Skills Investment Plan

For Scotland's tourism sector

Skills Development Scotland

2nd edition

THE SCOTTISH TOURISM ALLIANCE
LEADING ON INDUSTRY MATTERS

Scottish Government
Riaghaltas na h-Alba
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Foreword and introduction

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The tourism sector is vitally important to the success of Scotland's economy. Employing around 200,000 people, or eight per cent of Scotland's workforce, in recent years the sector has grown faster than the economy as a whole.

Maintaining and strengthening such growth is therefore essential not just for tourism businesses, but for the economy in general, and ensuring that employers can access the skills they need to grow is a key part of that.

The country's enduring popularity as a holiday destination isn't just down to its historic architecture, breathtaking countryside and world famous cuisine. Those who work in tourism also have a crucial part to play, ensuring that visitors have a fantastic experience and go home to spread the word.

The range and variety of careers within the sector has never been greater with hotels, restaurants, pubs and clubs, tour operators, visitor attractions and adventure and marine tourism businesses all providing fantastic opportunities. The increasing importance of digital tourism has also opened up options for people with the skills needed by the sector to take full advantage of new technology.

For people who are strong communicators and willing to work hard to brighten their customers' days, tourism provides an excellent opportunity to build a rewarding, enjoyable and successful career.

The original Skills Investment Plan (SIP) for Scotland's Tourism Sector was published in 2013 to support the growth aspirations of the national tourism strategy, Tourism Scotland 2020 (TS2020). Much good work has been done to address the skills priorities identified, as detailed within the 'progress' section of this document.

This second edition of the SIP was commissioned by the Tourism Skills Group in 2015 with the support of Skills Development Scotland (SDS) and within the context of TS2020 to take into account the shifting landscape in which the sector operates and the evolving demand for skills resulting from it.

It has updated the priorities and actions required following an extensive consultation with the sector and aims to identify the main actions and measures that will be taken over the next three years to ensure employers are able to access the skilled people they need for their businesses to be successful.

Whilst building the supply of skills is important, so too are standards of management, leadership and enterprise to create working environments that are fair and attractive to new employees and encourage the commitment of existing staff.

The industry must continue to build its leadership capacity to drive innovation and productivity, harnessing existing managerial talent and ensuring staff receive the training and support they require as their careers progress.

Supporting the development of professional and digital skills for everyone working in the sector is also a priority if skills shortages and gaps are to be addressed. In the development of digital skills in particular, there is a range of public sector partners with key roles to play in helping businesses access the support they need.

At the same time, striving for excellence in customer service must remain at the forefront of the minds of employers. With sites such as Facebook, Twitter and TripAdvisor now driving the choices made by consumers, having the skills to offer a consistent visitor experience is essential for the industry.

We also need to build on the existing work being done to raise the attractiveness of the sector as a career of choice. Amongst young people and career influencers tourism can be offered as an attractive career option through provision of quality work experience opportunities and directly developing the Apprenticeship route for school leavers whose character, personality and attitude are a great match for the industry.

Foreword and introduction continued

This can be done by building stronger partnerships between the industry and education at primary, secondary, further and higher education levels, embedding tourism-related learning into the curriculum.

Employers need to continue to make the sector more attractive, offering a wide breadth of opportunities to suit different lifestyles, while exciting growth areas such as adventure tourism, marine tourism and golf can play a key role in enhancing the sector's image alongside existing features such as the opportunities for travel, and the wide variety of roles available.

This second edition of the SIP also aims to recognise that the landscape in which the sector operates will continue to shift. Recent developments such as the introduction of the National Living Wage and new initiatives such as the apprenticeship levy offer a mix of challenges and opportunities that the sector and its partners must continue to react to. It is important that we also recognise the impact that the recent EU referendum result may have on the industry and the need therefore to have a fully skilled workforce to meet industry needs and quality employment opportunities to improve the appeal of the sector as a career of first choice.

The Tourism Skills Group, which I am delighted to chair, will always have this at the forefront of our minds. Comprising a mix of tourism employers, stakeholders and public sector agencies, we will be responsible for overseeing the delivery of the SIP, however it is essential to stress that successfully tackling the skills issues outlined will rely on action, support and collaboration from across the sector.

This is an industry plan developed by industry with support from a wide range of partners and stakeholders and tied to the national tourism strategy TS2020, and I look forward to working with all those involved over the next three years in its delivery.

1

Purpose of the Skills Investment Plan

Skills Development Scotland (SDS) published the first Tourism Skills Investment Plan (SIP) in March 2013.

The purpose of the SIP was to

- validate and bring clarity to the scale and nature of the skills issues facing the sector

- create direction and bring focus to the nature of the response required by the employers and the public and private sector skills system to address the priority skills issues

- provide a framework for private and public sector investment to develop skills provision to meet industry needs

- stimulate and support industry ownership of its future success through commitment to and investment in skills.

This Skills Investment Plan presented a strategy and actions that sought to develop new and existing diverse talent for the benefit of the tourism sector. The plan aimed to foster new engagement between the industry, and education providers and funders to jointly rise to this challenge, and is aligned to the tourism strategy. This strategy sets out the goal of 'making Scotland a destination of first choice for a high quality, value for money and memorable customer experience, delivered by skilled and passionate people'.

A mid-term review of Tourism Scotland 2020 was undertaken at the same time as the refresh of the SIP, supporting the continuing alignment of the SIP with the sector strategy. The review has identified four themes for the sector to focus on between 2016 and 2020:

- strengthen industry leadership

- strengthen digital capability

- enhance the quality visitor experience

- influence investment.

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Purpose of the Skills Investment Plan
continued

The refreshed SIP will play a key role in ensuring the sector is able to meet these aspirations.

The aim of the review and refresh of the SIPs is to present a view on the progress with SIP implementation and refresh the aims of each SIP going forward.

This refreshed Skills Investment Plan

• reflects changes in the economic performance and context the sector is operating within, including any skills system or policy change

• identifies progress against the actions identified in the initial SIP Action Plan

• describes any changes in industry demand for skills

• assesses any change in priorities/ actions required

• sets a clear forward direction in the form of a refreshed action plan with performance framework.

The development process of the refreshed Skills Investment Plan involved gathering and analysing a range of primary and secondary data. These findings were tested and validated with a significant grouping of industry employers, agencies, sector skills councils, associations, tertiary education and public bodies with a deep interest in the skills and development issues impacting on the sector.

The process also included an additional stage of reviewing progress with implementation against the original action plan. Key stages were:

• review and updating of sector economic, labour market and supply data

• industry consultations (mix of surveys, engagement through ILGs, trade organisations and other employer bodies, workshops and interviews)

• partner consultations and action planning sessions (with national partners such as SFC, and sector specific partners)

• SDS internal consultations and action planning session.

The refresh is an important step in assessing the extent of collaborative action between industry and public sector partners, to ensure that economic and employment opportunities across the tourism sector can be realised.

Case study: Scotland's Apprentice of the Year Laura Burdin

Hotel worker Laura Burdin says her career has gone from strength to strength since she was named Scotland's Modern Apprentice of the Year and Higher Level Apprentice of the Year in 2015.

The 22-year-old Dundonian has taken part in a variety of events including guest speaking at The Big Hospitality Conversation in Dundee that led to an invitation to become a Springboard Hospitality Ambassador in the UK.

During Scottish Apprenticeship Week 2016 she also returned to her former school, Carnoustie High, to meet pupils and encourage more young people to consider the Modern Apprenticeship career path.

She said: "Winning the awards gave me a real confidence boost which really helped with the transition into my new sales role within meeting and events.

"Not only that, the publicity surrounding the win has given me a great platform for networking, leading to opportunities to grow my client base. I would encourage employers, training providers and apprentices to make sure they get their entries in for this year's awards."

Laura started her career working part-time at the Carnoustie Golf and Spa Hotel. The manager spotted her excellent customer service skills and leadership potential and offered her a job.

She was quickly promoted to supervisor and completed her Hospitality Supervision and Leadership Level 3 qualification. A further promotion led to a new role and Laura completing her Level 4 Hospitality Management qualification.

She went on to be appointed meeting and events sales co-ordinator at the DoubleTree by Hilton Hotel in Dundee.

She said: "I feel the apprenticeship qualifications open doors for you and help you progress in your career, whatever sector that might be in."

"I was really surprised when I won the Higher Level Award because I was glad just to have made it to the final, so I was very shocked when I heard my name being called out as the Apprentice of the Year.

"I am very grateful for the opportunities that my apprenticeship training has given me and the support I have had from my employers. I would encourage anyone to consider it because it can be done to suit each person and how they learn. It has been amazing for me."

2

Progress

The Tourism SIP was published in March 2013 and it identified a set of strategic skills priorities:

- improving management, leadership and enterprise in the sector

- ensuring staff have the skills to deliver a high quality visitor experience

- raising the attractiveness of sector to new entrants

- ensuring appropriate and high quality training is available to the sector.

On the whole there is evidence of good progress in delivering the SIP, with areas needing continued attention being taken forward in this refreshed SIP.

In Table 1, the actions that have been taken to tackle these are set out, along with the views of key industry stakeholders on the progress that has been made and some case study examples of actions that have been successful in generating change.

Table 1: Examples of achievements since the launch of the Tourism SIP

Improving management, leadership and enterprise	Developing skills to deliver a high quality visitor experience	Raising sector attractiveness	Ensuring high quality, appropriate training is available
Destination Leaders Programme at Napier University established, supported by Scottish Enterprise. This has been completed by 60 students to date.	The WorldHost Regional Destination Project, led by People 1st, has 12 regions working towards WorldHost Destination Status by the end of March 2017.	Scottish Tourism Careers Festival taken place alongside Scottish Tourism Week for the last 5 years.160 schools to date have taken part in events and activities in six geographic areas.	Around 3,000 Modern Apprenticeship (MA) starts in Tourism related frameworks each year for the last three years.
Scottish Golf Management Programme – 139 club managers have completed the Level 1 programme with 89 completing the Level 2 programme.	23,000 individuals have completed WorldHost, 470+ Business Recognitions have been awarded and Caithness became the first region to gain Recognised Destination Status.	Springboard Charity network of 1500 ambassadors trained and recruited to promote career opportunities and their own organisations to potential recruits and career influencers.	The development of the Scottish Apprenticeship in Hospitality: to date the programme has supported 28 candidates on the programme.
The Hospitality Industry Trust is highly valued by industry and awards scholarships and bursaries to nurture Scottish tourism management talent and provide learning opportunities.	Glasgow Welcomes Service Excellence Programme on customer service. This has been adapted and adopted in several other destinations.	JobCentre Plus delivered the Hospitality Works programme in January 2016. This delivered 370 known job and around 200 work experience and work trial opportunities.	Tourism information developed for Our Skillsforce. SDS produces a twice yearly Tourism Skills Update e-zine and a tourism MA leaflet for employers.
The Scottish Enterprise Rural Leadership and Leadership Essentials programmes have continued to assist managers to develop their leadership style and grow their businesses.	To date, 968 businesses have taken part, 72 industry trainers licensed, 10,643 individuals participated in training and over 8,000 individuals have undertake the on-line training programme.	Scottish Tourism Alliance, Springboard and SDS, with industry, delivered a dynamic and interactive stand at Skills Scotland events. 9,000 school leavers attended these events.	Led by Scottish Enterprise, the Digital Tourism Scotland Programme has been launched to support businesses with the effective exploitation of digital technology.

3 Creative Skillset, Creative Media Workforce Survey 2014 and Creative and Cultural Skills Sector Skills Assessment 2011.
4 Creative Skillset's footprint covers film, TV, digital media, writing and publishing and fashion and textiles, while that covered by Creative and Cultural Skills includes architecture, advertising, design, music, performing and visual arts and crafts.

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In addition to the actions and achievements as outlined in Table 1, industry consultations highlighted the following areas where it was felt further work is required. These are listed by the original SIP themes.

Improving management, leadership and enterprise in the sector

- industry needs more training in operational management (e.g. project management, HR etc) and more flexible management training (e.g. part-time, distance learning)

- support is needed to help women progress into management roles

- greater promotion of Business Gateway provision and a greater offer of peer-to-peer support (e.g. mentoring).

Ensuring staff have the experience to deliver a high quality visitor experience

- a need for more digital training for staff at all levels

- development and delivery of workshops to support businesses to achieve the new Visit Scotland Quality Assurance Standards

- a need to improve the reach and impact of current customer service, including developing tools to measure the impact of customer service programmes and building these into further and higher education provision.

- **Raising the attractiveness of the sector to new entrants**

- a need to utilise the Developing Young Workforce (DYW) mechanisms to develop stronger links between employers and schools/colleges

- a need to engage more effectively with young people and parents at an earlier stage in education

- a need to establish clearer pathways within the sector into higher level occupations and to promote tourism as a career option to those studying languages.

- **Ensuring appropriate and high quality training is available to the sector**

- a need to develop recognition for employers that actively invest in skills

- ensure that funding for tourism MAs is maintained or increased, along with exploring the development of a Foundation Apprenticeship (or Pre-Foundation Apprenticeship)

- a need to "rural-proof" provision to ensure individuals and employers from across Scotland are able to access learning and development opportunities

- a need to simplify how employers identify and access available training provision.

Case Study: WorldHost Regional Destination Initiative

A national campaign aiming to set Scotland apart as a global visitor destination of choice has trained more than 23,000 people in its first 18 months.

The WorldHost Regional Destination Initiative – spearheaded by workforce development charity People 1st with support from Skills Development Scotland (SDS) – provides businesses, towns, cities and regions with the opportunity to put excellence in customer service at the heart of their visitor experience.

Launched in December 2014, the project has so far supported 12 regions, four cities, more than 70 towns and two sets of islands across Scotland as they aim to achieve local and regional WorldHost Recognised Destination status.

Using a suite of globally recognised customer service standards which have been used to train over 1million tourism professionals around the world, the initiative has brought benefits not only to large employers, but also to smaller and more rural businesses who make up around 82% of the sector in Scotland.

People 1st, in partnership with SDS, offer a 50% subsidy for SME businesses wishing to take part in the initiative and which has so far led to over £100,000 of subsidy grants having been paid out.

By June 2016, 23,000 individuals had been trained using WorldHost across Scotland, representing 11% of the tourism workforce and around £2.1m of industry investment in customer service training.

More than 470 businesses have so far been awarded WorldHost Business Recognition status, along with nine towns and one region – Caithness – who in April 2016 became the first region to achieve WorldHost Regional Destination status in Scotland.

The award was accepted by Trudy Morris, Chief Executive of the Caithness Chamber of Commerce, the lead partner supporting the WorldHost initiative across the region.

She said: "We are delighted that Caithness has achieved destination status. It's a fantastic achievement for the local businesses who have embraced this initiative and have demonstrated a real commitment to be customer-focused.

"Through their collective efforts Caithness is able to lead from the front and be the first region not just in Scotland, but anywhere in the UK, to achieve this accolade.

"We want the world to know, there is a warm welcome awaiting visitors to this area."

3 Characteristics of the sector in Scotland

Tourism is an important sector in Scotland's economy, contributing £3.7bn in 2014 and employing approximately 200,000 people across Scotland in 2014.

The Scottish tourism sector has performed well in recent years, with growth outpacing the Scottish economy as a whole between 2008 and 2013. Gross Value Added (GVA) per head increased by 20% between 2008 and 2013, exports have increased by 84% between 2002 and 2013, and the business birth rate is consistently above the rate for all industries. However, whilst seeing recent improvements, the sector continues to perform less well than other sectors in relation to productivity and earnings.

In this section, we set out our definition of the sector and outline the key findings from the evidence base that formed the basis of our analysis and discussions with industry.

Sector definition
For the purposes of this SIP and to ensure consistency with other national research and statistics we have adopted the Scottish Government definition of sustainable tourism. This can be split into the following four main categories of activity:

- hotels: including the activities of hotels and similar accommodation providers

- restaurants: provision of restaurant and mobile food services

- pubs/clubs: including the activities of pubs, clubs and all other beverage serving entities

- other: encompassing all other tourism activity, including those of tour operators, museums, visitor attractions, and amusement/theme parks.

Overview of the sector

The Tourism industry employed **196,000** in 2014

Up by **3%** since 2009

There were **14,000** registered businesses in the tourism sector in 2014

Up by **3%** since 2010

There were **2,290** new tourism business registrations in 2013

Slightly higher than the economy as a whole each year since 2008

Tourism GVA 2014 **£3.7bn**

Tourism GVA has grown much faster than for the economy as a whole since 2008

Restaurants, hotels and pubs/clubs employed **159,000** in 2014 (81% of total employment)

Restaurants are up **3%** since 2009

Whilst employment in pubs/clubs has decreased by **30%** since 2009

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Characteristics of the sector in Scotland continued

Sector GVA and productivity

In 2013, the tourism sector contributed £2.6bn Gross Value Added to the Scottish economy, accounting for 4% of total Scottish GVA. Edinburgh accounted for 17% of tourism GVA and Glasgow accounted for 14% however there was some GVA in each local authority area across Scotland reflecting the widespread nature of the sector and the fact that many businesses in the tourism market also serve local markets.

Productivity, measured as GVA per head (i.e. the value of the goods and services produced by each individual working in the sector) was £16,800 in 2013. Tourism has a very low level of productivity compared to the economy as a whole (the GVA per head for all industries is £54,600) and this reflects the labour-intensive nature of many occupations within the tourism sector. The GVA per head of the tourism sector has increased 20% since 2008, reducing the gap in productivity between the tourism sector and the wider economy slightly. However, labour productivity will always be lower than in many other sectors as the businesses are people-orientated and there are fewer opportunities to mechanise or automate the work without having a negative impact on the quality of the visitor experience and tourism product that Scotland offers.

Business base

There were around 14,000 registered tourism businesses in 2014, accounting for 8% of all registered businesses in Scotland. This is a small increase of 3% in the total number of businesses from the 2010 figure. The largest sub-sectors in terms of business numbers are restaurants (49%), pubs /clubs (23%) and hotels (12%). The vast majority of registered businesses in the tourism sector are SMEs (99%) although fewer businesses in the tourism sector are micro-businesses (9 or less employees) than the economy as a whole. It is worth noting that whilst large firms (250+ employees) represent just over 1% of the overall business base in Scotland, they are an important source of job opportunities employing over 50% of all people working in the sector in Scotland (see figure 3.1).

There were 2,290 new business registrations in the Scottish tourism sector in 2013 representing 14% of the active business population. The business birth rate was slightly higher in tourism than the economy as a whole in each year since 2008.

Fig 3.1: Registered businesses by size (employment), 2014
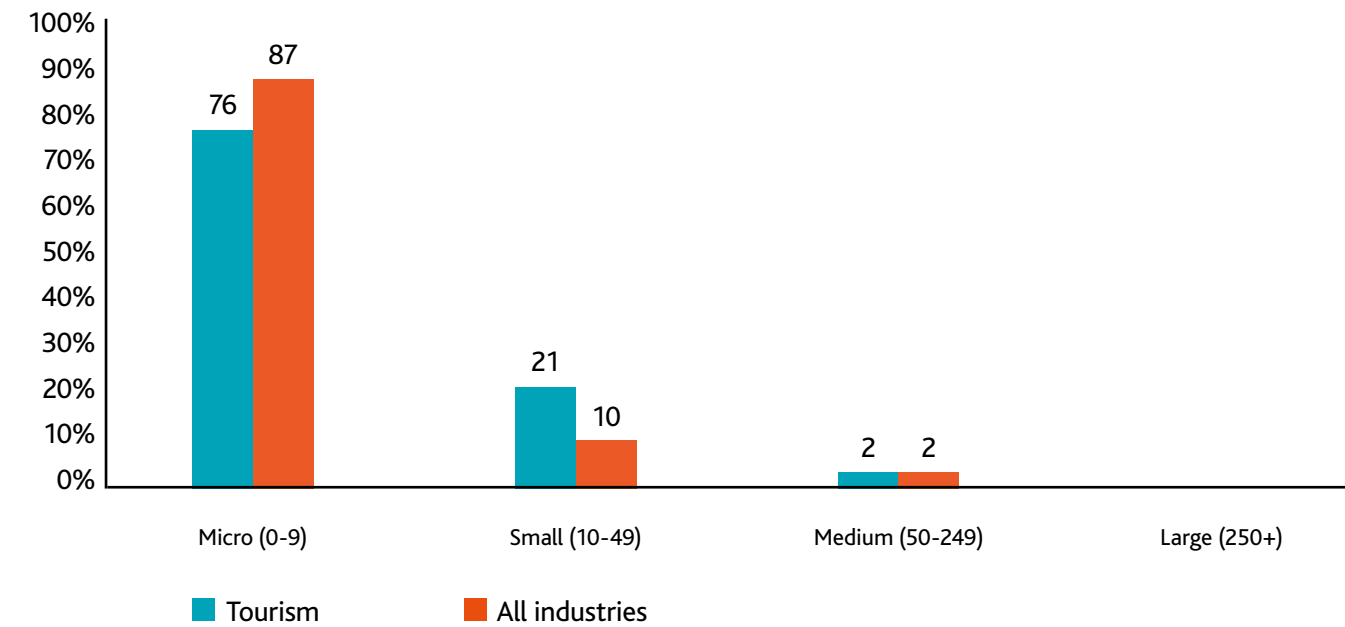
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Characteristics of the sector in Scotland continued

Employment in tourism

In 2014 the tourism sector employed 196,000 people which accounts for 8% of all employment in Scotland, an increase of 3% since 2009 (an additional 5,300 jobs). Table 2 shows the number of employees across tourism's sub sectors, with greatest numbers of employees (83,100, 42% of the total) found in restaurants.

Employment in restaurants has grown by 24% between 2009 and 2014, whilst employment in pubs/clubs has decreased by 30%. This may reflect a shift in the focus of businesses in response to stricter drink driving legislation introduced during this period.

The three largest occupational groups in the accommodation and food sector are[1]:

- 40% are employed in elementary occupations – such as kitchen and catering assistants, waiters and waitresses, bar staff, leisure and theme park attendants, cleaners and domestics

- 16% are employed in skilled trades including chefs, catering and bar managers, groundsmen and greenkeepers

- 16% are managers, directors and senior officials.

As well as being the three largest occupational groups, each of these is also over-represented compared to the economy as a whole (for example managers, directors and senior officials account for 9% across all industries) as opposed to 16% within the accommodation and food sector). The high proportion of elementary occupations within the sector (40% as opposed to 13% in all sectors) is one of the reasons for the low GVA per head and earnings in the tourism sector.

Table 3 highlights some other aspects of employment within the tourism sector in Scotland.

The sector is heavily dependent on migrant workers, both from within and outwith the European Union. Table 4 shows that across the whole sector 18% of the workforce are migrant workers however the numbers of migrant workers are particularly high within the accommodation (24%) and restaurant (30%) sectors. The majority of migrant workers are from within the EU (58%) with non-EU migrants making up 42% of the migrant workforce. The uncertainty around the United Kingdom's exit from the European Union and the status of EU citizens working in Scotland in the future could create major challenges for the sector.

Table 2: Employment in tourism businesses

Businesses	No. of employees	%
Restaurants	83,100 employees	42%
Hotels	46,600 employees	24%
Pubs/Clubs	29,300 employees	15%
Others	37,000 employees	19%

Source: Scottish growth sector statistics

Table 3: Tourism employment in Scotland

	% in tourism	% in Scotland
Employed in full-time roles	45%	60%
Employed in part-time roles	47%	28%
Self-employed	8%	12%
Women in employment	57%	48%
Aged 24 or under	30%	13%

Source: Working Futures 2012 -22

Table 4: Migrant workforce within the tourism sector

Scotland 2015	Non-migrant workers	Migrant Workforce
Hotels and similar accommodation	76%	24%
Holiday and other short-stay accommodation	85%	15%
Campsites and other accommodations	100%	0%
Restaurants	70%	30%
Food and service management	92%	8%
Pubs, bars and nightclubs	98%	2%
Organisation of conventions and trade shows	100%	0%
Tourist services	89%	11%
Museum and cultural attractions	98%	2%
Visitor attractions	98%	2%
TOTAL	**82%**	**18%**

Source: Labour Force Survey 2015, ONS/People 1st

[1] Working Futures 2012-2022

Case Study: The Springboard FutureChef Initiative

Originally developed to help tackle a skills shortage in the hospitality industry, Springboard's FutureChef programme has blossomed into a nationwide culinary initiative delivered to over 700 schools across the UK and involving 8,000 young people.

Engaging young people aged 12-16 in learning skills surrounding cooking and nutrition, it provides direct access and support from chefs and hospitality establishments and brings the industry into the classroom.

Programme delivery involves industry professionals including chefs working with a local school and provide demonstrations, skill based challenges, ambassador activities and work experience.

Springboard's FutureChef Programme has also developed an exciting programme of resources matched to the schools' curriculum, and young people participate in 12 regional competitions across the UK as they develop new skills.

Among those to take part is Courtney McDowall, who finished first runner up in the Central and South Scotland region, with the programme having given her the inspiration to embark on a new career.

She said: "FutureChef has given me lots of confidence and I have learned so much.

"I now have new skills I learned how to put dishes and menus together and work under pressure to a deadline.

"I would encourage anyone to get involved with Springboard and FutureChef.

"I now know exactly what I want to do as a career and I have the confidence and support to do it. I have even been offered a job in an Italian Restaurant."

Courtney's mentor, Andy Cumming at City of Glasgow College, says watching young people like Courtney develop through the programme is a rewarding experience.

He said: "Having developed her menu, Courtney applied her skills and produced prize winning plates.

"It has been fantastic for me to see that I have helped a young chef take her first steps into the industry in what has been a life changing opportunity for Courtney."

Courtney recently began working at Italian restaurant Bella Vita. She was confident enough to approach them herself and when interviewed they were impressed with her FutureChef achievements offering her work as a result.

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Skills demand

Our research, consultations and analysis point to demand for skills relating to potential employment growth and replacement demand, skills gaps and shortages, and the ability of the sector to respond to a number of drivers of change. This section describes each of these components that contribute to industry demand for skills.

### Industry views on opportunities and challenges for tourism in Scotland

Our research identified a number of opportunities and challenges for the tourism sector in Scotland. On the whole, these point to the need for the sector to continue to adapt and invest to ensure it remains attractive to increasingly high customer expectations; and that it is proactive in response to infrastructure and policy developments that will impact on how the sector does business. Industry identified a strength in the improvements made to sector coherence and strategic engagement on skills issues. These set the context for the refreshed Skills Investment Plan.

Replacement demand

Tourism job openings to replace those who retire or move on in the labour market will be many times higher than those arising from growth. Between 2012 and 2022, employment in the accommodation and food sector is projected to increase by 5% from 198,000 to 208,000. Within this there will be an increase of 7,400 in the number of manager, director and senior official roles and a decline in the number of skilled trade positions, such as chefs, of 8,400. In addition to the 10,600 additional jobs created between 2012 and 2022, there will also be a further estimated 81,900 job openings to replace those leaving. The sector will need to recruit 32,700 people into elementary occupations, 15,700 into managers, directors and senior official roles and 9,600 into skilled trades.

Opportunities	Challenges
• Development of new markets – particularly emerging economies, e.g. China and India. • Established sub-sectors are continuing to grow including golf, marine tourism, outdoor experiences and business tourism. • There are a number of newer 'niche' sub-sectors emerging, for example genealogy. • Use of data generated through online transactions and reviews to inform services. • Investment in new assets and infrastructure e.g. SSE Hydro, Borders Rail, replacement Forth Road Bridge, North Coast 500 and V&A Dundee • The rolling programme of Themed Years • Accessible Tourism is a growing market. • Links with food and drink and creative industries in providing a rounded visitor experience.	• Scotland is a relatively expensive destination • Continued global uncertainty – especially in the UK and EU which are key markets. The result of the recent EU referendum has increased this uncertainty. • The need to improve the quality of employment opportunities. Clarity and support needed with the introduction of the National Living Wage, Scottish Business Pledge and Apprenticeship Levy • Keeping pace with changing customer expectations and aspirations. • Poor connectivity in some areas – both in terms of transport infrastructure and broadband/3G which impacts on business' ability to embrace new opportunities (e.g. digital technology). • Some businesses do not offer a high quality product potentially damaging 'brand Scotland'. • Engagement of smaller businesses in skills and growth agenda.

Fig 4.1: Employment demand in Accommodation and Food Services, Scotland, 2012-2022

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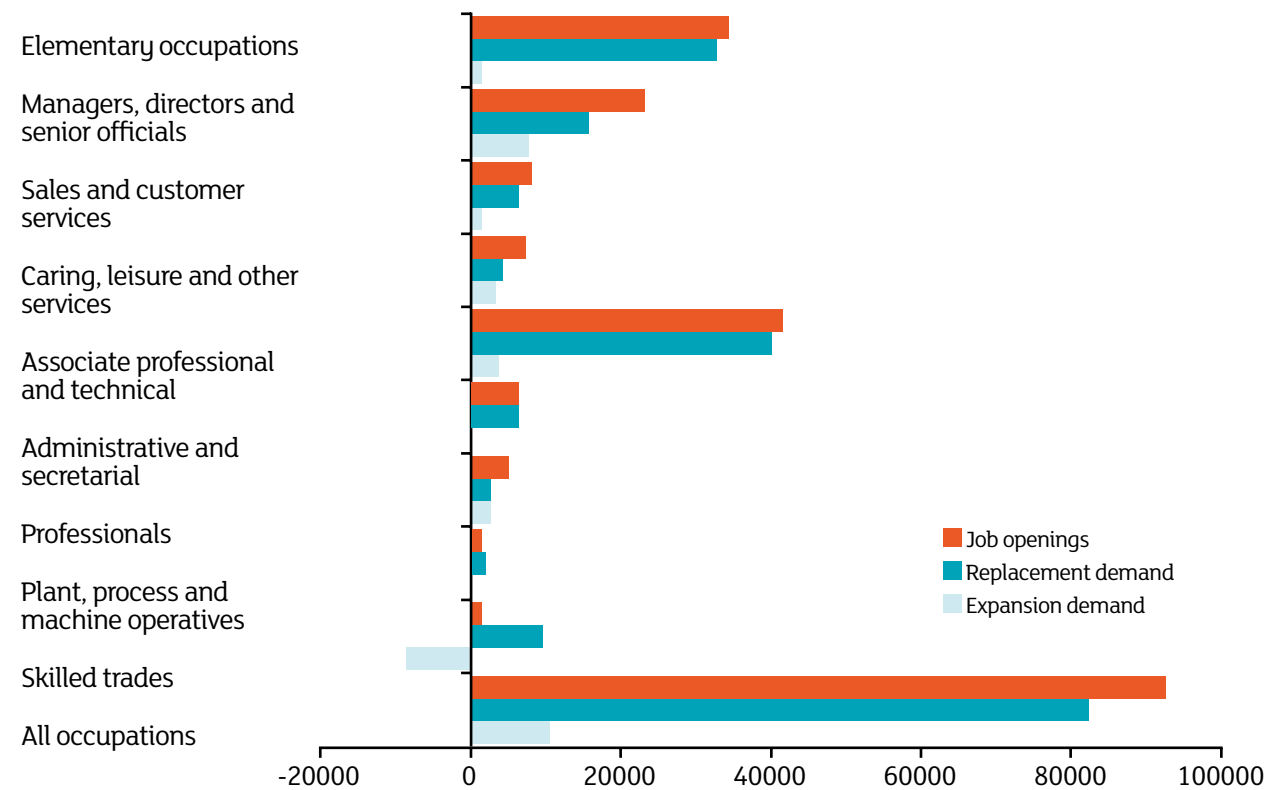
Skills demand
continued

Skill levels

As it is difficult to directly measure the skills of the workforce, qualifications are used as a proxy for skills. The tourism sector has a relatively low qualifications profile as table 5 demonstrates:

The number of jobs requiring no or low levels of qualifications is projected to decline and the proportion of jobs requiring high level qualifications is projected to increase, with a particularly large increase in the numbers requiring level 7 – 10 qualifications (26% to 41%). The share of jobs in the accommodation and food sector that require individuals qualified to at least SCQF Level 7 is expected to increase from 29% in 2012 to 45% in 2022. At the same time, the share of jobs held by people with lower qualifications will decline. However, there will continue to be job opportunities in the sector for those with low or no qualifications.

Skills mismatches

Recent research from UKCES[2] has found that employers in the Scottish 'hotels and restaurants' sector are experiencing a range of skills shortages and gaps.

- in 2015, 27% of employers had at least one unfilled vacancy within the last 12 months which was an increase on 2013, when the rate was 19%

- 22% of vacancies in the hotels and restaurants sector are skills shortage vacancies (meaning there are insufficient candidates with the required skills). This is slightly below the rate for all industries which is 24%

- 17% of employers reported skills gaps in 2015 (meaning that at least some of their staff are not fully proficient), however this figure has decreased since 2013 when it was 24%

- 41% of employers reported that they had staff who were working in roles for which they have excess qualifications and skills. This is well above the rate for all industries which is 31%.

Our consultations suggest that these issues are likely to occur in relation to recruitment of chefs and housekeeping staff. In the case of chefs in particular, the sector has challenges in the preparedness and skills level of new chefs recruited to position, with the tight labour market meaning that there is often a need for more on the job training for core skills (e.g. knife work) required than employers anticipate.

Table 5: Qualification level of tourism sector roles compared with Scottish economy

SCQF qualification level required for a job	Tourism sector	Across the Scottish economy
SCQF Levels 7 - 10	26%	37%
SCQF Level 6	24%	21%
SCQF Level 5	23%	17%
SCQF Levels 1 -4	15%	10%
No Qualifications	9%	6%

Source: Working Futures 2012 - 2022

[2] UKCES Employers Skills Survey 2015

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Skills demand
continued

Industry feedback on the main skills issues

Key industry stakeholders were also asked to identify the main skills issues currently being faced by the tourism sector. In particular, consultees were asked to comment on the ongoing relevance of the strategic skills priorities set out in the 2013 SIP. The detail of this process is captured in the following vignettes.

Overall, the feedback received was that the issues facing the sector are broadly the same as when the SIP was originally developed, but that the need for a range of digital skills is becoming more important and should be prioritised, along with management and leadership, with a continuing focus on the skills needed to ensure high quality customer experience.

The sector continues to face challenges in attracting and retaining talent, and recognises the importance of developing a range of opportunities and quality work practices as part of the response to this issue.

Particular feedback included:

Improving management, leadership and enterprise in the sector
Although some businesses have very good management and leadership; others do not. Poor leadership often reflects a lack of a strategic approach by the business owner or management. If the business owners and managers lack strategic insight into the importance of skills to their business, this limits demand for training and development opportunities. The day-to-day needs of the business can prevent business owners and managers from focusing on leadership.

The skills involved in management, leadership and enterprise are very broad and include:

• business skills – particularly marketing and financial management skills

• human resources – from recruitment to people management and development

• project management

• supply chain management and outsourcing

• destination and industry leadership

• stakeholder management – e.g. banks, training providers, local community etc

• developing more sustainable ways of doing business- reducing energy bills, ethical purchasing, fair- work.

Managers and leaders are not always aware of what high quality standards and practices are. They are not benchmarking themselves with or exposed to other businesses and so are complacent in their offer. Many college/ university graduates leave the sector within the first two years after qualifying and we need to understand more about why this is and develop approaches that encourage them to stay in the sector. While there are more women working in the sector overall, they are underrepresented in management and leadership roles. Feedback also suggested that there is limited funding for higher level MAs (supervisory/management level).

Ensuring staff have the skills to deliver a high quality visitor experience
Recruitment difficulties were widely reported for chefs with other difficulties reported in housekeeping, project management, front-of-house and sales skills.

Concerns were raised that the structure of Modern Apprenticeship programmes encourages the delivery of Level 2 qualifications over Level 3 and 4 which limits the ability to develop higher level skills within key roles (e.g. chefs). Funding for MAs is also increasingly targeted individuals aged 16 – 19 which does not always meet the requirements of businesses.

It was noted that there is an increasing need for individuals to have multiple skill sets to meet the needs of businesses, especially small businesses and that this may increase as businesses respond to meet the living wage requirements.

A number of consultees raised the importance of 'emotional intelligence' as a skill requirement across a number of different job roles including managers, front-of-house and guides.

The quality of customer service across businesses is variable and can be compromised by seasonality and/or the high turnover of the workforce. All parts of the visitor economy need to address the quality of customer service including retail and transport.

Staff customer service skills need to include having a strong product knowledge about the business in which they work and the wider destination in which the business is located. There is also an increasing recognition that customer service does not start when the customer arrives and ends when they leave – the customer's experience pre- and post-booking /visiting are also critical. Furthermore the skills relating to handling complaints were also highlighted as important.

Through increased internationalisation, Scotland will attract growing numbers of visitors from new or emerging markets. It is important that businesses and destinations understand and respond to their visitors' customs and expectations, while also looking to enhance the foreign language skills of their workforce (especially European languages).

The ageing population means Scotland will attract growing numbers of visitors with mobility or health issues. It is important that businesses and destinations respond to their needs by ensuring their tourism offer is accessible to all and staff are trained to respond to the needs of these customers.

Raising the attractiveness of the sector to new entrants
This continues to be a significant challenge and is related to real and/or perceived low pay, high turnover of staff, long shifts and seasonality of work. Consultees agreed that a concerted effort is required working with schools to change the attitude to jobs and careers in tourism amongst pupils and parents. The most effective means of doing this is seen as in-person visits and talks by employers and young tourism employees along with positive work experience opportunities within the sector. However it was acknowledged that there is a resource commitment from employers for this activity and it needs to be carefully managed so as not to be too demanding.

The introduction of the living wage may help boost the attractiveness of the sector but it does not cover under-25s and there were was a feeling that some employers may adopt Modern Apprentices so they can pay the Apprenticeship pay rate.

Ensuring appropriate and high quality training is available to the sector
Few clear gaps in training provision were identified but this may be partly due to a limited awareness of the tourism training landscape in Scotland and the fact that many employers find the skills system confusing. A big issue emerged around raising employer awareness of the range of training available to them and their workforce and then matching this to their skills needs.

There is a risk that businesses will cut their training budgets to accommodate the increased salary costs of the National Living Wage, however raising employee productivity through increased training may in the long-term offset the higher salary costs.

Funding attached to Modern Apprenticeships is declining, making them less commercially viable to deliver, particularly in more rural areas where travel time and costs are higher. There are challenges in delivering training in rural and remote areas due to the dispersed nature of potential participants, while e-learning is constrained by broadband connectivity.

The use of IT and social media is becoming ever more critical to tourism businesses. Businesses are increasingly aware of the importance but are unclear how best to apply the opportunities that IT and social media offer to their business. IT and digital skills can be broken down into different skill sets including:

- marketing – developing and enhancing the business website, increasing profile on internet search engines and using different forms of social media

- analysis of data gathered through IT to give insights into customer behaviour

- online booking systems

- operational use of IT in the business.

Case Study: Glasgow Welcomes
As the city's Tourism Service Initiative, Glasgow Welcomes is a public-private partnership aiming to deliver the goal of a world-class customer service experience for all Glasgow's leisure and business visitors.

The initiative provides a range of support activities to develop and enhance the service quality experienced by customers and visitors to the city, its assets and businesses, with a high level of interest and engagement from the business community in Glasgow and the surrounding area.

Since its launch in 2010, Glasgow Welcomes has delivered more than 500 events and workshops to 10,500 participants, including 2,000 managers and leaders.

The industry-led project is supported by the Glasgow Tourism Leadership Group which includes Glasgow City Council, Glasgow City Marketing Bureau, Glasgow Chamber of Commerce, Scottish Enterprise, VisitScotland and Skills Development Scotland, with recent activity at leadership level proving especially successful.

Champions' Events hosted by Glasgow Welcomes Chair Craig Martin of Glasgow Airport offer quarterly opportunities for like-minded managers and leaders from all sectors of the tourism and hospitality industry to learn from each other and to share experiences, with past speakers including leaders from Rabbie's Tours, Jamie's Italian and Glasgow Life.

The Strategic Customer Experience and Leadership Programme was offered in partnership with Hospitality Industry Trust Scotland, with a bespoke four-day course combining academic theory with practical industry visits to businesses including Landmark Hotel and The Ritz.

Ten senior-level participants were selected for the programme who committed to supporting the wider objectives of Glasgow Welcomes by sharing messages and learning through industry presentations at local and national level, and by supporting business engagement.

Ross Easton, Head of Hospitality at the SECC/SSE Hydro, said: "The Glasgow Welcomes programme has been a valuable source of contacts, networking opportunities and examples of best practice that has assisted the development and implementation of the SECC 'People Strategy' that is presently being rolled out across the business to all employees and stakeholders.

"The Champions events have provided an excellent platform for introductions to like-minded businesses across the city, have allowed us to showcase facilities at The SSE Hydro and create local partnerships to further develop the economic impact of the venue."

5

Current provision

A wide range of provision is in place to support the development of skills for the tourism sector including Modern Apprenticeships, college and university provision and work based training.

Progress has been made in the last three years in ensuring that appropriate and high quality training is in place, however more needs to be done to ensure the sector is able to access the skills it needs. Provision, and how to access it remains confusing for employers and there is a need for simplification to make it easier for employers to navigate.

Detail on the levels of education and training provision being delivered relating to the sector is presented below.

Modern Apprenticeships

Two Modern Apprenticeship frameworks have been developed specifically for the tourism sector – Hospitality and Tourism Services. In 2014/15, there were a total of 2,940 starts on these frameworks, with hospitality accounting for 2,860 starts and the remaining 80 in tourism.

Tourism MA starts account for 12% of all starts (compared to 8% of employment) and there has been a 39% increase in the number of MA starts in tourism-related frameworks between 2009/10 and 2014/15 (compared to a 25% increase across all frameworks). The majority of tourism related MA starts are at Level 2 and there is scope to make much greater use of higher level MAs.

The sector has a much larger proportion of its MA starts in the 20-24 age band than in all frameworks (45% compared to 27%). Women accounted for 57% of MA starts in tourism related frameworks in 2014/15 which is a similar proportion to the tourism workforce as a whole.

College provision

In 2013/14, there were 12,000 students on tourism-related courses at colleges in Scotland which account for 4% of all college students (compared to 8% of the workforce). The number of students declined by 29% between 2009/10 and 2013/14 although this is reflective of an overall decline in student numbers (of 32%) during this period. When learner hours of study are considered instead, there has been an increase of 7% in provision of tourism-related subjects over this same period (compared to a decline of 8% across all subjects). 72% of college provision is at further education (FE) level, with the remaining 28% at higher education (HE) level. The age profile of tourism students at college is similar to that for all subjects, but females account for 60% which again reflects the profile of the tourism workforce as a whole.

Fig 5.1: Breakdown of Modern Apprenticeship starts by level (% of total), 2014/15
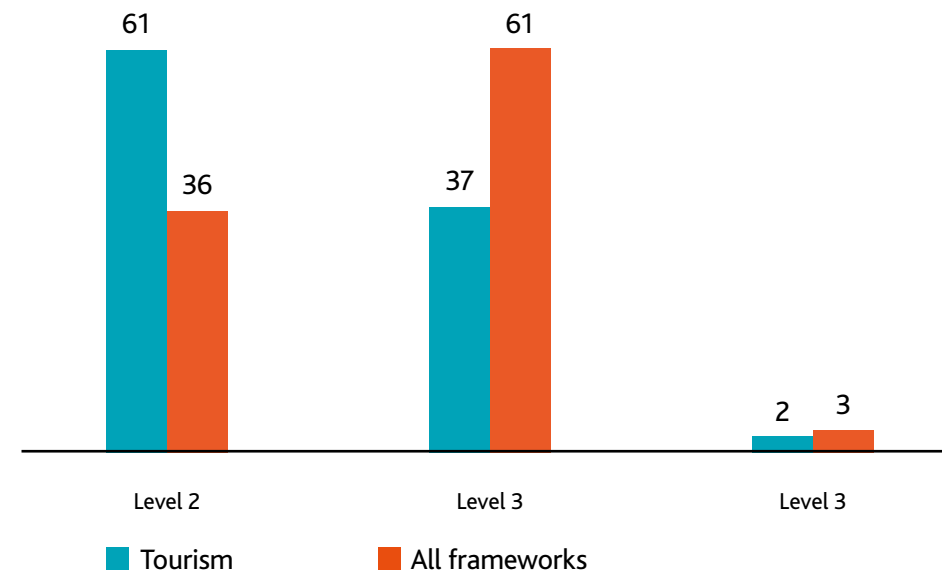

Tourism: Level 2: 61, Level 3: 37, Level 3: 2
All frameworks: Level 2: 36, Level 3: 61, Level 3: 3

■ Tourism   ■ All frameworks

Fig 5.2: Breakdown of Modern Apprenticeship by age band (% of total), 2014/15

Tourism: Aged 16-19: 44, Aged 20-24: 45, Aged 25+: 11
All frameworks: Aged 16-19: 52, Aged 20-24: 27, Aged 25+: 20

■ Tourism   ■ All frameworks
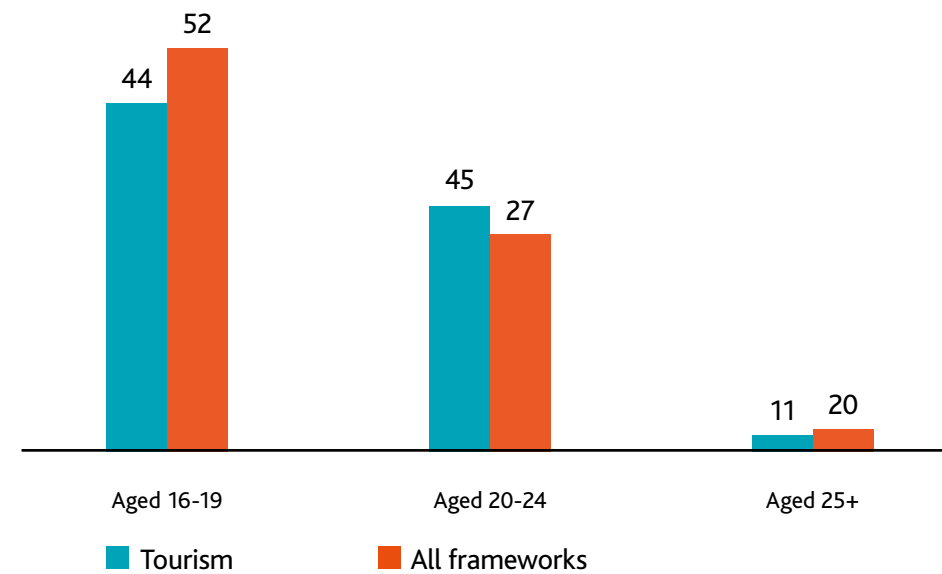
5
Current provision continued

University provision

In 2013/14, there were 1,330 graduates from 'hospitality, leisure, sport, tourism and transport' courses at Scottish universities.

Graduates from tourism-related courses account for just 2% of all graduates (compared to 8% of the workforce) and the number has increased by 1% between 2010/11 and 2013/14. The vast majority of tourism-related provision is at undergraduate level, with just 150 graduates at the postgraduate level. The majority of graduates (70%) were from Scotland, with a further 5% from the rest of the UK and the remaining 25% from outside the UK. Between 2010/11 and 2013/14, the number of graduates from other EU countries increased by 27%, whilst those from outside the EU decreased by 40%. The majority of graduates in tourism-related courses were female (67%).

Only 31% of graduates from tourism-related courses at Scottish universities are employed in accommodation and food services six months after graduation. Whilst this appears to be a relatively small proportion, many jobs within the sector sit outside this. For example, 11% of graduates from tourism-related courses are employed in arts and entertainment - a sector that can play a key role in tourism experiences. In addition 14% are employed in wholesale and retail.

Graduates from tourism-related courses are slightly less likely to be in full-time work than those from all subjects (53% compared to 58%) and slightly more likely to be in part-time work (12% compared to 10%). This may reflect the available employment opportunities in the sector as tourism has a larger proportion of part-time work.

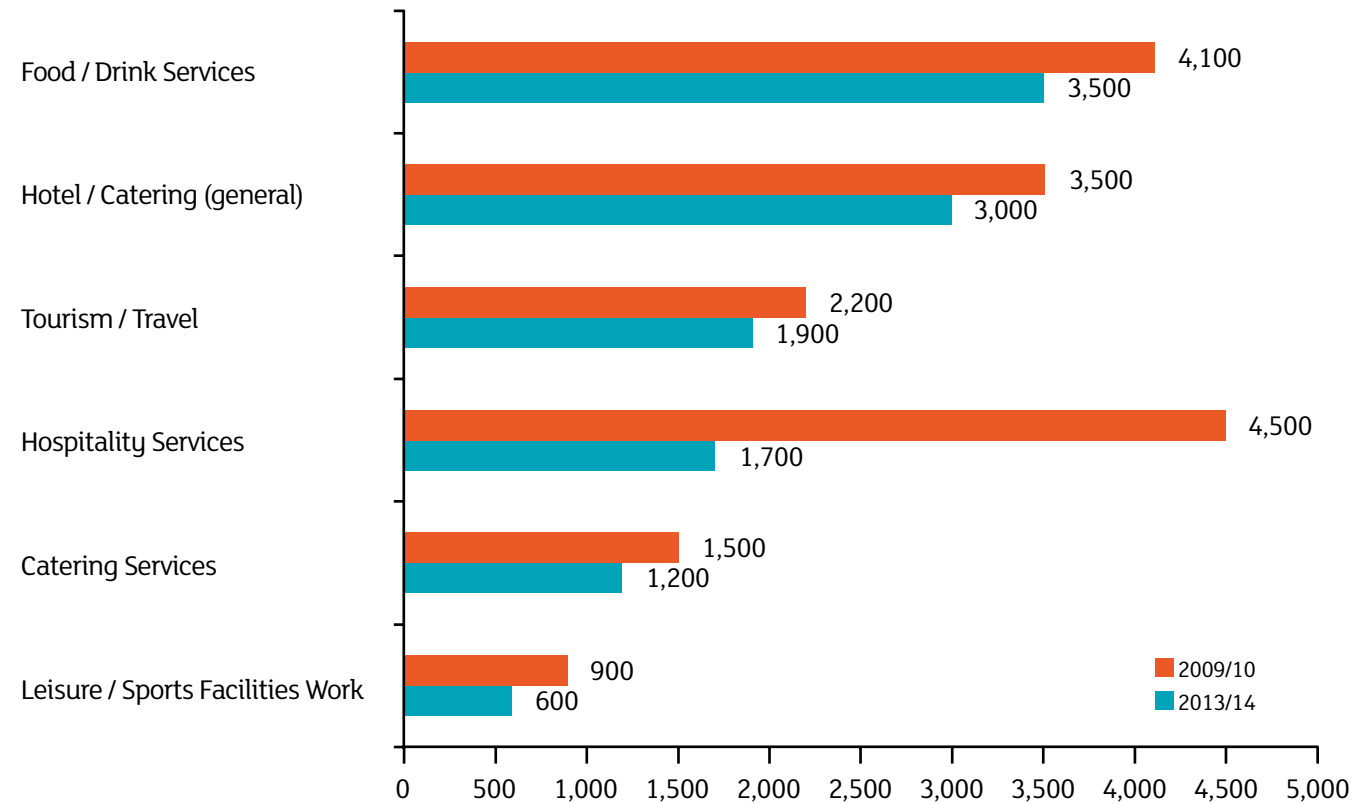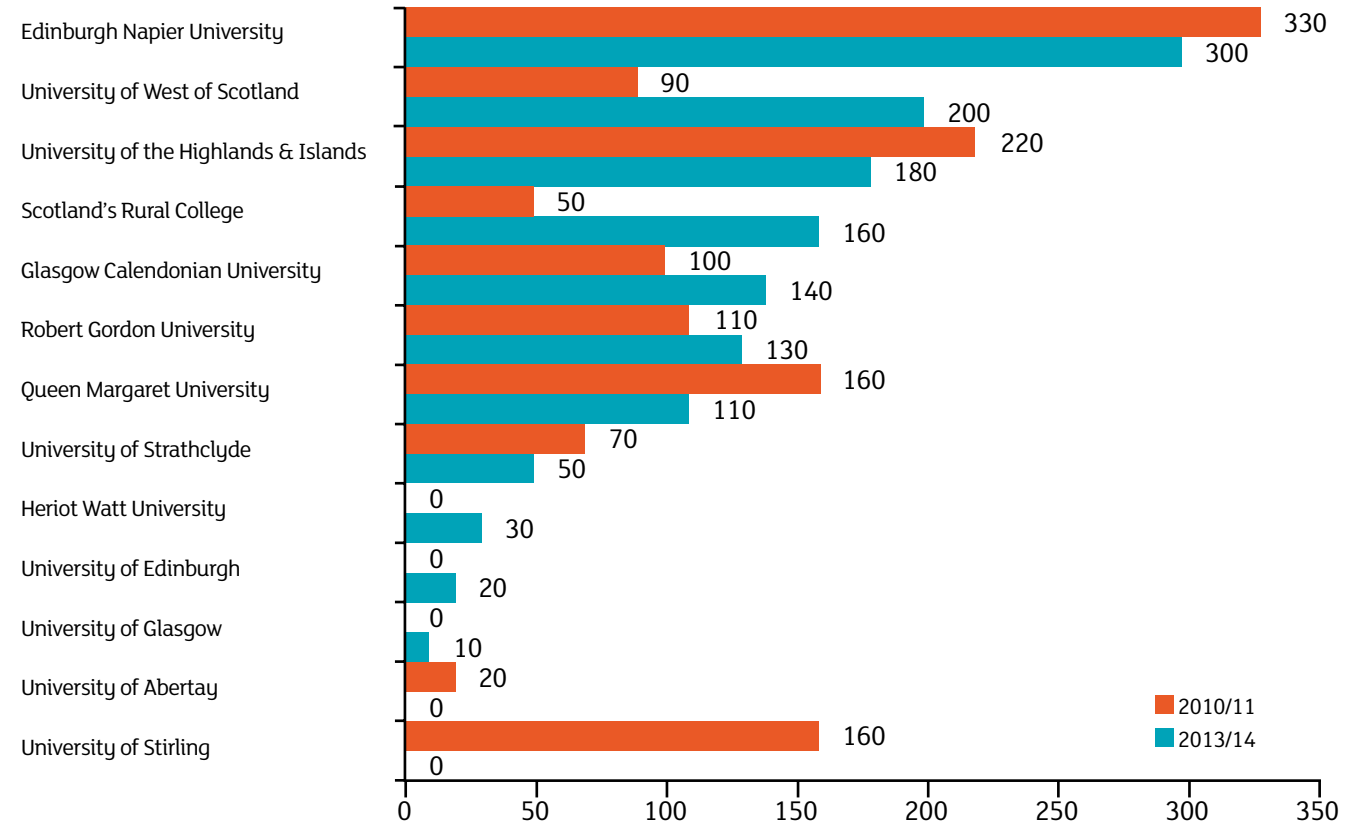### Fig 5.3 Students at Scottish colleges (headcount), 2009/10 and 2013/14

Category	2009/10	2013/14
Food / Drink Services	4,100	3,500
Hotel / Catering (general)	3,500	3,000
Tourism / Travel	2,200	1,900
Hospitality Services	4,500	1,700
Catering Services	1,500	1,200
Leisure / Sports Facilities Work	900	600

Fig 5.4 Tourism graduates by institution, 2010/11 and 2013/14

Institution	2010/11	2013/14
Edinburgh Napier University	330	300
University of West of Scotland	90	200
University of the Highlands & Islands	220	180
Scotland's Rural College	50	160
Glasgow Calendonian University	100	140
Robert Gordon University	110	130
Queen Margaret University	160	110
University of Strathclyde	70	50
Heriot Watt University	0	30
University of Edinburgh	0	20
University of Glasgow	0	10
University of Abertay	20	0
University of Stirling	160	0

5

Current provision continued

Work-based training

In 2015, 68% of employers in the 'hotels and restaurant' sector in Scotland offered training to their employees which is slightly below the proportion for all industries (71%). Just 38% of employers in this sector offered off-the-job training although 64% of staff had received training in the last 12 months, compared to 63% across all industries. The proportion of staff employed in hotels and restaurants receiving training has increased from 54% in 2013 to 64% in 2015.

Across Scotland tourism specific development programmes and initiatives developed include

- WorldHost customer service programmes

- Glasgow Welcomes and its regional derivatives

- Digital Tourism Scotland

- Springboard Ambassadors programme

- Destination Leadership programme

- Accessible Tourism toolkit

- Hospitality Industry Trust (HIT) Scholarships

- Scottish golf management development programme

- Institute of Hospitality qualifications

- Be a QA for a Day programme

- Wilderness Guide training programme

Key message

There are no clear gaps in provision identified, with employers, on the whole, valuing what is on offer; however it is clear that many employers continue to find the skills system and qualification types and levels confusing which can act as barrier to them engaging with appropriate provision.

Case Study: The Destination Leaders' Programme

Effective leadership is consistently identified as a key driver of growth for all business sectors, but tourism faces particular challenges, given the range, scale and mix of businesses that need to work together to deliver a great customer experience.

Based on an internationally acclaimed initiative originating from Melbourne, Australia, the Destination Leaders' Programme (DLP) is designed to address this issue, identifying emerging tourism leaders and providing them with the skills, knowledge and networks they need to become effective destination leaders.

Developed in partnership between the Edinburgh Institute, Edinburgh Napier University and Scottish Enterprise, the programme has run with mixed cohorts from Edinburgh, Glasgow, Fife and Argyll and the Isles, and is set to be delivered in Aberdeen and Tayside in 2016/17.

Running from October to April to avoid the peak season, it comprises four one-day workshops, three residential weekends and an assessed leadership project, covering subjects including destination development principles, influencing policy agendas, social justice, equality and sustainability; the digital economy, the customer journey, product innovation and marketing and branding.

A defining feature of the programme is learning from global best practice, with speakers having included the CEO of Vienna Tourist Board, former CEOs from Destination Melbourne and Gothenburg, as well as presentations from eminent Tourism academics from Hong Kong, Australia and the United States.

Among those to benefit is Rob Lang, Marketing Manager at Edinburgh Airport.

He said: "The Destination Leaders Programme has not only provided me with fantastic insights into how other global destinations are positioning themselves, it has also offered me the chance to understand how I can play a greater role in the continued development of tourism in both Edinburgh and Scotland.

"Furthermore the network of contacts I have built in the city, and beyond, as well as the leadership skills I have developed are already proving an asset in my current role. I cannot recommend the programme highly enough for anyone with an interest in the ongoing development of Scottish tourism."

6

Key challenges and priorities

As outlined earlier, progress has been made in addressing the priorities identified in 2013, however more work is required.

Management, leadership and enterprise continues to be highlighted as a key priority area and businesses continue to face challenges recruiting chefs. With the large proportion of the workforce employed in elementary level occupations, a challenge is presented to the sector in relation to building attractive and valued work at this level. Through a focus on quality work practices the sector can seek to develop a culture where all roles, regardless of level, are valued for the contribution they make to visitor experience in Scotland. We need to continue to ensure that staff have the skills to meet increasingly high customer expectations and a key development in the last three years has been the increasing importance of staff at all levels having digital skills.

This section highlights how we can build on the work that has been done by refreshing the priorities facing the sector to reflect the changes identified and outline new actions to be implemented.

The findings from the review of the 2013 Skills Investment Plan, analysis of the refreshed evidence base and consultation responses demonstrates the progress made in the following areas:

- greater connectivity between colleges, universities and employers leading to a better meeting of industry needs

- improvements in relation to management and leadership provision

- the development, roll-out and better usage of recognised customer service training programmes

- the development and utilisation of Modern Apprenticeship programmes

- stronger connections between education and industry and increased delivery of activity to raise the attractiveness of the sector to new entrants

- development and roll out of Digital Tourism Scotland

- greater representation of the sector through increased membership of the Tourism Skills Group and the commissioning of research by this group.

There continues to be work needed to:

- highlight the value of skills investment (and its role in improving productivity), and help employers towards appropriate provision

- assist managers and leaders within the sector to develop effective behaviours and practices, and harness and develop existing talent

- provide support and mentoring to help more women progress into management and leadership roles

- raise awareness of and promote careers within the sector including management careers

- address the variable quality of training provision

- address low digital skills across the sector

- ensure provision and funding is aligned to industry and regional needs

- ensure businesses are able to make effective use of customer feedback

- establish school-tourism partnerships and embed tourism related learning into the curriculum.

Strategic skills priorities

The refreshed Skills Investment Plan will focus on the delivery of 4 strategic skills priorities:

- improving management, leadership and enterprise skills across the sector

- supporting the development of professional and digital skills for all in the sector

- ensuring staff at all levels understand and are able to respond to visitor needs and expectations

- raising the attractiveness of the sector.

In addition to these skills priorities, the following strategic principles (or cross-cutting themes) are also important to the delivery of the SIP:

- **sustainability**: in delivering the SIP, partners should focus on helping individuals develop sustainable careers in tourism and help tourism businesses understand the role skills play in them becoming more competitive and sustainable. It is vital that skills projects and programmes are sustainable and we need to ensure that the sector has the skills and expertise required to make changes that will reduce its environmental impact

- **simplification**: in delivering the SIP, partners should aim to make it easier for individuals and organisations to identify the skills they need, the best options for developing these and how to access this provision. The focus needs to be on ensuring learning and development opportunities are in place, increasing take-up of provision and improving the effectiveness and impact of current provision

- **productivity**: In delivering the SIP, partners should support skills development as a key driver of productivity and ensure that the benefits of investing in skills development on productivity, efficiency and profitability are shared with employers.

Case Study: The Kylesku Hotel

A family run, old coaching inn dating back to 1680, the Kylesku Hotel is situated on the shores of Loch Glendhu in the North West of Scotland.

An account managed client of Highlands and Islands Enterprise (HIE), the hotel benefited from a strategic review of their business after which Skills Development Scotland (SDS) was approached to provide support in developing and implementing a people and skills strategy.

This was undertaken through the Skills for Growth initiative, which offers free business consultancy from Investors in People combined with support from the SDS Employer Engagement team.

Key challenges facing the rural hotel included attracting and retaining the right people and ensuring that everyone is equipped with the knowledge and skills to provide outstanding hospitality even on the busiest and most challenging of days.

The Skills for Growth review identified the need for the owners to delegate some of their day-to-day responsibilities and tasks to other members of the team so they could focus more of their time on developing and managing their business.

This involved reviewing current people management practices and existing roles and responsibilities, and providing support in developing core values that would underpin the ambition of providing outstanding hospitality.

The review provided recommendations for people management and skills development for the owners, duty manager and staff team, with the timing of the review at the end of the 2015 season ensuring that the hotel could establish an effective induction programme, people development activities and a staff engagement and retention strategy in time for the 2016 season.

Owners Tanja Lister and Sonia Virechauveix also took advantage of the advisory support available from the Investors in Young People initiative to help them to develop their induction strategy and plans, and further support was provided by HIE to help the hotel implement the plans.

Tanja said: "It feels like our feet have barely touched the ground.

"It's been a privilege to have such a great wealth of external help as our business grows.

"I know that all felt the induction day incredibly useful and challenging and I'm sure it will stand us in good stead."

7 Action Plan

The following action plan takes the four strategic priorities identified in section 6 and identifies key actions, descriptions and outcomes for each.

These are strategic commitments for actions to address issues identified within the SIP and will be overseen by the Tourism Skills Group as described in section 8 (Monitoring). The SIP recognises that industry bodies and others will have their own detailed delivery plans in support of the sector and seeks to complement these.

Priority 1: Improving management, leadership and enterprise skills across the sector

Actions	Description	Expected outcomes	Key stakeholders
Encourage a Skills First Approach highlighting the links between skills and business efficiency and growth	Partners to highlight the value of skills investment to employers and help direct employers towards appropriate provision. Promote investment in potential supervisors and managers Ongoing learning from other 'best in class' businesses	Increased understanding of the importance of skills to business success. Increased demand for skills by employers	Industry, SDS, Scottish Tourism Alliance, Scottish Enterprise, Highlands and Islands Enterprise, People 1st, colleges and universities, Scottish Funding Council, Visit Scotland
Develop opportunities for mentoring	Build on existing provision to ensure mentoring is available to support existing and emerging managers, leaders and business owners. Promote initiatives to support women working in the sector into management and leadership roles	Increase on the number of mentoring opportunities. Deployment of new skills by managers and leaders Increase in the number of women in management and leadership positions	Industry, HIT Scotland, Scottish Enterprise, Highlands and Islands Enterprise, destination and sub-sectoral groups, People 1st
Identify Scotland's future tourism leaders	Identify those demonstrating innovation and effective leadership – but are not yet recognised as industry leaders. Work with identified individuals to establish the behaviours and actions that underpin their success – and share these with the sector Pilot a Business Improvement Academy Encourage them to take on wider leadership roles – e.g. acting as mentors, ambassadors, joining destination or national leadership groups.	Deployment of new skills by managers and leaders Managers and leaders better able to develop effective behaviours and practices	Industry, Scottish Enterprise, Highlands and Islands Enterprise, SDS, Institute of Hospitality, HIT Scotland, People 1st, Springboard, Scottish Tourism Alliance, destination and sub-sectoral groups, colleges/universities
Promoting management careers	Raise awareness of managerial, leadership and entrepreneurial roles in the sector targeted at young people, career changers, returners to work and key influencers (e.g. parents, teachers, careers advisers etc)	Increased awareness and promotion of managerial careers within the sector amongst the targets groups. Increase in the attractiveness of the sector as a career of choice.	Industry, Springboard, SDS, People 1st, colleges/universities, destination and sub-sectoral groups

Priority 2: Supporting the development of professional and digital skills for all in the sector

Actions	Description	Expected outcomes	Key stakeholders
Encourage a Skills First Approach highlighting the value of skills investment to employers and directing them towards appropriate provision	Highlight the need for employers to understand the key competences their staff need and support staff to develop these. Prioritise support for professional skills where there are skills shortages and gaps – chefs, housekeeping, front-of-house and project management. Promote and demonstrate digital and social media skills as business critical. Highlight the skills needed to develop more sustainable business models, with specific reference to the circular economy.	Increased understanding of the importance of skills to business success. Increased demand for skills by employers Reduction in the number of skills shortages and long term vacancies within the sector. Better alignment of skills provision with employer needs.	Industry, SDS, Scottish Tourism Alliance, People 1st, Institute of Hospitality, Scottish Enterprise, Highlands and Islands Enterprise, local destination groups, colleges/universities.
Develop tourism skills codes of practice to help raise the standards of skills provision and embed the skill first approach within businesses.	For employees – clarify the support and development they should expect from their employer to develop their skills. For learners and employers – clarify what they should expect from skills providers.	Increased demand for skills by employers. Better alignment of skills provision with employer needs Clearer understanding for employers and staff of the skills they need, the options for developing these and how to access training provision. Less variable quality of provision.	Industry, Scottish Tourism Alliance, SDS, People 1st, Scottish Training Federation, Scottish Funding Council, College Development Network
Promote tourism professions highlighting the quality employment opportunities available, and the sustainable careers.	Raise awareness of the range of professions within the sector and routes into these opportunities. Targeted programme of activity for young people, other potential entrants, parents and other career influencers. Utilise the Scottish Government's themed years programme (particularly the year of young people in 2018) and major events (e.g. 2018 European Championships)	Increased understanding amongst potential entrants to the sector of the range and quality of employment and career opportunities within the tourism sector in Scotland Increase in the number of people making tourism a career of first choice.	Industry, Springboard, Scottish Tourism Alliance, SDS, Scottish Tourist Guides Association, local destination groups, colleges/universities(including careers services), Jobcentre Plus
Ensure skills investment reflects industry priorities	Ensure college Regional Outcome Agreements and Regional Skills Investment Plans reflect and respond to the needs of the region's tourism offer. Ensure provision can be accessed in more remote rural areas. Consider the most appropriate way of funding Modern Apprenticeships to support the needs of the sector.	Better alignment of skills provision with employer needs. Increased demand for skills by employers.	Industry, SDS, Scottish Funding Council

Priority 3: Ensuring staff at all levels understand and are able to respond to visitor needs and expectations

Actions	Description	Expected outcomes	Key stakeholders
Encourage a Skills First approach highlighting the value of skills investment to employers and helping to direct employers towards appropriate provision.	Needs to be a key focus in highlighting: • customer service • product knowledge • destination knowledge • cultural awareness • digital skills • disability awareness Within this, there should be a focus on ensuring staff, managers and leaders understand the needs of specific sub-sectors (e.g. business tourism, accessible tourism) and that support is in place around major events and the themed years to develop and specialist skills required to deliver these effectively.	Increased understanding of the importance of skills to business success Increased demand for skills by employers Deployment of new skills by managers and staff to better respond to visitor needs and expectations	Industry, Scottish Tourism Alliance, SDS, People 1st, Visit Scotland, Scottish Enterprise, Highlands and Islands Enterprise, local destination groups, Scottish Tourist Guide Association
Ensure businesses are able to make effective use of customer feedback	Raise awareness of how to use user generated feedback. Develop national and regional 'briefings' on key consumer trends. Embed customer feedback into training provision. Develop a process to identify and offer support to tourism businesses that are receiving poor customer feedback.	Increased understanding of the importance of skills to business success. Better alignment of skills provision with employer needs. Deployment of new skills by management and staff to make effective use of customer feedback.	Industry, Visit Scotland, People 1st, Business Gateway, Scottish Enterprise, Highlands and Islands Enterprise, local destination groups
Learn from 'Best in Class' businesses	Increase opportunities for peer-to-peer support, including visits, learning journeys and masterclasses	Better alignment of skills provision with employer needs. Deployment of new skills by managers and staff.	Industry, Scottish Tourism Alliance, HIT Scotland, Scottish Enterprise, Highlands and Islands Enterprise, local destination groups, Sub-sectoral Groups, Institute of Hospitality

Priority 4: Raising the attractiveness of the sector

Actions	Description	Expected outcomes	Key stakeholders
Establish school-yourism partnerships	Establish partnerships between every secondary school and a tourism employer. Use examples of strong local partnerships (e.g. Apex Hotels and Craigroyston High School) Ensure strong tourism representation on Developing Young Workforce regional groups	Strong school/tourism business links customised to local needs and opportunities. Increase in the attractiveness of the sector to new entrants	Industry, Springboard, SDS, Education Scotland, Developing Young Workforce (DYW) regional groups, colleges
Embed tourism related learning into the school curriculum	Develop and promote tourism-related teaching materials Raise awareness and uptake amongst schools of vocational qualifications or industry recognised initiatives (e.g. World Host, Glasgow welcomes etc) that could be incorporated into senior phase. Investigate the development and piloting of Foundation Apprenticeships (or pre-foundation apprenticeships) for the tourism sector	More young people able to access employment opportunities within the sector. Increase in the attractiveness of the sector to new entrants	Industry, SDS, Education Scotland, Springboard, People 1st, DYW regional groups, Scottish Funding Council, College Development Network
Raise awareness of tourism careers to potential career changers	Raise awareness of the range of professions within the sector and routes into these opportunities through: • local Partnership for Action for Continuing Employment (PACE) responses to redundancy situations • DWP Jobcentre plus and local employability partnerships • professional bodies and organisations	Increase in the number of career changers considering tourism as a career option Increase in the attractiveness of the sector to new entrants	SDS, Local PACE partnerships, Jobcentre Plus, People 1st, Springboard, colleges/ universities, professional bodies

8 Monitoring

Delivering the SIP will rely on action from across the sector. The Tourism Skills Group, a sub-group of the Tourism Scotland 2020 Strategy Group, will be responsible for overseeing the delivery of the SIP.

Governance

This will include

- identifying and securing the resources and supports required for the delivery of each action

- ensuring that clear and consistent messages are communicated to the sector about the SIP priorities and actions – and more generally about the importance of skills to achieving their ambitions

- reviewing at each meeting the progress made against each action. This should be the main focus of the Tourism Skills Group meetings

- establishing an annual review process, measuring progress towards the SIP key indicators (see appendix 1) and implementing change if insufficient progress is being made

- resolving any major problems or responding to any major opportunities that could affect the delivery of the SIP

- building links with the skills groups overseeing the food and drink and creative industries SIPs – as these sectors can play a key role in delivering a high quality visitor experience. In particular, there would be value in identifying where there is scope for joint action.

8
Monitoring
continued

The Tourism Skills Group will establish workstreams around the four strategic priorities identified in the SIP to develop action plans for each workstream, with clear performance indicators and milestones.

In addition the Tourism Skills Group will work closely with the Tourism Scotland 2020 Strategy Group and industry stakeholders to monitor the impact on the sector of the EU referendum decision and assess any impact on skills investment within the sector.

Key indicators and monitoring

Whilst targets and milestones were published in the original Skills Investment Plan for Scottish Tourism published in 2013, there were challenges in measuring progress against these, for example:

- there is limited data available – and what is available tends to be focused on 'activities' (i.e. number of individuals participating in a programme) rather than 'outputs' outcomes or impacts

- the links between investment in skills and wider outcomes (such as improved customer satisfaction or increased profitability) are not always clear. This is a challenge that leads to underinvestment in skills.

To help address these two challenges, we have set out key indicators within the 'theory of change' diagram outlined in appendix 1. This should help improve understanding of what is changing as a result of the SIP actions and where further action is required. As outlined above we recommend that the Tourism Skills Group report on an annual basis progress against these indicators. In addition the Tourism Skills group workstreams will set additional measures within their action plans where necessary.

In addition to these quantitative indicators, the Tourism Skills Group should also seek to collect and disseminate qualitative information on the impact that the SIP is having on the sector, for example case studies from individuals and employers.

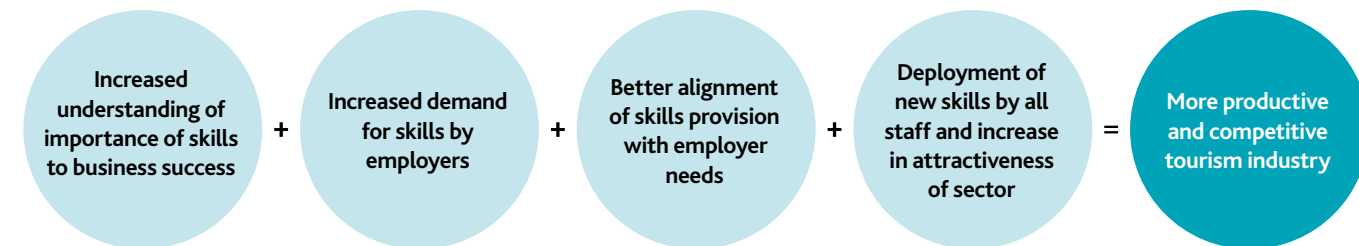# Appendix 1: Theory of change and key indicators[3]

The purpose of the SIP is to ensure that the sector is able to access the skills it needs to achieve its growth potential.

This requires:

- an increased understanding amongst businesses of the importance of skills to the success of the business
- an increased demand amongst employers for training and development for their staff and potential entrants
- skills provision being better aligned with employer needs
- managers and staff being able to deploy their skills effectively within tourism workplaces.

These factors are set out in the 'theory of change' model which underpins the SIP and the action plan.

Theory of change model

Increased understanding of importance of skills to business success **+** Increased demand for skills by employers **+** Better alignment of skills provision with employer needs **+** Deployment of new skills by all staff and increase in attractiveness of sector **=** More productive and competitive tourism industry

Key indicators

Increased understanding of importance of skills to business success	Increased demand for skills by employers	Better alignment of skills provision with employer needs
• % of employers providing training in the last 12 months (UKCES Employer Skills Survey) • % of employers expressing interest in providing more training to staff (UKCES Employer Skills Survey) • % of employers providing different types of training (e.g. job specific training, training in new technology, management training, etc.) (UKCES Employer Skills Survey) • % of staff receiving training in the last 12 months (UKCES Employer Skills Survey)	**Improving management, leadership and enterprise skills across the sector** • number of tourism companies using Business Gateway/Scottish Enterprise/Highlands and Islands Enterprise support services • numbers of Scottish Enterprise (SE) and Highland and Island Enterprise (HIE) account managed tourism companies receiving support around management/leadership • number completing Scottish Enterprise Rural Leadership and Leadership Essentials programmes • number completing HE postgraduate-level programmes in tourism leadership and management (Scottish Funding Council (SFC) • number completing Scottish Enterprise Destination Leaders Programme (Napier University) • number completing Scottish Golf Management Development Programme (Scottish Golf) • number completing HIT Scotland scholarships (HIT Scotland) • number of companies using SE Return On Investment of Leadership toolkit (SE) • number completing Glasgow Welcomes Leadership activities (Glasgow Welcomes)	• % of employers reporting at least one skills-shortage vacancy (UKCES Employer Skills Survey) • Skills shortage vacancies as a % of workforce (UKCES Employer Skills Survey) • destinations of college leavers studying tourism-related subjects (SFC)
	Supporting the development of professional and digital skills for all in the sector • number of Modern Apprenticeship starts and completions in tourism-related frameworks (SDS) • number of Foundation Apprenticeship starts and completions in tourism-related frameworks (SDS) • number completing college/university courses in tourism-related subjects (Scottish Funding Council) • number completing Digital Scotland courses (Digital Scotland) • number completing Glasgow Welcomes activities (Glasgow Welcomes) **Ensuring staff at all levels understand and are able to respond to visitor needs and expectations** • number completing Digital Scotland courses (Digital Scotland) • numbers completing WorldHost training • numbers completing other customer service training (including Glasgow Welcomes, Ayrshire Smiles, etc.) **Raising the attractiveness of the sector** • number of young people taking part in Springboard activities (Springboard) • number of Modern Apprenticeship starts and completions in tourism-related frameworks (SDS) • number of Foundation Apprenticeship starts and completions in tourism-related frameworks (SDS) • number completing college/university courses in tourism-related subjects (Scottish Funding Council)	**Deployment of new skills by all staff and increase in attractiveness of the sector** • % of employers reporting at least one skills gap (UKCES Employer Skills Survey) • skills gaps as a % of workforce (UKCES Employer Skills Survey) • average (median) gross weekly earnings of full time staff (Scottish Government Key Sector Statistics)

[3] Notes:
- This is based on data that is currently available and easily accessible.
- Indicators should be added to the initial column for each project/services funded in response to the SIP.
- The indicators set out in the final column are drawn from the TS2020 KPIs and have been selected to ensure linkages between the SIP and TS2020. Skills will play a critical – but partial role – towards the achievement of these KPIs.
- UKCES Employer Skills Survey is currently only undertaken once every 2 years.

Appendix 2: Linkages to Tourism Scotland 2020

The SIP sets out the approach that will be taken to ensure the Tourism sector is able to access the skills it requires to achieve the growth ambitions set out in Tourism Scotland 2020.

The Mid-term review of Tourism Scotland 2020 has been ongoing alongside the SIP refresh process. To ensure clarity in terms of linkages between the refreshed Tourism 2020 strategy and the SIP, we have set out the connections between the two strategies.

Table 6: Overview of Tourism 2020 and refreshed SIP

SCQF qualification level required for a job	Tourism sector	Across the Scottish economy
Theme 1: **Strengthen industry leadership**	Strengthen leadership in the industry to enhance the quality of the visitor experience	SP1 – Improving management, leadership and enterprise skills across the sector
	Develop the quality of leadership across the sector to deliver the TS2020 growth ambition – locally, nationally, in urban and rural setting	
Theme 2: **Strengthen digital capability**	Accelerate progress in increasing the number of digitally connected businesses	SP2 – Supporting the development of professional and digital skills for all in the sector
	Increase the number of digitally enabled businesses to enhance the visitor experience and improve competitiveness	SP1 – Improving management, leadership and enterprise skills across the sector
Theme 3: **Enhance the quality visitor experience**	Enable businesses to develop people skills to enhance the quality of the visitor experience	SP3 – Ensuring staff at all levels understand and are able to respond to visitor needs and expectations SP 4 – Raising the attractiveness of the sector
	Enable businesses to develop people skills to attract international visitors	SP2 – Supporting the development of professional and digital skills for all in the sector
Theme 4: **Influence investment**	Influence investment in built infrastructure	SP1 – Improving management, leadership and enterprise skills across the sector
	Influence investment in digital connectivity	
	Influence investment in flight access and transport connectivity	
	Influence investment in business growth finance	

Note: The mid-term review of Tourism Scotland 2020 also includes Theme 5: Adapting the TS2020 Framework to take account of significant changes in conditions since 2012, but as this focuses on changes to the strategic approach (e.g. reducing number of strategic priorities, taking a more standardised approach to monitoring and evaluation, etc.) this is not included here.

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