



REC Hospitality

The Recruitment and Employment Confederation's (REC) Hospitality Sector Group provides a forum for specialist hospitality recruitment agencies to discuss the issues affecting their businesses, their workers, the industry more broadly and the latest policy developments. Members of the REC's Hospitality Sector Group have the opportunity to network, share knowledge and develop best practice for the industry.

Sector developments

As the UK's fourth largest sector, the hospitality industry has performed well over recent years, aided by the success of the London Olympics in 2012: the government's legacy impact report suggests the total gross value added (GVA) could reach £41 billion by 2020.⁴ This growth is expected to continue over the coming years, spurred on by increasing demand. However that growth, and the success of the industry faces some major challenges, including the uncertainty around Brexit, extra costs to business including the Apprenticeship Levy and the National Living Wage, and skill shortages. Nevertheless, opportunities lie over the horizon, with a new government under Prime Minister Theresa May and a new Secretary of State for Culture, Media and Sport, Karen Bradley appointed in July 2016.

Skills Shortages

Given the anticipated growth of the sector over the coming years, it is notable that demand continues to outstrip supply. Much of this can be attributed to the acute skills shortages which continue to blight the sector, as employers and recruiters remain unable to fill vacancies. According to the REC's most recent *Report on Jobs* demand for temporary staff in the 'hotel and catering' category was one of the highest, second only to 'nursing/medical/care' and chefs were specifically mentioned as a key temporary skill in shortage.⁵ There is also a staff turnover rate of 20 per cent – seven percentage points higher than other UK industries. An increasingly important way of addressing the skills shortage is to provide training to new entrants.

"The UK's hospitality industry is one of the largest and most dynamic. As the UK economy evolves, the REC Hospitality Sector Group is an indispensable medium, helping recruiters support the growth of the sector by understanding, and succeeding in, its changing landscape."

Andrew Thompson, Blue Arrow Hospitality & Chair, REC Hospitality Sector Group

The success of this will be predicated on an effective dialogue between recruiters and clients concerning training responsibilities and benefits, particularly with a new Apprenticeship Levy due to be implemented in April 2017.

Key stats

The hospitality and tourism industry is the **fourth largest sector of the economy employing 4.49 million people**.¹

Between 2010 and 2015, the industry created **331,000 new jobs**.²



It is predicted that **993,000 additional staff** will be needed in the sector by 2022.³

¹ *The economic contribution of the UK hospitality industry*, Oxford Economics / British Hospitality Association, September 2015.

² *Ibid.*

³ *The skills and productivity problem: hospitality and tourism sector*, People 1st, October 2015.

⁴ *Inspired by 2012: The legacy from the London 2012 Olympic and Paralympic Games*, Cabinet Office / Mayor of London, July 2013.

⁵ *Report on Jobs*, REC, July 2016.

THE REC GUIDE : HOSPITALITY

Brexit

On 23rd June 2016, the UK voted to leave the European Union. The result was a surprise for many of the business community and heralds a period of potential uncertainty, as the government formulates its strategy for Brexit and the UK's future relationship with the EU. The outcome of the referendum saw the formation of a new government and the creation of two new ministerial departments – a Department for Exiting the European Union and a Department for International Trade. In the middle of July, the government issued a statement clarifying the status of EU nationals residing in the UK.⁶ However, the process of renegotiating Britain's relationship with the EU will begin only once Article 50 of the Lisbon Treaty is triggered. There are calls to ensure that any trade deal secured enables business to access skilled labour and does not prevent them from growing.



The process of negotiating Britain's relationship with the EU will begin only once Article 50 of the Lisbon Treaty is triggered

Pay and Progression

Career progression is a key area of concern in hospitality and is perceived as a potential solution to the industry's high turnover rate. However, as the REC's research report, *Getting On*, found there tends to be a general lack of awareness about what career opportunities lie within the hospitality sector.⁷ The government has made this a policy priority and in January 2016, the Department for Work and Pensions launched a campaign called Hospitality Works seeking to provide 80,000 reasons to pursue a career in hospitality. Enhancing the industry's reputation and looking abroad for examples of improving career mapping are some ways this could be achieved. In 2015, the REC launched *Jobs Transform Lives* – our new messaging to reflect the role that recruiters play in empowering others to make important choices about their work and careers.⁸

Supply chain

Corporate responsibility will be one of the major hallmarks of Theresa May's government. As a result, agencies and clients will be required to collaborate more closely on this agenda. This is especially true following the introduction of the *Modern Day Slavery Act 2015*, introduced by May when Home Secretary. The Act places Reporting Requirements on businesses with a turnover greater than £36 million a year, who must confirm that every part of their supply chain is slavery free. Agencies may be asked by their clients for a statement to support this. The REC has put together a guide for members and seeks to work with other sector bodies as well as clients to ensure mutual understanding of the different parts of the supply chain.⁹ The REC also runs the Good Recruitment Campaign to promote good practice to UK employers and push good resourcing up the corporate agenda. All signatories must sign a Good Recruitment Charter with commitments to fair, legal and ethical resource planning, as well as a high standard of candidate experience and regular reviews of their recruitment procedures.

Get involved

To find out more about REC Hospitality, visit [here](#). The best way to get involved is to come to the next meeting or join our next event or webinar – ask your REC account manager for more details.

www.rec.uk.com/hospitality

⁶ Statement: the status of EU nationals in the UK, Gov.uk, 11 July 2016. <https://www.gov.uk/government/news/statement-the-status-of-eu-nationals-in-the-uk>

⁷ Getting on: What progression looks like for low paid workers today, REC, September 2015.

⁸ <https://www.rec.uk.com/about-us/jobs-transform-lives>

⁹ Transparency in supply chains Reporting Requirements: REC Policy Briefing, REC, October 2015.

https://www.rec.uk.com/rec-document-library/policy-and-campaigns/REC-Policy-Briefing_Transparency-in-Supply-Chains-Reporting_01-10-15.pdf?SQ_ACTION=login&