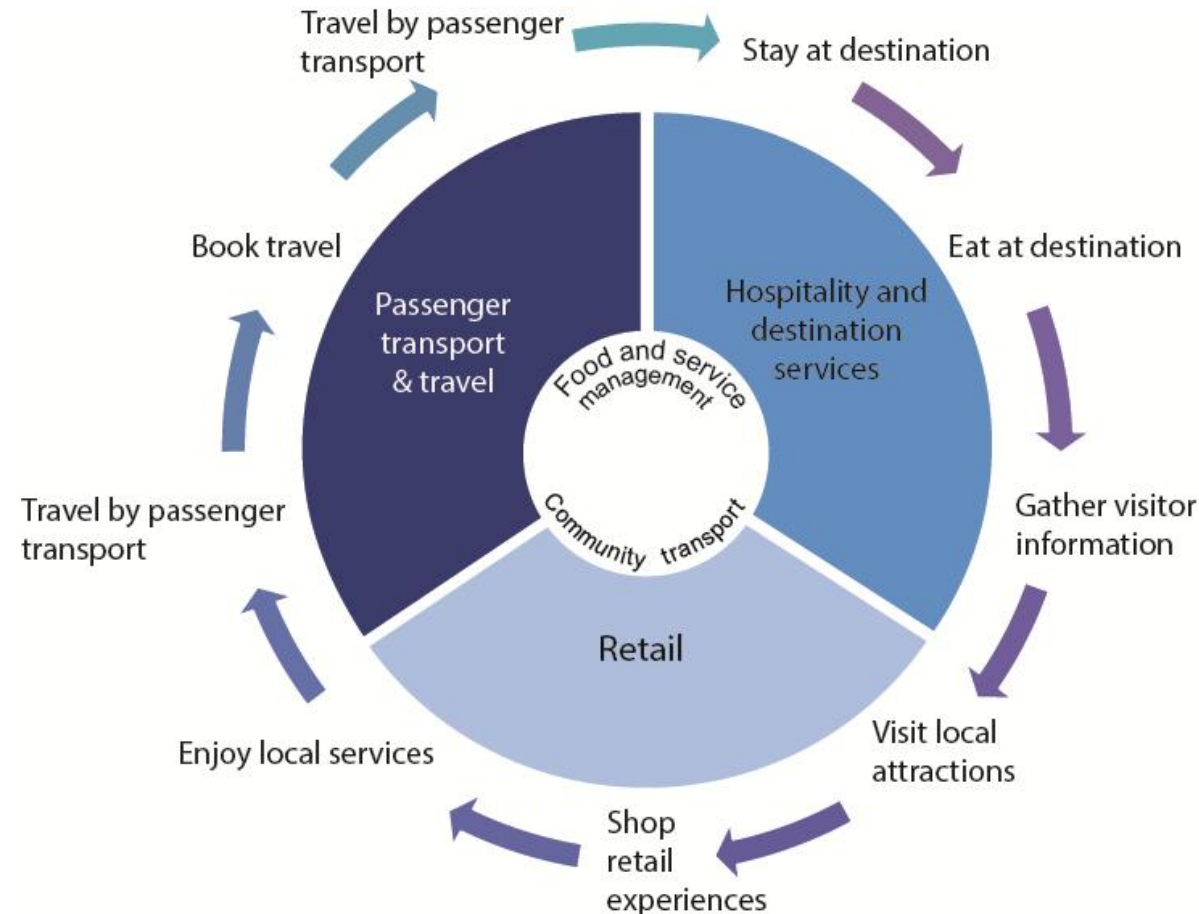


Transforming skills in the visitor economy

Dan Power

What is the visitor economy?



Size of the tourism workforce

2.4m employees



By 2022 we
need ...

993,000 additional employees



Future vacancies
will include



229,000 managerial
and skilled positions

BUT...there's a productivity and skills problem!

Of the 993,000 employees we need
to recruit by 2022



870,000 are to
replace existing staff



We don't have a recruitment problem, we have a retention problem

Labour turnover
costs the sector
274m annually.



21 % employers with skills gaps

61% Customer handling skills

58% Planning and organisational skills

53% Team working skills

53% Job specific skills

49% Oral communication

49% Problem solving skills

Impact of skills gaps

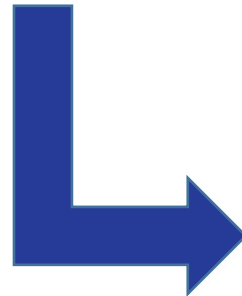
54% Increased workload of other staff

35% Difficulties meeting quality standards

33% Higher operating costs

27% Difficulties introducing new working practices

26% Loss of business to competitors




**Increasingly transient
workforce**

**Increase in part-time
contracts to 53%**

**250,000 zero hour
contracts**

**Decrease in female
managers**

**Only 41% of
employers have a
training plan**



**Add to the
mixing bowl...**

We've got a challenge:

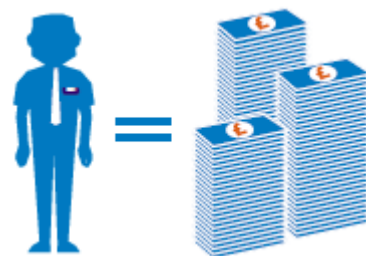
**Stimulate demand for
skilled roles**

**Strengthen career
progression opportunities**

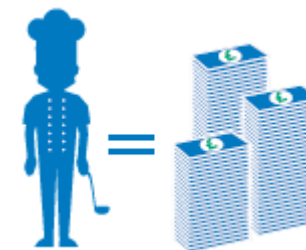


Why apprenticeships?

Strong evidence that apprentices improve the **bottom line**



£2,900
RETAIL



£5,200
HOSPITALITY

25%

of consumers say they would pay extra for goods and services where an organisation employs an apprentice



Apprenticeships are a fantastic way to develop **skilled and committed staff**

68%

of apprenticeship employers believe apprentices **improve productivity in their business**



80%

of companies who invest in apprentices report an **increase in staff retention**



How do apprenticeships add value?

- Taps into youth population with the aim of progressing a more diverse range of staff into senior roles
- Retail isn't typically a 'career of choice' so the apprenticeship provides an attractive training and development offer
- Great 'culture advocates' for business
- Can be relied on to deliver results
- Between 5-10% higher engagement than colleagues not following an apprenticeship, measured on fairness, pride, respect and opportunity

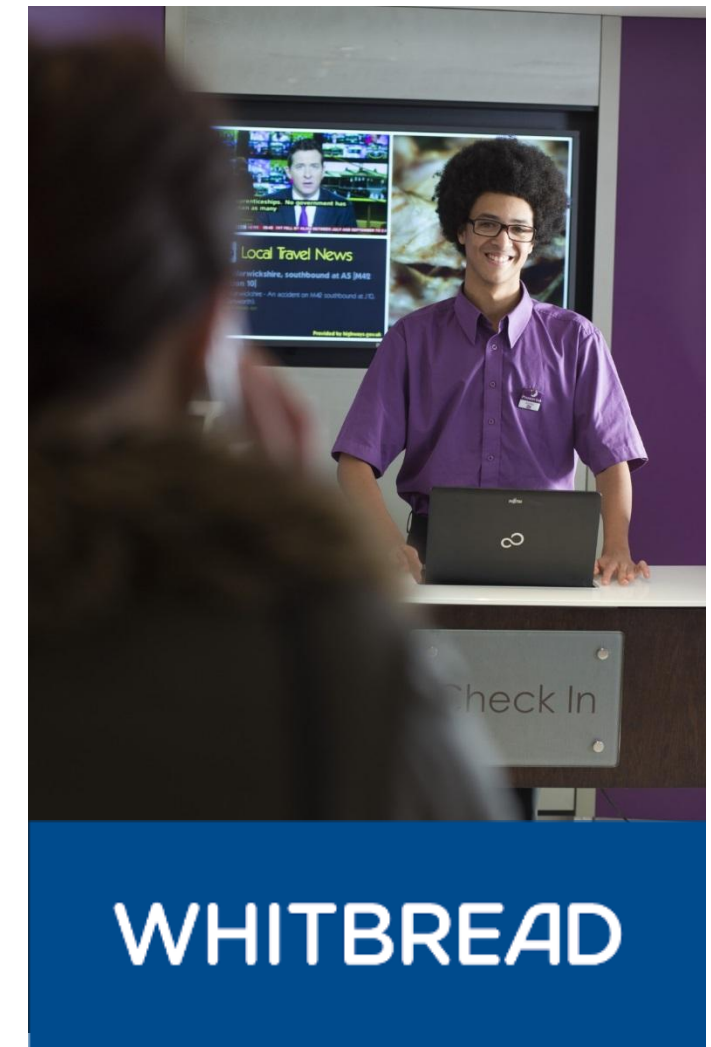


“ROI is a given” ...Apprenticeships have top level commitment from the Board and MD because they have proven benefits to the business



One in three PGL apprentices (level 2) progressed into a supervisory and management position, which is considerably higher than those not on the programme

- **Reduces staff turnover:** 45% more likely to stay with the company
- **Speeds up progression:** 32% of level 2 apprentices moved into management roles within 24 months of completing and 21% of level 3s within 12 months
- **Remuneration:** apprentices who started their programmes in 2011/12 increased their earnings by 21% over the national pay increase of 1.5%
- **Announced an investment of £5.7 million** to create more than 6,000 apprenticeships by 2020 (1,200 into the Premier inn and Costa brands each year)
- **47% of Whitbread's apprentices are unfunded**



“Apprentices quickly contribute to their objectives and in the longer term often move into management roles”

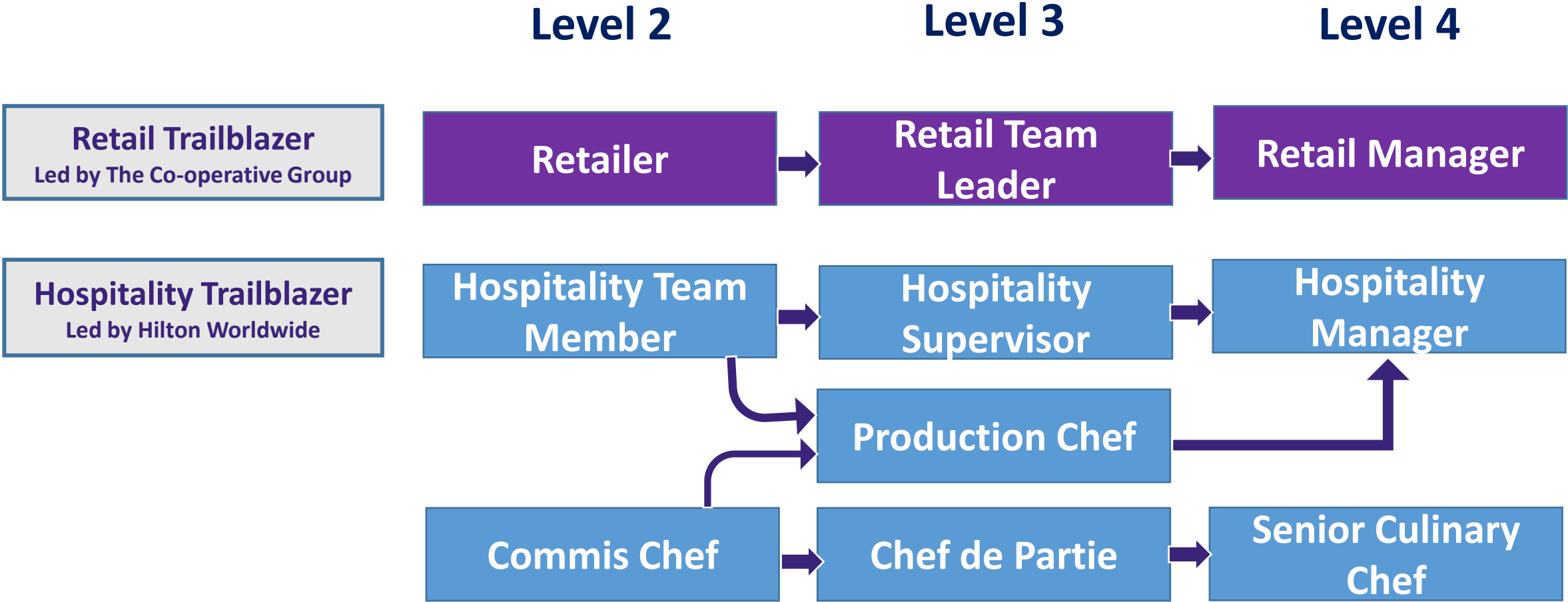
- 17% more productive in sales terms than non-apprentices of the same age and experience
- Stay with the business on average 2 years longer
- Climb the career ladder more quickly



What's new

- New '**apprenticeship standards**' developed by trailblazers (retail, hospitality, travel, aviation, bus and coach)
- Apprenticeship standards set out the **knowledge, skills and behaviours** to be fully competent in a job role
- There are **NO qualifications** in the new sector apprenticeships - training options are flexible
- Apprentices must successfully complete an **independent assessment** – like a driving test!
- The end assessment is **graded** – e.g. pass or distinction

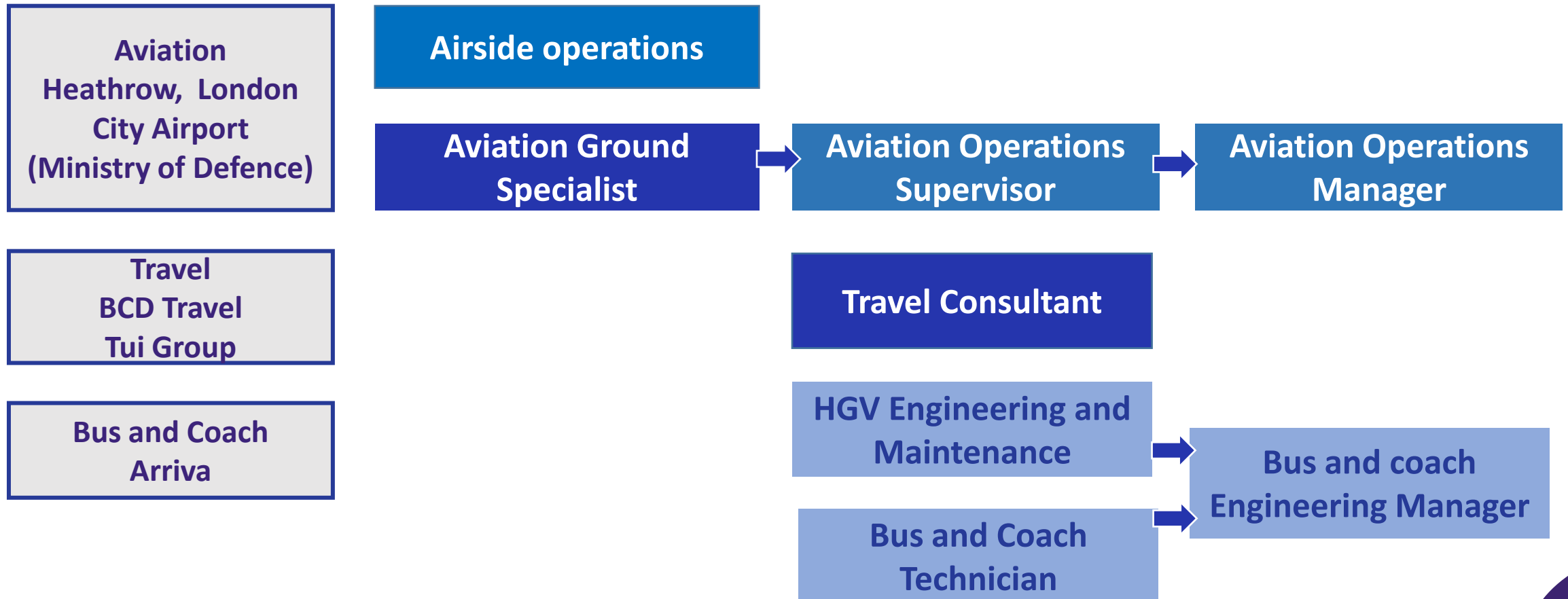
Visitor Economy Apprenticeship Standards



Level 2

Level 3

Level 4



Then came the levy!

- The levy will be collected from eligible employers across the UK from April 2017 through the PAYE system administered by HMRC
- It will only be paid by employers that have a pay bill in excess of £3 million, who will receive an allowance of £15,000 to offset against their levy payment
- People 1st estimate that the sector will account for approximately 1/5th of the total levy
- Views of the visitor economy sector are being communicated to government via the Apprenticeship Implementation Task Force

What do I need to do and when?

What?

- Get familiar with the new apprenticeship standards and assessment
- Think about the training options that are best for your business
- Start planning to change from the frameworks to the new standards
- Work out what the levy will mean to your business

When?

- Now!
- Plan for new standards to start going live at the end of Spring 2016 (once final arrangements are agreed with the government)

How can People 1st help?

People1st.co.uk



Hospitality employers

Find out how hospitality apprenticeships can benefit your business.



Retail employers

Find out how retail apprenticeships can benefit your business.



Travel employers

Find out how travel apprenticeships can benefit your business.



Aviation employers

Find out how the new apprenticeships can benefit your business.



Bus, coach & HGV employers

Find out how the new apprenticeships can benefit your business.



Share businesses' best practice and advice on getting the most from apprenticeships



Help you understand the government's plans for apprenticeships and how they impact your business



Guide you to industry accredited training providers that will support you through the apprenticeship process



Help you decide the best apprenticeship option for your size of business

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