

Report to the City Fringe Partnership Board

Understanding the Hospitality and Catering Sector in the City Fringe – Key Findings and Recommendations

JULY 2007



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INTRODUCTION

In June 2005, Renaisi were commissioned to establish a Cluster Action Group (CAG) for the Hospitality and Catering industry on behalf of the City Fringe Partnership (CFP). The objective of the CAG was to identify industry priorities and e

ISSUES FOR THE SECTOR

In 2005, Trends Business Research (TBR) identified 951 firms in the City Fringe area that offer hospitality services. These collectively employ 11,699 people.

This represents a 55% increase in available jobs within the sector in this area since 1995 (TBR). However, according to national research, employers have difficulty in filling vacancies due to the lack of available skilled staff. Indeed the British Hospitality Association, (BHA), has found that 34% of businesses have identified problems in recruiting customer service based roles. This is reflected in the City Fringe, despite the area being affected by higher than average unemployment.

As well as having difficulties in recruiting suitable staff, the industry nationally suffers from poor retention. Employment in the industry is dominated by women, the young and part time workers who are often not looking for long term placements. According to People1st, the Hospitality Sector Skills Council, this is magnified in the City Fringe area due to a more transient work force characterized by immigrants and students. Coupled with this is a high number of SMEs that are not as well equipped to provide opportunities in career development and income. There is a resulting lack of investment in skill development which may further exacerbate the high turn-over of staff.

According to People1st, a higher proportion of the workforce nationally does not hold relevant qualifications in this sector compared to the workforce across all other industries and a quarter of the sector's workforce holds no qualifications beyond school age. It also appears that current qualifications do not guarantee that trainees will acquire the skills required to gain long term employment within the sector. In addition, consultation with businesses suggests that 'on the job' training provision differs greatly across the sector.

There is a significant lack of generic/soft skills in the potential labour market that is precluding access to employment in this sector. According to the BHA, the main skills gaps within the industry are communication, job specific skills, customer service, ICT skills, team working, being flexible, willingness to learn, ability to follow instructions, basic skills and management skills. To support this, the 1999 and 2000 surveys conducted by the Hospitality Training Foundation (HTF) found that skills most lacking in this sector were generic such as communication, ability to follow instruction and ability to take initiative. They also identified a significant need for ESOL training in the Fringe area to target those who do not have English as a first language.

In June 2005, The New Economics Foundation (NEF) published a report called Clone Town Britain. The report suggests that a large proportion of Britain's high streets were turning into replicas of each other, lacking individuality and diversity. These town centres are slowly becoming monopolized by global chains that, the report suggests, sap the benefits of a thriving local economy and reduce the sustainability of small businesses, impacting on both financial stability of the local community and consumer choice. This has been noted by Borough Councils in the Fringe area and has emerged within Council discussions surrounding planning and development.

According to Action Group members, businesses within the City Fringe view the diversity of the area as a strength. Trends Business Research (TBR) identified the industry as characterized by a high number of outlets with a relatively small workforce. The proportion of owner managed businesses in this sector in the Fringe area is 70% which is significantly higher than the national average

However, to maintain this level of diversity, appropriate business support and development may be required. According to the BHA, the sector has seen a polarisation occur and nationally, there has

been a decline in medium size establishments. The market now incorporates a few 'big players' and lots of small independent owner managed businesses.

The big players may offer better training and pay but they are less likely to divert economic benefit back in to the local area (NEF, 2005). Small businesses may employ local people and contribute to the local economy but they are less likely to expand. This may imply that they are less likely to have the ability to exploit the market's potential and to market their product. They may also be less likely to be able to offer training and career progression opportunities. This suggests that small businesses are at risk of being driven out by big corporations unless targeted support is provided.

Based on the findings above, it would appear that businesses in the Fringe area face challenges that are not so acutely felt in other areas of London or indeed the country. In summary, the desk top research identified the following as potential issues of concerns for small businesses in the Fringe area,

- Lack of knowledge regarding current food trends
- Difficulty in finding affordable premises
- Difficulty in competing for access to workspace/units – competition from established chains rather than other local businesses
- Rising ingredients/staff/property costs
- Lack of marketing knowledge/resources
- Lack of business acumen/experience
- Lack of professional development knowledge/resources
- Traditional family run businesses no longer appealing to younger members of the family
- Inability to market as a competitive employer
- Lack of knowledge of mechanisms to access individuals who may be potential candidates
- Lack of knowledge in how to access the local labour market

The four boroughs captured within the Fringe area have both a high level of social deprivation mixed with a significant component of young professionals with high disposable income. Household incomes are expected to rise by 3.4% in real terms between 2000 and 2010. As a result, there is a high level of demand for quality products coupled with a low level of skill and inadequate corporate support functions. According to TBR, the Fringe area appears to have a higher than average number of new business start-ups per annum. However, it also has a lower than average sustainability rate for new businesses. Demand for hotels, bars and restaurants remains high in the area and, therefore, the lower than average sustainability rate may be attributed to inadequate corporate functions as opposed to over-saturation of the market (TBR, 2005).

According to the research outlined above, it appeared that, in order for businesses to survive in the Fringe area, and for the diversity it reflects to be maintained, businesses need to be supported in terms of accessing training and resources, developing marketing strategies and accessing business support tools.

THE HISTORY OF THE CAG

Using existing networks and contacts, and using a matrix system to ensure representation in terms of geographical location, business structure and business categorisation, 8 business representatives were identified and invited to attend the first CAG meeting held in August 2005. The eight businesses were joined by five strategic partners. The preliminary meeting was used to evaluate whether the research and trends outlined above adequately captured the views and concerns of the local business community. Discussion was initiated through the presentation of findings from the desk top research. Most in attendance had a variety of concerns, some of which deviated significantly from that which the research had presented. This is summarised below.

Accessing Training and Resources

While businesses agreed in principle with the training issues identified through the desk top research, this proved less of a concern than anticipated. Most participants felt that recruiting staff was not a problem and that unskilled staff could be up-skilled on site. While they agreed that, often, local people lacked the desired skills, this was not a concern for them as they could identify suitable staff from elsewhere. A number of businesses had hoped to employ family members or local community members. However, the obstacle here was disinterest in the industry as opposed to lack of skill. Primarily, businesses felt that assistance in terms of basic skills training would be welcomed and that they would be happy to employ local people who demonstrated these skills. However, there were other issues that were of greater concern for their business.

Marketing Strategies and accessing other Business Support tools

Attendees supported the idea that the diversity of the City Fringe should be maintained and protected. They were vocal in their concern about chains dominating the industry and were fearful that this trend could emerge in the City Fringe area. Some businesses were particularly keen on increased marketing support both in terms of their own business and of the area in general. However, the most significant issue was the perception of the industry with both local Councils and local residents. In their view, this negative perception often led to unhelpful legislation and regulations being implemented that had a negative effect on the industry. CAG members on an individual basis argued that assistance in understanding and responding to legislation, as well as increasing capacity to influence legislation would be welcomed.

Following the first CAG meeting, each business member was interviewed to allow them to expand on points they raised at the meeting and explain what they felt limited their business growth. Of particular interest was the impact of geographical location on issues identified and this highlighted the fact that the 'City Fringe' is in this respect not a homogenous location. A new area of concern was also identified that hadn't been considered previously, through either the desktop research or the preliminary meeting, namely the local environment in terms of issues such as lack of street maintenance, lack of anti-crime initiatives and parking restrictions. A further CAG meeting was held in November to clarify key industry priorities.

By December 2005, a framework of three priorities had been drafted, responding to issues prioritized through consultation with businesses. These are as follows;

- The local environment, reality and perception
- Changing the perception of the local industry
- Tapping into local human resources

RESEARCH TO DATE

Industry Consultation

In order to refine these priorities and ensure they represented the concerns of the wider business community, the CAG requested that a wider industry consultation exercise be undertaken. It was agreed that a combination of telephone surveys and face to face interviews would be used.

The exercise successfully secured 40 responses. While not a large enough sample to make definitive conclusions, the exercise identified issues faced by local businesses and provided clarity on which of the objectives identified by the CAG take precedence in the area and whether this varies from borough to borough.

When given the opportunity to express business concerns, all were compatible with the priorities raised by the CAG, although additional issues of business saturation, transport and terrorism were raised, all of which are likely to have less localized solutions and are more affected by regional or national agendas such as the Mayor's Congestion Charge and the Government's 'War on Terror'.

When asked about the key factors which would stimulate business growth, marketing and promotion of the local area, support of local residents and Councils and environmental and legislative improvements were mentioned in various forms consistently. In addition, regenerating the local area in terms of economic development and thereby increasing potential custom was also significant as well as the fear of competition from chains.

The Consultation exercise was completed in 2006 and the report can be found on the City Fringe Web-site. The executive summary is attached in appendix 1

Mapping and Gapping

As well as testing the views of the wider industry, the CAG felt it necessary to identify what business support provision was currently available. This was viewed as particularly important in terms of training provision. While strategic partners were informing us that considerable investment was being directed in to sector specific training, most CAG members were saying that current training did not respond to their needs as an employer. To ensure any potential investment did not duplicate current activity, it was crucial to map current provision in the area.

The mapping of training provision did assist in identifying the wide range of provision available in the City Fringe area. The exercise verified the CAG's thinking that whilst training provision is available in a variety of forms, when linking the results to industry consultation and Sector Skills evidence, it would appear that much of this provision does not directly respond to employer needs. There is in place a high level of NVQ related training. However, there is a lack of customised basic skills training in English and numeric skills which would assist in preparing local people for employment within this sector. It is these skills which are most sought after by a significant number of local employers. Where basic skills training does exist, the majority is delivered on a non-borough specific basis through city colleges and it is therefore difficult to gauge how much of an impact it is having on City Fringe residents and businesses. In addition, from the responses given, there seems to be minimal provision in terms of short intensive courses targeted at specific areas within the hospitality and catering trade.

It appeared that the City Fringe area would benefit from a more coordinated approach to referrals and training. A better communication and information sharing strategy would improve access to

the wealth of current provision and ensure individuals receive training that best suits their and their employer's needs.

The Mapping exercise was completed in 2006 and the report can be found on the City Fringe Web-site. The executive summary is attached in appendix 2.

LOCAL INDUSTRY PRIORITIES

As a result of the strands of work set out above, a framework of priorities was identified as follows. These were agreed by a further CAG meeting held in March 2006.

- *Improving the perception of the industry and, in particular, its contribution to the local economy with local Councils and local residents;*
- *Encouraging environmental improvements and a more favourable local regulatory framework;*
- *Marketing the City Fringe area to potential customers as a diverse and vibrant location;*
- *Promoting the industry as an attractive employment option for local people and developing training provision that responds to both employer and employee needs.*

In order to develop a strategy that would best meet the priorities identified above, it was necessary to identify existing provision in the City Fringe. The following section looks at each priority in turn and where necessary, makes recommendations in terms of how current provision could be improved or accessed.

PRIORITY 1 - PERCEPTION

Improving the perception of the industry and, in particular, its contribution to the local economy with local Councils and local residents

Although perception of the industry was a significant concern among the CAG, consultation with the wider industry proved this to be less of an issue. When businesses were asked if they felt the industry was perceived in a positive way by local residents only 15% disagreed, and when the same question was posed with regards to the local council, only a slightly higher proportion of businesses disagreed, 25% in total. Nevertheless, in response to concerns from the CAG, it is clear that there is some work to be done around assisting the businesses in developing strong positive profiles among local authorities and their residents. Research into this issue has found that all borough Councils operating in the City Fringe are actively seeking to support the sector in this way. Tower Hamlets have a number of initiatives aimed at supporting the industry and raising its profile. They provide a variety of workshops on subjects such as marketing and promoting venues as well as organising mystery shopper exercises for venues which are followed up by tailored advice on how the business may improve their service. In terms of raising the profile of the sector, Tower Hamlets Council produces a number of publications and leaflets such as the Eastside Venue Guide and the Waterside Restaurants, Bars and Pubs Guide. In addition to this the local authority works to secure press coverage on behalf of the sector among local, national and international press.

Hackney is currently in the process of developing and recruiting a full time role for a Visitor Economy Officer. It is expected that part of the remit for this role will be to form close relations with businesses within the borough, developing positive working partnerships, raising the profile of the sector and the area and providing general marketing support to businesses in a position to enhance the 'visitor offer' of the borough.

Islington has excellent examples of best practice through the establishment of a Town Centre Management (TCM) area focusing on the Angel and Upper Street. The TCM works on behalf of the businesses in the area to raise their profile and support them in their relationship with the Council. At present this only covers a small amount of the City Fringe ward of Clerkenwell (see appendix 3 for map). Islington also operates the Islington Business Enterprise Team which was set

up to help local businesses get maximum benefit from developments taking place within the borough, such as the construction of the new Emirates Stadium in 2006.

Camden has established a number of business partnerships in the borough whose aims include disseminating best practice and raising the profile of their members. These include the Kings Cross Business Forum and Camden Business Partnership as well as supporting BID's (Business Improvement Districts) in Holborn and Camden Town.

Both Camden and Hackney have pioneered the Best Bar None Awards which aim to encourage and reward high standards in the licensed trade.

In addition to the work being conducted by the borough Councils there are also a number of relevant activities occurring at regional and national level. The British Hospitality Association (BHA) was established to support and promote businesses within the sector and ensure their voice is heard at a local, national and international level. TourEast work to promote the sector across East London as an attractive visitor option and also produce a weekly newsletter of events within the area. At a more local level Digital Bridge, operated by Shoreditch Trust, offers advertising opportunities for businesses to consumers and also has a newsletter and calendar of featured events in addition to web space for customer feedback and reviews.

RECOMMENDATIONS

It is clear from wider research that perception of the industry was not a key concern for businesses within the Fringe. Considering this together with the activities outlined above, coupled with the investment in training for the sector, particularly around raising customer service standards, and the significant and visible economic contribution to be given by the sector in conjunction with the Olympics, it is expected that there will be a natural progression over time towards a point where the sector is seen in a more positive light by local residents and authorities alike. It is hoped that elements of all of the recommendations below will help contribute to this progression.

It is a recommendation of this report that improvements to the perception of the industry be considered by the City Fringe Cultural Tourism CAG (CTCAG), when developing a sector investment plan for the Visitor Economy.

PRIORITY 2 – ENVIRONMENTAL IMPROVEMENTS AND REGULATION

Encouraging environmental improvements and a more favourable local regulatory framework

Although this was highlighted by the CAG and through wider consultation, research has shown that all borough Councils operating in the Fringe area are conscious that they need to be business facing in regards to licensing, regulation and environmental maintenance. All four Councils have readily accessible information on their websites around business support and information for issues such as regulation, licensing, health and safety, business rates and trading standards. All Council websites also have an 'environment' section where businesses and individuals can find information on issues ranging from street care and cleaning to recycling and pest control. In most cases information is accompanied by appropriate contact details and an on-line form where comments and complaints can be made. Through various departments such as trading standards, environmental health and food safety, information is disseminated regularly to businesses through news bulletins and seminars, and many of these departments also offer training to businesses to assist compliance with any new legislation. Camden and Islington have developed specific departments and individuals to carry out these duties with a Business Regulations Officer and a

Business Regulations Partnership. As previously mentioned, Islington have also established a Town Centre Manager for the Angel area, although this includes only a small area of the City Fringe.

At a national level, People1st, the Sector Skills Council, offer business support packages available on line. The smallest of these, available at £50 to businesses with less than 50 employees, is the 'Safe and Legal' package which offers advice and tools to help businesses comply with new regulations and includes templates for procedures on health, safety and hygiene within the workplace as well as a monthly legal update. The BHA also lobbies central government on behalf of the industry and works to represent the views of businesses in response to any new regulatory or legislative proposals.

RECOMMENDATIONS

While all borough Councils involved in the area are putting significant investment into business support and the dissemination of information around regulation and legislation, it is clear from our research that businesses still feel that there is room for improvement in terms of assistance and relations with local authorities. Most significantly, of those businesses surveyed across the Fringe area in March 2006, 74% felt that improvements to the local street environment would help improve the success of their business, but discussions with businesses revealed that many were unaware, or not confident of the mechanisms available to tackle such issues. This, coupled with the results of discussions with businesses around Council relations, indicates the lack of an effective medium between businesses and Councils. However, it should be emphasised that any recommendation for such a role supporting issues such as environmental improvements should focus on supporting and working in partnership with existing local authority bodies and Council officers. It is also perhaps the case that in order to generate the desired environmental improvements in an area, impetus must come from the businesses themselves through strong working partnership, as demonstrated by the success of the Holborn BID and the Angel Town Centre Management Group. Camden and Islington in particular should be commended for fostering such partnerships within their boundaries.

In response to results from the survey it is a recommendation of this report for further work to be undertaken in regards to local area management, particularly around environmental management and access to information. It is anticipated that some specific geographical areas within the City Fringe could benefit from a mechanism such as a Town Centre Management system. This is in line with the GLA agenda to promote the Fringe as a premier destination with Entertainment Management Zones (EMZ) (GLA, May 2006).

Through discussions with local borough partners and using the baseline data provided by the research methods described below, it is possible that dialogue could lead to the establishment of Town Centre Manager Groups and TCMs for the areas of Bethnal Green and Brick Lane, Spitalfields, Shoreditch and Hoxton, and Clerkenwell.

It is expected that the TCM would only need to be a part time role (approximately three days per week) to provide business support, liaise with relevant Council departments and represent business interests in terms of proposed environmental improvements and favourable regulatory changes. It is recommended that this should culminate in a proposal for improving the relevant areas in each borough. Additional responsibilities of a TCM should include highlighting to businesses any opportunities available for support in marketing (Priority 3) and training (Priority 4). Through a business support role the TCM is in a position to build a relationship of trust with the businesses within the area and would be uniquely placed to offer training advice, and potentially to build relationships that could result in the placing of potential employees.

Examples of the successful implementation of the TCM model include the environmental improvements brought to the Regents Canal in Camden and the Middle Eastern Food tours in Shepherds Bush (ATCM, 2005-06).

Drawing on data from the survey, where businesses highlighted issues such as lighting, rubbish collection, parking and aesthetics, this report recognises that attempting to tackle these problems can pose a number of challenges. It is therefore a recommendation of this report that research methods and techniques be applied in order to establish baseline data on such issues, particularly around documenting visitor satisfaction, as this will support and inform the above recommendation. This could be achieved in a number of ways, one of which may be through the leasing of PDA¹ units to local businesses, from which evidence could be used to support any efforts for change. At present the Sector Skills Council, People1st, in partnership with Knowat, have designed a system for data collection using PDA units which are specific to the hospitality industry, with a focus on customer satisfaction within individual businesses. These tools are simple and easy to use and offer a more effective way of gathering customer feedback than paper surveys or sporadic, informal interviews. Units leased to individual businesses could be programmed to include a number of key questions which will provide feedback on the area in general and therefore assist in building an evidence base. A minimum three year period would be recommended to enable a number of benchmarks to be established and provide a strong evidence base. Tools could be disseminated through existing networks and channels such as business partnership and network organisations and local authority Town Centre Managers operating within the area. The Knowat tool has already been successfully deployed by a number of private businesses within the sector and has now been taken up by both Visit Scotland and Visit Britain.

PRIORITY 3 - MARKETING

Marketing the City Fringe area to potential customers as a diverse and vibrant location

In the survey conducted in 2006 among businesses in the City Fringe, 53% were dissatisfied with the manner in which their Council attempted to market the area in which their business was situated. In contrast to this, research has shown that there is considerable action underway within borough Councils to provide marketing support and raise the profile of their areas. As discussed within priority 1, Tower Hamlets undertake a number of initiatives to market the businesses within their areas, including training workshops, press familiarisation trips and regular publications of guides and leaflets. Also previously stated is the fact that Hackney is developing a Visitor Economy Officer, for whom the marketing and promotion of the area and its businesses will be a principal responsibility.

Under 'Leisure and Culture' on their website, Islington provide guides on going out within the borough as well as reviews on restaurants and bars. It is understood that they are currently developing a positive marketing strategy that can support businesses at the smaller end of the market and the areas in which they work.

At a wider regional level, Tourism Network offer support, training and advice on marketing for all sectors of the visitor economy, including hospitality, and Visit London provide a web based data resource on attractions and venues within the capital. In addition to this there are a host of private sector guides and listings available for businesses.

¹ Personal Digital Assistant – produced by Knowat www.knowat.com

RECOMMENDATIONS

Research has shown that while there are a number of publications and guides produced by the private sector, such as the Time Out guides, many of these operate on a pan-London basis and therefore fail to effectively capture and market the diversity on offer with the City Fringe.

While Tower Hamlets Council have done exceptionally well in producing guides for the sector within their area, analysis also shows there are gaps for pockets within the City Fringe across all boroughs, namely Shoreditch, Clerkenwell, Spitalfields and Hatton Garden. Working on a similar concept to the Waterside Restaurants, Bars and Pubs guide in Tower Hamlets, **it is recommended that the City Fringe work in partnership with local agencies with relevant experience, such as Tower Hamlets Investment and Business Team, to develop an area guide for independent bars and restaurants, focusing on the unique and diverse qualities of the City Fringe.**

As with the London Eastside Venue Guide, this could include half day training on customer service and promotion (to be delivered by a proven local provider), which would be mandatory for all businesses wishing to secure space in the guide. This would focus on independent bars and restaurants as these work well together and also help to target the support at those most in need, ie micro businesses and SMEs who are under threat from large chains (New Economics Foundation, 2004). The recommended associated training would also act to boost the quality of the City Fringe 'visitor offer'.

The idea would be to start at a small scale to minimise costs and allow the momentum to build over time. The guide would be designed locally in order to embody the feel and spirit of the area and could potentially be backed up by a simple website and also distributed through pdf email shots. The market for the guide would focus around the international hubs of Liverpool Street and Kings Cross, as well as local information points, and would be aimed at a wide audience. The area would be marketed as a series of sub areas such as Spitalfields, Bethnal Green/Brick Lane, Shoreditch, Clerkenwell and Hatton Gardens as well as being serialised under themed headings such as 'Nightlife' or 'Accessible Venues'. **It is recommended that the proposal for venue guides and related training is incorporated with proposals for marketing the area from the City Fringe Cultural Tourism Group (CTCAG), in a combined 'Visitor Economy' Investment Plan (VEIP).** This would complement other CTCAG strategies such as the 'Gatekeeper Seminars' which will provide training for front of house staff in local attractions, although analysis on target audiences and effective distribution requires further work.

In tandem with the above measures, it is a recommendation of the report that marketing support is provided to individual businesses within the area. This support should focus primarily on independent businesses and SMEs and could be provided most effectively through a 'marketing tool kit', giving advice and guidance on simple and effective marketing strategies as well as signposting advertising opportunities and agencies offering additional advice.

PRIORITY 4 – EMPLOYMENT AND TRAINING

Promoting the industry as an attractive employment option for local people and developing training provision that responds to both employer and employee needs

As identified from the research conducted, there are a number of issues around training and employment for the sector which potentially require further assistance. It is clear that the hospitality sector is a growth industry, particularly within the City Fringe, where staff turnover is often high and recruitment can be an issue. Separate reports from both the BHA and People1st

(January, 2006) identify craft/chef skills, customer service and management and leadership as key priorities in terms of training provision for the industry. Through discussions around training, the CAG identified the need to strengthen the position of the industry and ensure local people have the appropriate skills to access employment in this field. CAG members identified the need for further support through on the job training and focused specific short courses such as those offered by the Wine and Spirit Education Trust.

The mapping report completed in 2006 (see appendix 2) identified a broad range of training available to businesses and residents within the City Fringe. Most notably this included Hackney Community College (and the Asian and Oriental School of Catering), Tower Hamlets College and Westminster Kingsway CoVE (Centre of Vocational Excellence). All four borough Councils were also found to be engaged in training provision for the sector, typically through NVQs and job brokerage agencies such as Skillsmatch (Tower Hamlets) and WorkIS (Islington). At present there are also three training restaurants; the Hoxton Apprentice, the Zen Satori Restaurant and Fifteen. In addition to this, a new CoVE is planned for development in 2007-08 (LDA), set up to serve the needs of the 5 Olympic boroughs in preparation for 2012 and beyond, and which will operate out of the existing Hackney Community College premises in Hoxton Square (including what was previously the Zen Satori Restaurant).

While there is indeed a great deal of work conducted by Councils and training providers at present, as well as regional strategic bodies such as the LDA and the LSC, the mapping report identified the following potential gaps;

- A lack of training provision targeted at the Bengali community, for whom the key issue is the disengagement of younger members of the community
- Intense investment across the eastside of the City Fringe when compared to the relevant areas of Camden and Islington. It is possible that this could be exacerbated by the establishment of the CoVE in Hackney²
- There appears to be a lack of short intensive/modular training focusing on ‘food hygiene’ and ‘health and safety’
- The success of the model for training restaurants has been well established in Hackney and Islington but is yet to be repeated in Camden and Tower Hamlets
- Access and information in respect of available training appears to be key for many businesses within the area

The final point around access has been re-enforced through primary research among businesses in the area. Research has shown that while businesses themselves did not generally feel the need for additional training provision, what was highlighted was the red tape and the bureaucracy surrounding training and the lack of information relating to what is on offer. This is backed up by research from People1st which found that of those businesses surveyed in their study ‘80% of employers do not know who to contact to access government funded training and only 8% have ever actually accessed it’ (*Counting those pennies*, July 2006). Significantly, research among businesses also showed divided opinion around training provision. While 29% of those surveyed within the City Fringe in 2006 agreed that current provision responded to their needs as an employer, 28% disagreed and 3% strongly disagreed with this statement. The remaining 40% were undecided. Half of those surveyed also stated that they would like to recruit more local people but find this difficult

² Although the Westminster Kingsway CoVE is available to residents from these boroughs its location in Victoria can act as a barrier to access

due to a lack of appropriate skills among the resident population. There was also a concern among CAG members that the industry was not seen as an attractive employment option for local people, although this was less of an issue among the wider industry, with 39% agreeing that the industry did provide an attractive employment option as opposed to the 25% of those surveyed that disagreed with this statement. **It is thought that one of the major reasons for the poor perception of the industry as an employer, centres on the low entry levels of pay when compared to other sectors such as retail.** This is a key issue that clearly requires further research and must be addressed if recruitment issues are to be resolved and local people are to be encouraged to take advantage of the opportunities available.

RECOMMENDATIONS

As a result of the findings outlined above it is possible to make a defined set of recommendations on possible additional support for the industry in terms of training and employment.

It is clear from this and wider research that access is a key issue in terms of engaging businesses with training provision. It is therefore recommended that the planned establishment of a Hospitality CoVE at Hackney Community College include business engagement as one of the key aspects of its development. It is recommended that the CoVE should seek to work with suitably experienced agencies to engage businesses within the area and assist employers in access to training. This could take the form of delivery through existing Train to Gain providers³, although their commissioning would be subject to evidence of a proven track record of success in such work. Any partnership would then involve providers contacting businesses within the Fringe area to set up a visit from a training needs assessor in order to signpost local training opportunities. In line with recommendations from priority 2 regarding the possible establishment of Town Centre Managers, it is a recommendation of this report that any outreach in terms of training provision should be coupled with an element of business support in order to secure maximum recruitment. This also acts to 'simply' provision to smaller businesses that might otherwise be put off by overcomplicated access routes.

Care should also be taken to ensure that there is sufficient business involvement in the planning stages of the CoVE, which may include representation from local business on the Strategic Partnership Group. Where difficulties arise or are anticipated, assistance should be sought from relevant business liaison agencies such as the East London Business Alliance (ELBA), who have a good record of success in engaging larger businesses in the area and may be of use in engaging the 'big player' hotels, and Access to Employment/Skillsmatch. Business Junction may also be of use in engaging with smaller businesses within the area. Should the recommendation be pursued, Town Centre Managers will also provide excellent opportunities for links with the local business community.

Additional findings that merit further support are those around basic skills training and short modular courses. It is a recommendation of the report that as the Hackney CoVE positions itself as a one stop shop, information and signposting must be available to users on basic skills courses available. In addition, the mapping report of training provision in the area identified a lack of short modular courses and it is thought that these are in demand by local employers. It is therefore a recommendation that work around the development of the CoVE should include an element of additional research into the demand among local employers for short modular courses. It is

³ Exemplas Ltd and Ixion Ltd are current T2G providers that cover the City Fringe area

expected that the above recommendation of business involvement at strategic level should help to ensure that courses provided at the new CoVE respond to the needs of local employers. In order to provide an immediate solution to this issue, it is also recognised by this report that Customer Service focused ESOL courses are to be made available through the VEIP.

It is also recommended that plans for the Olympic hospitality CoVE should incorporate engagement with the Bengali community, particularly the younger sections of this community. It is understood that CoVE plans are to include a 'demonstration kitchen' at the Hoxton Square site. It is expected that this, together with courses on management and leadership also planned for the CoVE, could be used effectively to engage new members of the Bengali community although a promotional element should also be considered to relate specifically to hard to reach sections. Again, participation from prominent Bengali entrepreneurs from the area at a strategic level may also help ensure the success of such proposals.

As identified by research into existing provision, one of the key findings was the disparity in investment for training between the four borough areas of the City Fringe. In particular Camden and Islington were highlighted as having less provision when compared to Hackney and Tower Hamlets. This is expected to be compounded by the substantial additional investment planned for the 5 Olympic boroughs through the new CoVE in Hackney. This pattern of distribution can also be coupled with the fact that the successful model of training restaurants has been established in Hackney and Islington but has not been repeated in the other two boroughs. An additional project at the Hackney CoVE site, which is to include a new training restaurant, will broaden its catchment area to include Tower Hamlets, but at present Camden will be left without provision. Although expensive when compared to other employment programmes (Intermediate Labour Markets can be up to £10,000 per beneficiary), the Hackney Works programme in partnership with the Hoxton Apprentice, results in approximately 70% of all participants being 'job ready' on completion of training and has been successful in achieving job outcomes.

It is therefore recommended that the City Fringe Partnership support a similar scheme in partnership with schemes in Camden, such as the Acorn House Trust, taking on local people and offering training and experience over a 6 month period within a 'live' restaurant setting. During this time participants receive a subsidised wage and are trained to NVQ level 2 or 3 depending on ability and area of interest. The catchment of this project could include those residents of the Fringe not specifically included in the CoVE project, ie Islington and Camden. However, it should also be noted that strong evidence of the success of such schemes should be considered before any further investment or support is provided. There is potential for such a scheme to be supported through the City Fringe Pathways to Jobs programme for 2007.

Alternatively or in addition to the above, there is also scope for the CFP to support elements of the training schemes proposed by Islington Council. They are working on a number of projects to develop training for the hospitality sector. The first of these is a Centre for Skills in Finsbury Park but also under consideration are training kitchens in Highbury Grove and Manor Gardens. It is possible that the CFP could support some element of these projects in order to establish alternative provision for Islington and Camden residents, in light of the significant investment in the CoVE for Hackney, Tower Hamlets and the three additional Olympic boroughs beyond the Fringe boundaries. Consultation would need to take place with the Kings Cross-Finsbury Park SWATHE in order to gauge mileage and support for such a project. Again, this would need to be considered within the plans for a potential City Fringe Pathways to Jobs Programme for 2007.

In order to market the sector as an attractive employment option it was felt that initially the target audience should focus on younger people. This section of the community has been selected due to

'an identified need for early preventative interventions to avoid patterns of cyclical and long term unemployment' (Unemployment in the City Fringe Area – Causes and Recommendations for Action, Centre for Economic and Social Inclusion, 2003). Springboard UK have currently established education trails in Covent Garden and Canary Wharf to promote the hospitality sector as an attractive employment option to pupils (14+) in the local areas. It is a recommendation of this report that similar projects are pursued within the VEIP to be focused at the 16-19 yr old age group.

CONCLUSIONS

It is clear from research and consultation that in general, the sector is performing well within the Fringe area and creating important potential employment opportunities for local people. Provision of support for the sector is widespread and Councils are making significant achievements in meeting the needs of the industry, particularly due to the anticipated investment expected from the Olympics. The sector is by nature rapidly changing and provision is constantly adapting to suit these needs, therefore care should be taken when considering any new interventions to ensure that there is no duplication with other activities. In addition, close partnership with key stakeholders, particularly the local authorities, should be paramount.

Considering the acknowledgement of existing provision, together with the recognised need within this report to address identified gaps, recommendations can be divided into two broad categories, i.e. those that should be deferred to appropriate organisations for consideration within their existing structures and those that should be taken forward through the Visitor Economy Investment Plan.

Recommendations in respect to training and employment are being referred primarily to the LDA Hospitality and Catering training and employment initiatives. In terms of the proposed initiatives at Hackney Community College, the LDA should be aware of the issues raised through the business survey and mapping and gapping exercises attached in the appendices. Specifically these include the following recommendations;

- that the planned establishment of a Hospitality CoVE at Hackney Community College include business engagement as one of the key aspects of its development, and where necessary, work in partnership with suitably experienced agencies to engage businesses within the area and assist employers in access to training
- that the Hackney CoVE ensures information and signposting on basic skills courses are made available to users
- that work around the development of the CoVE should include an element of additional research into the demand among local employers for short modular courses
- that plans for the Olympic hospitality CoVE should incorporate specific engagement with the Bengali community, particularly the younger sections of this community

In addition to the LDA initiatives the CFP will pursue the potential of a City Fringe Pathways to Jobs programme for 2007. Within this programme, this report puts forward the following recommendations for consideration;

- that the City Fringe support a training restaurant scheme within the borough of Camden, taking on local people and offering training and experience within a 'live' restaurant setting
- that the CFP consider supporting some element of the projects proposed by Islington around training for the sector

The remaining recommendations are designed to address clear gaps within provision and as such and in order to secure funding, are to be combined with the CTCAG objectives and included within the VEIP;

- that the CFP work in partnership with appropriate agencies to develop an area guide for independent bars and restaurants, focusing on the unique and diverse qualities of the City Fringe area, using Tower Hamlets as an example of best practice

- that the CFP provide marketing support to individual businesses, possibly through the development of a 'marketing tool kit'
- that the VEIP support modular training courses that respond to employers needs, such as Customer Focused ESOL courses (as already recommended by the CTCAG)
- that the CFP coordinate data collection of patterns of use within the area, documenting visitor satisfaction, in order to build a strong evidence base to support any efforts for change
- that the CFP, through the VEIP, supports youth outreach projects in order to engage 16-19yr olds with career pathways within the hospitality sector

Finally, recommendations around local area management are to be taken forward through dialogue with the local borough partners, though supported by the baseline data gathered through the 'Documenting Visitor Satisfaction' project included within the VEIP and potentially with a part-time dedicated resource to support the collection of this data and a specific business liaison function.

The recommendations outlined above are designed to complement each other and the majority will act to address at least two or more of the key priorities identified. Local business representatives have provided considerable contribution in terms of time and expertise on a voluntary basis through the CAG mechanism. This report therefore acknowledges that while the implementation of all recommendations may not be possible due to external factors such as budgetary constraints, effort should be focused towards quick wins that can provide immediate impact in the area. The City Fringe Partnership stands ready to assist and support local authorities and the LDA in the excellent work already undertaken.

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ACKNOWLEDGEMENTS

This report would like to thank the following for their contribution:

Pat Holmes and Marie Ralph, Investment and Business – The London Borough of Tower Hamlets

Everett Houghton and Pablo Perez - The London Borough of Tower Hamlets

David Hare and Tina McKay – The London Borough of Hackney

Sandi Phillips and Richard Miller, Business Initiatives – The London Borough of Camden

Janet Drysdale – The London Borough of Islington

David Williams, Project Director – WorkIS

Sam Coulstock, Regional Director – Springboard UK

Gerry Brown, UK Skills Development Team – People1st

Keith Gilbey, Director of Strategy and Marketing – Business Link for London

Michael Armoogum, Hospitality Sector Coordinator – Learning Advice

Ian Richardson and Paul Brimmer – Access to Employment

Susan Briggs – Tourism Network

Elizabeth Pratt, Tourism Team – LDA

Jane Riches and Tania Fletcher – LDA

Niall Brolly, Visit London – LDA

David Moule, Senior Relationship Manager – London Brokerage Consortium

Leigh McDevitt, Cultural Tourism – CFP

Susanna Grant – Training for Life

Suzanne Langdon, Programme Assistant – Holborn Business Partnership

Jamie Granger Smith, General Manager – Acorn House

Sab Losy, Chief Executive – Knowat.com Ltd

Nigel Littlewood – Wine and Spirit Education Trust

Damien Nolan – Asian and Oriental School of Catering

Matt Segal, General Manager – Fredericks

Richard Bigg, General Manager – Cantaloupe

David Taylor, General Manager – The Hoxton

Robyn Wilson, Owner Manager – The Bleeding Heart

Hussain Ahmed, Owner Manager – Bangla Kitchen

Appendix I

Executive Summary, consultation report – February 2006

The following report highlights the findings of a consultation exercise undertaken to identify the barriers to growth of Hospitality and Catering businesses within the City Fringe area. The exercise was initiated by a Cluster Action Group (CAG) that has recently been established to represent the business needs of the Hospitality and Catering Industry in the City Fringe. The consultation was designed to test the priorities emerging from recent CAG discussions. The exercise has shown that, whilst the CAG can feel confident in pursuing the four priorities it identified (see below), certain elements of each priority have proved more relevant than others. In addition, borough variations must be taken in to account when putting together any plans for future initiatives.

- *Improving the perception of the industry and, in particular, its contribution to the local economy with local councils and local residents;*
- *Encouraging environmental improvements and a more favourable local regulatory framework;*
- *Marketing the City Fringe area to potential customers as a diverse and vibrant location;*
- *Promoting the industry as an attractive employment option for local people and developing training provision that responds to both employer and employee needs.*

The Consultation has confirmed that an approach to improving the perception of the industry with relevant councils and local residents is something that would be welcomed by local businesses although to varying degrees depending on borough location.

In terms of environmental and regulatory issues, the consultation has identified areas of particular concern. It appears that the condition of the physical environment, criminal activity, local charges (in particular business rates, which are perceived to be levied by the local authority) and parking regulations are of primary concern while transport, congestion charging and licensing restrictions are of less worry. The variation across boroughs is less significant in terms of this priority.

It would appear that interventions directed at both preserving and marketing the area as a vibrant and diverse location would be welcomed. Many businesses were concerned with how the area was promoted. It would appear that, where respondents feel the area does not enjoy a positive profile, they also feel the Council could be more proactive about marketing the area. However, this varies significantly from borough to borough and these variations would need to be taken in to consideration when establishing marketing campaigns.

The consultation exercise suggested that training provision is of limited concern for most businesses in the area. Nevertheless, it appears that while training is not viewed as a priority or a need for many businesses, those who wish to access provision are not fully aware of the access routes or of availability. In addition, it appears that businesses feel local training provision may not be catering to the needs of local people or local employees.

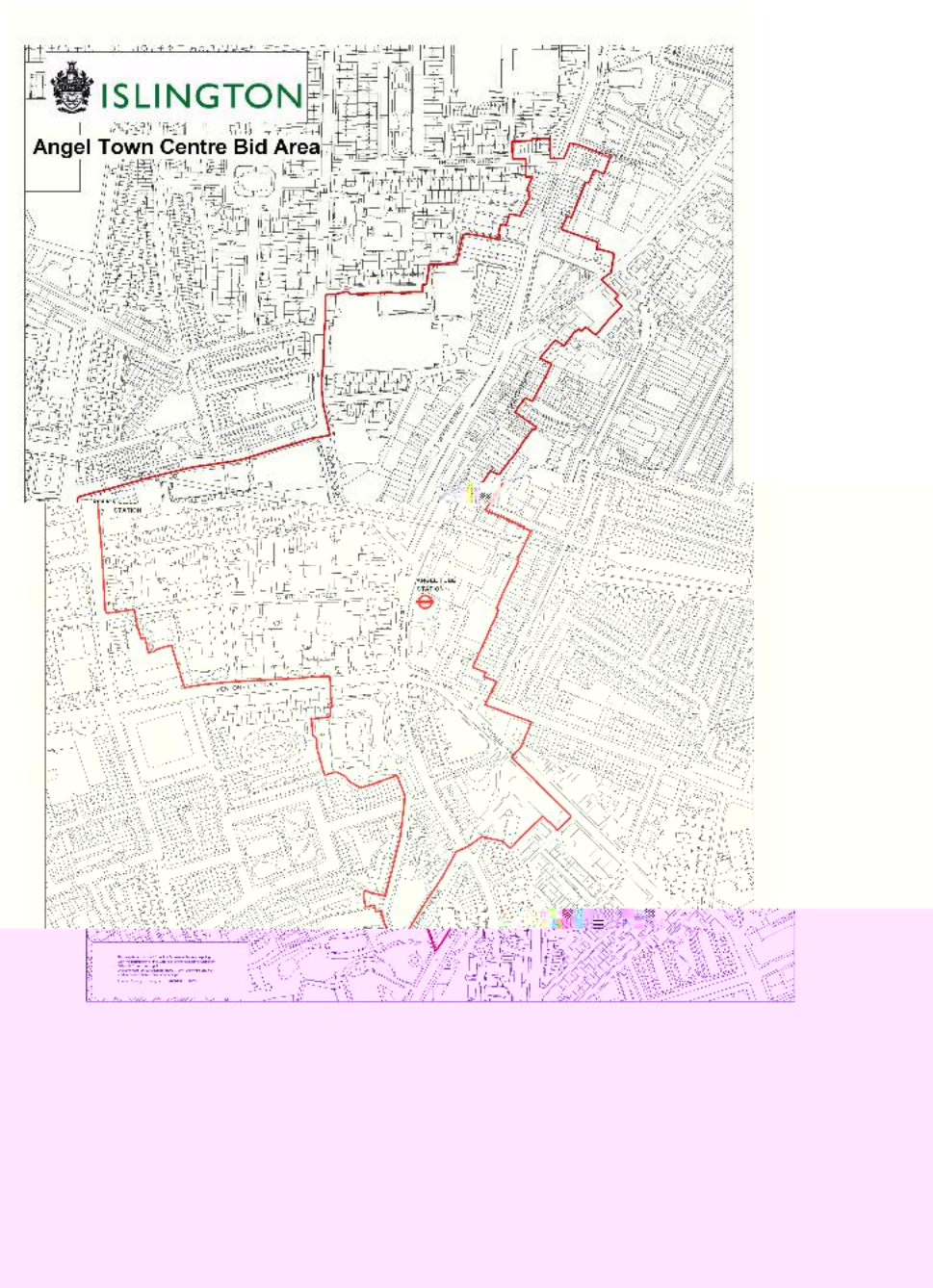
Appendix 2

Executive Summary, Mapping of Training Provision report – February 2006

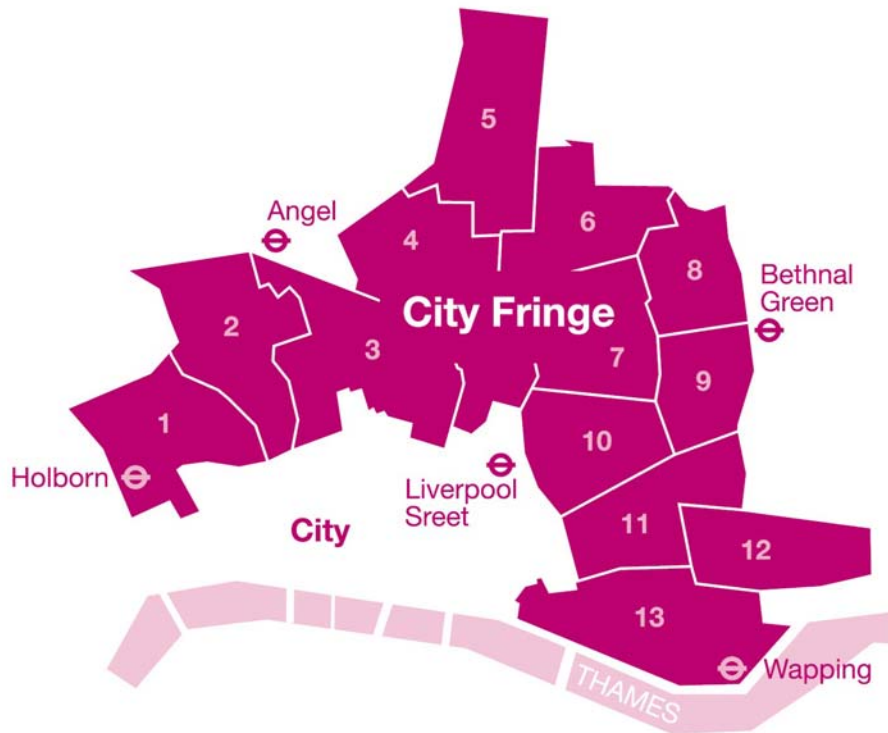
The following report outlines the results of a mapping exercise conducted by Renaisi to identify training provision within the Hospitality and Catering industry in the City Fringe area. The exercise identified that there is substantial training targeted at most disadvantaged groups within the area and this provision engages with both those in employment and those seeking employment. The provision does however; appear to focus on employee skills gaps as opposed to employer defined needs. In addition, weight is placed on formal qualifications as opposed to basic skills and modular training which have been identified as lacking by local industry business people. Finally, the distribution of training provision is unevenly balanced across the City Fringe area. As a result, the following recommendations can be made in terms of potential interventions

- The absence of a targeted training programme for the Bengali community in Tower Hamlets that relates specifically to this industry is evident. It may be that current mainstream provision does not sufficiently take in to account the cultural and social requirements in respect of food preparation. Additionally, due to the current disengagement of younger members of the community from the industry, it may be appropriate for training in this location to incorporate a promotional element in terms of potential opportunities as well as a modular approach to catering and basic transferable skills. This may help increase the ability of the industry to sustain itself in the local area.
- It appears that there is a concentration of activity in the boroughs of Hackney and Tower Hamlets with less provision in Islington and very little activity occurring in Camden. Borough specific interventions could be considered with particular focus on Islington and Camden.
- There appears to be a lack of both short intensive/modular training focusing on ‘food hygiene’ and ‘health and safety’ as well as basic skills training (such as English language and numeracy), all of which have been identified as being useful to employers in the local area and recognised as preparing local people for employment within the sector. This model of training should be incorporated within any resulting action.
- Apprentice training centres and Intermediate Labour Market models in the Shoreditch area of Hackney have focused on preparing individuals for employment in the industry. An example of this is the Hackney Works placements which result in approximately 70% of participants being ‘job ready’ on completion of training.
- The industry may benefit from an electronic referral resource where all training providers operating in or covering the City Fringe Area are listed and can be accessed and matched to best suit need.

Appendix 3 – Angel Town Area Bid Area



Appendix 4 – The City Fringe



City Fringe Wards

- | | |
|----------------------------|-------------------------------|
| 1. Holborn & Covent Garden | 7. Weavers |
| 2. Clerkenwell | 8. Bethnal Green North |
| 3. Bunhill | 9. Bethnal Green South |
| 4. Hoxton | 10. Spitalfields & Banglatown |
| 5. De Beauvoir | 11. Whitechapel |
| 6. Haggerston | 12. Shadwell |
| | 13. St. Katherine's & Wapping |