

Call for evidence
EEA – workers in the UK labour market

Written evidence submitted on behalf of Bournemouth and Poole Tourism

Executive Summary

1. Bournemouth and Poole Tourism welcome the call for evidence into “EEA – workers in the UK labour market”, which is led by the Migration Advisory Committee. In responding to the Committee, our submission will be highlighting:
 - The national trends in relation to EEA migration;
 - The local view on recruitment practices, training and skills;
 - Local economic, social and fiscal impacts;
 - Proposals to mitigate impact post-Brexit;
 - Case studies from local tourism businesses.

Local perspective Bournemouth and Poole

2. Bournemouth Tourism is part of Bournemouth Borough Council, which is committed to building a better Bournemouth. We are a 24/7 organisation coordinating the tourism economy in Bournemouth.
3. Bournemouth is the UK’s premier coastal resort, known for its 7.5 miles of golden sands, its outstanding natural beauty and innovation in tourism development. Bournemouth welcomes over 10 million visitors a year, which provide more than £741m of visitor spend and sustains 12,126 jobs.
4. Bournemouth and Poole must compete in the global tourism market. In order to do this, our businesses need to be able to recruit from as many countries as possible that can provide staff with the right experience and who want to learn and progress in the tourism trade.
5. Particularly strong relationships are in place between the public sector and the tourism trade through the Bournemouth and Poole Tourism and Management Board. This board has representatives from the areas of accommodation, conference, leisure and attractions, transport, international education, town centre business improvement district and coastal business improvement district.
6. International education institutions in Bournemouth and Poole welcome over 50,000 international students each year, contributing £ 300 million to the local economies.

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Bournemouth and Poole is the most popular place in the UK for English language study outside the capital.

EEA migration trends

7. Net long-term international migration was estimated to be +246,000 in year ending March 2017*.
8. More than half of the change in net migration can be accounted for by a decrease in net migration of EU citizens (down 51,000)* This has been driven by an increase (33,000) in emigration for EU Citizens.
9. Of those who immigrated to work (275,000) in YE March 2017, the majority had a definite job (188,000) but fewer came to the UK looking for work (down 39,000 to 87,000)*
10. A total of 51,000 non-British citizens emigrated to return home to live in YE March 2017 (up from 34,000)*; these are mostly EU citizens (44,000 up 20,000 from YE March 2016) half of whom were from EU8 countries Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, Slovenia.
11. Business operators and owners in the local area report that the impact of negativity and hostility towards overseas workers has increased in the last 12 months and this has led to many staff leaving the UK. This issue needs to be addressed through positive PR and messaging.
12. Certainty over arrangements post Brexit would help to provide some reassurance to those EEA workers already in the UK and those wishing to come to the UK

Local recruitment practices, training and skills

13. The hospitality industry is reporting that the availability of hospitality candidates is at an all-time low, with the Brexit announcement reducing the flow of European workers.
14. The poor image within the UK of careers in hospitality and tourism is adding to the difficulties surrounding recruitment from within the UK market. The situation is further exacerbated by low levels of unemployment.

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15. Post-Brexit, there is uncertainty whether EU graduates' right to work in the UK will be limited.
16. The hotel and restaurant businesses report serious shortages of staff across all departments: "We have struggled to keep our housekeeping and kitchen departments staffed throughout the busy summer season with Chef's positions laying vacant and staff working 6 days to cover" – *Kevin Wood, Head of Europe Operations, Oceana Hotels*
17. The staffing problems are happening now but the trends and prospects are likely to exacerbate the difficulties: "We foresee definite staffing problems for the hotel over the next 2-5 years due to Brexit (should recruitment restrictions be put in place) – *Marsham Court Hotel*
18. The local workforce requires a mix of skilled and unskilled workers to meet demand. The Labour Force Survey only uses income value to determine the level of skill required for the role. This is a flaw in the measurement of skill as it does not consider the added value gained through location, interaction and opportunity to improve language.

Economic, social and fiscal impacts

19. The impact of the difficulties in recruitment in local businesses across Bournemouth and Poole is having a direct impact on profitability with an increase in costs. The industry is seeing rising business costs due to labour shortages and rising food costs. This adversely affects future investment plans and inhibits productivity and competitiveness in the global market.
20. The industry in Bournemouth and Poole has also experienced costs to their businesses in the form of high recruitment agency costs, recruitment websites costs and increases in payroll, in order to compete with other recruiters and to ensure the retention of good quality staff.
21. The cost of training new staff is high and, when this is coupled with a high turnover of staff, running costs become excessive. As a consequence, more management time is being spent looking after and training staff to encourage them to stay, rather than in developing the business.
22. A social change in the perception of the Hospitality and Leisure industry as a career path is required. This will take several generations to translate into positive recruitment results and will not address the immediate problems.

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23. The employment shortages are also having a negative impact on employees morale and motivation with remuneration becoming more of an issue: “We already have chambermaids ‘demanding’ a new minimum wage of £10 per hour We cannot put prices up to accommodate this increase – Sara Uzzell, Whitehall Hospitality Ltd

Proposals for mitigating impact

24. Although not a total solution, possible post-Brexit options include:
- a. Reinstate a 20-hour working week for all international students at accredited institutions, increasing to 40 hours per week during non-term time.
 - b. Reinstate the option for all international students at accredited institutions to remain and work in the UK for 2 years after their course finishes.
25. Improve messaging to EEA workers to improve the current negative image and hostility.
26. Provide certainty in the short term on the arrangements for EEA workers.
27. Cut VAT on Tourism to help keep prices competitive whilst accommodating the increasing staff recruitment/training costs.
28. Change the educational curriculum to position Hospitality and Leisure as a very successful career path to follow.
29. Reposition the sector as a Business Studies opportunity with the option for a specialism in a professional/technical element of hospitality.

Case studies

30. Representatives from the local trade businesses directly affected by EEA workers is attached (*Appendix A*)

Bournemouth Tourism would like to thank you for the opportunity to provide evidence as part of this call for evidence. We would welcome the opportunity to meet with the Committee should more detail on the above be beneficial to the process.

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* Source: Office of National Statistics

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