

Labour and skills market in the UK economy

Introduction

This Institute of Hospitality market intelligence brief presents a range of research and data sources to provide our members with an overview of the developing picture of the labour market and skills shortage in the UK.

Labour Market

- The latest ONS report on Vacancies and Jobs in the UK shows a record high of 1,102,000 vacancies in the UK. In July to September 2021, all industry sectors are above or equal to their January to March 2020 pre-pandemic levels with accommodation and food service activities increasing the most, by nearly 50,000 (59%). UK job vacancies reach 20-year high (Source: BBC News)
- 1.67million people now unemployed in the UK (Source: Edge Foundation, bulletin 9)
- Struggle to recruit the workers the industry needs, according to an analysis by job site Indeed. At the start of this month, the share of searches being made for seasonal roles by jobseekers was 27% lower than in the same period in 2019 and down 33% on its 2018 level (Source: Indeed)
- 69% of businesses have struggled to recruit people with the desired technical and leadership skills (Source: Edge Foundation, bulletin 9)
- One of the reasons why young people were hit so hard during the first stages of the Covid crisis is because they are the age group most likely to work in lower-paid customer facing roles and on insecure and temporary contracts. (Source: Edge Foundation, bulletin 9)
- Apprenticeship starts in hospitality are recovering, despite being 52% lower than the same period last year. An area of concern is Level 2 starts, which are 9% points lower so far this year from previous years (Source: Lifetime Training)
- Due to the pandemic, there were an estimated 600,000 job losses in the sector (Source: BBC)
- It is estimated that over 80% of the hospitality workforce were on furlough at some point in 2020. (Source: ONS)
- 3m overseas nationals left the UK during the pandemic (across all sectors) and those who wish to return are now finding it difficult due to restrictive immigration laws. (Source: Economic Statistics Centre of Excellence (ESCOE))
- The UK hospitality sector relied heavily on overseas nationals as a valued part of their workforce. On average 25% of employees in the sector were overseas nationals, rising to 75% in areas such as London. (Source: UK Hospitality)
- Caterer.com customers reporting an average of 15% of employees not returning from Furlough. Some customers have not experienced this at all, but we have heard of some with as much as 70% not returning. (Source: Caterer.com)

Skills Market

- Research from City & Guilds show only 16% of people understand how their skills might be transferable
- Whilst there has been a reduction in all hospitality programmes, some age groups have been impacted more than others. There are proportionally more under-19s on Hospitality Team Member than previously, and proportionally fewer 25+ on Hospitality Supervisor. Note the total volumes on these are 45-60% less than pre-Covid (Source: Lifetime Training)
- Chef apprentices are the most common hospitality apprentice job being advertised, but the pay for these roles is 83% lower than an equivalent non-apprentice job (Source: Lifetime Training)
- 28.6% of young people are Likely or very likely to apply for an apprenticeship, while 6.6% of young people are likely or very likely to apply for a T Level. (Source: Youth Voice Census 2021)
- 84.7% would rate their apprenticeship as 'good' or 'excellent' overall (Source: Youth Voice Census 2021)
- 77.6% felt that they had made the right career choice in choosing an apprenticeship (Source: Youth Voice Census 2021)
- Only 19% of young people currently in an apprenticeship had support from their school or college when applying (Source: Youth Voice Census 2021)
- Only 28.5% of young people rated the career advice they had received in secondary school so far as 'Good' or 'Excellent' (Source: Youth Voice Census 2021)
- Young people rely on the people around them for careers support. Most common sources of support were parents / guardians (72.15), teachers (45.2% and friends (38.5%) (Source: Youth Voice Census 2021)
- 30.4% of students felt their university had been 'unhelpful' or very 'unhelpful' in helping prepare them for their next steps (Source: Youth Voice Census 2021)
- 43.5% of those in university had their work experience plans impacted by coronavirus (Source: Youth Voice Census 2021)
- A significant decline in the number of students enrolled on catering and hospitality courses in further education colleges
- A decline in the number of higher education institutions offering and championing hospitality related education
- The introduction of the new T level qualifications to rival A levels are likely to become a substitute for BTEC award
- The current review of 16 to 19 qualifications has the aim of significantly reducing the number of existing professional post 16 qualifications by removing funding to reallocate to T Levels
- Policy matters, not just for improving working conditions with regards to min pay, better shift notice period and job security, but also for putting into place a ladder that allows workers of all ages, the skills and capacity to learn, progress and retain throughout their working lives. (Source: Edge Foundation, bulletin 9)

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