



Glasgow City Region

Cabinet

Item 8

10th August 2021

Report by: Councillor Stephen McCabe, Leader of Inverclyde Council and Lead for the Tourism and Destination Marketing Portfolio

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Glasgow City Region Chef Academy

Purpose of Report

This report presents a proposal for a new City Region-wide programme to support employment and training opportunities in the tourism and hospitality sector through the creation of a 'City Region Chef Academy'.

The report seeks approval from the Cabinet for the Tourism Portfolio Lead (Inverclyde Council), supported by the Glasgow City Region Programme Management Office (PMO), to further develop the operational arrangements for the project, and the Regional Recovery and Renewal Fund (£50,000) and existing PMO budget (£50,000) to be utilised to deliver of the project.

Recommendations:

The Cabinet is invited to:

- (1) note the contents of this report;
- (2) agree that Inverclyde Council serves as the Lead Authority to co-ordinate and manage the delivery of the project;
- (3) agree that Inverclyde Council and the PMO will carry out further work to develop the governance, finance and delivery arrangements for the project, as described in this report; and
- (4) approve the funding arrangements for this project as set out at section 7 of the report, including the use of £50,000 from the Regional Recovery and Renewal Fund (RRRF) and £50,000 from within the PMO budget.

1. Purpose

- 1.1. This report presents a proposal for a new City Region-wide programme to support employment and training opportunities in the tourism and hospitality sector through the creation of a 'City Region Chef Academy'.
- 1.2. The report seeks approval from the Cabinet for the Tourism Portfolio Lead (Inverclyde Council), supported by the Glasgow City Region Programme Management Office (PMO), to further develop the operational arrangements for the project, and the Regional Recovery and Renewal Fund (£50,000) and existing PMO budget (£50,000) to be utilised to deliver of the project.
- 1.3. In addition, the proposed approach seeks the agreement of Member Authorities to utilise £300,000 of existing grant funding from No One Left Behind (NOLB) and Young Person Guarantee (YPG). Details of the funding of the proposal are set out in section 7.

2. Background: The Glasgow City Region Tourism and Hospitality Sector

- 2.1. Pre-pandemic, the Retail, Accommodation and Food Services and Arts/Entertainment and Recreation Sectors employed almost 175,000 people across the City Region with nearly 12,500 businesses accounting for between 20% to 25% of the City Region's total. The decline in the number of trained chefs across Scotland is a long-term trend - decreasing by 2,900 (12%) between 2016/17 and 2019/20. This is in contrast to an increase of 3% (7,000 chefs) at the UK level.
- 2.2. The decline in the number of trained chefs and the decrease in opportunities for existing chefs to advance has been identified by Skills Development Scotland as a skills gap to be addressed. This downward trend has been compounded by the pandemic, with tourism and hospitality sectors among some of the hardest hit.
- 2.3. In June 2021, of the 269,800 people in Scotland supported through the Covid Job Retention Scheme (CJRS), the largest number of these (77,010 - 29%) were in the Accommodation and Food Services sector¹.
- 2.4. While the workforce in the sector was expected to shrink between 2020 and 2021 as a result of the pandemic, the Sector Skills Assessment for Tourism (June 2021)² predicts an increase in the demand for labour between 2021 and 2024 of 8.5% (15,000 people). In the same period replacement demand is projected at 30,200 making a total of 45,200 people required to fill job openings.
- 2.5. As the Tourism sector starts to re-open following the pandemic, businesses are reporting major challenges recruiting staff with many having left the sector during the pandemic. These challenges have been exacerbated by the impact of Brexit with many skilled migrant workers having left the sector and new immigration rules preventing the sector from accessing staff from Europe to replace them.
- 2.6. Of the 7,970 job postings in tourism in the period June 2020 – May 2021, 2,310 are in hospitality with 1,960 of these for chefs (870) and kitchen assistants (1,090). The number of job postings in Glasgow City Region in the period above is 1,190 accounting for 15%. 57% (4,543) of all job postings in tourism specified cooking skills as an essential requirement; 682 in Glasgow City Region.

¹ <https://www.skillsdevelopmentscotland.co.uk/media/47913/covid-19-lmi-june-2021.pdf>

² <https://www.skillsdevelopmentscotland.co.uk/media/47431/ssa-tourism.pdf>

3. Impact of Covid-19 and Strategic Labour Market and Skills Response

- 3.1. Following recommendations from the Economic Recovery Group and Enterprise and Skills Strategic Board in June and July 2020, the Scottish Government invested an additional £100m in 2020/2021 as a labour market and skills response to the pandemic which has been followed with a further £125m in 2021/2022. Sums are in addition to mainstream budgets for skills.
- 3.2. Much of this additional funding has been directed towards young people aged 18 – 24 years, through the Young Persons Guarantee which received £60m nationally in 2020/21 and £75m in 2021/22, of which Member Authorities in Glasgow City Region received an additional £28-30m, £15/16m in 2020/21 and £13/14m in 2021/22.
- 3.3. Fewer Modern Apprenticeships (MAs) have been employed during the pandemic with many others made redundant. At the end of March 2021, the number of MAs in training was 1,102 lower than the same period in the previous year, with 608 of these in Hospitality and Tourism

4. City Region Chef Academy Proposal

- 4.1. In a direct response to the shortage of chefs and kitchen assistants, it is proposed to establish a City Region Chef Academy creating 40 subsidised Modern Apprenticeship places for young people and adults across the City Region.
- 4.2. A survey was undertaken with the Skills and Employment Portfolio Leads to assess any excess capacity in existing Modern Apprenticeship contracts. Of the seven Member Authorities that provided information,
 - All Member Authorities confirmed that they support employers to recruit Modern Apprentices and that they offer employers a recruitment incentive of up to £7,000 per place depending on eligibility;
 - Four have contracts for only internal apprenticeship opportunities;
 - One Member Authority has already allocated all of its places;
 - In the remaining two Member Authorities, up to 25 apprenticeship places remain unallocated although none of these are for Frameworks in Hospitality or Tourism.
- 4.3. Given this, Skills Development Scotland has confirmed support for a City Region Chef Academy that subsidises employers to pay the real living wage and they have stated that additional places would be made available to support the Chef Academy project.
- 4.4. Modern Apprentices will be employed by businesses across the City Region with all places being new and additional to the employer. The employing businesses will access Modern Apprenticeship funding directly through contracts with Skills Development Scotland, or an intermediary, and will be responsible for all employee costs including training and certification.
- 4.5. The Chef Academy will be developed in consultation with VisitScotland, the Scottish Tourism Alliance, and Skills Development Scotland to identify employers in all parts of the City Region with the capacity to employ and train an additional Modern Apprentice. This will include working with Skills Development Scotland and the Glasgow City Region Colleges to secure places on Professional Cookery Modern Apprenticeship courses.
- 4.6. The City Region Chef Academy model will offer employers an Employer Recruitment Incentive (ERI) to off-set the costs of wages and to promote the Real Living Wage. ERIs help to reduce risks to employers and to attract talent into the industry.
- 4.7. In addition to investment in new entrants to the sector through the Modern Apprenticeship Framework, the City Region Chef Academy will offer a training fund

targeted at existing chefs and kitchen staff to support them to achieve qualifications and to develop their management skills to progress in employment and to be able to access senior chef/hospitality positions.

- 4.8. Increasing qualifications may include upgrading from kitchen assistant to qualified chef. Management skills will include financial planning, staff supervision and coaching and new business creation to encourage potential new business start-ups in the sector. The skills training fund will also be used to support the Tourism Net Zero Pathway with support available to reduce waste and source locally.
- 4.9. The overall aim of this programme is to build business skills in the sector to allow experienced chefs to move into more senior roles (freeing up junior roles) and to encourage entrepreneurship through new business start-ups. Investment in higher level and management skills helps to tackle the overall skills gap in the sector. Skills will be delivered through the GCR Colleges Group and training providers in collaboration with Skills Development Scotland ('SDS').
- 4.10. In addition to the costs required to cover the cost of the ERI, the Chef Academy programme budget will allow for marketing to engage employers and promote awareness of opportunities in hospitality to young people and adults in local employability pipelines. A dedicated marketing fund will be used to work in partnership with colleges, schools and organisations including Springboard and Skills Development Scotland to pro-actively market careers, current opportunities and pathways to employment within the sector.
- 4.11. The funding will also be used to create a new 'City Region Chef Academy' brand linked to the existing City Region identity with new content created on the City Region website and marketing material for use on City Region and partner social media and other communications mechanisms.

5. Consultation

- 5.1. Proposals for a City Region Chef Academy have been shaped by consultation with members of the Skills and Employment Portfolio Group, Tourism Portfolio Group, GCR Colleges Group, Skills Development Scotland and the Scottish Tourism Alliance.
- 5.2. The Member Authority Employability Leads recognise that the places must be additional and connected to existing local employability pipelines and infrastructure; ensuring the availability of college places; and level of subsidy offered.
- 5.3. These concerns are being mitigated through engagement with the national partners and the operational and delivery arrangements for the project will be finalised through further engagement with the Skills and Employment Portfolio and other stakeholders mentioned above.

6. Proposed Governance Arrangements

- 6.1. Glasgow City Region City Deal included three regional skills and employment projects which were led by a Member Authority:
 - Working Matters – led by Glasgow City Council
 - Youth Gateway Guarantee – led by Renfrewshire Council
 - In Work Progression Pilot – led by Glasgow City Council
- 6.2. It is proposed that Inverclyde Council serve as the Lead Authority, undertaking the project management role for the Chef Academy project. This proposal was endorsed by the Chief Executives' Group on 29th July 2021.

7. Costs and Funding

- 7.1. It is anticipated that the Employer Recruitment Incentive will be provided in the first full year of the Modern Apprenticeship. This is in addition to the Modern Apprenticeship Contribution accessed by the employer from SDS to pay for training. The total cost of delivering the project for one year is £400,000.
- 7.2. Modern Apprentices will continue to be employed by the employer to complete their Apprenticeship beyond the duration of the funding.
- 7.3. Table 1 below provides an indicative estimate of the potential funding requirements for the project and how these could be broken down by Member Authority:

Table 1

Member Authority	Indicative No. Apprenticeship Places	Regional Recovery Renewal Fund (RRRF)	ERI Funding (existing funding programmes through No One Left Behind and Young Persons Guarantee)	Additional Contribution – proposed to be met from within the existing PMO budget.	TOTALS
East Dunbartonshire	2		£17,700		£23,600
East Renfrewshire	2		£15,600		£20,800
Glasgow City	14		£102,300		£136,400
Inverclyde	2		£12,900		£17,200
North Lanarkshire	7		£55,500		£74,000
Renfrewshire	4		£29,100		£38,800
South Lanarkshire	7		£52,200		£69,600
West Dunbartonshire	2		£14,700		£19,600
TOTALS	40	£50,000	£300,000	£50,000	£400,000

- 7.4. It is assumed that Modern Apprentices will be recruited between September 2021 and March 2022. In funding terms, the full value of the ERI is committed by the Council at the point of recruitment but is paid to the employer throughout the period of employment meaning that there is a contingent liability for ERI payments to the employer over two financial years - 2021/22 and 2022/23.
- 7.5. It is proposed that Member Authorities fund ERIs through existing grant funding for Young Person Guarantee (YPG) and No One Left Behind (NOLB). Grant letters have already been issued for 2021/22 with contingent liability for ERIs into 2022/3. Scottish Government intend to issue a 'letter of comfort' to this effect. This approach was approved by the Chief Executives' Group.
- 7.6. Further discussion is ongoing with Member Authorities to confirm the availability of funding as set out in Table 1.
- 7.7. All ERIs will be paid at 50% of the Real Living Wage (£9.50) estimated at £7,500 per place for 30 hours/week. The total for 40 Modern Apprenticeship on this basis is £300,000.

7.8. The other main elements of the Chef Academy project will be on the marketing of the apprenticeship opportunities, the upskilling of existing chefs and kitchen staff, and delivery costs for the project. Further work will require to be undertaken to finalise the costs of these elements of the project, but it is anticipated that they will be met through:

- **RRRF:** £50,000 from the RRRF was is proposed for the Chef Academy project which must be spent by 31 March 2022; and
- **Additional Contributions:** it is anticipated that an additional £50,000 will be required and it is proposed that this would be met from within the existing PMO budget. This approach has been endorsed by the Finance Strategy Group and the Chief Executives' Group. This is set out in Table 1 above.

8. Next Steps

8.1. Following Cabinet approval the City Region PMO and Portfolio Lead for Tourism and Destination Marketing will:

- Fully develop the programme in conjunction with Skills and Employment Portfolio Group, Skills Development Scotland, Scottish Tourism Alliance and Member Authorities;
- Work with the GCR Colleges Group, industry leaders and employers, SDS and training providers in collaboration with SDS to develop the proposal to upskill existing chefs and kitchen staff;
- Work with local employability teams, through the Skills and Employment Portfolio, to confirm the number of places, ringfence ERIs, recruit local employers and promote opportunities;
- Finalise the cost of delivering the project and the funding requirements;
- Report back to Chief Executives' Group on the governance, financial and delivery arrangements for the Chef Academy.

9. Recommendations

9.1. The Cabinet is invited to:

- (1) note the contents of this report;
- (2) agree that Inverclyde Council serves as the Lead Authority to co-ordinate and manage the delivery of the project;
- (3) agree that Inverclyde Council and the PMO will carry out further work to develop the governance, finance and delivery arrangements for the project, as described in this report; and,
- (4) approve the funding arrangements for this project as set out at section 7 of the report, including the use of £50,000 from the Regional Recovery and Renewal Fund and £50,000 from within the PMO budget.