MK College Group

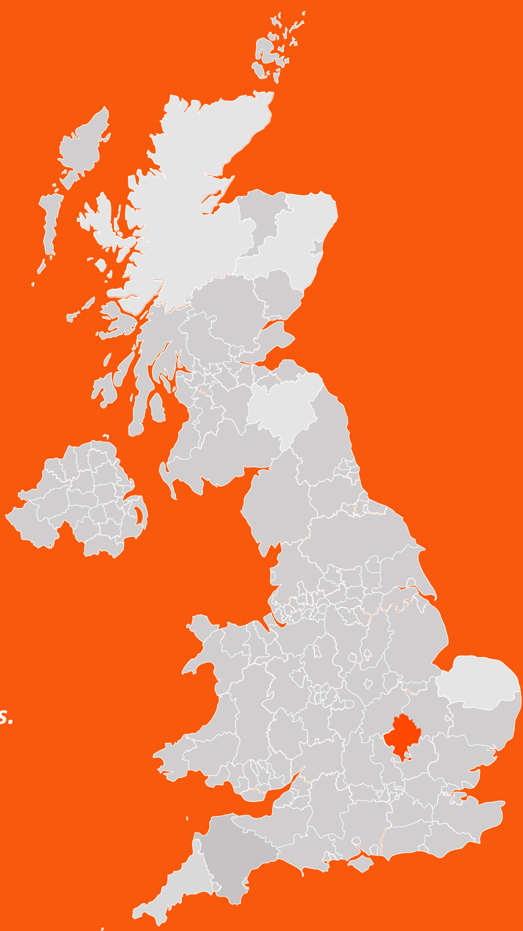
Building

Fairer Futures.

HOSPITALITY
SUMMARY REPORT

A new report shows sales back to pre-pandemic levels – but ***15% of roles remain vacant, costs are spiralling and consumer spending is being impacted by cost of living challenges*** *(Future Shock – Leaving Covid Behind)*

Like for like sales in the sector are back to 2019 levels, buoyed by takeaway and delivery sales which ***are up 107% in May 2022 compared to May 2019*** *(UK Hospitality)*



In the three months to March 2020, there were ***2.53 million jobs in the hospitality sector in the UK, representing 7.1% of total UK employment.***

Median hourly pay is ***lower in hospitality compared to other sectors.*** *(Parliament UK)*

The hospitality industry has ***higher proportions of younger workers, foreign-born workers, part-time workers and workers from minority ethnic backgrounds compared to other sectors****. (Parliament UK)*

Executive Summary

Introduction

This sector summary overview presents an overview of the Hospitality sector within Milton Keynes (MK), highlighting particular areas of regional specialisation prioritisation alongside the macro factors driving short, medium and longer term changes to the sector, and local economy.

The objective of the report is to highlight the strengths, weaknesses, and opportunities within the local employment and skills market, including structural factors which may continue to impact the region in the future.

With the overall aim that intelligence will be used to inform and direct curriculum delivery, including but not limited to Apprenticeships, 16-19, Adult Learning, Higher Education, bespoke, part-time and modular bitesize provision.

The information outlined in the report is designed to inform stakeholder and employer forums to shape curriculum strategies and future facing skills design. Audiences are encouraged to use the data provided therein, alongside other reports, strategies, data and policy papers to plan future recruitment and training strategies in line with industry needs.

Important drivers and trends affecting labour market and skills demand to be considered within the context of this report and subsequent curriculum design include:

- Global and domestic political environments
- National and regional economic growth
- State of public finances and Further Education (FE) Funding allocations
- Ageing population, multigenerational workforces, migration, Brexit
- Pace of technological change* *e.g. technology-facilitated changes to the location and organisation of work*
- Climate change and Bioeconomy* *bioeconomy represents the economic potential of harnessing the power of bioscience, using renewable biological resources to replace fossil resources in innovative products, processes and services* in line with Net zero targets
- Inequality, underrepresentation, In-work poverty, Digital Exclusion
- Geo-based issues including transport and access
- Perception of Industry
- The education inspection framework (EIF) and OFSTED.

LMI in context

Different organisations will use a breadth of complementarity official datasets accessible API datasets including information from the Annual Survey of Hours and Earnings, the Labour Force Survey, the Employer Skills Survey, Working Futures and the UK Census.

Statistical agencies like the Office for National Statistics (ONS), the Higher Education Statistics Agency (HESA) produce data, and sector organisations or professional bodies at national and regional level, often have their own researchers and provide a rich source of LMI.

However LMI is also presented in many different formats. For example, complex statistical formats including CSV files, datacubes or technical reports that are geared towards economist and policy makers, rather than for use in education organisations.

Methods of data collection and curation will vary, as will the timeframe over which data is collected, its intended use and the reliability of the data needs to be considered within context of other LMI sources.

An example, some organisations will use former Government Office regions to classify a geography, others a Local Enterprise or Local Authority area. Slightly different geography or demography, the time period over which data was collated, different O*NET or Standard Occupational Classification (*SOC*) or Standard Industry Classification (*SIC*) definitions (levels 1 – 4) should be recognised as a limitation of the data, and account for any variance between sources of LMI.

The validity of the data overall; which yields information from the various official datasets and sources of intelligence it draws upon is accurate at the point of circulation.

Nevertheless, good LMI practitioners will advocate how important to use your own judgement to draw conclusions about the information.

Question and explore the data, reflect on the key messages and in doing so, engage in an ongoing dialogue and debate with the information within context of each readers situation to contribute towards creating growing body of up to date LMI.

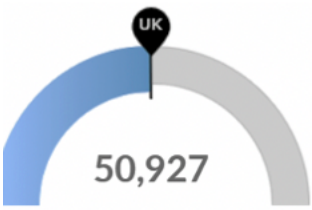
Regional Context

Since the previous Census in 2011, Milton Keynes has seen its population grow to 287,821. This is a **15.3% increase, which is above the national average of 6.3%.** Milton Keynes has a **younger age profile than England as a whole.**

272,467	173,681	£32.4k
Population (2021)	Total Regional Employment	Avg. Wages Per Job (2021)
Population grew by 6,227 over the last 5 years and is projected to grow by 3,877 over the next 5 years.	Jobs decreased by 8,442 over the last 5 years and are projected to decrease by 953 over the next 5 years.	Regional average wages per job are £1.9k above the national average wages of £30.4k per job.

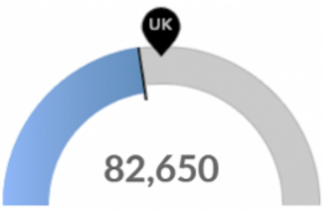
Age Cohort	2021 Population	2021 Percent
Under 16 years	62,372	22.9%
16 to 34 years	58,282	21.4%
35 to 54 years	80,768	29.6%
55 to 74 years	54,022	19.8%
75 years and over	17,023	6.2%

Population Characteristics



Millennials

ilton Keynes has 50,927 millennials
ges 25-39). The national average for
n area this size is 51,227.



Retiring Soon

Retirement risk is low in Milton Keynes. The national average for an area this size is 94,806 people 55 or older, while there are 82,650 here.

Racial Diversity

Racial diversity is high in Milton Keynes. The national average for an area this size is 38,519 racially diverse people, while there are 57,037 here.

As of 2021 the region’s population increased by 2.3% since 2016. **Population is expected to increase by 1.4% between 2021 and 2026,** adding 3,877.

Concerning educational attainment, **34.2% of Milton Keynes residents possess a Degree or Equivalent and Above - SCQF L9** (0.7% above the national average), and **7.8% hold a Higher Education Below Degree Level - SCQF L7-8** (0.2% below the national average).

	% of Population	Population
No Qualifications (NVQ)	6.5%	11,000
Other Qualifications (NVQ)	6.5%	11,053
NVQ 1 - SCQF L4	9.6%	16,360
NVQ 2 - SCQF L5	17.2%	29,124
Trade Apprenticeships	1.9%	3,234
NVQ 3 - SCQF L6	16.2%	27,554
Higher Education Below Degree Level - SCQF L7-8	7.8%	13,292
Degree or Equivalent and Above - SCQF L9	34.2%	58,043

Sector Summary

Recent data shows **the number of food outlets in Milton Keynes increased by 93% between 2020 and 2021, the highest rate of growth across the UK.**

An analysis of over 50,000 restaurants by Industry researchers has shown takeaway growth to be strong across the country, with the following representing the biggest percentage growth when comparing pre-lockdown to 2021 figures:

- **Milton Keynes (+93%)**
- Scunthorpe (+90%)
- Wakefield (+87%)
- Tamworth (+84%)

It is a considered a a low paying, **low GVA adding sector.**

Low skilled roles in the sector are characterised by **flexibility, fragmentation, insecurity and instability. Resulting in high staff turnover, limited progression, widening skills gaps and low productivity.**

With 93% of hospitality operators recently reporting higher energy costs, year-on-year inflation running at an all-time high with little prospect of a drop in the near future, **four in five (83%) business leaders in the sector recently reported being concerned about ongoing food services price rises**. (UK Hospitality).

Inflation and the cost-of-living crisis are already impacting hospitality spend, recent data from Barclaycard has revealed. This could have a knock on effect on the number of people in-work, or at risk of leaving the sector due to job insecurity.

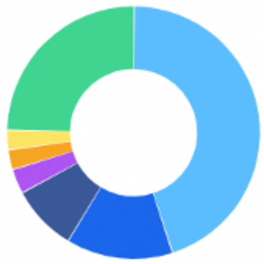
Younger workers, women and part-time workers display comparatively high incidences of low pay in the sector and make up the bulk of the roles within the sector. Evidence shows women are over-represented among low paid and part-time workers. 64.7% of the overall workforce are women.

Key Insight

Despite the recent boom in the number of individual food outlets, overall the sector has fewer jobs, and **employs fewer people in Milton Keynes than the UK average.**

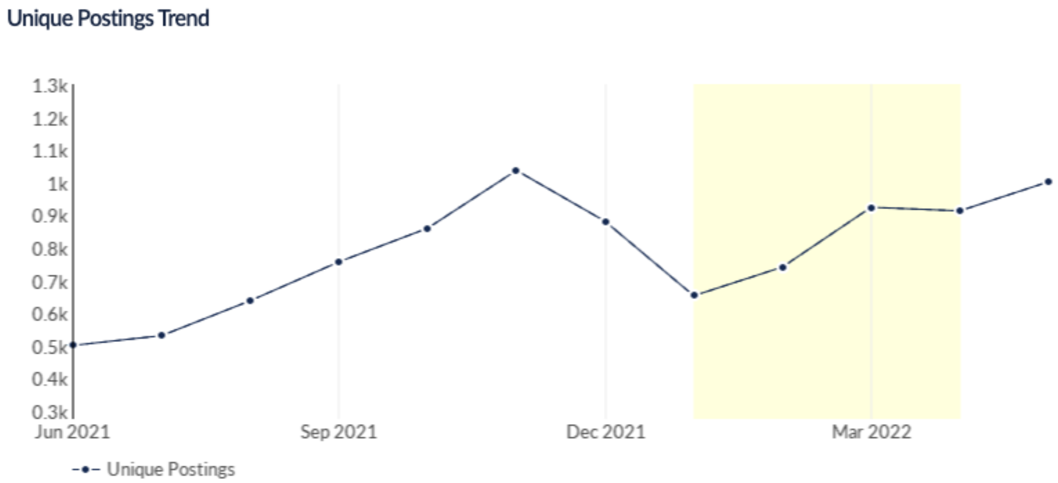
10,202 Jobs (2021) 21% below National average	-0.4% % Change (2021-2025) Nation: -2.6%	£14,854 Avg. Wages Per Job (2021) Nation: £15,027

Kitchen and Catering Assistants represent the majority of those employed in the Industry in Milton Keynes , at 22.8%, followed by **Waiters and Waitresses** at 14.6%. Most employees in the sector are employed in Restaurant and Mobile Food Service Activities:



Industry	% of Occupation in Industry (2021)
Restaurants and Mobile Food Service Activities	44.9%
Other Food Service Activities	13.6%
Beverage Serving Activities	8.5%
Tertiary Education	3.2%
Hotels and Similar Accommodation	2.5%
Primary Education	2.5%
All Other Industries	24.7%

Over the last 12 months there has been a notable dip and recovery from the number of jobs posted. as the Milton Keynes economy emerged from the covid-19 pandemic. Evidence of the impact on the sector, and rolling-lockdowns, can be seen from this graph:

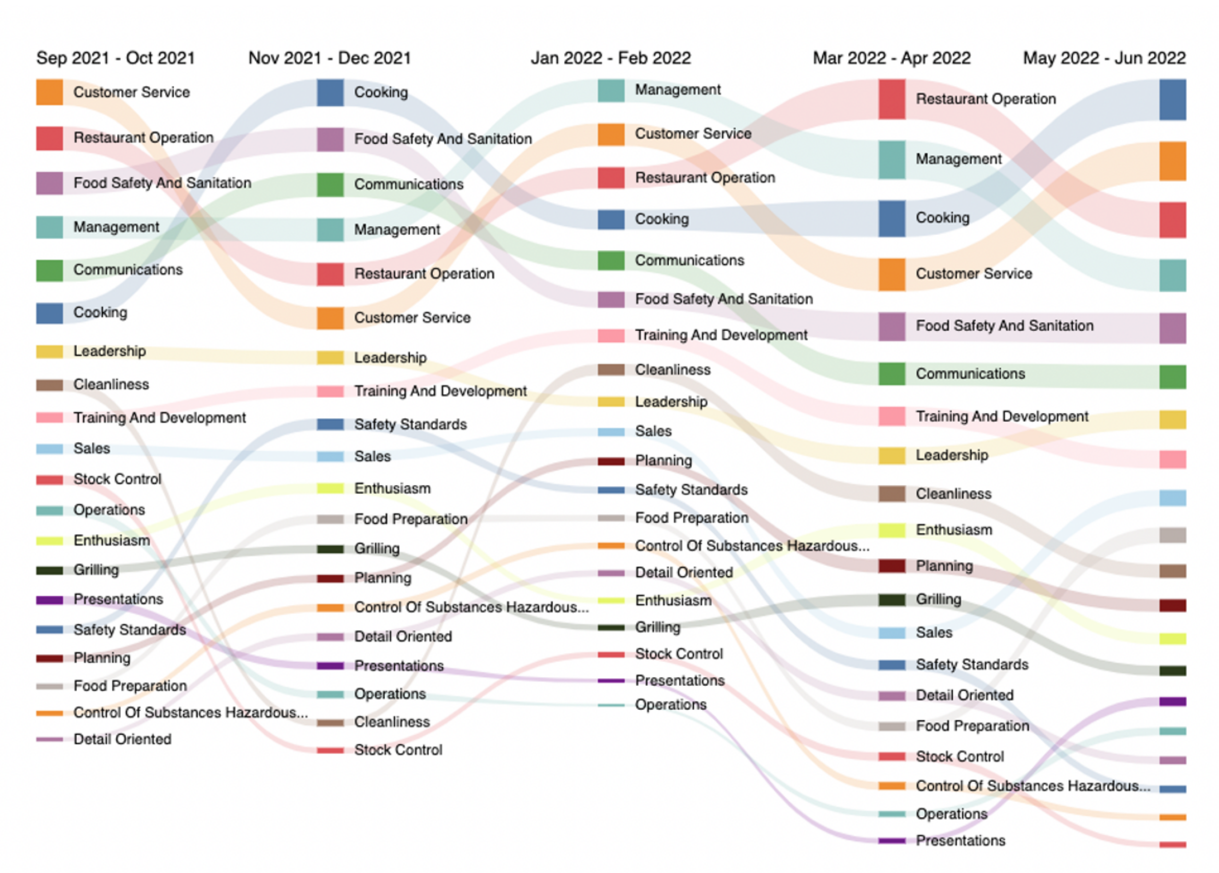


In-demand skills

Grouping together the occupations which make up most of the roles employed in **Restaurant and Mobile Food Service Activities**, we can see a **sustained demand for operations, management, customer service and cooking skills** over time for Managers and Proprietors in Hospitality and Leisure Services and Food Preparation and Hospitality Trades.

There is **less demand from recruiting employers for more basic and lower level technical skills, and soft skills**, as evident in the below image.

It is interesting to see the **drop in demand for customer service skills, from most in-demand in September 2021 to fourth in June 2022.**



Soft skills and workplace competencies in demand include Communications, Customer Service, Management, Cleanliness, Detail Oriented, Loading And Unloading, Sales, and Enthusiasm.

Sector & occupational demand

There were 1**,719 total job postings for Food Preparation and Hospitality trades** between September 2021 – June 2022. Of the top posted job titles listed below, the most in demand skills advertised by employers over this time period, were:

Cooking (186 appearances in job descriptions) **Restaurant Operations** (153) Food Safety And Sanitation (148) Food Preparation (63) Grilling (52) Safety Standards (48) **Control Of Substances Hazardous To Health – COSHH** (43) Stock Control (43) **Food Quality Assurance And Control** (28).

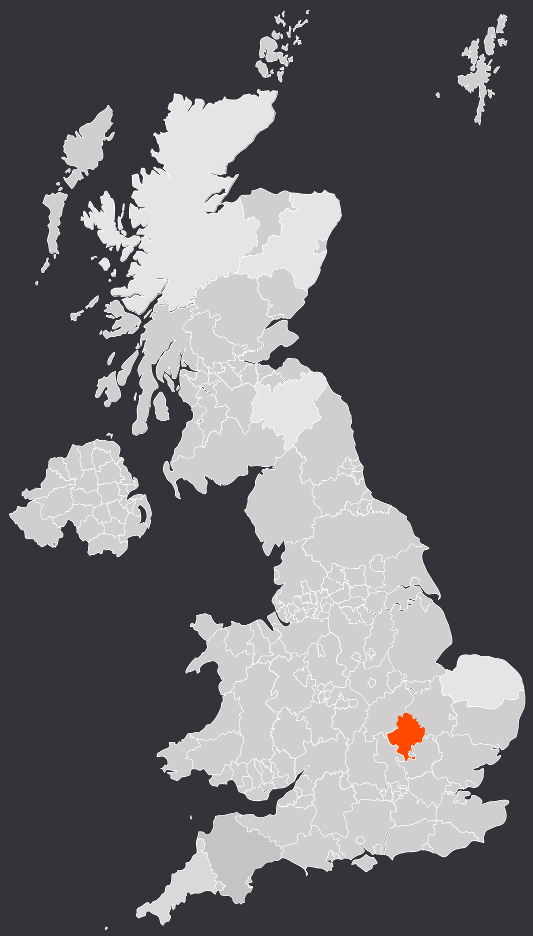
The key thing to note here is that when employers are looking for employees they often post or advertise multiple times across different sites, which creates the duplication. Emsi uses a deduplication process to determine how many of these postings are unique vs. how many are duplicates for the same position, and both numbers are reported here.

Based on the number of unique and total postings, we can also see the Posting Intensity. For example, in Milton Keynes, the ratio for Sous Chefs, Chef De Parties and Head Chefs is 3:1, meaning that for every 3 postings, 1 is unique. This indicates that for every one open position they advertise for it in three places. This suggests employers are putting in more effort to recruit for these posts.

Top Posted Job Titles

Job Title	Total/Unique (Sep 2021 - Jun 2022)	Posting Intensity	Unique Postings Trend (Sep 2021 - Jun 2022)
Chefs	198 / 81	2 : 1	
Sous Chefs	188 / 65	3 : 1	
Chefs De Partie	194 / 64	3 : 1	
Head Chefs	173 / 61	3 : 1	
Chef Managers	86 / 35	2 : 1	
Commis Chefs	58 / 28	2 : 1	
Shift Supervisors	43 / 24	2 : 1	
Cooks	49 / 22	2 : 1	
Kitchen Managers	42 / 18	2 : 1	
Grill Chefs	40 / 17	2 : 1	

There was significantly fewer postings throughout this time for Managers and Proprietors in Hospitality and Leisure Services, with **only 152 job advertisements placed during the same time period.**



A future facing Sector

Currently, Further Education (FE) providers are allocated funds from different sources depending on the type of courses they provide and on the age of their students. There is also capital funding available for upgrading the college estate, as well as European funding for skills to support economic growth across locally defined geographies.

EU investment will transition across domestic funding over the next couple of years, spearheaded under the UK Shared Prosperity Fund (UKSPF).

To assess the current performance of different areas of college provision, and develop new, fit for purpose skills solutions and it is important to understand the key sources of funding. Any regulatory requirements, as well as the opportunities and limitations of each programme and overall policy drivers should be factored into any subsequent skills discussion and design.

Primary sources of current FE funding are summarised overleaf.

Education and Skills Funding Agency (ESFA)

16-19

Funding to provide study programmes for young people. The ESFA pays colleges based on the numbers of students they are expected to enrol each academic year using funding rates adjusted by a weighted average calculation based on characteristics.

19+ Adult Education Budget (AEB)

The AEB provides most of the public funding for non-apprenticeship, 19+ further education in England. AEB monies is used specifically to fund training opportunities to support the most disadvantaged learners.

Funds can be used for anyone aged 19-23 to get a L2/ 3 qualification if they don't already have one. AEB can be used to fund low-waged learners 24+ to get their first L2/3 qualification. The AEB can be used to fund anyone unemployed for any course or qualification up to L2.

English and Maths

AEB can be used to fully fund level 2 English and maths for anyone over the age of 19.

Lifelong Loan Entitlement (LLE)

From 2025, the Lifelong Loan Entitlement is intended to provide individuals with a loan entitlement to the equivalent of four years' worth of post-18 education to use over their lifetime. The flagship element of the Skills and Post16 Education Act 2022, It is intended to be used flexibly, for full or part-time study of modules or full qualifications at L4 to L6.

Apprenticeships

Employers can receive incentive payments to help fund apprenticeships The amount received depends on whether employers pay the apprenticeship levy .If you pay the levy you will receive funds to spend on training and assessing your apprentices. The government will add 10%.

If employers do not need to pay the levy they pay 5% and the government will pay the rest (95%) up to the funding band maximum.

Department for Education (DfE)

National Skills Fund
Free L3 qualifications for adults and Skills Bootcamps. There are over 400 qualifications available in areas such as engineering, social care, and accounting. The offer is also available to adults who earn less than the National Living Wage annually or the unemployed. All 19 - 23 year olds can access courses for free through their legal entitlement to a first full L3 qualification.

Capital funding
The 2021 Skills for jobs White Paper included a proposal to "continue to invest in the college estate, to transform facilities and enable high-quality provision." The £1.5bn capital commitment made in the Budget 2020 for capital spending across all further education sites in England for the next 5 years is primarily being delivered through the **Further Education Capital Transformation Fund**.

Additional sources

EU structural funding (ESIF)
ESIF includes money from the **European Social Fund (ESF**), **European Regional Development Fund (ERDF)** and **European Agricultural Fund for Rural Development (EAFRD).**

The ESIF Growth Programme provides investment to projects that improve local innovation and growth, create jobs and promotes social inclusion. Projects funded by the ESIF Growth Programme are currently running, in some cases with an extension to the end of 2023. Local Enterprise Partnerships and Combined Authorities are responsible for developing local ESIF strategies.

The UK Shared Prosperity Fund (UKSPF) is intended to replace EU structural funding. The Fund will focus on three priorities: communities and place, local businesses, and people and skills.

Current curriculum overview

Combining ILR, schools data and LMI, RCU Vector provides an insight into local learner markets. Allowing parties to identify and meet the future needs of local communities by shaping appropriate responses and curriculum updates.

The following pages, using Vector data, provide a comprehensive picture of the current Milton Keynes College Group (MKCG) curriculum delivered, alongside local skills demand.

Summary

In 2020/21 there were a total **of 60 Hospitality and Catering (HC) 16-19 learners, of which 60 were enrolled at Milton Keynes College Group (MKCG).** The total market has shrunk by 10 learners since 2018/19, during which time MKCG lost 10 learners.

MKCG has a controlling 98% share of the Hospitality and Catering (HC) market. The majority of local 16-19 learners are studying at level 2 (45%). However, there is a **significant cohort at level 1 and below (36%) with fewer progressing onto level 3+ (19%).** This may be indicative of the technical nature of some catering courses.

In 2020/21 there were a total of 20 HC Adult learners, of which 10 were enrolled at Milton Keynes College Group (MKCG). The total market has grown by 10 learners since the 2018/19 academic year, during which time MKCG saw no change in learner numbers.

The providers operating within the market are fairly varied. **MKCG leads the market with 36% market share, followed by Other Colleges (27%) and Private Training Providers (32%). It is worth noting that all provider types report low learner numbers.**

In 2020/21 there were a total **of 720 Catering and Hospitality (CH) apprentices, of which 10 were enrolled at Milton Keynes College Group (MKCG). The total market has shrunk by 350 learners since the 2018/19 academic year, during which time MKCG saw no change.** Regionally, **Private Training Providers dominate with 96% of the market**. The only other provider types present are Other Colleges (3%) and Our College (1%).

In 2020/21, there were 50 learners within the HE market, of which 0 were studying at MKCG. This is a market increase of 40 learners and no change at MKCG, since 2018/19.

A note on differences across funding streams and data:

There are slight differences in the definition of a Technical Route (which is used for apprenticeships) and Subject Sector Area. These are both based on information contained in the submitted ILR. This is sometimes just a name change, and sometimes multiple SSAs being mapped to a single Technical Route. For example, A full table of this mapping is available in the *Supporting Documents* menu on Vector RCU.

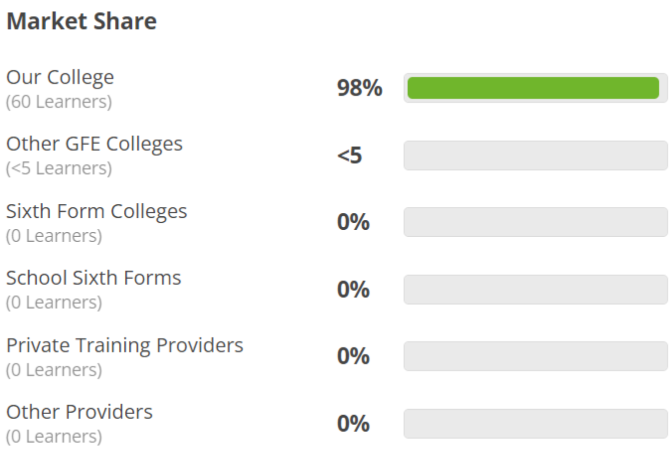
Geographies are defined by Vector as the resident location of learners, rather than where the learning is taking place. Across funding streams, different aggregate geographies are available, from the Local Authority to the LEP level. For some cases, it is more appropriate to survey a larger geography (such as apprenticeships). This is especially important to note for HE, where many learners leave their residence area to study at a HEI.

Suppression Rounding is carried out by Vector RCU to ensure anonymity of the data where raw figures are presented. This may cause slight discrepancies between data sets of different granularities and when comparing market share percentages to learner numbers.

16-19

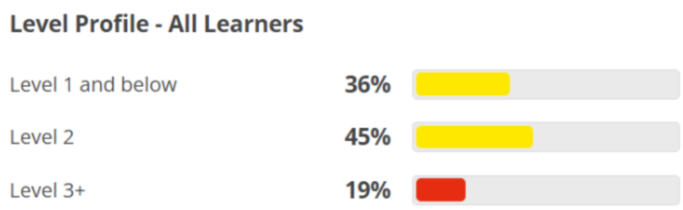
For this section, the Subject Sector Area (SSA) analysed is ***Hospitality and Catering (HC),*** and the selected geography is ***Main Area (MK).***

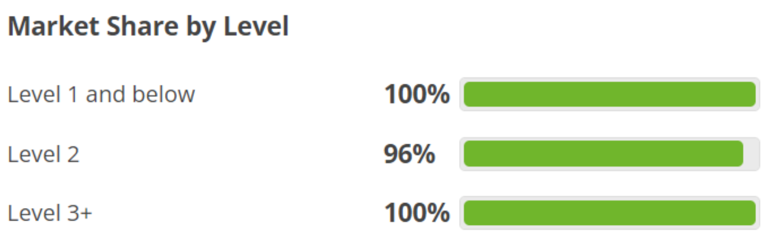
In 2020/21 there were a total of 60 Hospitality and Catering (HC) 16-19 learners, of which 60 were enrolled at Milton Keynes College Group (MKCG). The total market has shrunk by 10 learners since 2018/19, during which time MKCG lost 10 learners.



MKCG has a controlling 98% share of the Hospitality and Catering (HC) market.

The majority of local **16-19 learners are studying at level 2 (45%).** However, there is a significant cohort at **level 1 and below (36%)** with fewer progressing onto level 3+ (19%). This may be indicative of the technical nature of some catering courses.

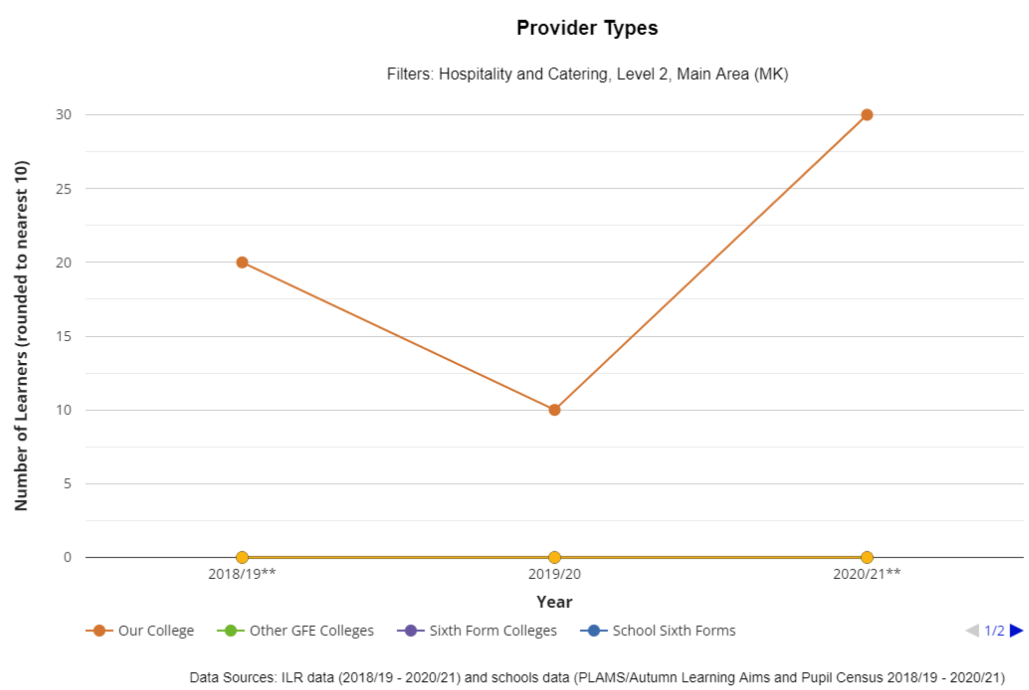




MKCG controls almost the whole market at each level of study.

There are only two providers reported regionally, Milton Keynes College and Northampton College. Only MKCG reports learner numbers greater than 5.

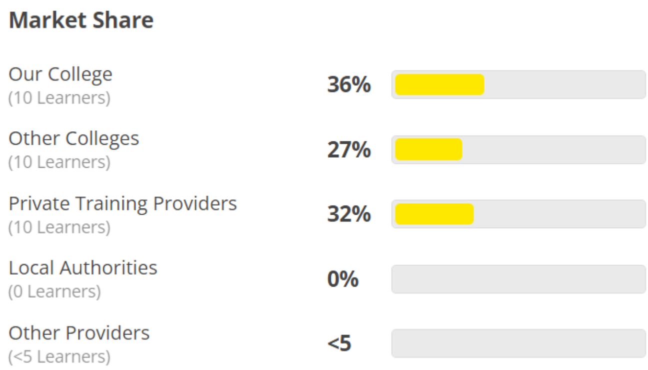
Learner numbers at most levels have remained static. **The greatest volatility since 2018/19 is seen within the level 2 market (see below).**



Adults

For this section, the Subject Sector Area (SSA) analysed is ***Hospitality and Catering (HC)*** and the selected geography is ***Main Area (MK).***

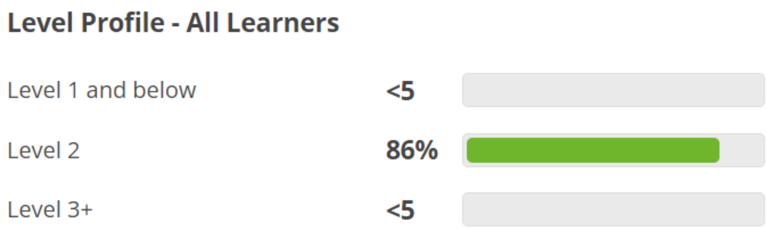
In 2020/21 there were a total of 20 HC Adult learners, of which 10 were enrolled at Milton Keynes College Group (MKCG). The total market has grown by 10 learners since the 2018/19 academic year, during which time MKCG saw no change in learner numbers.

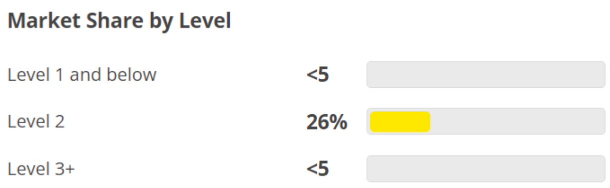


The providers operating within the market are fairly varied. **MKCG leads the market with 36% market share, followed by Other Colleges (27%) and Private Training Providers (32%).**

It is worth noting that **all provider types report low learner numbers.**

Almost all learners are studying at level 2, with <5 reported at other levels of study.





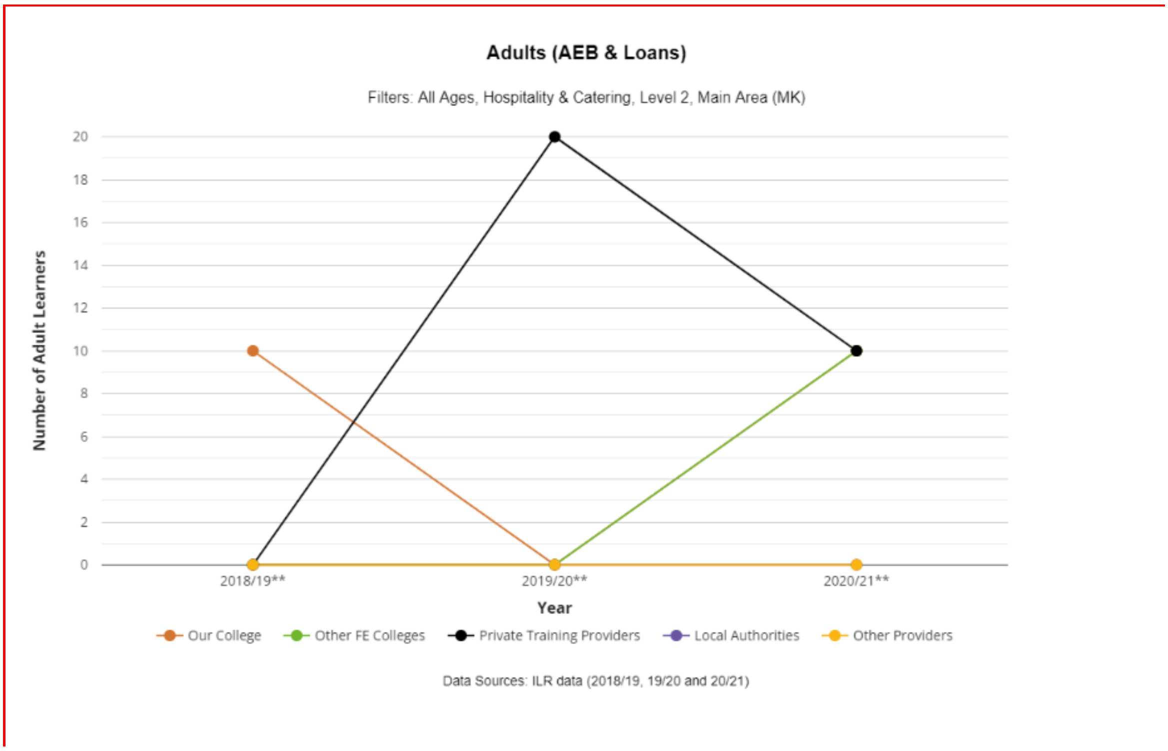
MKCG's market share is low across all levels, reporting on **26% of the level 2 market.**

There are many providers within this market. Amongst these are several GFE colleges and private training providers across. Most providers report fewer than 5 learners.

Provider	2020/21 Learners
Milton Keynes College	10
Remit Group Ltd	10
Middlesborough College	<5
Morley College Ltd	<5
New College Swindon	<5
Peopleplus Group Ltd	<5
Northampton College	<5
North East Surrey College of Technology (NESCOT)	<5
Eastleigh College	<5

Level 2 learner numbers have seen the greatest change over the previous three years, with Private Training Providers seeing the greatest growth in learner numbers.

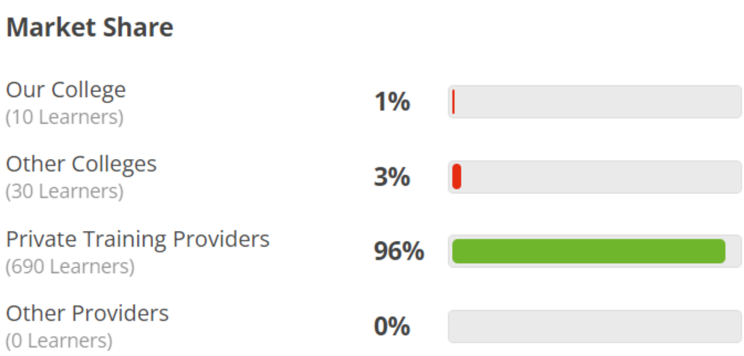
Due to the small number of learners, **the market is prone to appearing quite changeable from year to year.**



Apprenticeships

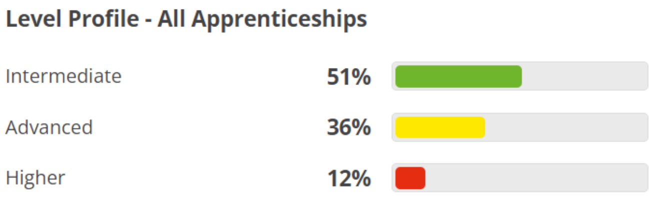
For this section, the Technical Route analysed is ***Catering and Hospitality (CH)*** and the analysed geography is ***South East Midlands LEP***, for ***All Ages***.

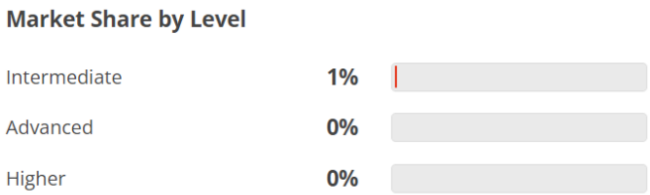
In 2020/21 there were a total **of 720 Catering and Hospitality (CH) apprentices, of which 10** were enrolled at Milton Keynes College Group (MKCG)**. The total market has shrunk by 350 learners since the 2018/19 academic year**, during which time MKCG saw no change.



Regionally, Private Training Providers dominate with 96% of the market. The only other provider types present are Other Colleges (3%) and Our College (1%).

Most apprentices study at Intermediate Level (51%), with cohorts decreasing as levels increase through Advanced (36%) and Higher (12%). **This is likely indicative of the labour market skills demand.**



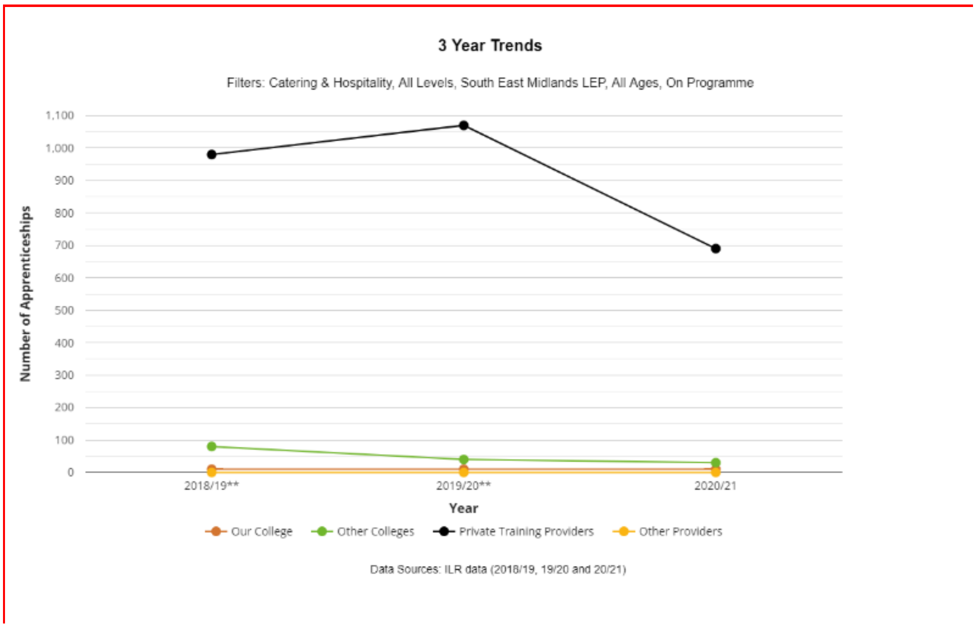


MKCG’s market share is 0% across almost all levels, **only reporting 1% at Intermediate level.**

Many different providers operate within this market, dominated by a number of Private Training Providers.

Provider	2020/21 Learners
Lifetime Training Group Ltd	380
HIT Training Ltd	170
Welcome Skills Ltd	30
Babcock Training Ltd	30
Remit Group Ltd	20
Smart Training and Recruitment Ltd	10
Pizza Hut (U.K.) Ltd	10
Paragon Education and Skills Ltd	10
Capital City College Group	10
Buckinghamshire College Group	10

Overall market decline has come from a loss of learners at Private Training Providers, which is seen across Intermediate and Advanced level programmes. **The only level to see growth is Higher level apprenticeships.**

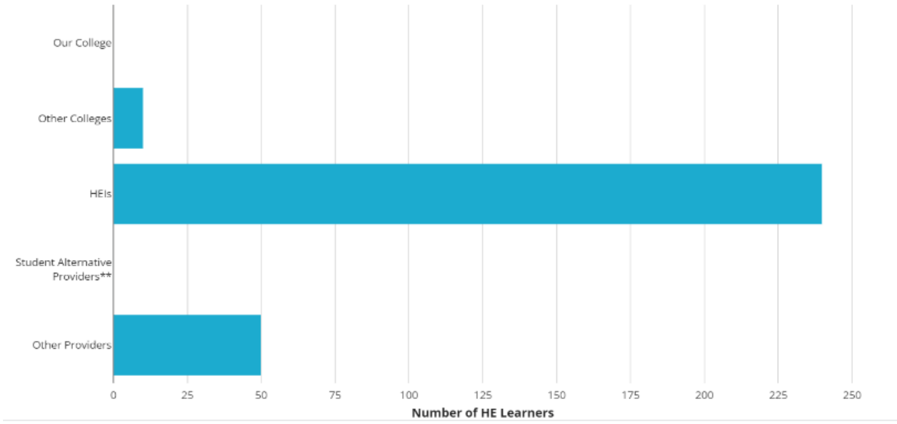


Higher Education

For this section, the SSA selected is ***Hospitality and Catering (HC)*** and the geography selected is ***Milton Keynes***. Data is for ***All Ages* and *All Level 4+*** unless otherwise specified.

In 2020/21, there were 50 learners within the HE market, of which 0 were studying at MKCG. This is a market increase of 40 learners and no change at MKCG, since 2018/19.

Most regional HC learners are 21+ (40). Within Milton Keynes learners, Higher Education Institutions dominate the 2020/21 HE market. This pattern is seen across the previous three academic years.



The impact of the COVID-1- pandemic continues to impact the learning and skills system, which is no doubt reflected in the data. Particularly in sectors where apprenticeships and other skills may not lend themselves well to online delivery, or industries and employers who have had to focus on business survival, sustainability, or invest in new technologies to support ways of working which has had a knock-on-effect on staff development budgets or time available to train and upskill staff.

Even before the current crisis, changing technologies and new ways of working were disrupting jobs and the skills employees need to do them, and ambitions to improve resilience, tackle digital and social isolation, as well as overcoming barriers to overcome mental and physical health issues for staff and learners have been core priorities for FE Colleges over the last 2 years.

Using the information contained within this report alongside associated LMI and stakeholder intelligence there are opportunities to reskill and upskill the workforce to deliver new business models in the post-pandemic era.

Building

Fairer Futures.

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If you'd like to know more or explore how MKCG can assist your skills growth please contact us at the Skills Hub skills.hub@mkcollege.ac.uk We look forward to hearing from you.