

# A report by Beyond 2030 on future skills needs in the York, North Yorkshire and East Riding Local Enterprise Partnership Area

## Transitional Area: East Riding

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## Visitor Economy: Accommodation and Food Service subsector (combined)

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Completed on behalf of Calderdale College as part of the College's 2017-18 ESF funded Skills Support for the Workforce programme across the York, North Yorkshire and East Riding Local Enterprise Partnership Area.

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## 1 Introduction

The EU's Cohesion policy aims to reduce economic and social disparities at regional level across the EU. Consequently, the European Commission has three categories of regional funding:

- **Less Developed regions**, whose GDP per capita is below 75% of the EU average
- **Transition regions**, whose GDP per capita is between 75% and 90% of the EU average
- **More Developed regions**, whose GDP per capita is above 90% of the EU average

Within the YNYER LEP, York and North Yorkshire at nearly 98% GDP per capita is considered a More Developed Area (MDA), while East Riding at 83% is considered a Transition Area (TA) (Eurostat, 2016).

This report considers the Visitor Economy: Arts, Entertainment and Recreation subsector within the Transitional Area (TA) of East Riding.

### 1.1 East Riding TA

East Riding is located in the region of Yorkshire and Humber. It borders North Yorkshire, South Yorkshire and Lincolnshire and covers over 900 square miles. The Humber Estuary and North Sea mark its southern and eastern limits. There are a few large settlements, such as Beverley, Bridlington and Goole. Around half of the population live in rural communities.

The economy is mainly based on agriculture and this, along with tourism, has contributed to the rural and seaside character of East Riding. The area has a number of historic buildings, nature reserves and the Yorkshire Wolds Way long-distance footpath.

The open and maritime aspects and lack of major urban developments have led to the county being allocated relatively high targets for the generation of energy from renewable sources. Easington, on the coast, is the site of a natural gas terminal, Easington Gas Terminal, owned and operated by Centrica Storage is one of three main terminals that process gas from the UK Continental Shelf.

Goole is a significant dock area which serves as a significant employer in logistics and related sectors.

Bishop Burton is home to Bishop Burton College, a further education and higher education college specialising in agriculture and equine studies.

East Riding has a resident population of 336,700, which equates to 29% of the LEP's total resident population (ONS, 2017). Nearly 162,400 individuals are employed in the area. Employment rates stand at 77.5% (Table 1). The area has a growing and increasingly ageing population and whilst the majority of the communities enjoy a high quality of life, deprivation is evident in some areas (East Riding Council, 2016).

Using YNYER LEP as the standard, we can see various differences in the productivity, skills and employment across East Riding. Table 1 highlights where the area performs better (green) or worse (red).

For example, the job density is much lower in East Riding, as is the employment rate compared to the YNYER LEP area.

The economic inactivity rate is also much higher in East Riding (19.4%). While many of these are either retired, students, or looking after the home/family, it is worth noting that 23% (nearly 9,000) would like employment (ONS, 2017).

**Table 1 Productivity, skills and jobs:**

Measure	East Riding	North Yorkshire	York	YNYER LEP	England
Gross Weekly pay full time (£)	£526.30	£489.10	£509.60	£481.30	£544.20
Job density (the ratio of total jobs to population aged 16-64.	0.69	0.96	0.85	0.86	0.84
Employment Rate	77.5%	81.9%	78.0%	79.9%	75.0%
Self-Employment	10.6%	14.1%	9.6%	12.2%	10.6%
Full-time workers	66.1%	63.1%	62.7%	63.8%	69.1%
Workless Households	13.5%	10.9%	12.5%	11.9%	15.3%
Unemployment Rate	3.8%	2.3%	3.2%	3.0%	4.7%
Economically Inactive	19.4%	16.1%	18.8%	17.6%	21.2%
Level 4+	36.5%	35.9%	42.7%	37.5%	37.9%
No Qualifications	6.2%	6.5%	6.2%	6.3%	7.8%

Source: Office for National Statistics: LEP and National Labour Market Profiles; GVA for Local Enterprise Partnerships

Nearly 162,400 individuals work across the East Riding area. The largest employment sectors (excluding agriculture) are (ONS, 2015):

- Health and social work and manufacturing, both employing 14% of all workers
- Retail and education, both employing 10% of the workforce

In terms of agriculture, the area has 1,856 holdings, with a total farming area of 204,191 hectares. 52% of the farmed area is for cereals, 21% arable crops, 4% fruit and vegetables and the 15% grassland (DEFRA, 2016). Total labour in agriculture stands at nearly 6,000 a slight decline from 2007 when 6,150 were employed. Nearly three in five (57%) of workers are full time, 32% are part time and one in ten (11%) are casual workers (Table 2).

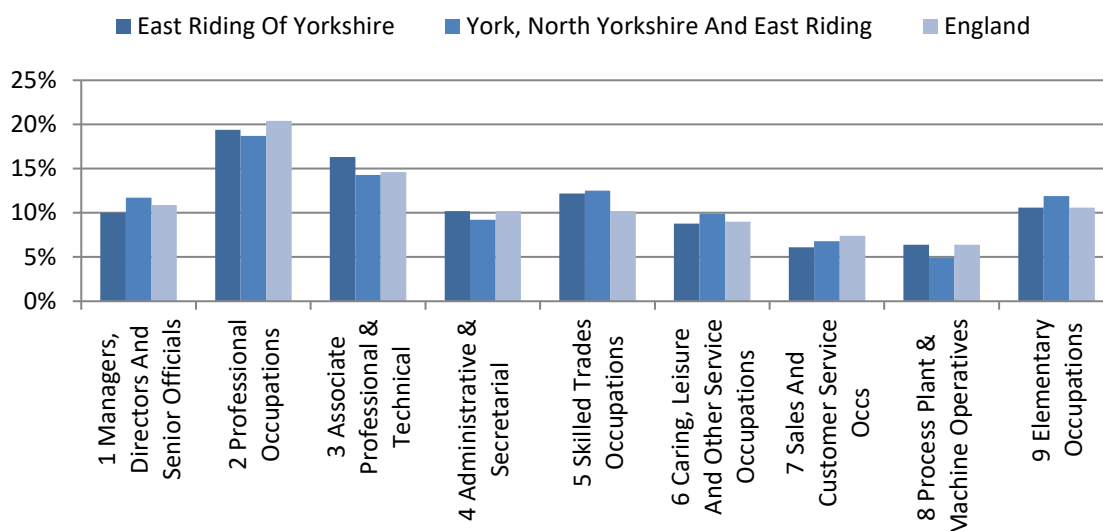
**Table 2 Agricultural labour force on commercial holdings in East Riding of Yorkshire & Kingston upon Hull, 2013**

	Number of people	%
Farmers, partners, directors and spouses full time	1,846	31%
Farmers, partners, directors and spouses part time	1,367	23%
Salaried managers	250	4%
Regular workers full time	1,271	21%
Regular workers part time	530	9%
Casual workers	661	11%
Total labour	5,924	100%

Source (DEFRA, 2016)

The occupational profile across East Riding is very similar to the LEP and national data (Figure 1).

**Figure 1 Employment by broad occupation (Jan 2016 - Dec 2016)**



Source (ONS, 2017)

## 1.1 Emerging developments in East Riding TA

Investment in transport, infrastructure, and housing continues to attract employers and business opportunities. In 2015, the area saw 1,405 new businesses open, up from 1,100 in 2010 (ONS, 2016). Overall the number of business has increased 3% since 2010, from 12,335 to 12,665.

The East Riding Local Plan sets out its plans for development up to 2029 (East Riding Council, 2016).

East Riding have identified key sectors of renewable energy; manufacturing and engineering (including chemicals); agriculture/food and drink; tourism; ports and logistics; transport equipment; digital and creative industries; finance and business services; construction; public administration, defence, health and education; and retail.

Current key employment sites have been identified as Hedon Haven, Humber Bridgehead (Hessle), Melton and Capitol Park (Goole) and they will be safeguarded from alternative forms of development.

In addition, five sites in East Riding have Enterprise Zone status. These are at Elloughton-cum-Brough, Melton, Goole, Salt End and Hedon Haven. A series of financial incentives have been put in place alongside simplified planning approaches that will attract and support businesses in the renewable and low carbon energy sector.

Further examples of growth, investment, and development in the area includes:

Outline planning application for the Yorkshire Energy Park, on a former aerodrome field in Preston has recently been submitted and includes a data centre, education campus and power station. Developers Sewell Group said the scheme could create more than 1,000 jobs.

South Cliff Caravan Park in Bridlington, which currently has nearly 800 permanent static caravan pitches, 160 touring pitches, 20 tent pitches and 12 fleet hire caravans for holiday letting are seeking to extend and develop. Plans have been submitted for 31 additional pitches for tents; 15 new units for 'glamping' (or 'glamorous camping'); 48 additional touring pitches; 132 additional static pitches; and 19 additional lodges. There would also be new toilet blocks and new office accommodation for the staff at the site (with up to five new jobs created), and a new area for meeting and greeting arriving customers.

Beverley Parkland Care Home has recently opened. With its own pub, shop, cinema and hair and beauty spa it is expected to create 100 jobs as well as meet a growing demand for care.

## 2 Accommodation and Food subsector in East Riding

### 2.1 Introduction

Accommodation and food are a subsector of the wider visitor economy. It includes a wide range of establishments that provides customers with lodging and/or preparing meals, snacks, and beverages for immediate consumption.

The accommodation division mainly comprises the provision of short-term accommodation, typically on a daily or weekly basis, for visitors and other travellers by hotels, motels, guesthouses, holiday homes, bed and breakfast etc. It also includes the supply of short-term accommodation services by camping grounds, caravan parks and hostels.

Food and drink establishments are primarily engaged in preparing meals, snacks and beverages, for immediate consumption on and off the premises. In this way it clearly differs from food manufacturing employers who produce food or meals typically expected to be consumed sometime in the future.

Across East Riding there are a number of accommodation and food employers:

For example South Cliff Caravan Park is a scenic coastal site set in beautifully landscaped grounds, providing excellent touring and camping pitches or holiday home hire. These are all within walking distance of the lively and picturesque Yorkshire coast resort of Bridlington

The resort towns of Bridlington, Hornsea and Withernsea have a range of hotels, bed & breakfast and guest houses.

The East Yorkshire Local Food Network (EYLFN) comprises businesses and other organisations working together to promote, develop and expand the local food and drink sector in the East Riding and the surrounding area. They have produced a guide of where to enjoy food and drink in and around East Riding (EYLFN, 2017).

### 2.2 Accommodation and food subsector economy and employment

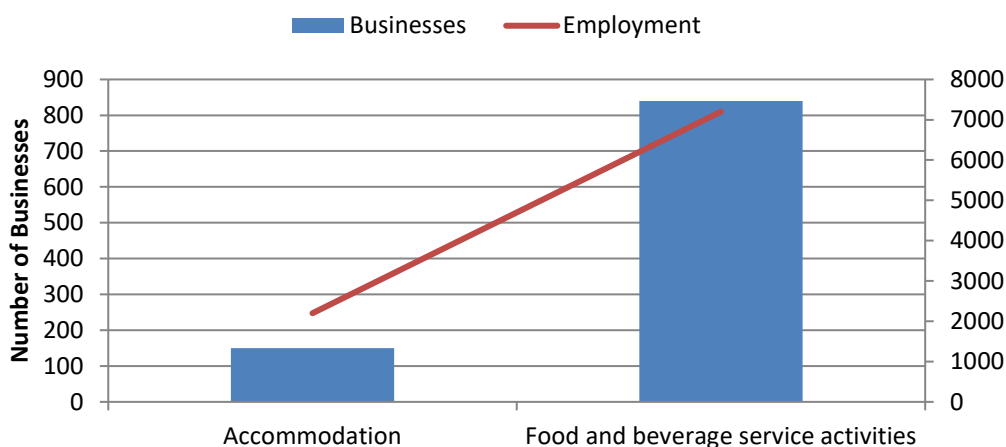
East Riding has a resident population of 336,700 (ONS, 2017) and is also a popular destination for domestic and overseas visitors (Visit Britain, 2015). For example, on average 669,000 yearly trips are taken to East Riding by domestic visitors (VisitBritain, 2015). However this has fallen from an average of 848,000 visits year between in 2010-2012.

The East Riding area therefore has a number of businesses in the accommodation and food subsector.

In total the East Riding TA has 990 businesses operating in this subsector, employing 9,400 individuals. Within the subsector there is further disaggregation of business and employment (Figure 2):

- Food and drink accounts for 85% of all subsector businesses and 77% of employment
- Accommodation accounts for 15% of subsector workplaces and 23% of employment

**Figure 2 Distribution of Accommodation and food businesses and employment in East Riding**



Source (ONS, 2015) & (ONS, 2016)

The job roles which have the greatest number employed in the accommodation and food subsector across Yorkshire and Humber are:

- 9272 'Kitchen and catering assistants'
- 9273 'Waiters and waitresses'
- 5434 'Chefs'
- 9274 'Bar staff'
- 1223 'Restaurant and catering establishment managers and proprietors'
- 9233 'Cleaners and domestics'
- 5436 'Catering and bar managers'
- 7111 'Sales and retail assistants'
- 5435 'Cooks'
- 1221 'Hotel and accommodation managers and proprietors'



## 2.1 Skills needs – Primary Research testing the data

### 2.1.1 Planning for the future

Data tells us that across the LEP economy 58% of firms have a Business Plan which specifies objectives for the coming year, which is slightly lower than national findings of 62% (UKCES, 2016). 39% of firms had a training plan, again less than national average of 42%.

Our primary research highlights that employers in the subsector in the TA frequently do not have either of the above. Smaller establishments are clearly focussing on operational matters, and whilst there is some understanding of the need to plan this is clearly a gap.

### 2.1.2 Recruitment and retention

There is a high level of recruitment demand across the accommodation and food subsector. Nationally we see that 26% of firms report at least one vacancy; greater than UK findings (19%) (UKCES, 2016). The extent to which sector businesses are finding it more problematic to recruit is borne out by the fact that the percentage of employers reporting skill-shortage vacancies has risen by 4% since 2011.

But it is not just recruitment; many firms also report retention issues and this appears to be increasing. In 2010 10% of firms nationally reported difficulties retaining staff but by 2015 this had increased to 15% (UKCES, 2016).

The recruitment of chefs continues to be the most obvious challenge for the sector and it is one that is borne out by both the data and our primary research. Nationally chefs make up a fifth of all skill shortage vacancies for skilled trades and nearly half of all vacancies for chefs prove difficult to fill because of a shortage of skilled applicants (UKCES, 2016). Consequently chefs are recognised in the Migration Advisory Committee shortage occupation list (MAC, 2013).

### 2.1.3 What are your current skills needs and skills gaps?

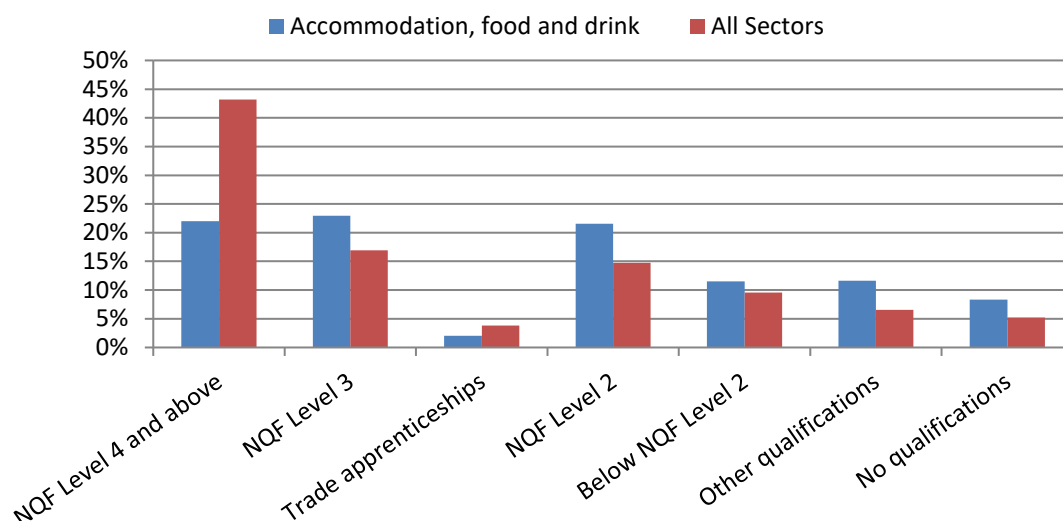
#### Skills levels

At a national level the accommodation and food subsector has a much lower qualification profile nationally than the all sector average (Figure 3). Only one in five (22%) workers holds a level 4 qualification or above compared to 43% nationally. 31% do not have a level 2 qualification, with 8% having no qualifications at all.

The largest occupational group in the subsector is elementary occupations – accounting for 47% of the workforce - and these roles traditionally require low levels of qualifications. This subsector is also popular with young people - with 35% employed under the age of 25. Many of these are likely to have joined at entry level before gaining more experience and qualifications.



**Figure 3 Qualifications levels of Accommodation and food subsector**



(Office for National Statistics, et al., 2016)

### Skills gaps

Across all sectors in the LEP, 15% of firms report having a skills gap - i.e. where an employee is deemed by their employer to be not fully proficient, i.e. is not able to do their job to the required level (UKCES, 2016). Overall it has been calculated that 21,200 individuals in the LEP are not proficient in their job.

Across the UK accommodation and food subsectors, 19% of firms report having a skills gap, with 140,100 individuals not fully proficient in their role. The main causes of skills gaps in the accommodation and food subsector are:

- Individual is new to the role, with 72% of employers reporting this factor
- Their training is currently only partially completed (64%)

These two factors are both predominantly transient: that is to say one would expect skills gaps resulting from these causes to be eliminated once staff have settled into their new roles and/or existing training has been completed.

From our primary work we can suggest that the following skills are particularly needed and valued by employers:

- Clearly the main pinch point is around recruiting chefs. This is not a surprise following a review of the literature and is one that has been raised frequently and regularly and is a key issue nationwide
- Customer service skills were the main area raised, even more so than chefs, but obviously it is a less technical skills
- Health and safety training is a necessity for many roles working in the subsector

- Cleaners. This was raised as a real problem with churn of qualified cleaning staff being exceptionally high. As we will discuss later, the increased minimum wage has raised the challenge of wage differentials, with many staff believing that cleaners are at the bottom of the ladder and so are consequently expecting higher wage rates.
- Management staff skills are also required.
- English language skills
- Operational IT/digital skills – handling orders, bookings
- Room attendant skills

Nationally chefs make up a fifth of all skill shortage vacancies for skilled trades and nearly half of all vacancies for chefs prove difficult to fill because of a shortage of skilled applicants. This gap was mentioned extensively in our primary research.

### 2.1.4 Training

The accommodation and food subsector invests a significant amount of money in training and development. In 2015, 3.3bn was spent across the accommodation and food sector, equating to an average spend of £2,670 for worker trained (Vivian, et al., 2016).

Across all sectors in the LEP, 65% of firms had funded or arranged training for staff in the previous 12 months, while across the accommodation and food sector 63% of firms had done so (UKCES, 2016). The vast majority of training and development is targeted at initial training and development and perceived statutory areas such as food safety and health and safety (People1st, 2015).

Our primary research discovered similar findings in this area. Employers are clearly more likely to train in house than they are to use off site external providers although they do bring in experts when necessary. This is important; we understand that when compliance with legislation is the driver, external trainers and accreditors are often used, when legislation is not the driver, employers will attempt to deliver the training in house, using an experienced team member (who may or may not have training in training).

Cost and time were the main drag factors on engaging in non-mandatory training, but we also heard criticisms of course provision and that there was a lack of high quality providers.

### 2.1.5 Apprenticeships

Nationally there has been a large uptake of apprenticeships across the hospitality sector, however only 10% of businesses are offering them and the vast majority are large businesses (APPG, 2016).

Across East Riding three parliamentary constituencies there has been a decline in the number of individuals starting an apprenticeship (Table 3). In 2009/10, over 5,000 individuals began an apprenticeship but by 2013/14 this had declined to 4,370 going against the national trend of growth in take up. Most apprenticeship are at a level 2 (74%) and 40% undertaken by 19-24year olds.

**Table 3 Apprenticeship Programme Starts by level and age, East Riding**

Year	Total	Level (%)			Age (%)		
		Intermediate	Advanced	Higher	Under 19	19-24	25+
2009/10	5,120	73%	27%	*	25%	51%	24%
2010/11	5,030	67%	32%	1%	22%	43%	35%
2011/12	5,460	65%	35%	1%	21%	36%	43%
2012/13	4,430	64%	35%	1%	25%	33%	42%
2013/14	4,370	74%	25%	1%	24%	40%	36%

Source (DfE, et al., 2017)

Two in three (66%) apprenticeship starts have been within Beverley and Holderness, 20% in East Yorkshire and 14% in, Haltemprice and Howden.

However, the table below highlights that relatively few (80) of the framework starts have been on Leisure, Travel and Tourism frameworks. This is just 2% of all apprenticeship starts in the area. Considering the visitor economy employment equates to 10% of all employment across East Riding this can be considered low.

In our primary work we explored this and the reasons will be familiar to people working in the skills sector. Whilst there is a general support for the principle of Apprenticeship, it was felt that they were often too large an intervention for this subsector. It is clear that larger employers are more likely to use apprenticeships than the smaller employers.

From our primary work we can see that the challenge, particularly for SMEs, in hiring apprenticeships continues to be significant. There are issues around awareness, relevance and perceived bureaucracy.

**Table 4 Apprenticeship Programme Starts by Parliamentary Constituency and Sector Subject Area (2013/14)**

Sector Area	Beverley and Holderness	East Yorkshire	Haltemprice and Howden
Agriculture, Horticulture and Animal Care	10	20	10
Arts, Media and Publishing	0	0	0
Business, Administration and Law	230	140	210
Construction, Planning and the Built Environment	30	30	20
Education and Training	0	0	0
Engineering and Manufacturing Technologies	200	180	110
Health, Public Services and Care	180	240	120
Information and Communication Technology	240	10	20
Languages, Literature and Culture	0	0	0
Leisure, Travel and Tourism	30	30	20
Preparation for Life and Work	0	0	0
Retail and Commercial Enterprise	1,960	210	110
Science and Mathematics	0	0	0
<b>Total</b>	<b>2,890</b>	<b>860</b>	<b>620</b>

Source (DfE, et al., 2017) Apprenticeships by parliamentary constituency 2011/12 to 2014/15

## 2.2 Future requirements

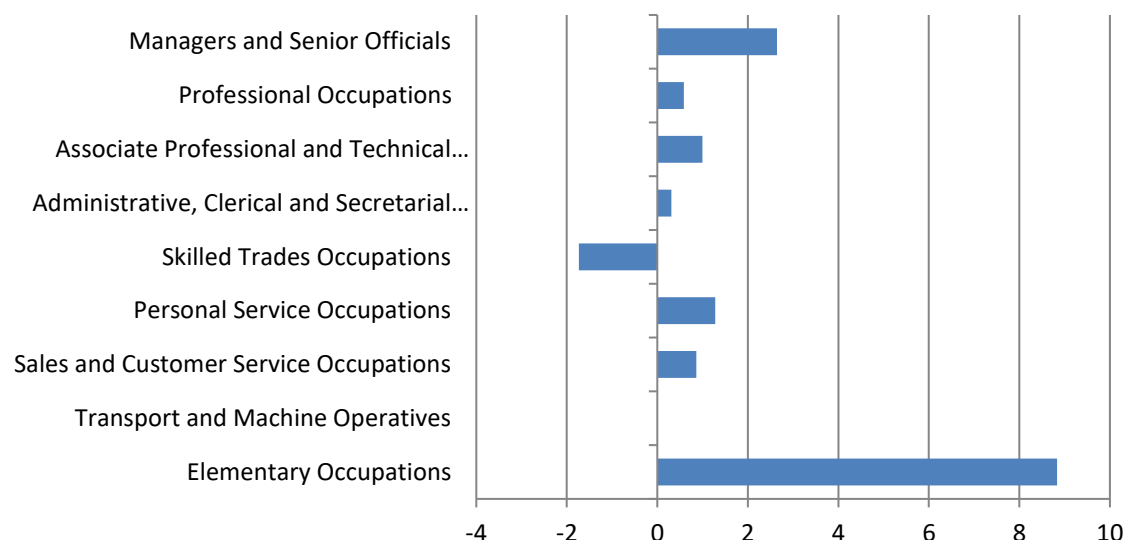
### 2.2.1 Sector growth

Future workforce projection for the subsector are available at the wider region of Yorkshire and Humber rather than the North Yorkshire area but this still provides a useful indication of changes in the workforce moving forward.

Employment in the Yorkshire and Humber accommodation and food subsector is expected to grow 9.5% between 2014 and 2024 – or by nearly 14,000. This is a greater rate than whole economy where growth of 5.5% is anticipated in the region, but less than the UK subsector figure of 14.6% (UKCES, 2016).

We expect to see employment growth for higher level occupations, including managers, professional occupations and associate professionals and technical roles (Figure 4). But greatest growth is across elementary positions. Net job losses are projected for skilled trade roles.

**Figure 4 Accommodation and food subsector occupation change, 2014 -2024 (000s), Yorkshire and Humber**



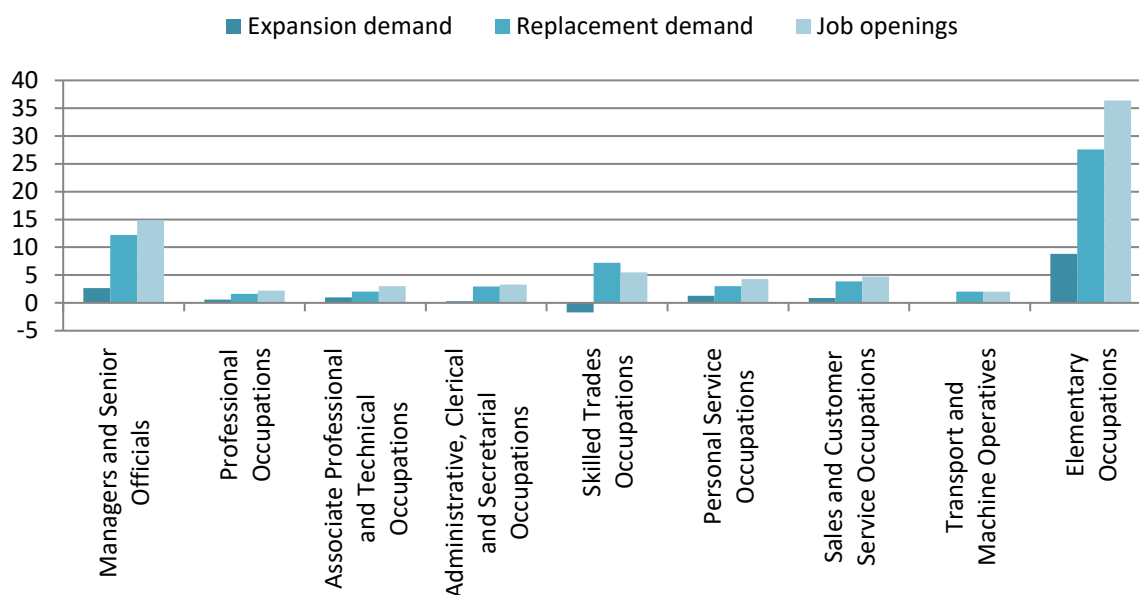
Source: UKCES Working Futures VI

### 2.2.2 Replacement need and total demand

Over the next decade, replacement demands are expected to generate nearly five times as many job openings in the subsector compared to net job growth.

Overall the accommodation and food subsector in Yorkshire and Humber is expected to have nearly 76,000 job openings between 2014 and 2024: 14,000 sector growth and 62,000 replacement demand. Nearly half (48%) of all job openings will be within elementary roles and a further 19% in managerial positions (Figure 5).

**Figure 5 Job openings in the accommodation and food subsector by occupation 2014 - 2024 (000s) in Y&H**



Source: UKCES Working Futures VI

The startling fact that 82% (62,000) of the new staff requirements are needed to replace existing employees indicates that the sector may have a retention problem. So whilst the growth of the sector means we need to recruit more people, the high rates of labour turnover are largely driving recruitment needs.

### 2.2.3 Qualifications

**The change in qualification levels of the workforce shows that there will be a shift towards more people holding higher qualifications (**

**Table 5).**

By 2024, 36% of people employed the accommodation and food subsector are expected to be qualified at level 4 and above (lower than all sector proportion 47%), whilst the proportion of people with no formal qualifications or level 1 is expected to fall to 17%.

**Table 5 Change in qualification profile accommodation and food subsector, Yorkshire and Humber**

	<b>No qualifications and level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Level 4 – 6</b>	<b>Level 7 – 8</b>
<b>Qualification example</b>	GCSE (grades D – G) BTEC level 1	GCSE (grades A* - C) NVQ Level 2	AS & A level BTEC National	Certificate of higher education (L4) Foundation degree (L5) Bachelor's degree (L6)	Master's degree (L7) Doctorate (L8)
<b>2014 level</b>	44,400	42,700	30,100	24,600	3,100
<b>2024 level</b>	26,900	45,800	28,500	51,900	5,700
<b>2014 – 2024 % change</b>	-40%	7%	-5%	111%	85%
<b>2014 % share</b>	31%	29%	21%	17%	2%
<b>2024 % share</b>	17%	29%	18%	33%	4%

Source: UKCES Working Futures VI

### 2.2.4 Future roles and skills

The above Working Future projections demonstrate that there will be growth across most occupational groups and a significant replacement need for positions. This will be for entry level, though skilled positions up to higher level roles.

Employers have not identified any new roles developing in the next 6 years, rather the challenges are about recruiting for existing positions, i.e. front of house, chefs, cleaners, kitchen porters, managers. Whilst those roles will change and evolve, we expect it to be about changes at the margins, rather than the creation of brand new roles, i.e. we expect to see currently existing job roles asking for additional skills including better digital skills, languages etc.

In this way our research was in keeping with the wider data analysed.

## 2.3 Drivers of change

### 2.3.1 Political

#### Leaving the European Union

Uncertainty post Brexit is a concern reported by employers in the accommodation subsector. In the run up to the 2017 General Election when a large Conservative victory seemed likely, it was assumed that the UK was about to begin some form of 'hard' Brexit. Despite being rarely defined, it was expected that this would be a Brexit based on leaving all EU institutions and associated agreements with the UK then negotiating our own agreements at a national level.

However, following the surprise result in June 2017, it now seems likely that whilst Brexit will happen, it may be at the 'softer' end, opening up the possibilities of effectively paying for access to various parts of the EU institutions/agreements – including access to the Single Market.

This uncertainty is a significant challenge. We simply do not know what will be the outcome of the Brexit negotiations, so employers have only best guesses on key issues such as free movement of labour, tariff free trade, legislative requirements etc. This lack of information is clearly unhelpful for making decisions over long term investments.

The subsector traditionally filled vacancies through migrant labour and Asian and Oriental restaurants in particular are heavily dependent on recruiting workers from outside the European Union. Across hospitality and tourism, 24% of the workforce is made up of non-British nationals. But as we have seen the UK labour market become more competitive, with unemployment falling, we have also seen the number of non-British workers in the sector rise. Between 2011 and 2016, the number of migrant workers in the hospitality and tourism sector has increased by 27%, with the majority of this increase coming from other EU countries (People 1st, 2017).

The effect on inward migration particularly from EU countries could affect the sector's ability to recruit and retain skilled staff and is by far the biggest issue employers have raised with us.

#### Legislation / Regulations

As with other industries which interface directly with the public, this is a sub sector which is heavily regulated. Employers are not expecting there to be significant new legislation in the next few years.

### 2.3.2 Economic

#### A slowdown in economic growth

With the drop in sterling against other major currencies there may be some short term benefits to the visitor economy. More international visitors could be attracted but also a weaker pound may encourage staycations in the UK. However we are not able to report on prior bookings from EU member states or beyond. Imports are likely to be more expensive, potentially pushing up the prices of raw materials including energy which will impact on the competitiveness of UK –based holidays. Business travel may also be affected.



## **Wage levels**

The National Minimum Wage (NMW) was first introduced in the UK in April 1999 at a rate of £3.60 per hour for over 21-year-olds. Prior to that there was no statutory minimum. In April 2016 the government introduced the National Living Wage (NLW) at a level of £7.20 per hour for those over 25 years old, increasing to £7.50 in April 2017. It is expected to rise to at least £9 per hour by 2020. The impact of this is likely to be significant on this subsector. Hoteliers undoubtedly face higher payroll costs and this is challenge they face. In a subsector such as this, maintaining the pay differentials is also likely to have a significant cost.

## **Labour availability**

Following the recession, the economic situation across the UK and East Riding has been improving. Unemployment rates in the East Riding have declined from a high of 7.2% in 2012 to 3.8% at the end of 2016, but still remains higher than the LEP average of 3%. Of those claiming JSA, 43% have been out of work for six months or more (ONS, 2017) and are therefore more of a challenge to get back into work. Consequently it's becoming harder to recruit.

Demographic changes mean that there are fewer younger people entering the job market, which has an adverse effect, particularly on food and drinks service as it employs a greater proportion of 16-24 (39%) than found across the economy as a whole (12%). So employers need to find ways to attract and then retain staff. Recruitment and retention are two important issues.

### **2.3.3 Social**

#### **Consumer mind set**

Businesses in the sector are very much driven by customer demand. But customer's values, preferences and expectations are not fixed. Consumers have begun to expect a personalized experience tailored to meet their needs. Personalisation can go a long way but getting this right can be difficult since customers' needs and preferences change frequently.

It is clear that the food and beverage sector must remain responsive to consumers' needs and desires.

This is made evident by the emergence of health-conscious eating. The UK market is increasingly looking at healthy eating as a way to address health-care concerns including hypertension, diabetes, and obesity.

This awareness, coupled with an increasing interest and desire for more authentic foods produced without using herbicides and pesticides, free of genetically modified ingredients, and even free of carbohydrates or gluten, has placed pressure on the sector to respond accordingly. Consumers are also more aware of the plight of farmers and producers from faraway places and they are increasingly supporting fair trade practices. At the same time, there is a heightened desire for more locally grown products, as well as a general awareness and appreciation of the quality of produce.

## Perception

There's a perception from the public that there is limited opportunity for career development and the entry level skills in particular are low paid.

Many people fail to appreciate that hospitality offers a career pathway where success is largely dependent upon aptitude and ability, rather than particular qualifications. Therefore, there is the possibility of promotion from the 'kitchen floor' to the most senior levels company management.

### 2.3.4 Technological

Technology is expected to play an ever-increasing role in the subsector, meaning that digital skills are going to be important across all job roles.

One of the biggest changes in the accommodation sector is the way in which rooms can be purchased and even more so the way that guests are influenced to buy them. Technology and its use and implementation have been a game changer.

Driving traffic to a website and getting the customer to book is central to success. Many hotels use online travel agencies to sell rooms but this incurs commission fees.

Social media, in its various forms, present businesses with a direct way of reaching customers as well as communicating key information about the accommodation and any promotional offers they are running. But this presents a challenge, especially for the smaller businesses: expertise and time is required. Social media skills in a business context are required and they need to have the time to use it effectively while also running the business.

## Online Security

The accommodation sector by its nature can collate a vast amount of information regarding their customers - not just names, address but also payment details. Credit card fraud is a massive threat. Criminals from all over the world try to hack into hotel networks in an attempt to steal guest identities, including credit card details. They are not just targeting one individual, but thousands of cardholders at the same time.

Hotels need to be aware and have clear and up to date online security systems in place. We found in our research that online security has become a more pressing threat/risk to the subsector.

## 2.4 Key points

What follows is a presentation of the key findings from the above.

- East Riding's employment rate stands at 77.5% - lower than LEP data of 80%. In addition, the economic inactivity rate is much higher (19.4%) compared to the LEP as a whole (17.6%)
- The area is growing in terms of businesses -the number has increased 3% since 2010.
- The number of visitors to the area is high, at 669,000 yearly trips but this has fallen in recent years
- East Riding has 990 businesses operating in this subsector, employing 9,400 individuals.
- There is demand for entry level occupations and managers. The only advanced technical skill occupations is chefs
- The recruitment of chefs continues to be a challenge
- Cleaners. This was raised as a real problem with churn of qualified cleaning staff being exceptionally high.
- Customer service skills, health and safety training, management staff skills, English language skills, operational IT/digital skills , room attendant skills were all skills needed and valued by employers.
- Across East Riding there has been a decline in the number of individuals starting any apprenticeship, and relatively few starts on subsector frameworks. There are issues around awareness, relevance and perceived bureaucracy.
- Greatest employment growth and replacement demand is anticipated within elementary roles, where soft skills are needed.
- The subsector is not expecting the creation of new roles, rather employers are looking to recruit into currently existing roles.
- Brexit is casting a shadow, with it being both an opportunity and a threat.

### 3 Annex

**Table 6 Employment by Industry in the LEP and Local Authorities**

Industry	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	Selby	York	North Yorkshire	East Riding of Yorkshire	YNYER LEP
2 : Mining, quarrying & utilities	125	500	350	225	200	200	2,000	400	4,000	1,250	5,000
3 : Manufacturing	3,000	6,000	5,000	1,000	5,000	5,000	7,000	4,500	36,000	17,000	53,000
4 : Construction	1,500	2,250	3,000	1,000	1,500	1,500	1,750	4,000	17,000	6,000	23,000
5 : Motor trades	450	900	1,750	350	700	600	500	1,500	7,000	3,000	10,000
6 : Wholesale	1,500	2,250	4,500	700	1,000	1,000	2,000	2,500	15,000	5,000	20,000
7 : Retail	3,000	3,500	8,000	2,000	1,750	5,000	2,250	14,000	39,000	12,000	51,000
8 : Transport & storage (inc postal)	1,000	1,750	3,000	600	600	1,250	3,500	4,500	17,000	6,000	23,000
9 : Accommodation & food services	3,000	3,500	8,000	3,000	3,000	7,000	2,000	11,000	42,000	9,000	51,000
10 : Information & communication	350	600	2,000	150	150	300	800	2,500	7,000	2,250	9,000
11 : Financial & insurance	2,500	450	2,500	150	350	600	300	4,500	12,000	1,250	13,000
12 : Property	450	800	1,500	400	800	1,000	300	2,000	7,000	1,750	9,000
13 : Professional, scientific & technical	1,750	2,250	8,000	1,000	1,500	1,250	3,000	8,000	27,000	7,000	34,000
14 : Business administration & support services	6,000	3,000	6,000	1,000	1,250	2,000	3,500	8,000	30,000	7,000	37,000
15 : Public administration & defence	450	3,500	2,000	800	700	1,250	700	5,000	15,000	10,000	24,000
16 : Education	3,000	3,000	7,000	1,500	2,250	3,500	3,500	12,000	36,000	12,000	48,000
17 : Health	2,250	5,000	12,000	1,500	1,750	8,000	3,000	16,000	50,000	17,000	67,000
18 : Arts, entertainment, recreation & other services	1,000	1,750	3,500	1,250	2,000	2,500	700	5,000	19,000	4,500	23,000
Column Total	31,000	41,000	80,000	17,000	25,000	43,000	36,000	105,000	379,000	122,000	500,000

(ONS, 2015)

