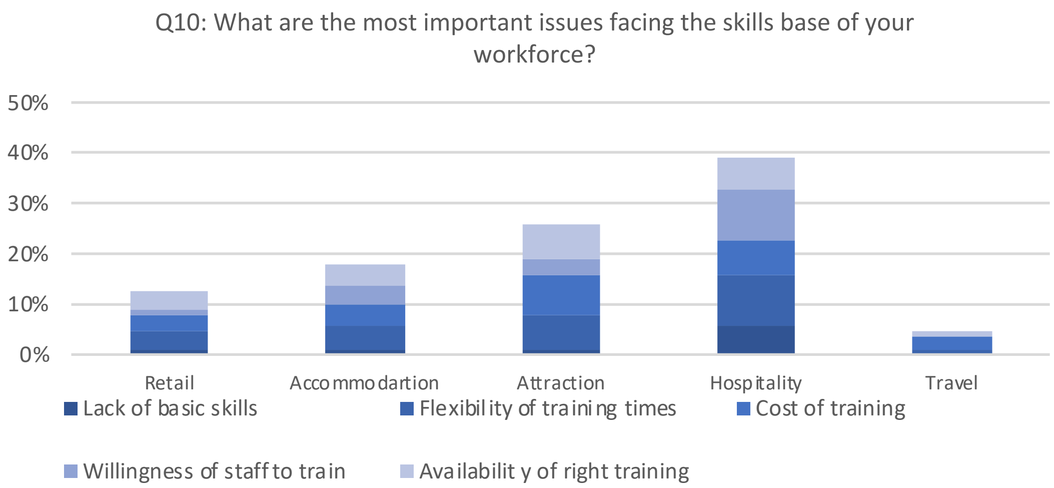

Q9.4. Our managers have good project planning skills
100%
80%
60%
40%
20%
0%
Retail
Accommodation
Attraction
Hospitality
Travel
True for all roles
True for most roles
True for some roles
Not true for any roles



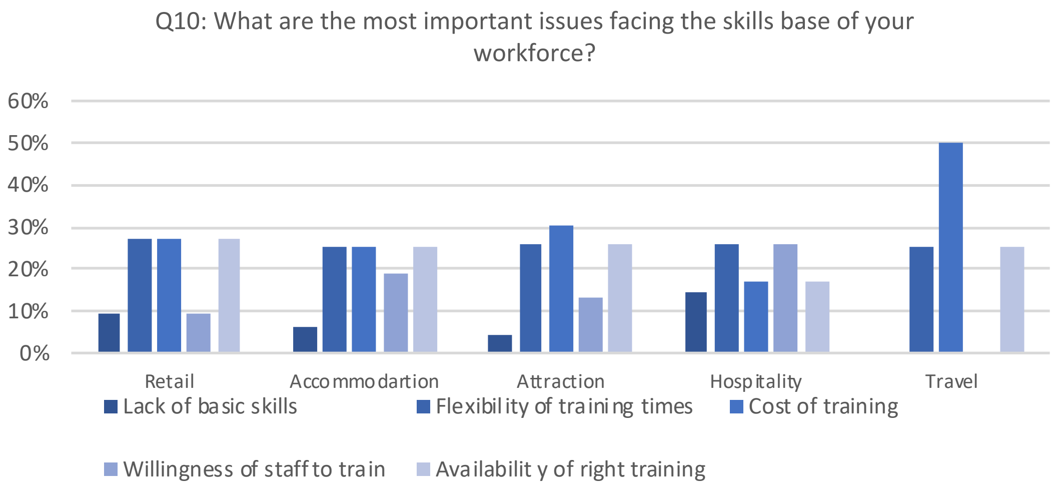
Q9.5. Our managers are able to grasp opportunities for new products / services / methods / innovations
100%
80%
60%
40%
20%
0%
Retail
Accommodation
Attraction
Hospitality
Travel
True for all roles
True for most roles
True for some roles
Not true for any roles



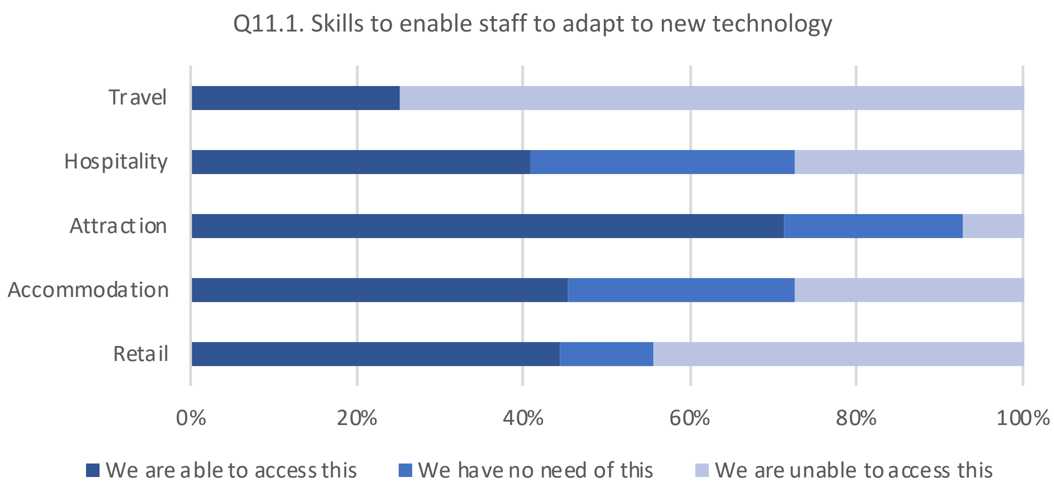
Q9.6. Our managers will become/are good leaders
100%
80%
60%
40%
20%
0%
Retail
Accommodation
Attraction
Hospitality
Travel
True for all roles
True for most roles
True for some roles
Not true for any roles



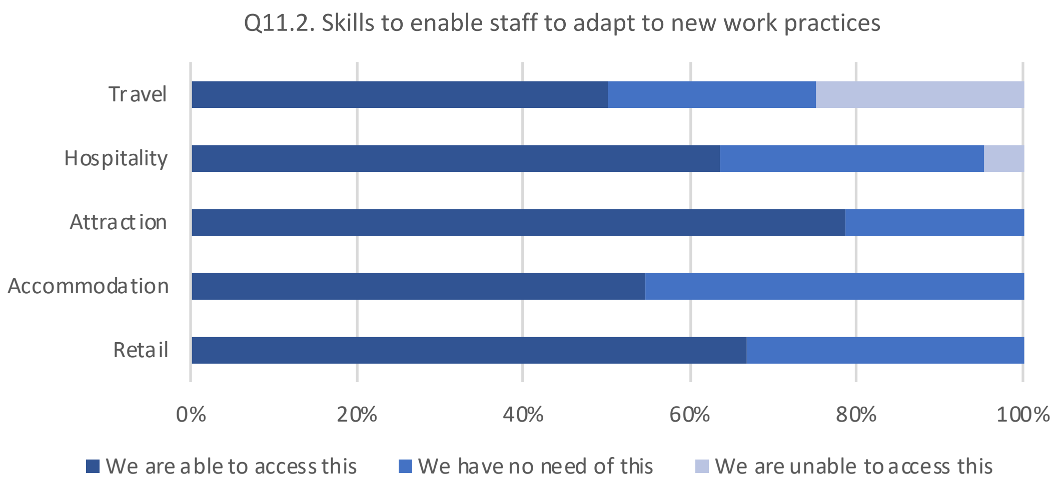
Q10: What are the most important issues facing the skills base of your workforce?
50%
40%
30%
20%
10%
0%
Retail
Accommodartion
Attraction
Hospitality
Travel
Lack of basic skills
Flexibility of training times
Cost of training
Willingness of staff to train
Availability of right training



Q10: What are the most important issues facing the skills base of your workforce?
60%
50%
40%
30%
20%
10%
0%
Retail
Accommodartion
Attraction
Hospitality
Travel
Lack of basic skills
Flexibility of training times
Cost of training
Willingness of staff to train
Availability of right training

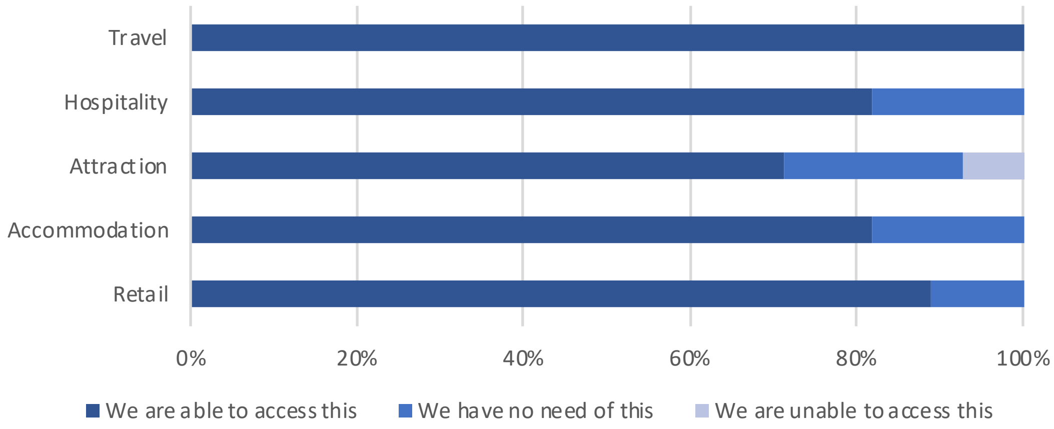


Q11.1. Skills to enable staff to adapt to new technology
Travel
Hospitality
Attraction
Accommodation
Retail
0%
20%
40%
60%
80%
100%
We are able to access this
We have no need of this
We are unable to access this

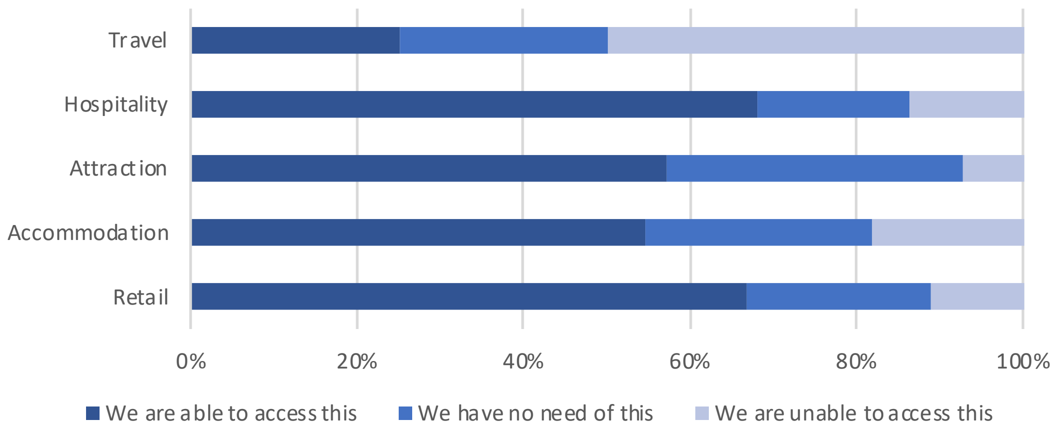


Q11.2. Skills to enable staff to adapt to new work practices
Travel
Hospitality
Attraction
Accommodation
Retail
0%
20%
40%
60%
80%
100%
We are able to access this
We have no need of this
We are unable to access this

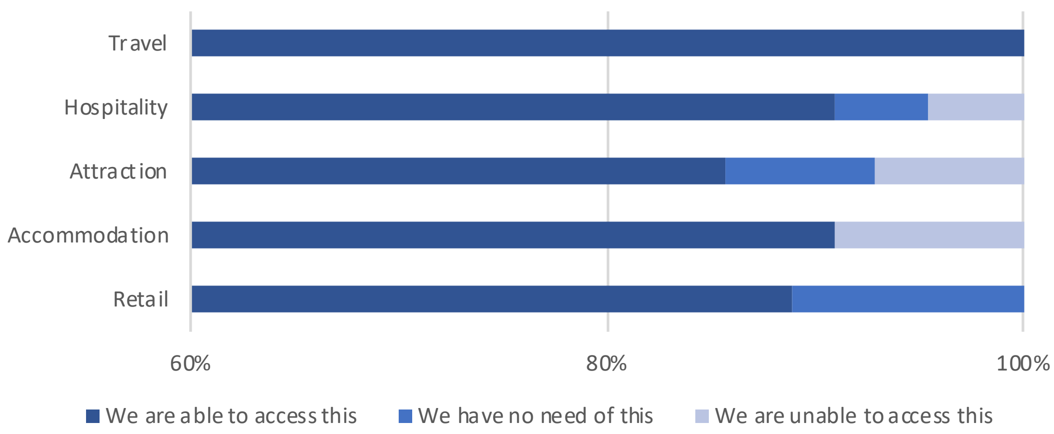
Q11.3. Skills to enable staff to adapt to regulatory changes



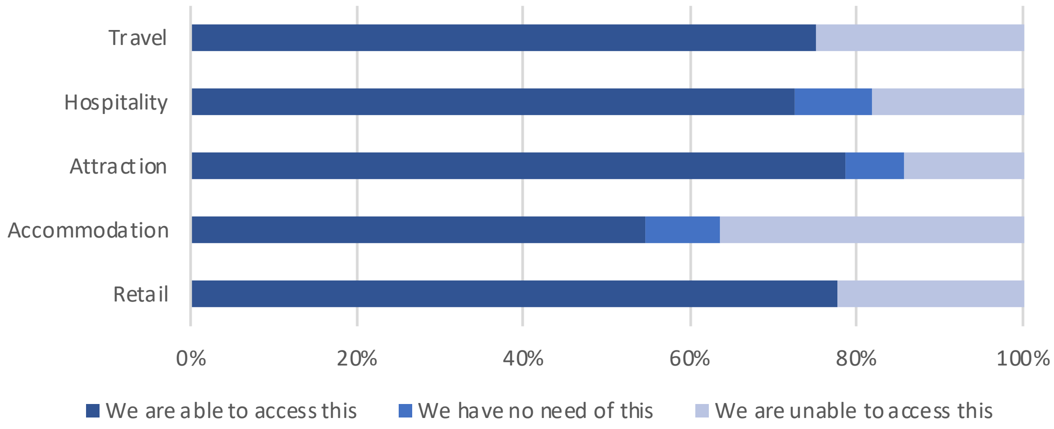
Q11.4. Skills to retrain staff who are moving into the sector



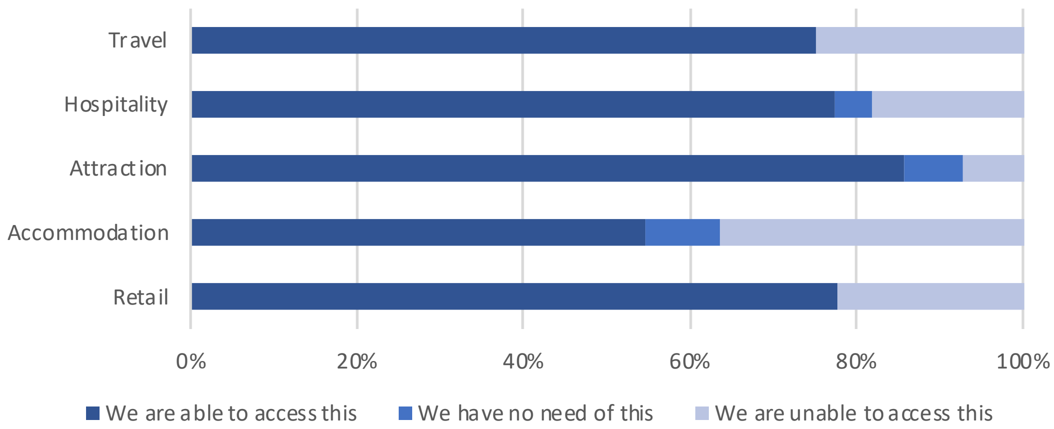
Q11.5. Job specific skills



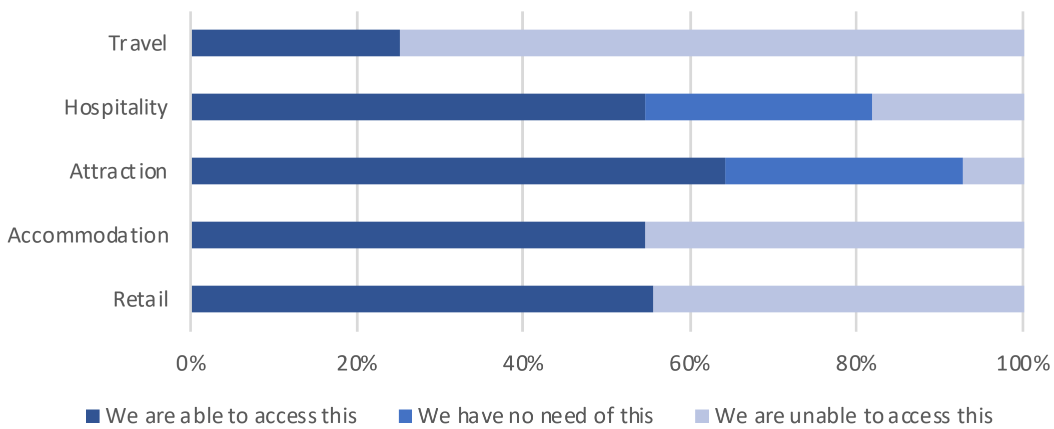
Q11.6. Management skills

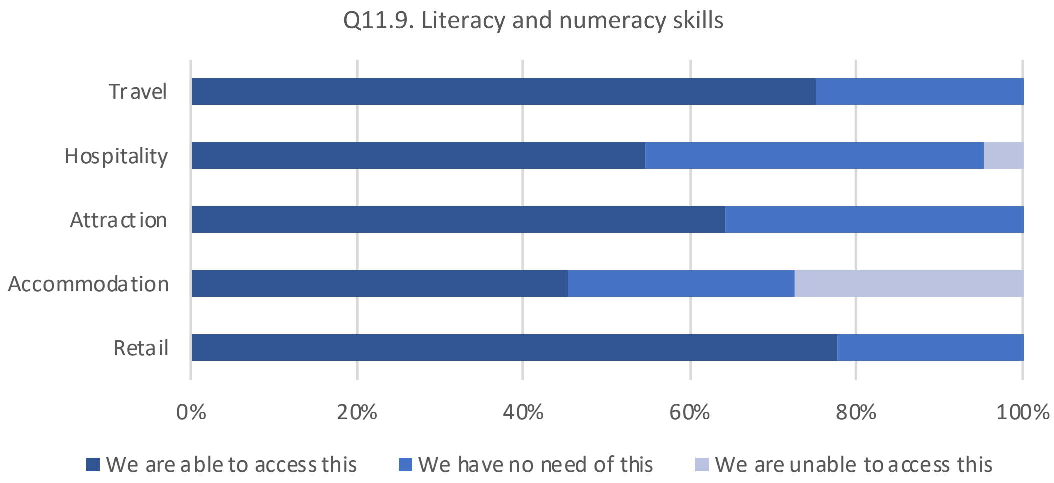


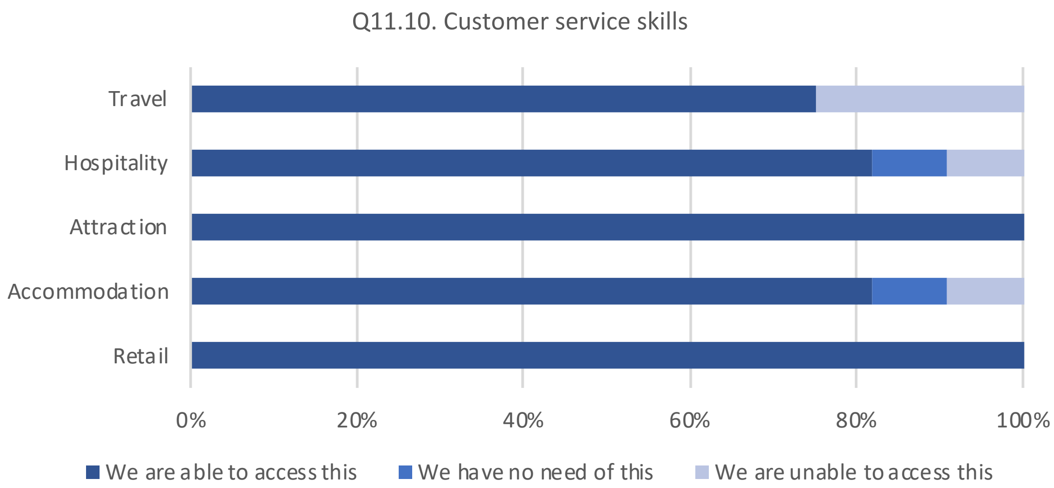
Q11.7. Leadership skills



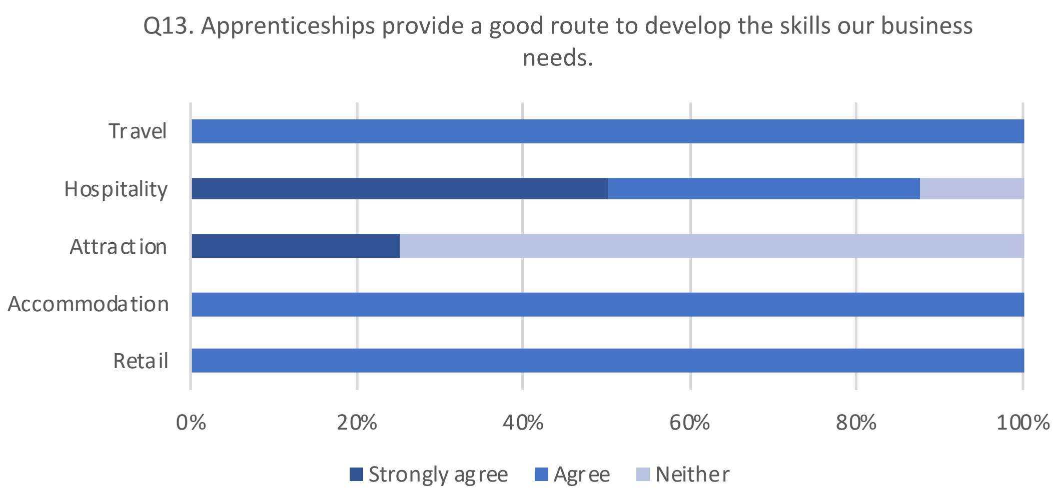
Q11.8. IT skills



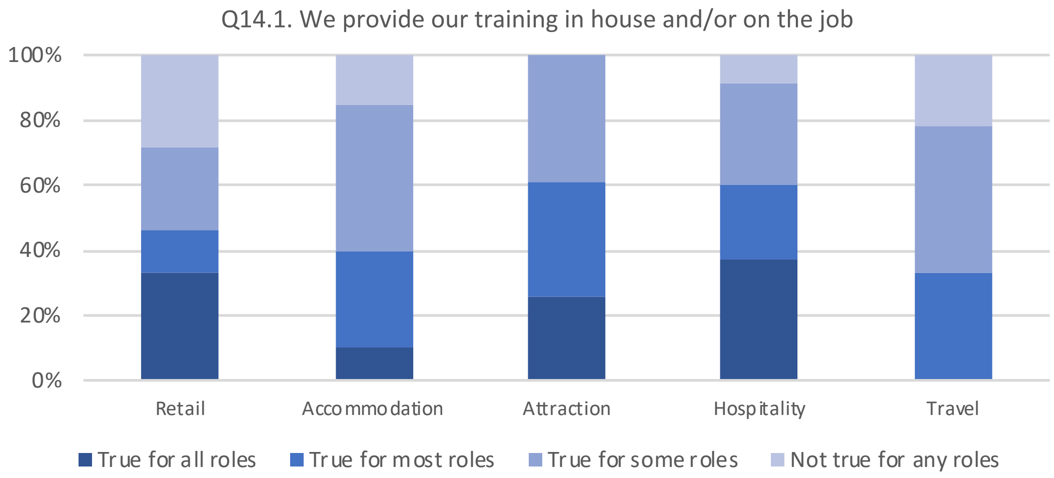


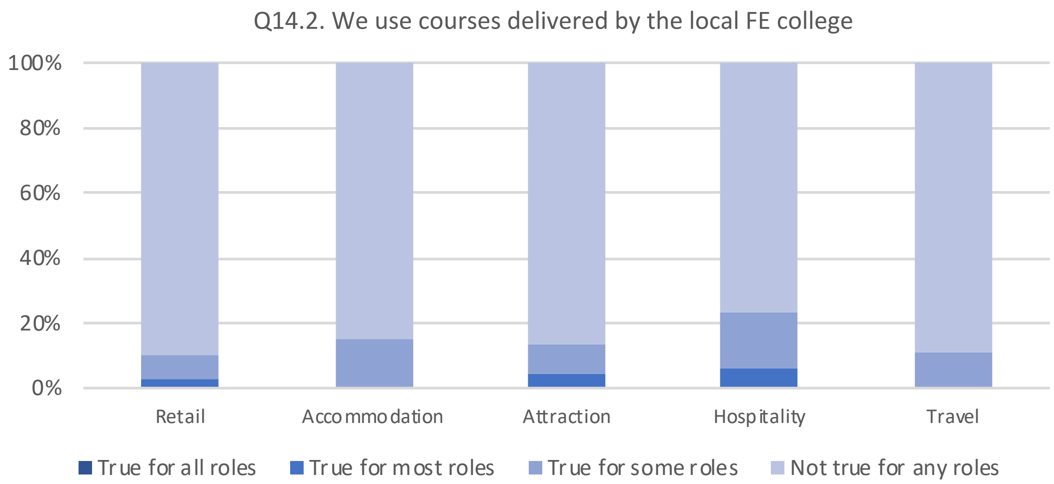


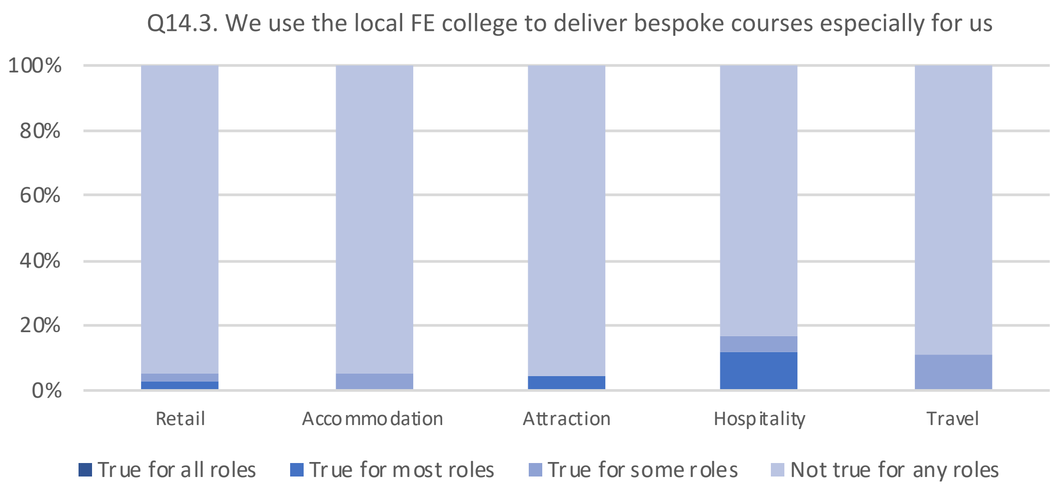
Apprenticeships

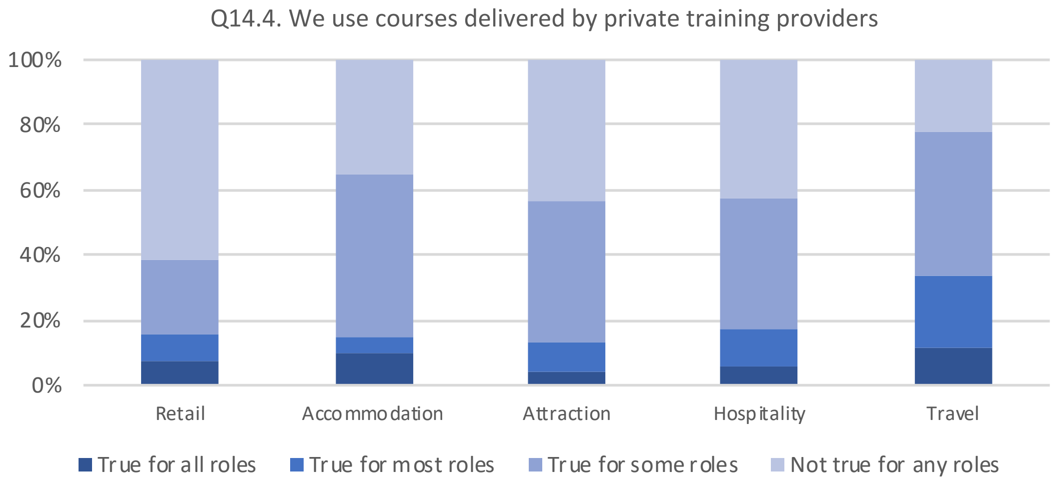


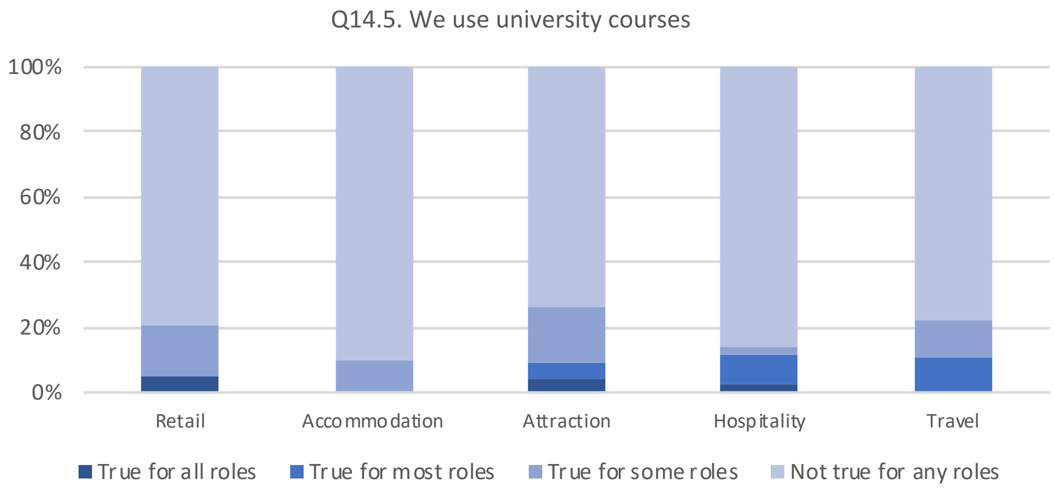
Access to Training

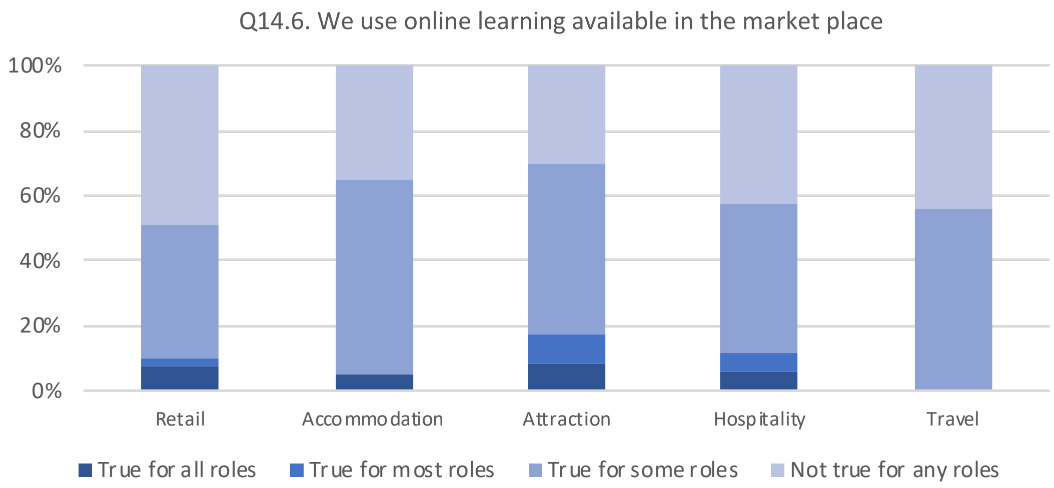


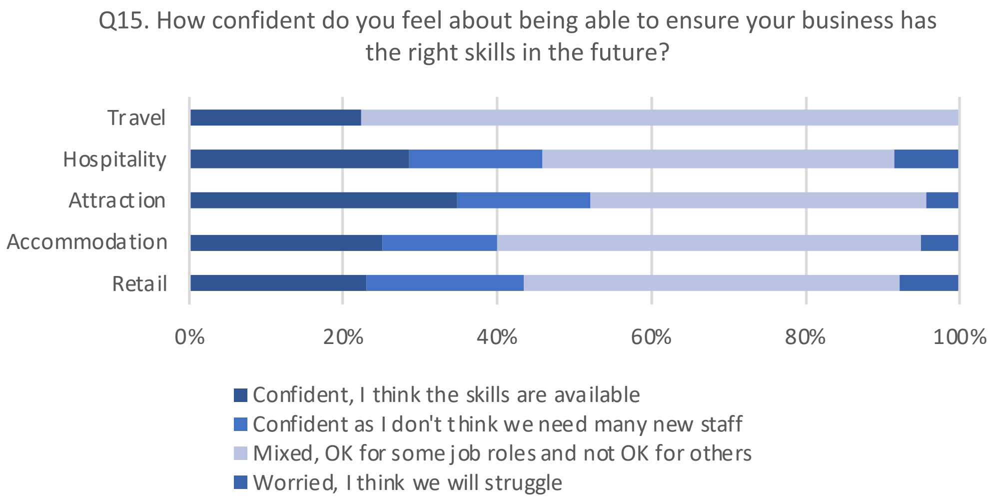




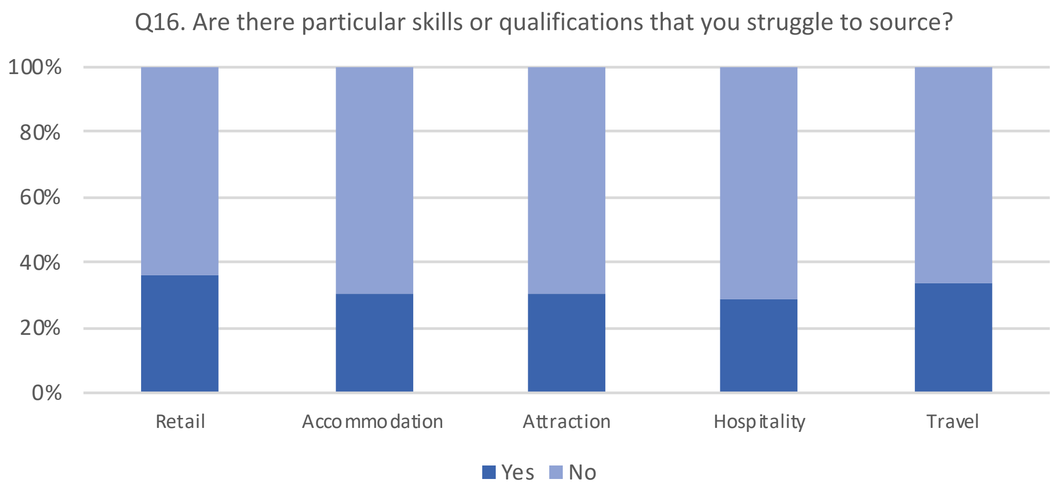

Q14.4. We use courses delivered by private training providers
100%
80%
60%
40%
20%
0%
Retail
Accommodation
Attraction
Hospitality
Travel
True for all roles
True for most roles
True for some roles
Not true for any roles


Q14.5. We use university courses
100%
80%
60%
40%
20%
0%
Retail
Accommodation
Attraction
Hospitality
Travel
True for all roles
True for most roles
True for some roles
Not true for any roles

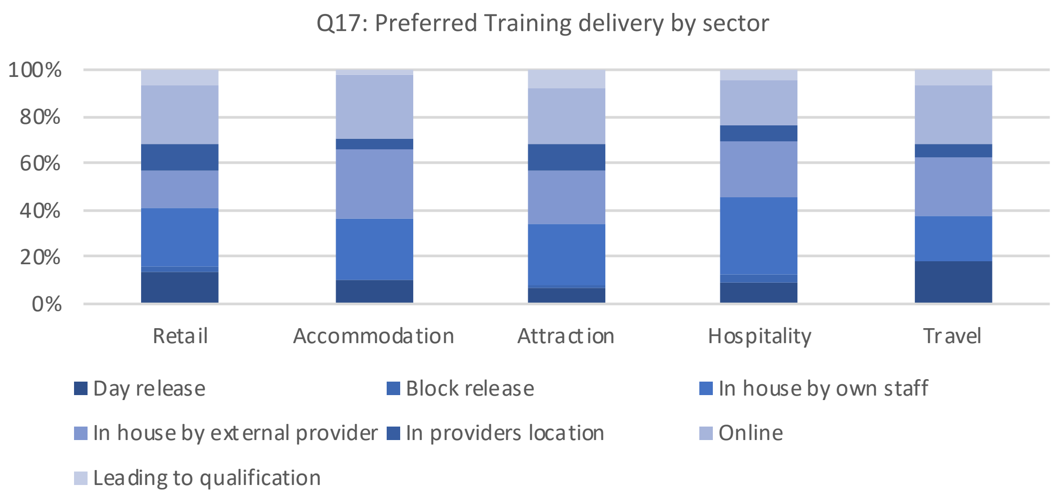

Q14.6. We use online learning available in the market place
100%
80%
60%
40%
20%
0%
Retail
Accommodation
Attraction
Hospitality
Travel
True for all roles
True for most roles
True for some roles
Not true for any roles



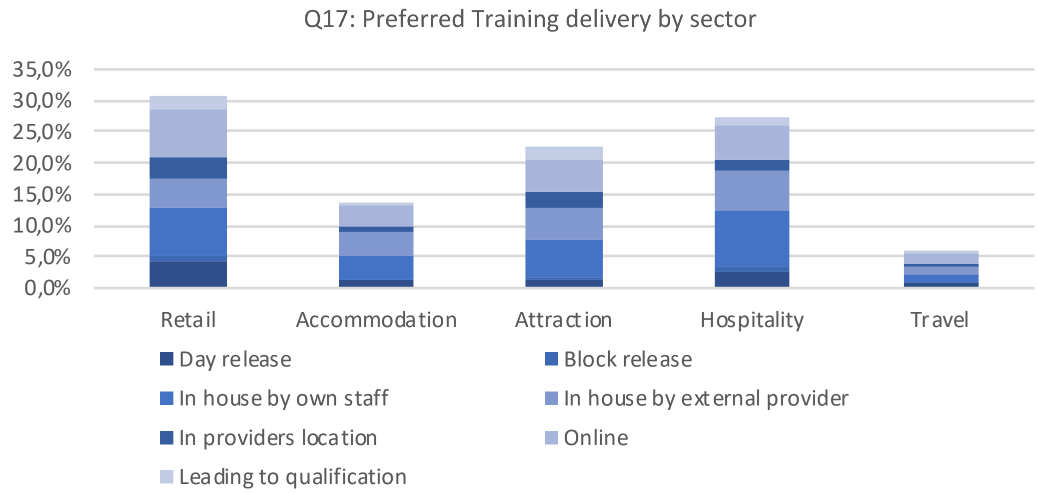
Q15. How confident do you feel about being able to ensure your business has the right skills in the future?
Travel
Hospitality
Attraction
Accommodation
Retail
0%
20%
40%
60%
80%
100%
Confident, I think the skills are available
Confident as I don't think we need many new staff
Mixed, OK for some job roles and not OK for others
Worried, I think we will struggle

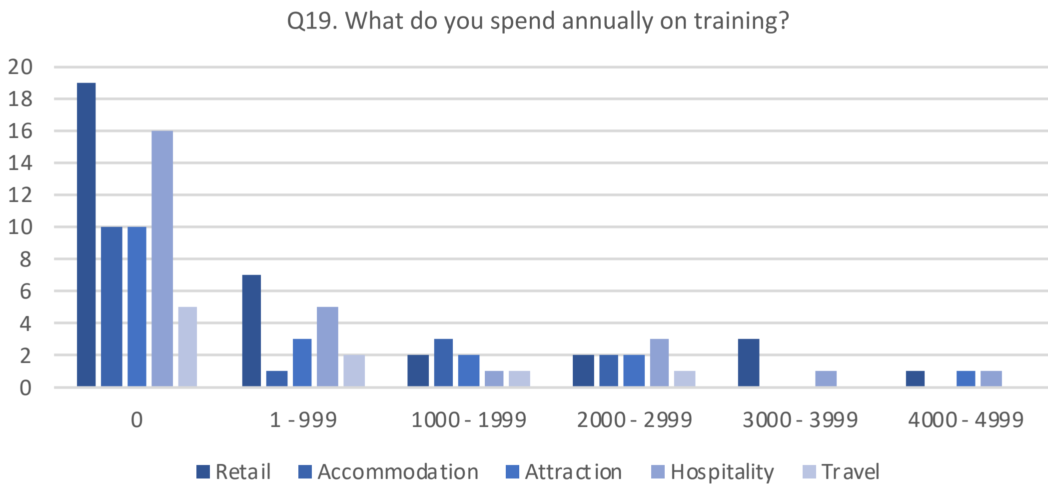


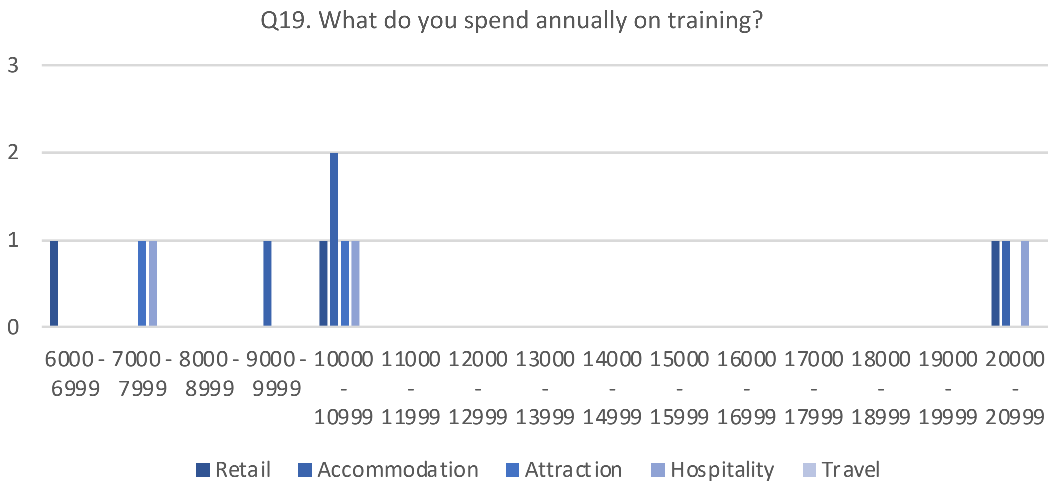
Q16. Are there particular skills or qualifications that you struggle to source?
100%
80%
60%
40%
20%
0%
Retail
Accommodation
Attraction
Hospitality
Travel
Yes
No



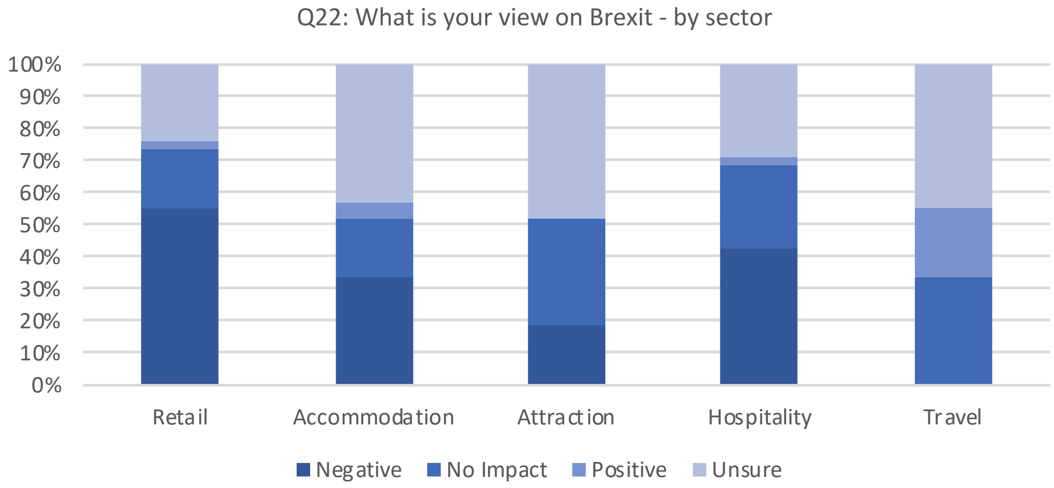
Q17: Preferred Training delivery by sector
100%
80%
60%
40%
20%
0%
Retail
Accommodation
Attraction
Hospitality
Travel
Day release
Block release
In house by own staff
In house by external provider
In providers location
Online
Leading to qualification


Q17: Preferred Training delivery by sector
35,0%
30,0%
25,0%
20,0%
15,0%
10,0%
5,0%
0,0%
Retail
Accommodation
Attraction
Hospitality
Travel
Day release
Block release
In house by own staff
In house by external provider
In providers location
Online
Leading to qualification


Q19. What do you spend annually on training?
20
18
16
14
12
10
8
6
4
2
0
0
1 - 999
1000 - 1999
2000 - 2999
3000 - 3999
4000 - 4999
Retail
Accommodation
Attraction
Hospitality
Travel


Q19. What do you spend annually on training?
3
2
1
0
6000 - 6999
7000 - 7999
8000 - 8999
9000 - 9999
10000 - 10999
11000 - 11999
12000 - 12999
13000 - 13999
14000 - 14999
15000 - 15999
16000 - 16999
17000 - 17999
18000 - 18999
19000 - 19999
20000 - 20999
Retail
Accommodation
Attraction
Hospitality
Travel

Brexit



All information, analysis and recommendations made in this report by skillslocal are made in good faith and represent skillslocal's professional judgement on the basis of information obtained during the research for this project.

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Local Partnerships, World Class Skills