



# **Licensed Hospitality 2009: A Labour Market Review of the Pubs, Bars and Nightclubs Industry**

**November 2009**

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# Executive Summary

## Introduction

Along with many other industries, these are challenging times for the licensed hospitality<sup>1</sup> sector. The recession, reminiscent to the one in the early 1990s, is proving to be a major catalyst of change, increasingly prompting organisations to diversify their business to accommodate changing times and customer needs.

Indeed, change and enterprise are highlighted as reoccurring themes throughout 'Licensed Hospitality 2009: A Labour Market Review of the Pubs, Bars and Nightclubs' report and have major implications on the structure of the industry, as well as for skills development and recruitment. The industry, which has experienced ongoing change over the past ten years, can expect more as it faces further major consultations and government reports.

Against this backdrop of change, People 1<sup>st</sup>, in partnership with the British Institute of Innkeeping (BII), conducted extensive research to obtain a definitive snapshot of the licensed hospitality industry. Further support was provided by the Federation of the Retail Licensed Trade Northern Ireland, the Association of Multiple Licensed Retailers and the British Beer and Pub Association.

This report brings together a wealth of information to describe what is currently driving industry performance, with particular focus on the implications for its 1,245,800 strong workforce. It describes:

- The size and structure of the sector
- Key drivers for change within the sector
- The size and characteristics of the licensed hospitality workforce
- Recruitment and retention practices
- Training and development practices
- Future opportunities and threats

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<sup>1</sup> Pubs, bars and nightclubs plus licensed hotels and restaurants

The report predominantly focuses on the pubs, bars and nightclubs element of the licensed hospitality sector.

### **Industry size and structure**

The licensed hospitality industry is a substantial generator of wealth and employment for the UK, accounting for around 3% of the UK's economic output.<sup>2</sup> It provides employment for approximately 1,245,800 people<sup>3</sup>.

There are around 130,000 on-licensed premises in the UK of which approximately 50% are pubs, bars and nightclubs. Most pubs and bars (83%) operate as small businesses. Just over half of all pubs and bars (52%) are run by lessees and tenants who rent the premises from a pub company or brewery. 31% of pubs and bars are freehouses and are independently owned and operated. The nightclub industry is fragmented with few large operators.

The structure of the pubs and bars industry is constantly changing, with a shift from managed outlets towards more freetrade and tenanted operations over the past ten years. According to the British Beer and Pub Association, 52 pubs a week are now closing in Britain. The figures for the first six months of 2009 show the rate of pub closure has increased by a third, up from 39 pubs a week in the last six months of 2008.

### **Operating conditions**

Pubs and bars in particular have experienced a difficult few years as the recession and the smoking ban have taken their toll on reducing footfall and spending. Operating costs have also soared because of alcohol duty, entertainment costs, food inflation, increases in the minimum wage, utility costs, and costs associated with complying with new regulation.

Interviews conducted for this research suggest that trading has been particularly tough for premises outside large cities as well as outside the South East, those operating in the

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<sup>2</sup> *Annual Business Inquiry, Office for National Statistics, 2007*

<sup>3</sup> *Annual Business Inquiry, Office for National Statistics, 2007*

middle market, community pubs, and those in areas where there have been major redundancies and a higher number of lessees/tenants.

However, not all businesses are suffering. Those who have a competitive edge over local rivals appear to be least affected by the recession as they have retained (and in some cases gained) custom. Premises in tourist and student areas appear to be fairing well.

### **Workforce characteristics**

Around 1,245,800 people work in the licensed hospitality industry, 47% of whom work in pubs, bars and nightclubs, 26% in hotels and 22% in restaurants.

The pubs, bars and nightclubs industry has the youngest workforce of all UK industries - over half are under 25. Many of those working in bar and catering roles are also full-time students. The proportion of male and female 'publicans and managers of licensed premises' is similarly balanced with men generally dominating back of house and women front of house roles.

### **Recruitment**

Licensed hospitality employers report that recruiting bar and waiting staff is relatively easy, particularly in university towns and cities. The recession has led to an increase in the number of people looking for work in the sector making recruitment even easier for many businesses. Employers also appear to have little difficulty in recruiting bar supervisors, mainly as they tend to be recruited from within the business.

Nevertheless, employers are struggling to recruit chefs with the required experience and skills (one in five of those surveyed) while a third reported difficulties in recruiting bar managers. Whilst there tends to be no shortage of applicants for these positions, many do not have all the required skills, attributes and experience.

### **Current employment trends**

The overall size of the pubs, bars and nightclubs workforce is contracting. Whilst this is partly due to pub closures, it is also as a result of premises operating with fewer staff. Survey results suggest that premises are operating with 7% fewer staff now than they

were one year ago. The survey results suggest that the biggest decline in staff over the last 12 months is in freehold premises.

Food has been an important part of many pubs' offering for the past ten years, and it continues to grow as a result of the smoking ban and other factors. This has implications on the structure of the workforce, recruitment, skills and training. 6,200 more chefs were working in the pubs, bars and nightclubs industry in the UK in 2007/08 compared to 2004/05, an increase of 33%.

Staff turnover has always been high in the pubs, bars and nightclubs industry and most operators believe this to be inevitable. However, staff turnover does vary considerably by premises and survey results suggest that it is much higher in leased/tenanted pubs than in managed houses and freehouses.

### **Skills required of the workforce**

According to the 2007 National Employer Skills Survey, the main skills lacking in the pubs, bars and nightclubs industry are 'customer handling skills', 'technical, practical or job-specific skills' and 'team working skills'. In addition, nearly a quarter of employers with skills gaps in their workforce cited poor management skills.

Arguably, the most important skills lacking in the industry are management skills. This includes people management, marketing, finance, promotion and sales skills. Good people management practices can often reduce labour turnover and increase productivity and ultimately sales.

Over the last 10 years the shift from managed outlets towards more freetrade and tenanted operations has implications for skills. Managers of managed houses tend to be subject to a more rigorous recruitment process and are usually provided with structured training whilst operators of freetrade, leased or tenanted pubs are less likely to take up training opportunities.

Interviews with employers suggest there is scope to improve the customer service, sales skills and marketing skills of the licensed hospitality workforce.

## **Training and qualifications**

According to the 2007 National Employer Skills Survey, three-quarters of pubs, bars and nightclubs (71%) provide or arrange training for their staff, predominantly on serving drinks, customer service, health and safety, new products and services and underage drinking.

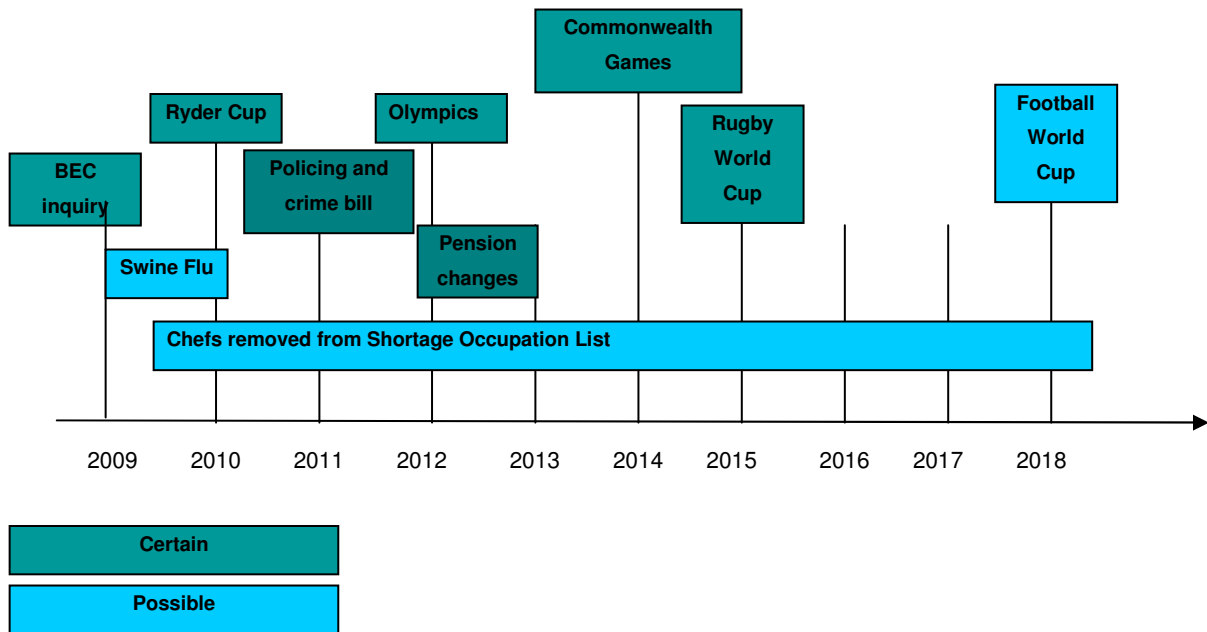
Views on qualifications are mixed. Although employers do not view qualifications as essential to all those working in the industry, it is acknowledged that qualifications can help improve the the professionalism of the industry.

The introduction of the Licensing Act in England and Wales in 2005 led to designated premises supervisors being required to have a licensing qualification in order to be granted a personal licence. In many premises more staff also gain the qualification. The development of the Private Security Industry Act led to bouncers having to become licensed door supervisors. Part of the licence requirement is the achievement of a qualification. Initially this led to increased costs for the industry and also resulted in the number of qualified individuals being in short supply. However, again, many employers acknowledge that the legislation has helped professionalise that element of the industry.

## **What does the future hold?**

Figure 1 shows some of the potential future drivers of change for the licensed hospitality industry over the next 10 years which could have implications for employment and skills needs.

Figure 1: Future trends



The 'Golden Decade of Sporting Events' will be one driver of labour and skill needs for businesses located in certain areas. The 'welcome' and service received by visitors for these events will have wider implications in terms of the perceptions of the UK as a world class tourist destination.

Another key factor will be any changes to the pub company model that occur as a result of the outcome of the BEC inquiry. The 2009 Business and Enterprise Committee (BEC) inquiry into pub company operating practices was conducted to follow up on the 2004 Trade and Industry Committee inquiry into the relationship between pub companies and their lessees, specifically those operating a tied estate. The BEC inquiry found that the problems identified five years ago remained and the imbalance of bargaining power persists and recommended a full Competition Commission inquiry into the market. However, the Office of Fair Trading has since responded to a super-complaint by CAMRA, and found pub company operating practices compliant with competition law and require no further action and investigation.

Other on-going trends which are likely to continue into the future, therefore potentially impacting on employment and skills include:

- Further promotion of 'Pub is the Hub' initiative
- Closure of local amenities
- Under utilisation of premises
- Diversification

## **Conclusion**

The research concludes that whilst many licensed hospitality businesses have undoubtedly suffered over the last decade, and the recession is compounding difficulties for some, those who innovate, diversify and match their offer to customer demand can do well. Examples of diversification within the pubs, bars and nightclubs industry include:

- Expanding food offers (breakfast, coffees, afternoon tea, curry nights)
- Adding accommodation
- Incorporating a shop, deli or post office
- Hosting classes, community groups and events

Investing in recruiting, developing and retaining talented people can also give a business a competitive edge. The research suggests that the key 'people' issues for the sector are:

- The need to improve business management skills, particularly amongst lessees, tenants and owner/managers of freehold premises
- The potential to improve customer service skills
- Difficulties in recruiting chefs
- The need to improve marketing skills (including using IT to its maximum potential) to attract and retain customers
- The need to continue to professionalise and improve the image of the industry to attract talented personnel for the future.

# 1. Introduction

## 1.1 People 1st

People 1st is the sector skills council for the 14 industries that make up the hospitality, leisure, travel and tourism sector:

- Hotels
- Restaurants
- Pubs, bars and nightclubs
- Food and service management
- Hospitality services
- Membership clubs
- Travel services
- Tourist services
- Events
- Gambling
- Visitor attractions
- Youth/backpacker hostels
- Holiday centres
- Self-catering accommodation

We hold a government licence to carry out a strategic programme of work to make sure that the skills employers in these industries need are the skills that they get.

As part of this work, we research each of our 14 industries to produce up-to-date, high quality, labour market intelligence. The majority of our reports are free and are available from [www.people1st.co.uk](http://www.people1st.co.uk).

## 1.2 Background

This report aims to:

- Describe the **size and structure** of the licensed hospitality sector
- Identify the **key drivers for change** within the sector
- Provide an overview of the size and characteristics of the licensed hospitality **workforce**

- Describe **recruitment and retention** practices with the sector
- Describe common **training and development** practices across the sector
- Examine potential **future opportunities and threats** for the sector

### 1.3 Scope

The licensed hospitality sector comprises all 'on-trade' premises and venues that have a licence to serve alcohol. This includes pubs, bars, nightclubs, hotels, restaurants and membership clubs. The sector is difficult to define and breakdown into its constituent elements for two key reasons:

- The lines between what constitutes a pub, a restaurant and a hotel have become increasingly blurred. Many branded food-led pubs may be described by some as restaurants whilst there are increasingly few distinctions between hotels with bars and pubs that also provide accommodation.
- 4-digit Standard Industrial Classification codes (used by government to categorise sectors of the economy) do not define the sector in sufficient detail.

To give an idea of the structure of the licensed hospitality sector, it is estimated that 47 percent of those who work in licensed hospitality work in pubs, bars and nightclubs, 26 percent in hotels, 22 percent in licensed restaurants and 6 percent in other industries (predominately membership clubs).

Given the availability of data and the particular difficulties currently being faced by the pubs, bars and nightclubs industry this report mainly focuses on the pub, bar and nightclub element of the licensed trade sector. However, where possible (and where applicable), information is provided on other elements of the licensed hospitality sector. Much of the analysis presented within this report has been undertaken at an occupational level and therefore the findings are usually applicable across the whole of the licensed trade sector (i.e. the core skills required of bar staff are unlikely to vary considerably depending on what type of premises they are working at).

Table 1 describes the main sources of information used within this report and the extent to which they cover the whole licensed hospitality sector.

Table 1: Data sources used within this research and their coverage

Source	Description	Coverage
Labour Force Survey, 2007/08	Large-scale government survey of the UK's working age population	<ul style="list-style-type: none"> <li>• Pubs, bars and nightclubs</li> <li>• Those working as publicans/managers of licensed premises and as bar staff outside of the pub, bar and nightclub industry</li> </ul>
Census of Employment, 2007	Government survey undertaken within Northern Ireland	<ul style="list-style-type: none"> <li>• Pubs, bars and nightclubs (includes breakdown by type)</li> <li>• Licensed restaurants</li> </ul>
Annual Business Inquiry, 2007	Survey of Great Britain's establishments/business units	<ul style="list-style-type: none"> <li>• Pubs, bars and nightclubs</li> </ul>
National Employer Skills Survey, 2007	Representative survey of employers (England)	<ul style="list-style-type: none"> <li>• Pubs, bars and nightclubs</li> </ul>
People1st Employer Survey, 2009	Representative survey of employers (England) (384 pub, bar and nightclub employers)	<ul style="list-style-type: none"> <li>• Pubs, bars and nightclubs</li> </ul>
People1st Licensed Hospitality Survey, 2009	Survey of licensed hospitality employers (303 responses)	<ul style="list-style-type: none"> <li>• Pubs and bars</li> <li>• Nightclubs</li> <li>• Membership clubs</li> <li>• Restaurants</li> <li>• Hotels/Inns</li> <li>• Other (e.g. sports clubs, theatres, event companies)</li> </ul>
In-depth interviews	12 interviews conducted	<ul style="list-style-type: none"> <li>• Independent hotel/bar/coffee shop with two premises</li> <li>• Two trade associations</li> <li>• Independent nightclub</li> <li>• Small bar/nightclub/restaurant company with seven venues</li> <li>• Regional brewery with 85 managed houses and 35 tenancies</li> <li>• Small pub company with 21 managed houses</li> <li>• Two training companies</li> <li>• Small family managed pub company (puts managers in 10 pubs leased from pub companies)</li> <li>• Large national brewery (leased division)</li> <li>• Large national pub company</li> </ul>
Desk research	A review of academic literature, articles in trade press plus past interviews and focus groups conducted by People1st	<ul style="list-style-type: none"> <li>• Pubs, bars and nightclubs</li> <li>• Pub/restaurants</li> </ul>

## 2 Profile and structure of the industry

### 2.1 Licensed premises

#### 2.1.1 Number and type of licensed premises

There are around 130,000 on-licensed premises in the UK of which approximately 58,400 are pubs and 1,700 are nightclubs. The remainder are mainly hotels, restaurants and membership clubs. There are numerous ways of grouping different types of licensed premises. One classification (used by CGA Strategy<sup>4</sup>) is below.

- **Town centre pubs, bars and clubs**  
Outlet in a town/city centre location on a "circuit" e.g. O'Neills, Wetherspoons, Yates's Wines Lodge
- **Branded food led pubs**  
An outlet with a recognised retail brand, with food as the primary focus. e.g. Beefeater, Harvester, Brewers Fayre also the sale of food pubs where the sale of food is significant to overall sales.
- **Local/community**  
Pubs that serve predominately their local residential community.
- **Licensed accommodation**  
A mixture of businesses whose focus is an overnight stay or short breaks or holidays.
- **Licensed restaurants**  
Restaurants with a licence to sell alcoholic beverages with meals.
- **Sports, social and members clubs**  
Clubs that are licensed and operated for the benefit primarily of its membership.

All licensed premises have to uphold the four licensing objectives as defined in the Licensing Act 2003 (England & Wales):

- The prevention of crime and disorder
- Public safety

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<sup>4</sup> [www.cgastrategy.co.uk/](http://www.cgastrategy.co.uk/)

- The prevention of public nuisance
- The protection of children from harm

In addition, the new Licensing (Scotland) Act 2005 includes an objective on “protecting and improving public health”.

### 2.1.2 Number of people employed in the licensed hospitality industry

It is very difficult to obtain precise figures on the overall size of the licensed hospitality workforce. This is for the following reasons:

- Most official government surveys do not provide data at the required level of detail (i.e. at 5 digit SIC code level)
- One of the main government workforce surveys, the Labour Force Survey, is likely to underestimate the number of people working in bar roles as it’s methodology excludes those who have lived in the UK for less than a year (for example migrant workers)

Most workforce surveys categorise the workforce using 4-digit Standard Industrial Classification (SIC) and Standard Occupational Classification (SOC) codes. Whilst it is possible to separate out licensed restaurants and hotels at a 5-digit level (see table 2), the majority of surveys only collect information at a 4-digit level.

Table 2: Standard Industrial Classification (SIC) Codes

4-digit code	5-digit code	Description
<b>55.30</b>		<b>Restaurants</b>
	55.30/1	Licensed restaurants
<b>55.11</b>		<b>Hotels and motels with restaurants</b>
	55.11/1	Licensed hotels and motels
<b>55.40</b>		<b>Bars</b>
	55.40/1	Licensed clubs
	55.40/2	Independent public houses and bars
	55.40/3	Tenanted public houses and bars
	55.40/4	Managed public houses and bars

Source: Office for National Statistics

At an occupational level, there are two codes that specifically identify staff working in licensed premises: Publicans and Managers of Licensed Premises (1224) and Bar Staff (9225).

As it is difficult to accurately ascertain the total number of people employed in licensed hospitality we have produced estimates which are predominately based on the government's Annual Business Inquiry survey.

These estimates (see table 3) suggest that in the region of 1,245,800 people work in licensed premises across the UK. It is estimated that 47 percent of which work in pubs, bars and nightclubs, 26 percent in hotels with licensed restaurants, 22 percent in licensed restaurants and 6 percent in other industries.

Table 3: Estimate of total number of people working in licensed premises across the UK

Industry	Total employment	
Pubs, bars and nightclubs	581,000	47%
Hotels with licensed restaurants	319,000	26%
Licensed restaurants (estimate)	271,000	22%
Licensed hospitality staff working in other industries (such as membership clubs, contract catering) (estimate)	74,800	6%
<b>TOTAL</b>	<b>1,245,800</b>	<b>100%</b>

*Source: Estimates based on data from the Annual Business Inquiry, 2007 and the Northern Ireland Census of Employment 2007.*

Not all of those working in licensed hospitality premises will be directly involved in the sale of alcohol. However, again, it is difficult to provide precise figures for the total number of people who are directly involved in the sale of alcohol. According to the Government's Labour Force Survey 257,200 people in the UK are directly involved in the sales of alcohol (i.e. those working as publicans/managers of licensed premises and those working as bar staff). However, an Oxford Economics Study for BBPA in 2008 put this number at much higher at 546,000. The Labour Force Survey figure is believed to be an underestimation as some of those who are involved in the sale of alcohol may describe their main occupation as 'restaurant or catering manager', 'hotel or accommodation manager' or 'waiting staff'. In addition, as mentioned previously, its

sample design is also likely to underestimate, migrant workers, many of whom will be involved in the sale of alcohol.

## 2.2 The pub and bar industry

### 2.2.1 Pub ownership

In terms of ownership, pubs can be categorised into three types:

- Managed houses
- Freehouses
- Tenanted and leased

**Managed houses** are owned by brewers and by pub companies. They are managed by a salaried manager and staff. They tend to be found in town and city centres and are often branded outlets.

**Freehouses** are independently owned and operated pubs. The owner has full operational and managerial control of the pub and is free to decide which products to sell. The owner is responsible for all maintenance and upkeep of the premises.

**Tenanted and leased pubs** are run by tenants and lessees who pay rent to a brewer or pub company. There may be some obligations to purchase beer or other products but other than that, the pubs are run as independent small businesses. The relationship between the tenant/lessee and their brewery/pub company vary depending on the type of lease or tenancy agreement in place.

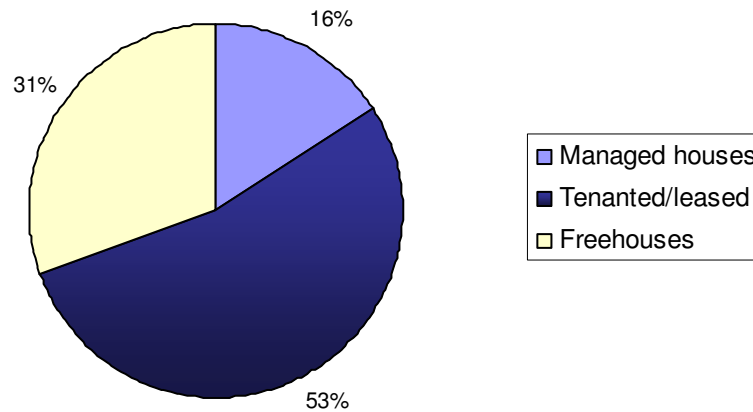
Table 4 and figure 1 below shows the number of pubs and bars in the UK by type

Table 4: Number of pubs and bars by type

	2006		2007		2008	
Managed houses	9,000	15%	9,100	16%	8,600	16%
Tenanted/leased	30,800	53%	30,300	53%	29,400	54%
Freehouses	18,400	32%	17,400	31%	16,800	31%
<b>Total</b>	<b>58,200</b>	100%	<b>56,800</b>	100%	54,800	100%

Source: British Beer and Pub Association, 2009

Figure 1: Number of pubs and bars in the UK by type, 2008



Source: *British Beer and Pub Association*

Over half of all pubs and bars are tenanted or leased and just under a third are freehouses. Therefore, approximately 83 percent (tenanted/leased and freehold premises) essentially operate as small businesses.

Punch Taverns owns the largest estate of over 7,400 leased and tenanted pubs and operate over 800 managed pubs. Other large managed estate operators include Mitchells & Butlers (M&B) and JD Wetherspoon.

### 2.2.2 Pub company and brewery ownership

Pubcos and breweries can have managed and/or leased/tenanted estates. For example, brewery McMullen operates 85 managed houses and has 35 tenancies in the South East. Table 5 shows the number and proportion of pubs owned by breweries and pub companies that are managed and the number and proportion which are leased or tenanted. Overall, just over three quarters (30,300) are leased or tenanted.

Table 5: Ownership of managed and leased/tenanted pubs by pub companies and breweries 2008

	Managed		Tenanted/Leased	
Breweries	2,400	26%	6,700	74%
Pub companies	6,200	21%	22,700	79%
<b>Total</b>	<b>9,100</b>	<b>23%</b>	<b>30,300</b>	<b>77%</b>

At the start of 2008, the pub companies with the most premises (either managed or tenanted) in the UK are<sup>5</sup>:

- Punch Taverns plc – 8,524 premises
- Enterprise Inns plc – 7,783
- Admiral Taverns – 2,700
- Mitchells & Butlers plc – 1,892
- County Estate Management – 950
- Wellington Pub Company – 855
- J. D. Wetherspoon plc – 690
- Trust Inns – 602
- Pubfolio – 550
- Globe Pub Company – 442 (pubs operated by S&N)

At the time of writing, the breweries with the most premises in the UK are<sup>6</sup>:

- Greene King PLC – 2,215 premises
- Marston's PLC – 2,213
- Scottish and Newcastle – 2,053 (most of these are operated on behalf of others)
- Daniel Thwaites PLC – 422
- Frederic Robinson Ltd – 405
- Shepherd Neame Ltd (either managed or tenanted) – 375
- Fuller, Smith & Turner PLC – 359
- Hall and Woodhouse Ltd – 262

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<sup>5</sup> Source: *British Beer and Pub Association, 2008*

<sup>6</sup> Source: *British Beer and Pub Association, 2008*

- S. A. Brain & Co Ltd – 256
- Wadworth & Co Ltd – 256

Please note, premises ownership within the pub and bar industry is constantly changing. For the most up-to-date figures please refer to company websites.

### 2.2.3 Number of pub, bars and nightclubs by nation and region

Estimates of the number of pubs, bars and nightclubs by nation and region are available from two different sources. Figures provided by MBD and trade estimates are given in Table 6. These show a general decline in overall numbers from 59,673 in 2004 to an estimated 56,350 in 2008. Most of this decline has been in England and Wales. In Northern Ireland, the Surrender Principle caps the number of licenses available. This helps keep the overall number of licensed premises stable.

Whilst the figures suggest a reversal of the current trend in the future, according to most other sources, including BBPA and GGA, pub numbers are not forecast to grow by 2012.

Table 6: Annual change in number of pubs, by nation

Year	UK		England and Wales		Scotland		Northern Ireland	
	Number	% change	Number	% change	Number	% change	Number	% change
		year-on-year		year-on-year		year-on-year		year-on-year
2001	59,558	*	52,832	*	5,084	*	1,646	*
2002	57,965	-3%	51,415	-3%	5,082	*	1,468	-11%
2003	58,788	1%	52,145	1%	5,122	1%	1,521	4%
2004	59,673	2%	52,963	2%	5,184	1%	1,526	*
2005	59,400	*	52,682	-1%	5,170	*	1,548	1%
2006	58,200	-2%	51,479	-2%	5,150	*	1,568	1%
2007	57,500	-1%	50,904	-1%	5,150	0%	1,549	-1%
2008*	56,350	-2%						
2012*	57,071	+1%						

Source: MBD and trade estimates \* forecast

Table 7 shows the number of VAT-registered pubs, bars and nightclubs in the UK. These figures show that about 85 percent of the UK's pubs, bars and nightclubs are in England, seven percent in Scotland, six percent in Wales and two percent in Northern

Ireland. Within England, the largest number of pubs, bars and nightclubs are in the South East, North West and South West. This is broadly in line with the general distribution of hospitality, leisure, travel and tourism businesses across the four nations.

Table 7: Number of VAT-registered pubs, bars and nightclubs

	Pubs, bars and nightclubs	
UK	58,800	
England	49,800	85%
Scotland	4,100	7%
Wales	3,700	6%
Northern Ireland	1,200	2%
South East	7,800	13%
North West	7,300	12%
South West	6,100	10%
Yorkshire and The Humber	5,700	10%
West Midlands	5,400	9%
East	5,100	9%
London	4,900	8%
East Midlands	4,900	8%
North East	2,600	4%

*Source: Annual Business Inquiry, 2007, Office for National Statistics*

The mix of different types of premises varies across the four nations. In Northern Ireland for example, most pubs are independently owned family run businesses. The structure is similar in Scotland where the industry is dominated by independent pubs, run by their owners, together with managed houses which are mainly controlled by breweries. There are relatively few (about 1,075) tenanted pubs in Scotland. The leased/tenanted system is much more prevalent south of the border, particularly in England.

#### 2.2.4 Number of pubs, bars and nightclubs by workforce size

Three quarters of pubs, bars and nightclubs have between 1 and 10 employees and approximately a quarter have between 11 and 49 employees. Very few (two percent) have more than 50 employees (table 9).

Table 9: Number of pubs, bars and nightclubs by workforce size

	1-10 employees	11-49 employees	50-199 employees	200 or more employees	Total
England	37,012	12,205	524	*	49,741
Scotland	3,007	1,013	52	*	4,072
Wales	3,044	677	*	0	3,721
GB	43,063	13,895	1,169	*	58,127
GB (%)	74%	24%	2%	0%	100%

Source: Annual Business Inquiry, 2007 (figures not available for Northern Ireland)

\* - Figure suppressed due to small sample size/issues of confidentiality

A separate survey of over 300 pubs, bars and nightclubs conducted by People1st suggests that the average number of people working in freehold and tenanted/leased pubs is 10 whilst the average number of people working in managed pubs is 20. Managed pubs are more likely to be high street premises in towns and cities which tend to be larger than community pubs, particularly those in rural areas. A very small percent (three percent) of respondents did not employ any staff (not even family members).

### 2.3 The nightclub industry

Mintel defines nightclubs as establishments where “the primary offer is that of dancing to music and where drink and food are offered as ancillary items”. An admission fee is normally but not always charged.

The defining line between nightclubs and late night bars is becoming increasingly blurred, with no distinction between these different types of outlet by licensing authorities or by the industry itself. Due to changes in licensing and entertainment law brought about by the Licensing Act 2003.

There are approximately 1,700 nightclubs in the UK. The nightclub industry remains incredibly fragmented with the Luminar Group being the main player.

Most of the major operators have a number of brands, however some prefer a more individual approach. Among branded venues, only Liquid and Ocean have more than 10 units under each name (see table 8).

Table 8: Nightclub operators, by brands and number of venues, December 2008

Operator	Brands	Number of venues
Luminar Group	Oceana, Liquid, Lava and Ignite, Life	98
3D Entertainment	Love2Love, Studio 52	36
Novus Leisure	Tiger Tiger	39
Yellowhammer Bars	Glitterball	24
G1 group	Unbranded	19
Nexum Leisure	Syndicate, Escapado, Halo, Zanzibar	16
Eclectic Bars	Po Na Na, Fez, Sakura	13
Brook Leisure	Tryst, Livingstones	12
Tokyo Industries	Digital, Tokyo	7

Source: Mintel, 2008

## 2.4 The membership club industry

There are approximately 32,000 sports, social and members clubs in the UK.

There are two types of members clubs:

- Non profit members clubs which are owned and run by the members
- private members clubs run for a profit which require membership to enter.

Non profit members clubs include working mens clubs, Masonic lodges, political party clubs, British Legion clubs and many sports clubs (for example golf clubs, football clubs,

rugby clubs, cricket clubs, snooker halls and gyms). Most are licensed premises. Bars within these clubs are either staffed by paid employees of the club, by staff who work for a contracted agency or voluntarily by club members. In some cases a licence can be held by a committee rather than a single person. The Licensing Act 2003 retains a special status for some clubs. Alcohol can be supplied without the need for any member or employee to hold a personal licence.

Private members clubs are clubs which require membership for which there tends to be a fee. Private members clubs are often seen as being 'exclusive' and tend to open late into the night. Examples of private members clubs include the RAC club, the AA club, the Groucho Club, Soho House and Chinawhites. If a club meets the qualifying conditions it does not require a Premises Licence and may be granted a club premises certificate instead.

### 3 Current trends and issues

#### 3.1 Changing structure

The structure of the pub, bar and nightclub industry is constantly changing. Over recent years there has been a big shift from managed outlets to freetrade and tenanted operations. There has also been an increase in the number of small pub companies and multiple tenants.

#### **Changing structure of the pub, bar and nightclub industry over the last 20 years**

A profound change took place in the pub industry during the 1990s, mainly as a result of legislation (the Beer Orders, in place from 1989 to 2001) that set limits on the extent of vertical integration in brewing and pub ownership. A 'big six' had emerged in the 1980s, combining brewing on a national scale with ownership of vast pub estates; the legislation forced these six companies to choose between brewing or pub ownership. By 2001, UK brewing was largely in foreign hands, and large, specialised 'pub companies' (pubcos) with no direct link to the brewing industry had emerged (e.g. Punch Taverns and Enterprise Inns). Regional brewers such as Greene King and Marston's have, however, continued to use the integrated brewery/pub model.

*Keynote, Drinks Market Review, 2008*

Elsewhere in the licensed hospitality sector, it is becoming more difficult to distinguish between different types of industry. Pub/restaurants and bars with accommodation have led to an increase in the number of venues that cannot be easily categorised.

#### 3.2 Tough times

##### 3.2.1 Overview

As has been widely reported in the media, the pub and bar industry as a whole has been experiencing difficulties for the last few years. Beer sales have been falling (130 million fewer pints were sold through the on-trade from October to December 2008 compared

with the same quarter in 2007) and the number of pubs closing every week rose from 39 in the second half of 2008<sup>7</sup> to 52 a week in first half of 2009

According to the British Beer and Pub Association, it is suburban pubs that are most at threat.) Rural pubs are closing at a rate of 10 a week, suburban at 34 a week and urban at 8 a week. The figures for the first six months of 2009 show the rate of pub closure has increased by a third, up from 39 pubs a week in the last six months of 2008. With the UK now officially in a recession, market conditions look set to be even tougher, in the short-term at least.

### 3.2.2 Contributory factors

#### 3.2.2.1 Increased costs

According to evidence presented by AMLR to the All-Party Parliamentary Beer Group as part of their Community Pub Inquiry, October 2008, pubs' operating costs averaged at 45 percent of turnover, before rent, where they had previously been around 32 percent.

The main cost increases experienced by the industry over recent years have been:

- Alcohol duty, particularly on beer
- Entertainment costs, such as gaming duty, Sky and Public Performance Licenses (PPLs)
- Food costs
- Employment costs, particularly increases in the minimum wage
- Utility costs
- Costs associated with complying with new regulations such as the Licensing Act, the Disability Discrimination Act and the ban on smoking in public places. *"It's not just the cost of the licence, it is the admin time and the time it takes for people to get their head round a new, unfamiliar process which is time consuming".*  
(Industry body, 2009)

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<sup>7</sup> CGA Strategy for the British Beer and Pub Association, 2009

In addition to rising costs, income from Amusement with Prizes (AWP) (or fruit machines) has fallen in recent years.

### *3.2.2.2 Legislation*

The licensed hospitality sector is heavily regulated by government. Regulations that impact on the sector include those related to:

- The Licensing Act 2003 (and equivalents in Northern Ireland and Scotland)
- Smokefree regulations
- Control of Noise at Work Regulation 2005 (came into force in 2008)
- Food Hygiene regulations
- Health and Safety regulations
- Fire Safety regulations
- Planning regulations
- The Private Security Industry Act 2001 (came into force in 2004)
- The Violent Crime Reduction Act 2006

#### **The Licensing Act 2003**

The Licensing Act 2003 came into force (in England and Wales) on 24 November 2005. The Act established a single integrated scheme for licensing premises which are used for the supply of alcohol, to provide regulated entertainment or to provide late night refreshment. Authorisation to carry on some or all of these licensable activities is now contained in a single licence – the premises licence. The Act abolished standard drinking hours, with the intention of increasing the options available for people in how to spend their leisure time, and encouraging the development of a more diverse late night economy.

The Act established a regime for the granting of personal licences to individuals to supply, or to authorise the supply of alcohol. The personal licence is separate from the licence which authorises the premises to be used for the supply of alcohol. The licensing of individuals separately from the licensing of premises permits the movement of personal licence holders from one premises to another.

All premises licences authorising the supply of alcohol must have an identified personal licence holder known as the designated premises supervisor. This person will usually be responsible for the day-to-day running of the premises. More than one individual at the licensed premises may hold a personal licence, although it is not necessary for all staff to be licensed.

Applicants for personal licences need to obtain an accredited qualification first. The aim of the qualification is to ensure that licence holders are aware of licensing law and the wider social responsibilities attached to the sale of alcohol.

The Licensing Act 2003 transferred alcohol licensing responsibility from licensing justices to licensing authorities, usually a local authority. When deciding to grant or vary a premises licence under the Licensing Act 2003, the licensing authority must do so subject to conditions which it considers are necessary for the promotion of the licensing objectives. Conditions could include the installation of CCTV cameras where evidence shows that such measures are required. (Pubwatch should not be made a condition of licence due to the voluntary nature of the scheme).

Our research found that employers have mixed views regarding the impact of the Licensing Act on businesses.

Those that said that the impact has not been positive explained that compliance costs have increased dramatically as a result of the Licensing Act. Compliance costs are not only the cost of actual the licence, but also the administrative costs including the time it takes for people to understand the new process and investigate measures to demonstrate support of the licensing objectives.

Another employer added that the Act has not benefited trade because it has resulted in an increased attention of pub drinking in the media. Additionally, longer opening hours did not appear to increase business (as trade is declining generally). This employer added that within the industry they had heard more about problems with local authorities than the benefits of the Act.

Some employers interviewed viewed the legislation positively, although they acknowledged that they were relatively large employers and that it had been more of a struggle for smaller businesses who did not have the staff to dedicate to it. They felt the positives include improved professionalism, greater flexibility on opening hours and simplified procedures.

*"You don't need to involve solicitors as people can do the paperwork themselves"*  
(Independent operator, 2009)

### **Licensing law in Scotland**

The current legislation in Scotland is the Licensing (Scotland) Act 1976. However, as of 1 February 2008, Scotland entered a transitional period in the run up to the commencement of the new licensing legislation [the Licensing (Scotland) Act 2005]. The new Act which came into force on 1 September 2009 has been designed to tackle underage drinking, crack down on excessive drinking and to directly involve communities in licensing decisions. In addition to the main features of the English legislation it includes "protecting and improving public health" as one of its licensing objectives.

Similarly to within England and Wales, the new Act creates one type of licence (the premises licence). The Act also introduces personal licences for those working in the trade. All premises must therefore have a Premises Manager who holds a Personal Licence. This is also required by any person who will supervise or authorise the sale of alcohol. In addition, any person who makes sales of alcohol or serves alcohol will only be able to do so from 1st September 2009 if he/she has undergone mandatory training. This training will typically cover:

- protection of children from harm
- drunkenness and disorderly behaviour
- licensed hours
- the responsible retail sale of alcohol
- roles and responsibilities of the licensed premises staff and
- the penalties relating to failure to comply with the law
- rights of entry to licensed premises

- the strengths of alcoholic drinks and the effects of alcohol on the human body.

One employer said that the Licensing (Scotland) Act will have positive impact because it is will help professionalise the industry:

*“We think it’s a very good thing. We’re bringing 18 year olds into the industry and they’ve got no formal qualifications and we’re making them responsible for one of the major legislations...I’m very much for it. (Medium-sized pubco, Scotland)*

### **Licensing law in Northern Ireland**

The licensing regime in Northern Ireland is currently governed by the Licensing (Northern Ireland) Order 1996.

There are currently twelve categories of premises that may be licensed to sell alcohol (two categories are Pubs and Off-Licences where selling alcohol is the primary function of the business, the other ten are where selling alcohol is an ancillary part of the business).

The legislation in Northern Ireland is more restrictive than in Great Britain as only a limited number of licences are available. Any new pub which wants to sell alcohol must wait until an existing one surrenders its licence (*the surrender principle*). Licences will therefore only be granted on the surrender principle and only if it is decided that the existing number of licensed premises is not already adequate (*the need principle*). In contrast to legislation in the rest of the UK, licences are currently granted by the courts rather than local authorities.

Recently there have been proposals made to change the licensing system in Northern Ireland. The proposed new law would:

- Give the police and courts powers to deal swiftly with disorderly behaviour, allowing them to close licensed premises immediately for up to 24 hours
- Introduce a new penalty points system which would allow the police to target premises that persistently break the law.

- Introduce new proof of age measures to help tackle underage drinking.
- Transfer the responsibility for licensing to district councils.

There has been some debate over whether or not the surrender principle should be removed. Original government proposals suggested it should be removed for reasons (such as it was seen to be anti-competitive) but this has been met with strong resistance by many. It was felt that, by opening the floodgate and having no restrictions on who could apply for a licence would have many adverse effects. For example:

“The economic impacts of introducing the proposed new legislation can be summarised as follows:

- Reduced investment in existing licensed premises as a result of abolition of surrender and the loss of the value of the licence;
- Increased investment by the large national pub chains in Northern Ireland, resulting in increased consumer choice but also potentially displacing smaller local pubs;
- A loss of value of the product as a result of the expected increase in the number of licences;
- Potential negative impacts on the tourism industry as a result of fewer pubs with local character
- Increase in economic costs to society arising from the increased availability of alcohol at low prices in a larger number of premises – these economic costs include increased costs of policing and maintaining public order in areas where there is a high concentration of licensed premises and the additional costs to the Health Service of dealing with the consequences of alcohol misuse.”

(PricewaterhouseCoopers, January 2006)

### **The smoking ban**

Smoking is now banned in all indoor public places in the UK. The Smokefree regulations came into effect in England on 1 July 2007, following regulations already put in place in Scotland, Wales and Northern Ireland. Before the ban came into effect, there was a great deal of concern within the industry of how it would affect trade. The smoking ban

has affected some premises more than others. Premises which are landlocked have found it particularly difficult. Some of those interviewed concluded that:

*“Those locked into the community market have been more heavily affected by the smoking ban but food pubs are doing well” (Brewery, 2009)*

*“It’s certainly been the nail in the coffin for a lot of pubs” (Small Pubco, 2009)*

Costs associated with the smoking ban include the investment in outdoor smoking areas (shelters and heaters for example) and, particularly in nightclubs, investing in equipment to mask the odours that smoke had previously hidden.

Research by Mintel suggests that within clubs, the smoking ban has led to dance floors being quieter, particularly at the beginning of nights, as people gather outside to smoke and that it has been more difficult to create an ‘atmosphere’.

However, for many, the smoking ban has not had as great an impact as initially feared.

*“We thought customers would fall drastically but there was no change in bar takings.” (Nightclub, 2009)*

*“It’s just become part of life now and everyone accepts it” (Small pubco, 2009)*

### **Control of Noise at Work Regulations 2005**

The Control of Noise at Work Regulations came into force in Great Britain<sup>8</sup> on 6 April 2006<sup>9</sup> to protect workers in the music and entertainment sectors from exposure to excessive noise. Operators are required to assess the risk of their employees, and take action on noise reduction, including the provision of hearing protection.

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<sup>8</sup> The Control of Noise at Work Regulations (Northern Ireland 2006) came into operation on 6<sup>th</sup> April 2006

<sup>9</sup> <http://www.hse.gov.uk/noise/regulations.htm>

The regulations have caused staffing issues in the nightclub industry.

*“The noise levels allowed for someone who is working for 4/5 hours are so quiet that no-one would dance. Therefore, staff can only work in certain areas of the club for a short period before they are moved around.” (Nightclub, 2009)*

The regulations have also resulted in additional costs for businesses who are now required to pay for their staff to have regular hearing tests.

### **The Private Security Industry Act 2001**

The Private Security Industry Act led to security staff having to become qualified door supervisors. To become Security Industry Authority (SIA) approved, door supervisors have to pass a CRB check and gain an SIA endorsed door supervisor qualification. This initially proved costly to businesses employing such staff, both in terms of time and direct costs. It also reduced the overall pool of door supervisors, created a skill shortage, and pushed up wage costs. However, some of those spoken to as part of this research believe that these changes have been positive as they have helped professionalise the role and get rid of the criminal element.

*“Security staff skills have improved, it is becoming more professional” (Industry training provider, 2009)*

### **The BEC Report**

The 2009 Business and Enterprise Committee (BEC) inquiry into pub company operating practices and purchase agreements was conducted to follow up on the 2004 Trade and Industry Committee inquiry into the relationship between pub companies, brewers and their lessees, specifically those operating a tied estate. The 2004 report considered that there was a balance between the disadvantages and the benefits of the tied system, although there was an imbalance of bargaining power between pubcos and lessees. The 2009 inquiry investigated to what extent the recommendations made by the committee in 2004 had been acted upon and which, if any, of the problems had been solved.

The BEC inquiry found that the problems identified five years ago remained and the imbalance of bargaining power persists. The Trade and Industry Committee

recommended that if the industry could not improve voluntarily, there should be a mandatory code of practice and the BEC committee decreed that more still needed to be done. The 2009 report called for fairness and transparency in all dealings between landlord and lessee. It criticised the Office of Fair Trading for failing to properly examine the industry and suggested that the Government should now assume responsibility for ensuring an adequate legal framework. The committee also recommended that the matter of pub industry supply ties be referred to the Competition Commission for a market investigation.

The BEC report has given rise to much discussion and unrest in the industry with stakeholders in the debate sitting at all points on the spectrum of the argument; from wanting to maintain the status quo to scrapping the tie altogether – and every point in between. The BBPA, BII and FLVA have since reached a binding agreement to improve transparency and openness between licensees and pub owning companies. CAMRA issued a Super Complaint to the OFT in July 2009, with the OFT concluding in October that there were no competition issues in the sector and no further action was needed.

### ***3.2.2.3 Consumer trends***

#### **Pub and bar customers**

According to Keynote research, the use of pubs declines steeply with age. The proportion of respondents visiting pubs regularly at the weekend, for example, declines from 64 percent of 20 to 24 year-olds to 43 percent of 25 to 34 year-olds and eventually to just 16 percent of the over-65s.

The weekend is the most popular time for visiting the pub, involving 63 percent of adults in 2007, up from 49 percent in 2002. More people also now visit pubs during the day (during day trips, at lunchtime or after work) than was the case in either 2002 or 2006.

Food has overtaken sociability as the main purpose for visiting pubs, with 69 percent of adults now eating pub meals — a steady increase since 2002. More than half of those using pubs for meals do so on a regular basis, whereas activities such as celebrations and family occasions are more sporadic. Less progress has been made in providing

entertainment than in providing meals. Possibly as a result of competition from home entertainment, growth in pub use for entertainment and sport has been slower than growth in use for eating meals or family occasions. Both the entertainment and sport categories showed declines in 2007.

### **Nightclub customers**

According to Mintel, just over quarter the UK's adult population visit nightclubs with 18-24 year olds being the main audience. A third of 20-24 year olds and four in ten 18-19 year olds visit nightclubs least once a month. Students remain key targets for low cost mid week initiatives.

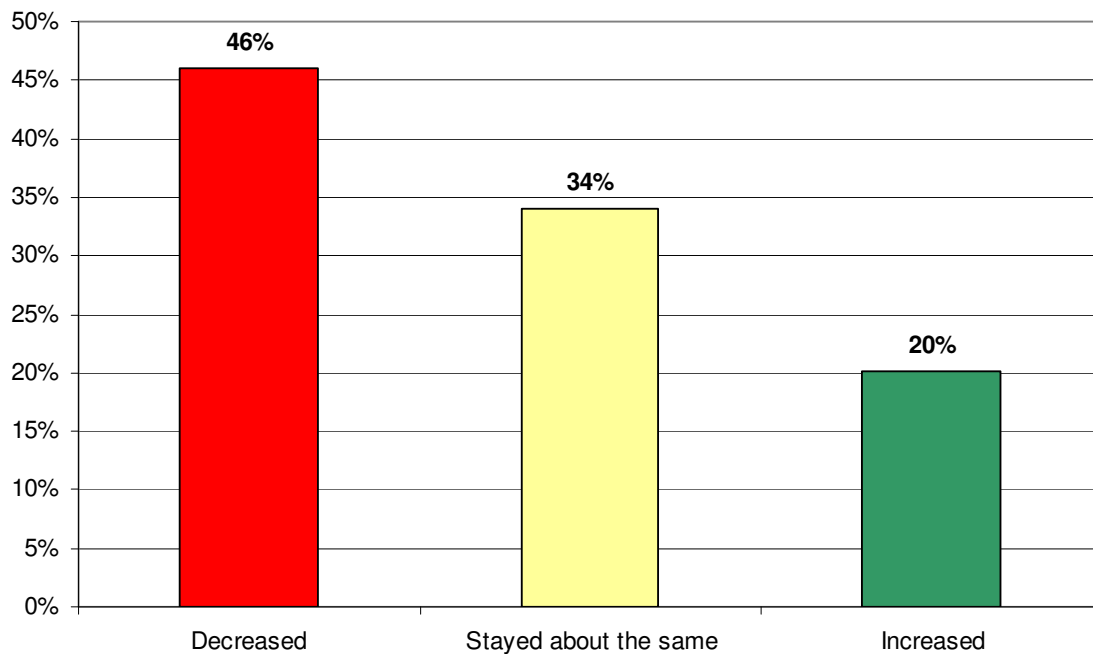
The type of people visiting nightclubs are likely to be less concerned with the economic downturn than other groups and are more likely to see socialising as a necessity rather than a luxury.

According to Mintel, over the past five years there has been a decline in the percentage of adults that visit nightclubs from 29.6 percent in 2003 to 26.6 percent in 2008.

#### **3.2.2.4 The recession**

Recent research by Mintel (2009) found that 59 percent of consumers plan to cut back spending on going out to the pub due to fears about the recession. Pub, bar and nightclub respondents to a survey conducted by People1st said that 46 percent had experienced a decrease in sales turnover as a result of the recession (see figure 2).

Figure 2: Impact of the recession on sales turnover



Source: People1st Employer Survey, 2009

The recent fortunes of those spoken to as part of this research have been mixed. Some felt the recession had not had a significant impact on customer, some had maintained footfall (sometimes through offering special deals) but acknowledged a drop in customer spend, whilst others had experienced both a decline in customers and a decrease in the amount that customers were spending. The differences could be attributed to the type of premise, their customer base and their location.

### 3.2.3 Winners and losers

Generally, the picture is mixed and it is difficult to draw explicit conclusions about what type of premises are suffering more than others. For example, the BBPA pub closure figures suggest that suburban pubs are suffering the most, followed by rural pubs and high street pubs. However, one company interviewed for this research said that within their business, high street pubs appeared to be suffering more than suburban pubs. The reason cited being that people are opting to reduce spending by frequenting local pubs rather than paying for taxis and having a 'big night out' in towns and cities.

Those interviewed felt that the market was particularly tough for:

- Pubs, bars and nightclubs outside of large cities and outside of the South East
- Those operating in the middle market
- Community pubs
- Those in localities where there have been major redundancies
- Lessees/tenants

A study by the GMB Union shows that 1,131 pubs, with freeholds owned by 7 pub companies in Britain, have closed since December 2005 (see table 9). In the West Midlands 232 such pubs closed making the region the highest in Britain for the number of these pubs closing. It was followed by South East, North West, Yorkshire and Humberside. The breakdown of closures by Region in Britain are shown below.

Table 9: Number of pubs belonging to 7 pub companies closed since December 2005, by region

<b>Great Britain</b>	<b>1,131</b>
West Midlands	232
North West	137
South East	149
Yorkshire & The Humber	129
London	113
East Midlands	95
Eastern	73
South West	64
Scotland	64
Wales	38
Northern England	37

Source: GMB, 2009

However, it is not all 'doom and gloom'. Research from Mintel (2009) shows that 41 percent of Britons still planned to visit the pub despite the current economic climate. Some businesses report that people are still treating themselves and whilst they may not be making large purchases, they still want to go out.

*“People .. maybe not be going on holiday or buying cars but are still having their time out at weekends”. (Medium-sized pubco, 2009)*

Also, certain localities do not appear to have been as badly affected as others. Tourist centres and areas where there are high student populations, Edinburgh city centre for example, appear to be maintaining demand.

### **3.3 Social changes**

#### **3.3.1 Overview**

A number of social changes over the last 10 years have affected both the image of and nature of the licensed hospitality sector. The media coverage of ‘binge drinking’, increased competition for the ‘leisure pound’ and changing eating habits, have all impacted on the industry.

#### **3.3.2 Irresponsible drinking**

Many within the industry blame the media for exaggerating the extent of ‘binge drinking’ in the UK, for which pub operators are often blamed. They point to falling alcohol consumption figures, especially amongst the young, and comparative figures showing how Britons drink less than many of their European counterparts, as evidence that contradict common perceptions.

Figures published by the World Health Organisation show that Europeans are the top consumers of alcohol in the world with heavy drinking being a part of the culture in Northern Europe especially.

Over recent years a number of strategies and initiatives have been developed by Government and by industry aimed at promoting responsible retailing. These include:

- Safe. Sensible. Social. The next steps in the National Alcohol Strategy (Department of Health, Home Office, Department for Education and Skills, Department for Culture, Media and Sport, 2007).
- This is part of the strategy above, and still in consultation stage. Challenging Scotland’s Relationship with Alcohol: A Framework for Action (Scottish Government, 2009)

- Best Bar None (Industry scheme)

### 3.3.2.1 Underage drinking

A number of initiatives to tackle underage drinking have been introduced over recent years. Following successful implementation with regards to the sale of cigarettes to under agers, *test purchasing* has also been employed in relation to alcohol sales. This involves using under age individuals to go into a variety of outlets including pubs where they attempt to buy alcohol. If the establishment does indeed sell alcohol to the under aged then they can be prosecuted and many view this as a strong deterrent.

In recent years the 'Challenge 21' scheme has been developed by industry and is currently adopted as best practice. In short, the scheme advises that if a customer appears to be under 21 then they must prove they are over the legal limit (ie 18 for alcohol). It acts as a safeguard to remove any ambiguity in the minds of publicans and bar staff. According to the British Beer & Pub Association (<http://www.beerandpub.com/industryArticle.aspx?articleId=85>) research has shown that 90 percent of 18-24 years olds are aware of the Challenge 21 scheme, demonstrating the success of the scheme amongst its key target group.

### 3.3.3 Leisure time

Over recent years, many feel that cheaper alcohol being sold in supermarkets and increasing competition for the leisure pound has contributed to a decline in pub custom.

Extended licensing hours, and the availability of cheaper alcohol in supermarkets, have contributed to people going out less and/or later.

*"A larger number of people are drinking before coming out. People are coming out later, 9pm instead of 8pm." (Independent operator, 2009)*

Additionally, with the increase in home entertainment such as flat screen televisions combined super market deals on quality food and drink, consumers are given more incentive to stay in, especially given the current economic climate.

### 3.3.4 Changing eating habits

There have been two key changes in eating habits over the last decade or so. Firstly, people eat out more regularly. According to Mintel (June 2006), the most frequent pub eaters are young consumers with 27 percent of 18-24 year olds dining out in pubs at least once a week. Secondly, many consumers have become more conscious of the food they eat, both in terms of the quality and where it comes from. This has led to increased demand for freshly prepared food, often using local or organic produce. TV programmes can influence this demand for food.

*"after Jamie Oliver's programme a few weeks ago on British Bacon we had people asking us where we got our bacon from." (Independent operator, 2009)*

Some pubs have responded to the change in demand by moving towards fresh ingredients, local sourcing and in some cases, gastro-pub concepts. However, despite these trends, traditional 'pub grub' dominates the market. Many pubs, usually because of their customer base or as a result of a general lack of skilled chefs, continue to serve pre-prepared food at a low cost.

## 3.4 Current opportunities

### 3.4.1 Diversification

The challenge for those within the industry is to ensure business models reflect consumer trends.

*"People are worried about what they spend... everyone is chasing every pound... and it's challenging to come up with something different". (Large branded pub, 2008)*

Trends over recent years have included:

- The growth of café style bars
- Pubs adding accommodation
- Adapting to appeal more to female and/or family markets

The café-bar model has developed as a result of changing consumer demands as well as the new licensing regime lifting restrictions on opening times. . Some premises have

been experimenting with offering breakfast, morning coffees and afternoon teas. Targets for such initiatives include shoppers and in some locations, tourists.

Some pubs have diversified to provide accommodation. Adding accommodation can be more profitable in the long term than diversifying into food. Once the accommodation has been built, all the profit, apart from laundry costs, goes to the bottom line.

Trying to appeal more to the family and female markets is another way the industry have diversified, by providing kid's menus and play areas and by providing wine and cocktail offers, for example.

#### 3.4.2 Technology

Customers are increasingly demanding Wi-Fi and providing it for free can attract and keep customers. Even if they do spend a lot, they help make the pub or bar look busy.

Pull down TV screens can also bring people in. Traditionally these have been used to show football matches but are increasingly being used to for other sporting occasions. City pubs often have a news channel on with rolling news for business customers. Showing rolling news and, in some case the financial markets, can help retain business customers who are more likely to linger over a sandwich or have another drink if they can see what is going on in the news/markets.

#### 3.4.3 Promotions

In response to the Government and media's emphasis on binge drinking and antisocial behaviour, it is believed that fewer pubs, bars and nightclubs are offering drinks promotions than previously. However, during the first few months of 2009 as the recession began to bite, many premises who provide food offered meal promotions to try and attract customer.

Most businesses interviewed had decided against reducing the cost of meals in favour of offering two-for-one offers or other types of meal deals. Due to economies of scale, managed houses are more likely to have the ability to offer promotions. According to People1st's 2009 Employer Survey, 45 percent of pubs, bars and nightclubs employers

had cut prices, offered discounts or held special promotions in response to the economic downturn. This ranged from 37 percent of those with 1-4 employees to 67 percent of those with more than 25 employees.

#### 3.4.4 Marketing

Marketing has become increasingly important as the industry has experienced difficulties. When existing customer bases decline (such as smokers), owners and operators have to work hard to widen their appeal and attract new customers. Over the last 20 years pubs and bars, particularly managed estates, have targeted women and families as potential growth markets. Marketing strategies implemented by brands such as the Hungry Horse and All Bar One have included providing children's menus and activities, widening wine selections, fitting large windows so that women are more inclined to enter on passing as they can see inside, providing more seating and improving toilet facilities.

In response to the recent downturn, some pubs and bars have been increasingly marketing special events, such as pancake day and St. Georges Day, and putting on entertainment, such as quizzes and salsa nights, in a bid to attract people out of their home.

Some premises are beginning to use text messages and social networking sites such as Facebook as part of their marketing campaigns to maintain contact with customers, make them feel valued and encourage them to return.

## **4 Workforce profile**

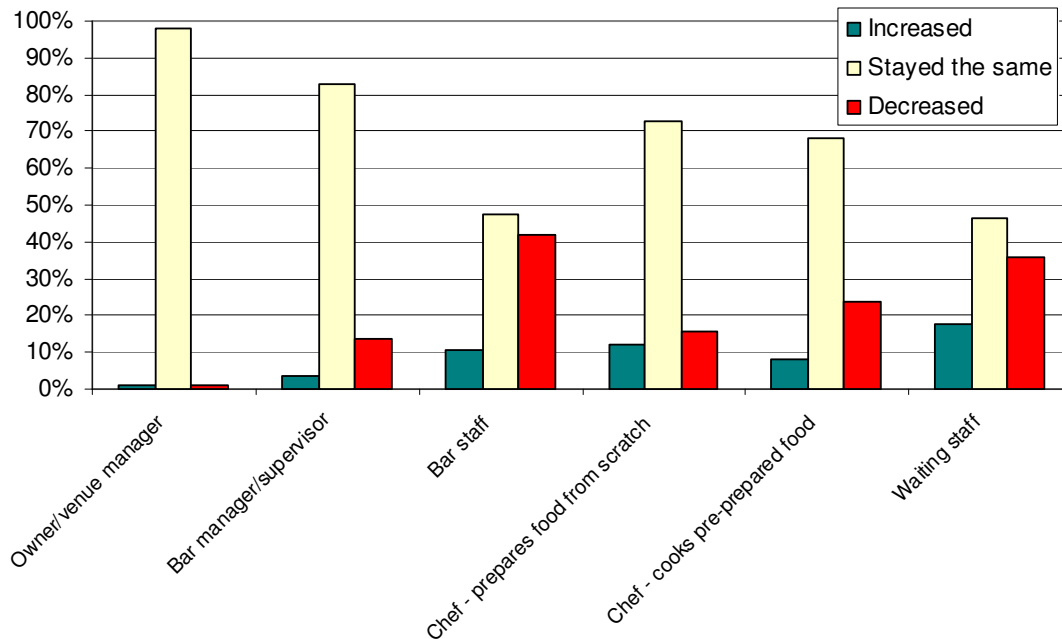
### **4.1 Overview**

The section describes the characteristics of those working in the pubs, bars and nightclubs industry and the characteristics of those working in licensed hospitality roles outside of the industry (in membership clubs, restaurant, hotels etc). As mentioned in section 2 of this report, there are discrepancies between various data sources regarding the total number of people working in the pub, bar and nightclub industry in the UK. Whilst we believe the Annual Business Inquiry 2007 figure of 581,000 to be most accurate, the Labour Force Survey is the only data source that provides information on the characteristics of the workforce. Therefore, in this section we are presenting Labour Force Survey data as the best available source but with the caveats that the data is likely to underestimate the over all size of the workforce and is likely to exclude some migrant workers and students who work in the industry.

According to the Government's Labour Force Survey, 336,300 people were working in the pubs, bars and nightclubs industry in the UK in 2008 and a further 87,800 people in licensed hospitality roles (bar staff and publicans/managers of licensed premises) outside of the industry. More recent quarterly figures suggests that the number of people employed in the pubs, bars and nightclubs element fell from 344,200 in October to December 2007 to 280,100 in October to December 2008, a large 19 percent decline. This reflects the difficulties experienced by the industry over this period.

This decline was explored further in People 1st's survey of pubs, bars and nightclubs. Respondents reported making most job cuts in bar staff and waiting staff roles.

Figure 18: Changes to workforce by occupation



Source: People1st Pub, Bar and Nightclub survey, 2009

In terms of migrant workers, 70 percent of survey respondents are employing the same numbers as 12 months ago whilst 23 percent are employing less and eight percent are employing more.

To ensure sample sizes are large enough to present a detailed analysis of the workforce, the data in the remainder of this chapter is based on the average of four quarters worth of 2007/08 Labour Force Survey data.

Tables 10, 11 and 12 below provide information on the number of people working in the pubs, bars and nightclubs industry in England, Scotland and Wales.

Table 10: Licensed hospitality employment in England

		<b>Full time</b>	<b>Part time</b>	<b>Total</b>	<b>%</b>
55401	Licensed clubs with entertainment	11,900	9,200	21,100	7%
55402	Pubs and bars	118,300	148,100	267,200	93%
	<b>Total</b>	<b>130,200</b>	<b>157,300</b>	<b>288,300</b>	<b>100%</b>

Source: Labour Force Survey 2007/08

Table 11: Licensed hospitality employment in Scotland

		<b>Full time</b>	<b>Part time</b>	<b>Total</b>	<b>%</b>
55401	Licensed clubs with entertainment	1,800	2,300	4,100	17%
55402	Pubs and bars	10,400	10,000	20,400	83%
	<b>Total</b>	<b>12,200</b>	<b>12,300</b>	<b>24,500</b>	<b>100%</b>

Source: Labour Force Survey 2007/08

Table 12: Licensed hospitality employment in Wales

		<b>Full time</b>	<b>Part time</b>	<b>Total</b>	<b>%</b>
55401	Licensed clubs with entertainment	700	1,800	2,500	15%
55402	Pubs and bars	5,100	8,800	13,900	85%
	<b>Total</b>	<b>5,800</b>	<b>10,600</b>	<b>16,400</b>	<b>100%</b>

Source: Labour Force Survey 2007/08

Within Northern Ireland, the Census of Employment provides a more detail breakdown than the Labour Force Survey. Table 13 shows the number of people working in independent, tenanted and managed pubs and bars along with the number of people working in licensed restaurants in Northern Ireland. The Federation of Licensed Retail Trade Northern Ireland estimate the actual number of people to be working in the industry as being much higher, at around 34,000 people. This includes those working in licensed hotels and other licensed premises.

Table 13: Licensed trade employment in Northern Ireland

		Full time	Part time	Total	
55301	Licensed restaurants	2,750	4,450	7,200	40%
55401	Licensed clubs	550	1,750	2,300	13%
55402	Independent public houses and bars	2,750	5,250	8,000	45%
55403	Tenanted public houses and bars	<50	<50	50	0%
55404	Managed public houses and bars	100	250	350	2%
	Total	6,150	11,700	17,850	100%
		34%	66%	100%	

Source: Census of Employment, 2007

According to the 2007/08 Labour Force Survey, there are 47,600 publicans & managers of licensed premises in the UK and 209,600 bar staff. The former figure is lower than might be expected given that BBPA estimate there to be 58,400 pubs and bars in the UK and assuming that there will be one publican/manager of licensed premises per premise.

Reasons for this could include:

- Respondents to the Labour Force Survey categorising themselves as ‘hotel and accommodation managers’ or ‘restaurant and catering manager’ in licensed premises which provide food and/or accommodation (Harvester for example).
- Publicans/managers of licensed premises being responsible for more than one premise

Whilst the Labour Force Survey figures may underestimate the precise number of publicans/managers of licensed premises, Labour Force Survey data has been used in this report as it is the only national source of information that can be used to describe the characteristics of those working in the industry.

Table 14: Industries in which bar staff and publicans & managers of licenses premises commonly work.

	Publicans & managers of licensed premises	Bar staff
Public houses, bars	33,500	124,400
Nightclubs	1,700	9,800
Total other industries	12,400	75,400
<b>GRAND TOTAL</b>	<b>47,600</b>	<b>209,600</b>

Source: Labour Force Survey, 2007/08

The remainder of this chapter is split into two parts. The first describes the characteristics of those working in the pubs, bars and nightclubs industry and the second describes the characteristics of those working as bar staff and as publicans & managers of licensed premises outside of the pub, bar and nightclub industry.

## 4.2 Pubs, bars and nightclubs

### 4.2.1 Overview

Figure 4: Proportion of local workforce who work in pubs, bars and nightclubs

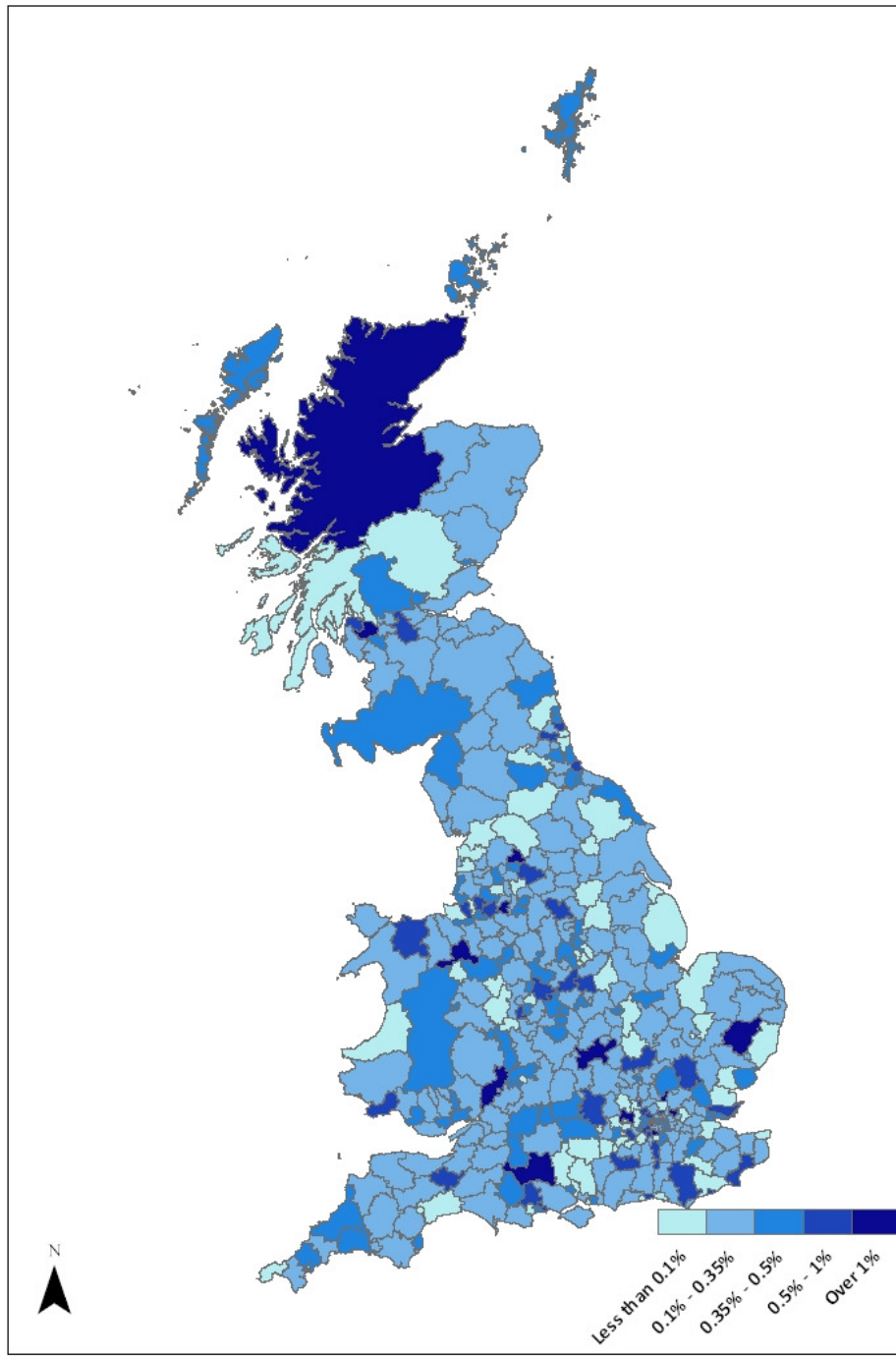


Figure 4 shows the proportion of the local workforce who work in the pubs, bars and nightclubs industry. The map shows that there is no clear concentration of employment across the country and that most of the areas in which a higher proportion of the local workforce work in the pubs, bars and nightclubs industry are rural areas (such as the Highlands and Islands of Scotland).

#### 4.2.2 Occupations

Table 14 and 15 describes some common occupations within the pubs, bars and nightclubs industry. Some of the roles and responsibilities will overlap (for example, a bar manager in a managed house will have many similar responsibilities to an owner of a leased pub and many bar staff will double up as waiting staff).

Table 14: Main occupations in pubs and bars by type of premise

	Managed estate	Leased/tenanted	Freehold
Area manager	Yes	Yes	No
Business development manager	Yes	Yes	No
Owner	No	Yes	Yes
Bar manager	Yes	Possibly	Possibly
Bar supervisor	Yes	Possibly	Possibly
Bar staff	Yes	Yes	Yes
Head chef (if serve food)	Possibly	Possibly	Possibly
Chef (if serve food)	Possibly	Possibly	Possibly
Kitchen porter (if serve food)	Possibly	Possibly	Possibly
Waiting staff (if serve food)	Possibly	Possibly	Possibly
Glass collectors (if serve food)	Possibly	Possibly	Possibly
Security staff (often employed through agency)	Possibly	Possibly	Possibly
Cleaning staff	Yes	Yes	Yes
DJ (usually self-employed)	Possibly	Possibly	Possibly
Quiz master	Possibly	Possibly	Possibly
Karaoke operator	Possibly	Possibly	Possibly
Musicians/band (self-employed)	Possibly	Possibly	Possibly

Table 15: Main occupations in nightclubs by type of premise

	Managed estate	Independent
Area manager	Possibly	No
Business development manager	Possibly	No
Owner/licensee	No	Yes
General manager	Yes	Yes
Duty manager	Possibly	Possibly
Bar manager	Yes	Yes
Bar supervisor/s	Yes	Yes
Bar staff	Yes	Yes
Food and beverage manager (if serve food)	Possibly	Possibly
Head chef (if serve food)	Possibly	Possibly
Chef (if serve food)	Possibly	Possibly
Kitchen porter (if serve food)	Possibly	Possibly
Waiting staff (if serve food)	Possibly	Possibly
Glass collectors	Possibly	Possibly
Head of security	Yes	Yes
Security staff	Yes	Yes
Cloakroom staff	Yes	Yes
Toilet attendants	Possibly	Possibly
Cleaning staff	Yes	Yes
DJ	Yes	Yes
Musicians/band (self employed)	Possibly	Possibly

## 4.2.3 Characteristics

### 4.2.3.1 Overview

Table 16 shows that, unsurprisingly, by far the largest occupation within the pubs, bars and nightclubs industry is that of 'bar staff'. In the region of 134,000 people currently work as bar staff within the industry. 35,100 work as publicans or managers of licensed premises, and in the region of 25,000 people work as waiting staff and as chefs and cooks respectively.

Table 16: Number of people working in 'core' roles in the pubs, bars and nightclubs industry.

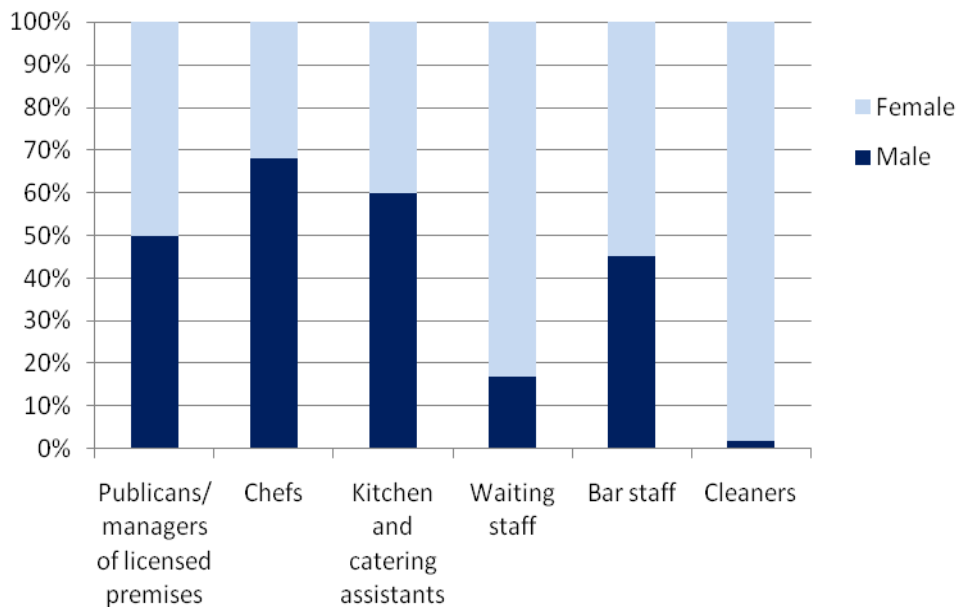
<b>Occupation</b>	<b>2007/08</b>
Bar staff	134,100
Publicans & managers of licensed premises	35,100
Waiting staff	25,000
Chefs & cooks	24,800
Kitchen & catering assistants	16,500
Cleaners	11,600

*Source: Labour Force Survey*

#### 4.2.3.2 Gender profile

Overall, 57 percent of the workforce is female and 43 percent male. Figure 5 illustrates how the gender split differs by occupation. Whilst similar proportions of publicans and managers of licensed premises are male and female. It is relatively common for independent pubs to be run by husband and wife teams. Men tend to dominate back of house roles and women front of house. The vast majority of cleaners are women.

Figure 5: Gender profile of the pubs, bars and nightclubs workforce



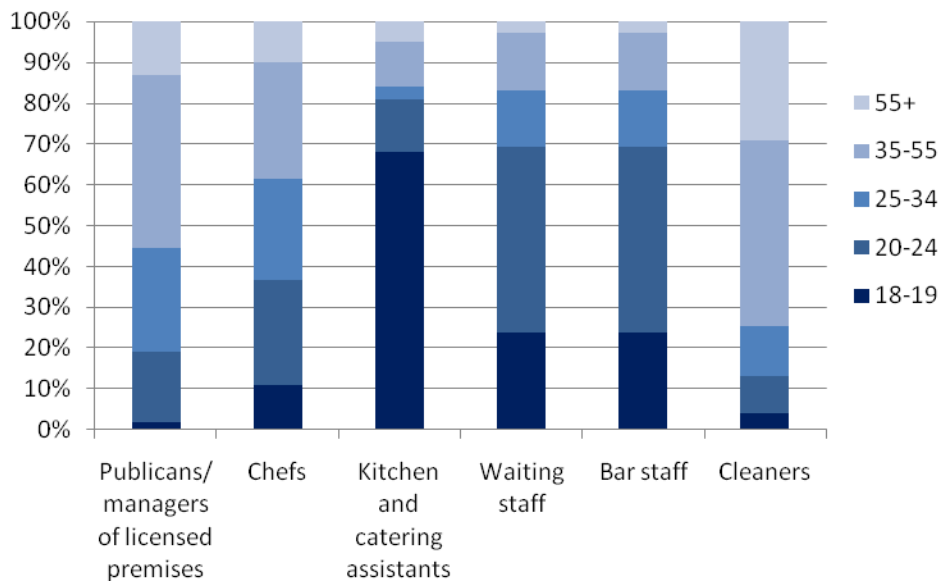
Source: Labour Force Survey, 2007/08

#### 4.2.3.3 Age profile

The pubs, bars and nightclubs industry has probably the youngest age profile of all UK industries. Over a fifth of the workforce are under the age of 20 and over half are under the age of 25.

Figure 6 below shows that the vast majority of kitchen and catering assistants, waiting staff and bar staff in the pubs, bars and nightclubs industry are under the age of 25. Unsurprisingly, publicans and managers of licensed premises tend to be older, although nearly half are under the age of 35. Cleaners tend to be much older with nearly a third being over the age of 55.

Figure 6: Age profile of workforce



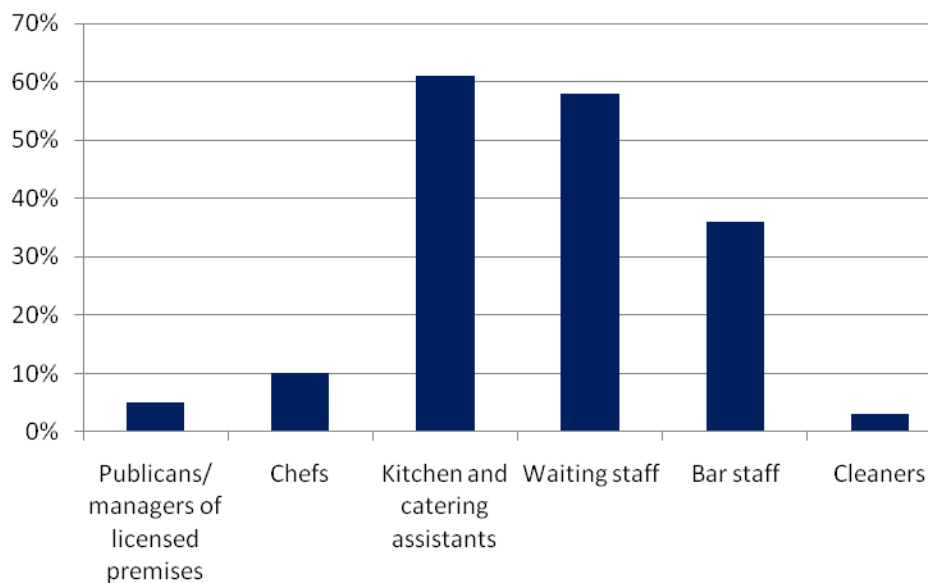
Source: Labour Force Survey, 2007/08

#### 4.2.3.4 Student workforce

The pubs, bars and nightclubs industry employs a high proportion of students, both in front of house and back of house roles. As figure 7 shows, over 60 percent of those working as kitchen and catering assistants, over 50 percent of those working as waiting staff, and 35 percent of those working as bar staff are also full-time students. Students can provide flexible labour for employers and tend to work to help support themselves financially during their studies. Student employment will vary by location. Some businesses interviewed who operate in student cities stated that over three quarters of their staff were students.

The small number of publicans/managers of licensed premises who say they are full-time students are unlikely to be the Premises Manager. They are most likely to be bar managers/supervisors who have classified themselves and publicans/managers of licensed premises rather than as 'bar staff'.

Figure 7: Proportion of workforce who are full-time students



Source: Labour Force Survey, 2007/08

#### 4.2.3.5 Ethnic profile

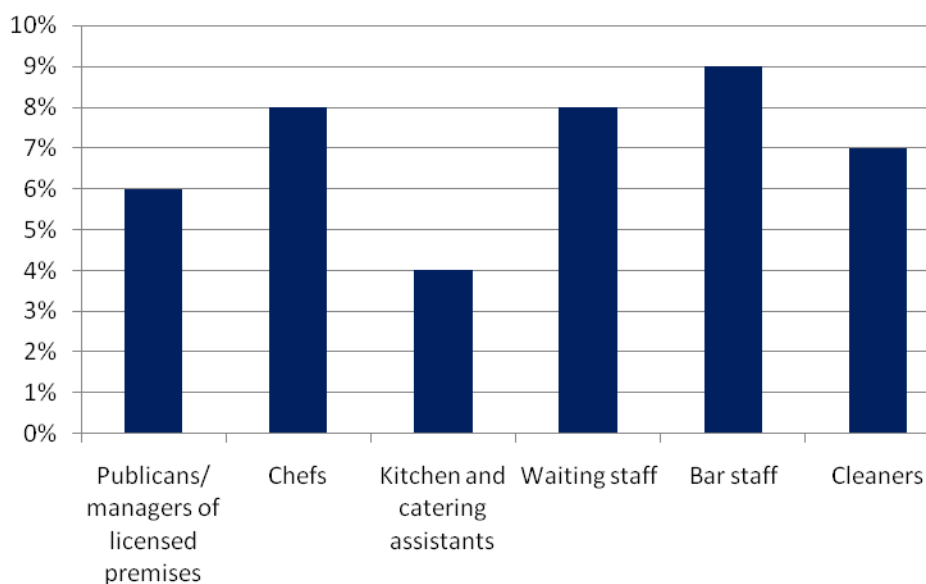
Only four percent of the pubs, bars and nightclubs workforce describe their ethnicity as Black or Minority Ethnic (BME). There is little variation across different occupational groups within the industry. The proportion of people from a BME background working in the industry is much lower than across the hospitality, leisure, travel and tourism sector as a whole (13 percent).

#### 4.2.3.6 Migrant workforce

Across the hospitality, leisure, travel and tourism workforce as a whole, approximately a fifth of the workforce are migrant workers (i.e. they were born overseas). This figure is lower in the pubs, bars and nightclubs industry (7 percent).

At an occupational level, there is little variation, although a slightly higher proportion of bar staff, waiting staff and chefs and cooks were born overseas than those working in other roles.

Figure 8: Proportion of workforce born overseas



Source: Labour Force Survey, 2007/08

A much greater proportion of the workforce in London were born overseas.

Statistics from the Home Office's Accession Monitoring Report suggest that 27,000 EU Accession State workers register to work in the hospitality industry last year, a decline from 39,000 in 2006. The main occupations that these workers enter are waiting and bar roles. Whilst the number of Accession State workers entering the industry is declining, in many premises they still make up a substantial element of the workforce.

*"There has been the influx of foreign workers. Mainly from Eastern Europe but also from Africa. They have displaced the English workforce to some extent. Only about 15-20 percent of [our] workforce are English". (London Nightclub employer, 2009)*

#### 4.2.3.7 Working patterns

According to CGA Strategy, despite the changes to licensing hours made in the Licensing Act, most pubs (64 percent) still close at 11pm on weekdays. 22 percent close at midnight and 13 percent later than midnight.

Typically, pubs and bars are busiest on Friday and Saturday evenings between 8pm and 11pm. Custom may also peak at lunchtime and when there are big sporting occasions. Given the peaks and troughs in custom, the majority of those working in pubs and bars do so on a part-time basis. Students are often able to choose hours that fit around their lectures. Staff working until closing time are usually required to work for another half hour to an hour to close tills, cash up, clear and wash glasses and clean tables and the bar area.

Bar managers and owners often work long hours. They take deliveries early in the mornings and work until after closing time. Some owners only take one day off work a week.

Generally speaking, nightclubs tend to be open from between 8 and 10pm until between 2 and 4am. Nightclubs rarely open every day of the week. Most are closed on Sundays and some only open Thursday to Saturdays. Most staff would start just before opening time and finish up to an hour after closing time. On days when clubs are closed, general managers tend to work 10am until 6pm.

Recent research by CGA Strategy found that part-time pubs were becoming more common as premises struggle to make a profit on quiet days. Nearly 10 percent of licensees interviewed said that they had decided to close on Mondays and Tuesdays and nearly nine percent said they had decided to close on Wednesdays<sup>10</sup>. CGA's research also found that 20 percent of pubs are experimenting with opening in the morning to cash in on breakfast trade.

Similarly in nightclubs, one employer interviewed for this research said that:

*"rather than waiting to see if we will be busy or not in one nightclub we are no longer trading on a Monday and Tuesday. Given the level of trade during January and February, there no point in spending money on electricity when don't have the customer in". (Leisure group, 2009)*

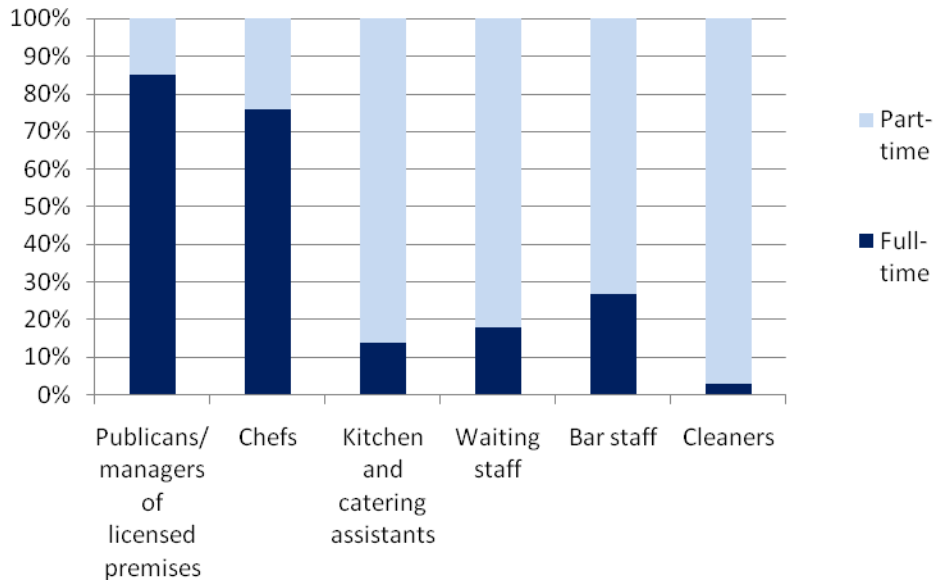
Changing opening hours will obviously have implications for the workforce. Some staff may have their hours reduced whilst others will need to work on different days than previously.

Overall, 54 percent of those working in the pubs, bars and nightclubs industry do so on a part-time basis. This varies substantially by occupation with the vast majority of cleaners, kitchen and catering assistants, waiting staff and bar staff working part-time and the majority of chefs and cooks and publicans & managers of licensed premises, working full-time (see figure 9).

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<sup>10</sup> The Publican, 11 December 2008

Figure 9: Proportion of workforce working full and part-time



Source: Labour Force Survey, 2007/08

#### 4.2.3.8 Qualification levels

Overall, 70 percent of the pubs, bars and nightclubs workforce have at least a Level 2 qualification and 42 percent have at least a Level 3 qualification.

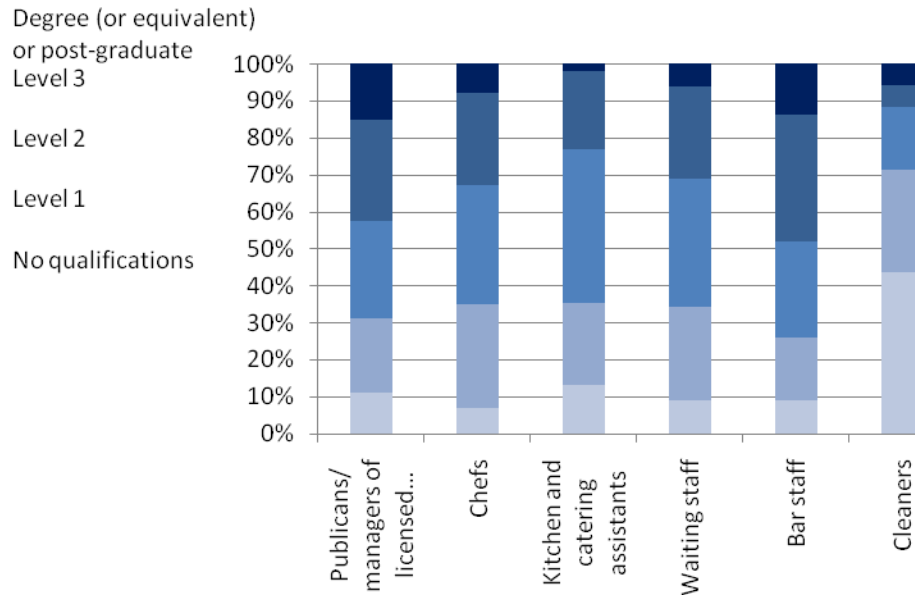
Qualification levels (England, Wales and Northern Ireland)

Level 1 = GCSEs at grades D-G  
Level 2 = GCSEs at grades A\*-C  
Level 3 = A-levels  
Level 4 = Degree  
Level 5 = Post degree

However, 10 percent of the workforce have no qualifications at all. Figure 7 shows that cleaners are most likely to hold no qualifications, followed by kitchen and catering assistants. Perhaps most worryingly, 10 percent of publicans & managers of licensed premises do not have any formal qualifications. This is a higher proportion than for other hospitality management roles (hotel & accommodation managers, seven percent; conference & exhibition managers, five percent and restaurant & catering managers, nine percent). However, this statistic does need to be treated with caution. Licensing law in England and Wales states that anyone who authorises the sale of alcohol to the public must hold a licensing qualification. Potential reasons for this disparity are:

- Some interviewed for the Labour Force Survey may consider this to be a formal qualification as they did not gain it in school.
- Some may be exempt from holding a licensing qualification as they might have had 'grandfather rights' which allowed the grant of a personal license to those meeting certain criteria.
- Some who said their occupation was 'publicans/managers of licensed premises' may not be the Premises Manager rather a bar managers or supervisors who have classified themselves this way rather than as 'bar staff'.

Figure 10: Highest level of qualifications held by workforce



Source: Labour Force Survey, 2007/08

#### 4.2.3.9 Focus on chefs

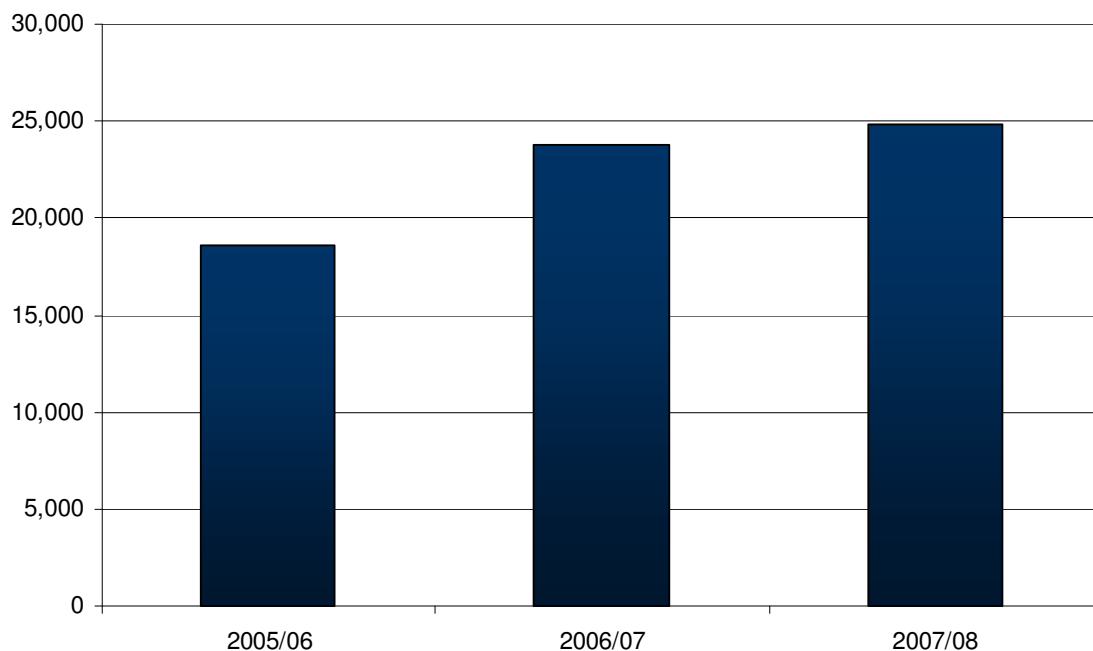
Many pubs and bars now serve food. This ranges from gastro-pubs selling restaurant priced food to those offering 'good value' deals. According to the Labour Force Survey (see table 17 and figure 11) the number of chefs working in pubs, bars and nightclubs in the UK increased from 18,600 in 2005/06 to 24,800 in 2007/08. This is likely to be linked to increased consumer demand (consumers, particularly young people, eat out more frequently than they did in the past) and because more pubs began to focus on food to limit the impact of the smoking ban.

Table 17: Increase in number and proportion of chefs over the last 3 years

	Number	Proportion of workforce
2005/06	18,600	6.2%
2006/07	23,800	7.4%
2007/08	24,800	7.4%

Source: Labour Force Survey

Figure 11: The number of chefs working in the pubs, bars and nightclubs industry, 2006 - 2008

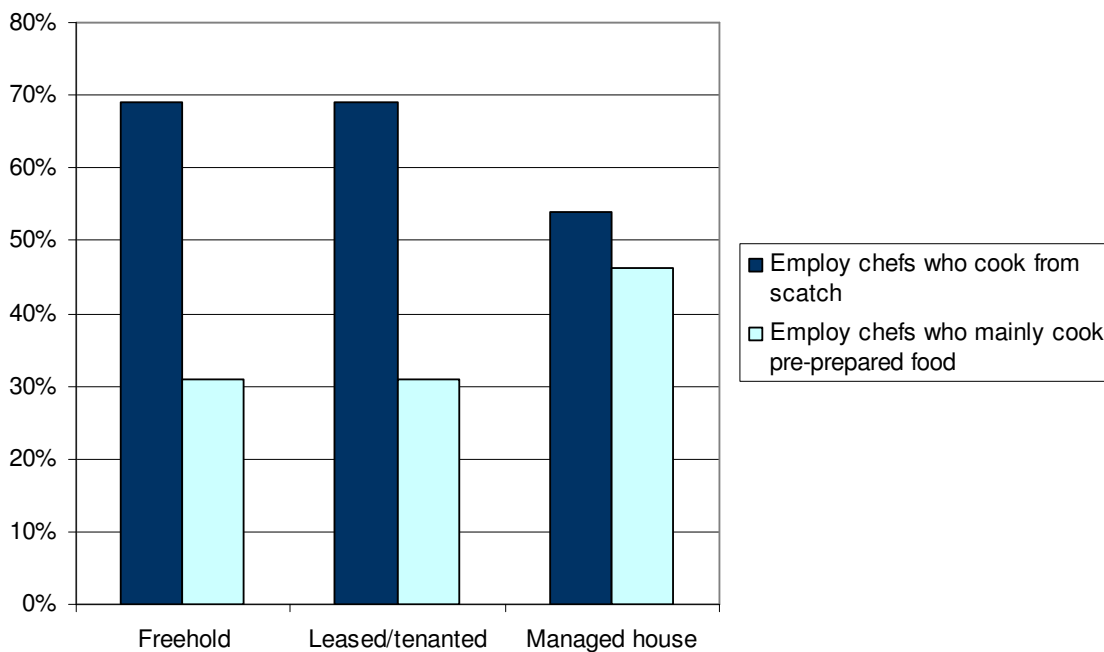


Source: Labour Force Survey

Broadly speaking, those working as chefs in pubs and bars tend to fall into two categories: those who mainly prepare food from scratch, and those who mainly cook pre-prepared food. There are many variations in between but the majority could place themselves into one of these two groups.

A survey of over 300 licensed premises conducted by People 1st found that just under half (47 percent) of respondents employ chefs who cook from scratch and just under a quarter (23 percent) employ chefs who mainly cook pre-paid food. Although not a representative survey, it is possible to disaggregate the results by the type of premise (see figure 12). This suggests that freehold and leased/tenanted premises are most likely to employ chefs who cook from scratch.

Figure 12: Proportion of different types of premise who employ chefs who cook from scratch and chefs who mainly cook pre-prepared food.



Source: People1st Industry Survey, 2009 (base: all those who employ chefs)

### 4.3 Characteristics of those working in licensed hospitality roles outside of the pubs, bars and nightclubs industry.

#### 4.3.1 Overview

36 percent of all those working as bar staff in the UK (75,400 people) and 26 percent of those working as publicans & managers of licenses premises (12,400 people) work outside of the pubs, bars and nightclubs industry (see table 18). The majority of whom work for membership organisations, restaurants and hotels.

Table 18: Industries in which bar staff and publicans & managers of licensed premises commonly work.

	Publicans & managers of licensed premises	Bar staff
Public houses, bars	33,500	124,400
Nightclubs	1,700	9,800
<b>Pubs, bars and nightclubs total</b>	<b>35,200</b>	<b>134,200</b>
Membership organisations	4,800	19,200
Restaurants	2,100	17,900
Hotels	2,600	12,600
Sports clubs	300	8,300
Retail	400	2,800
Contract catering	500	2,200
Other	1,700	12,400
<b>Total other industries</b>	<b>12,400</b>	<b>75,400</b>
<b>GRAND TOTAL</b>	<b>47,600</b>	<b>209,600</b>

Source: Labour Force Survey, 2007/08

This section describes the characteristics of these groups.

#### 4.3.1.1 Gender profile

Whilst there is a 50/50 split between male and female publican & managers of licensed premises within the pubs, bars and nightclubs industry, outside of the industry, the vast majority (over 80 percent) are men. The proportion of male and female bar staff is similar to that within the industry with just over half of all bar staff being female.

Figure 13: Gender profile of licensed hospitality staff working outside of the pubs, bars and nightclubs industry



Source: Labour Force Survey, 2007/08

#### 4.3.1.2 Age profile

The age profile of those working in licensed hospitality roles outside of the pubs, bars and nightclubs industry is also young. However, it is slightly older than those working within the industry with 40 percent of bar staff being over the age of 25 (compared to 30 percent of those working in pubs, bar and nightclubs).

Figure 14: Age profile of workforce



Source: Labour Force Survey, 2007/08

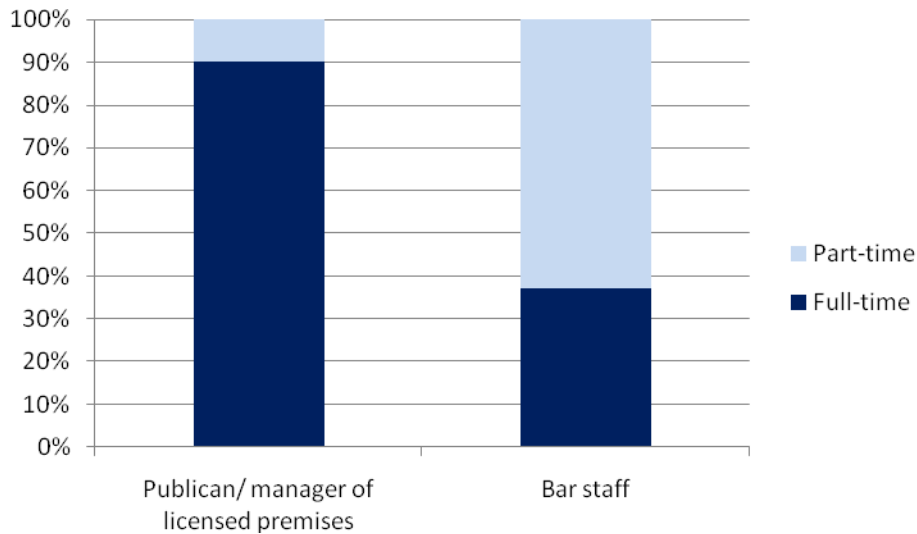
#### 4.3.1.3 Ethnic profile

A high proportion of publicans & managers of licensed premises and bar staff working outside of the pubs, bars and nightclubs industry are from Black and Minority Ethnic (BME) groups (eight percent and five percent respectively) than within it. This could be due to the higher proportion of people from BME backgrounds working in the restaurant industry than the pubs, bars and nightclubs industry.

#### 4.3.1.4 Working patterns

Those working as publicans & managers of licensed premises and as bar staff outside of the pubs, bars and nightclubs industry are more likely to work on a full time basis than their counterparts within the industry. 90 percent of publicans & managers of licensed premises and just over 40 percent of bar staff work on a full-time basis.

Figure 15: Proportion of workforce working full and part-time



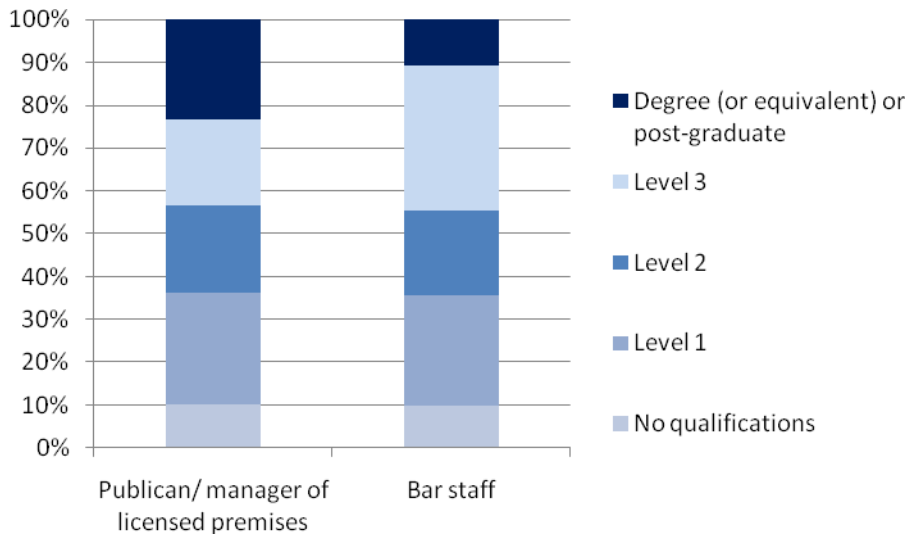
Source: Labour Force Survey, 2007/08

Slightly few of those working as bar staff outside of the pubs, bars and nightclubs industry are also full time students (29 percent compared to 35 percent)

#### 4.3.1.5 Qualification levels

The highest level of qualifications held by publicans & managers of licensed premises and bar staff working outside of the pubs, bars and nightclubs industry are similar to their counterparts within the industry. One in 10 do not hold any qualifications.

Figure 16: Highest level of qualifications held

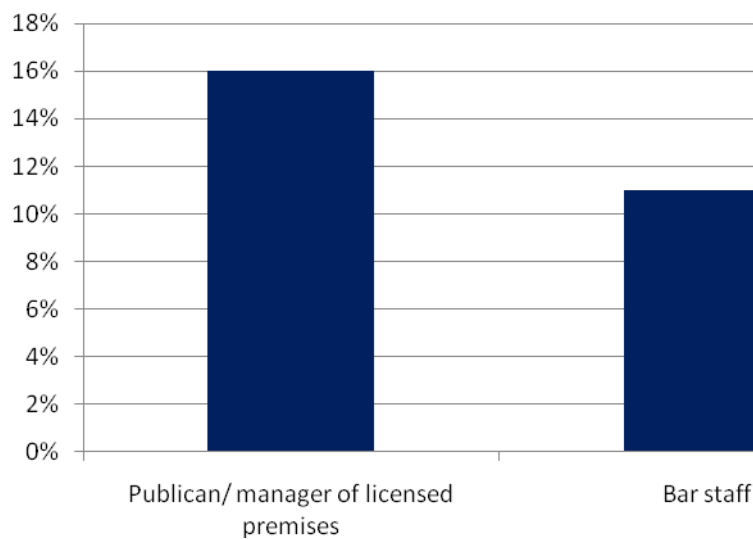


Source: Labour Force Survey, 2007/08

#### 4.3.1.6 Migrant workforce

A greater proportion of publicans & managers of licensed premises working outside of the pubs, bars and nightclubs industry were born overseas than those within the industry (16 percent compared to six percent). The majority of those working in this role who were born overseas are likely to work in the restaurant or hotel industries which traditionally employ a greater proportion of migrant workers.

Figure 17: Proportion of workforce born overseas



Source: Labour Force Survey, 2007/08

## 5 Recruitment and retention

### 5.1 Vacancies

The latest data available (for 2007) suggests that at any one time, 20 percent of pubs, bars and nightclubs have vacancies. This figure is likely to have decreased as a result of the economic downturn. According to People1st's 2009 Employer Survey, 26 percent of pubs, bars and nightclubs employers froze recruitment at some point in the 12 months to March 2009.

Table 19: Proportion of vacancies

	2005	2007		
	Pubs, bars and nightclubs	Pubs, bars and nightclubs	HLTT	All sectors
% establishments with vacancies	18%	20%	20%	18%
Vacancies as % of employment	4%	4%	4%	3%

Source: National Employer Skills Survey, 2007

The tables below show the number of vacancies advertised at Jobcentre Plus throughout Great Britain. The annual monthly average is shown in the first table which shows that vacancies are at their lowest for the last few years. The second table compares the latest data available (March 2009) to the same month's vacancies for the preceding five years. Once again, the number of vacancies is considerably lower.

Table 21: Annual monthly average vacancies advertised for bar staff

	England	Scotland	Wales	Great Britain
2005	4,495	755	340	5,590
2006	4,600	704	324	5,629
2007	4,776	856	354	5,986
2008	4,091	670	281	5,041

Source: Jobcentre Plus

Table 22: Monthly vacancies advertised for Bar staff (March)

Date	England	Scotland	Wales	Great Britain
March 2005	4,124	754	290	5,168
March 2006	3,812	571	308	4,691
March 2007	3,856	661	305	4,822
March 2008	4,013	595	341	4,949
March 2009	2,976	521	180	3,677

Source: Jobcentre Plus

## 5.2 Ease of recruitment

According to the National Employer Skills Survey, eight percent of pubs, bars and nightclubs employers have vacancies that are proving hard-to-fill. This is comparable with the hospitality, leisure, travel and tourism industries as a whole and is slightly lower than the average across all sectors.

Table 20: Hard-to-fill vacancies

	2005	2007		
	Pubs, bars and nightclubs	Pubs, bars and nightclubs	HLTT	All sectors
% establishments with hard-to-fill vacancies	8%	8%	8%	7%
Hard-to-fill vacancies as a % all vacancies	39%	33%	31%	30%
% establishments with skill shortage vacancies	4%	4%	4%	5%
Skill shortage vacancies as % vacancies	20%	16%	19%	21%

Source: National Employer Skills Survey, 2007

Interviews with a range of employers and trade associations undertaken suggest that generally, the industry does not suffer from a recruitment problem, however, some roles are more difficult to fill than others. The findings from People 1<sup>st</sup>'s 2009 Employer Survey suggest that pub employers find it most difficult to fill vacancies for owners/managers followed by vacancies for chefs.

Table 23: Employers finding it difficult to recruit staff for specific roles

Role	% difficulty
Owners/managers	33%
Chefs or cooks	20%
Bar staff	11%
Waiting staff	10%

Source: People1st Employer Survey, 2009

Base: All those who have recruited over the last 12 months

### 5.2.1 Recruiting bar and waiting staff

Few employers report that vacancies for bar staff and waiting staff are hard-to-fill. Employers interviewed felt that recruiting for these roles was easy, particularly in student areas where a lot of young people are looking for part-time work whilst they study. One employer noted that it was more difficult to recruit in wealthy areas where fewer young people needed to work.

Bar and waiting staff tend to be recruited via word-of-mouth, via adverts in local newspapers, and in student areas through adverts at universities and colleges. In the majority of premises (those that are part of managed estates, leased/tenanted premises and independent premises) the premise manager is responsible for recruiting bar and waiting staff.

When recruiting for bar and waiting staff, employers tend to look for people with first and foremost with the required attitude and personality and previous experience. Some employers who cater for large functions such as weddings look for silver service skills when recruiting waiting staff.

Some employers do note that whilst they do find it easy to recruit for these roles, getting good people, with the right personality, can be more difficult.

*"We'd always recruit on personality and not look for any qualifications. We prefer to start with a blank sheet." (Independent operator, 2009)*

*"[We] prefer to mould them ourselves rather than [them] coming with bad habits"  
(Medium sized pubco, 2009)*

### **5.2.2 Recruiting chefs**

Employers interviewed particularly highlighted the difficulties of recruiting chefs, particularly in more junior roles:

*"[Recruitment is] very easy from the front of house point of view, where we struggle is in the kitchen... particularly at the lower end" (Medium sized brewery, 2009)*

*"Chefs are very difficult to recruit for" (Leisure Group, 2009)*

Some employers provided examples of measures that they had taken to ease recruitment difficulties for chefs. These include developing close links to a catering department in local college and introducing a bonus scheme to encourage talented senior chefs to stay with the business, creating a more stable kitchen environment for new recruits.

*"We have a relationship with [named college] – we sponsor their catering department and the restaurant in the college. Our head chef works there one day a week and we take year 1, 2 and 3 students on work placements. "  
(Independent operator, 2009)*

When recruiting chefs, the majority of employers interviewed said they required previous experience and that applicants had completed a cookery qualification along with their food hygiene and health and safety training.

*"For senior kitchen staff [we] look for job specific qualifications like NVQs or see that they have got a progression with a known organisation" (Medium sized brewery, 2009)*

*For commis chefs we look for people with the right attributes and core values. For head chefs we look for minimum of 8 years experience and 6 years for a sous chef. (Medium sized pubco, 2009)*

Chefs tend to be recruited via word-of-mouth, through local and trade press. Some employers acknowledge that some of the chefs they employ will not be able to utilise all of their skills.

*In terms of their backgrounds, most started off in restaurants. So although there will be some de-skilling then for them, we get them involved in menu changes and the specials which tend to be cooked from scratch. (Medium sized brewery, 2009)*

### **5.2.3 Recruiting bar supervisors**

The interviews suggest that the vast majority of bar supervisors tend to be recruited from within. They are usually the most capable bar staff, who aspire to progress, and exhibit leadership qualities. There is usually no shortage of bar staff wishing to take on more responsibility and become bar supervisors and therefore employers do not tend to face recruitment difficulties for these roles.

*"All supervisors are promoted from within. We very rarely recruit externally. In fact 80 percent of supervisory/team leader vacancies are filled through internal promotion." (Independent operator, 2009)*

### **5.2.4 Recruiting security staff**

An estimated 20 percent of premises have security staff. Some will be employed directly and others employed through agencies. The introduction of the Security Industry Act which required all door supervisors to pass CRB checks and complete a mandatory qualification, reduced the available pool of 'bouncers'. As a consequence, some

employers have found it difficult to recruit people for this role and in many cases have had to increase wages.

## **5.2.5 Recruiting pub and bar managers**

### **Managed estate managers**

Again, for management roles (bar managers, deputy bar managers, nightclub managers, general managers and area managers), employers interviewed report no shortage of applicants. However, filling positions can be difficult as the calibre of applicants for these roles can be lower than is required.

Managers tend to be recruited internally and via company websites.

*“67 percent of our assistant managers were team leaders and 84 percent of our managers were assistant managers” (Managed estate, 2009)*

One employer interviewed described their application process which involved web-based screening, a recruitment day and an interview. Successful candidates were then matched to premises depending on which brand they were suited to and their geography. If a suitable match wasn't available they would be kept in a 'talent bank' until a suitable opportunity arose.

Generally speaking, the skills employers look for when recruiting managers include: people management skills; understanding of licensing legislation; stock control; customer service; organisational skills; staff training skills; communication skills and cellar management<sup>11</sup>.

Whilst employers tend to prefer new recruits to have a background in the industry they do recruit people with a background in other areas of the hospitality industry or from the hospitality industry if they have the right attributes and people management skills.

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<sup>11</sup> Please note, within Northern Ireland, drinks dispense lines are maintained by suppliers

## **Owner managers of leased/tenanted pubs**

The application process that owners of leased or tenanted pubs go through before taking on a pub varies according to the pubco or brewery offering the lease/tenancy. A leased pub estate interviewed as part of this research reported that they receive a lot of applicants but they also have a lot of vacancies (currently around 300). Applicants tend to come from a wide range of backgrounds and their background is matched to pubs with vacancies.

*“Food pubs require lessees with a food background whilst small back street boozers tend to be offered to people from the local community”. (Leased division of Brewery, 2009)*

Although trading is currently tough within the industry, the company interviewed reported that the number of applicants was holding steady, possibly as a result of rising unemployment.

Industry experts identify the ease by which people can become owners of freehold pubs and lessees/tenants as a potential problem for the industry.

*“The capability and quality of independent business people coming into the industry is very important. Incompetent people lead to pubs closing and brewery incomes declining”. (Nick Bish, Chief Executive, ALMR, 2009)*

## **Business Development Managers**

Business Development Managers look after a number of pubs and provide advice on how to improve and develop the business in a wide range of areas, for example in new products, food development, beer quality, promotions, diversification e.g. offering quiz nights, darts teams etc. They also have a role in letting pubs in the first place and may provide help with day-to-day issues such as credit control.

Business Development Managers (job titles and roles will vary by pubco and brewery) are recruited from a variety of backgrounds. These include, freetrade/leased/tenanted pub owners, regional/area managers (in hospitality and retail) and graduates. Employers interviewed did not report particular difficulties in recruiting people for these roles but stated that applicants need to be 'all rounders' whereas most are good at one aspect of the role (such as sales or negotiation).

### **5.2.6 Recruiting nightclub managers**

Similarly with bar managers, employers interviewed did not find it difficult to attract applicants for nightclub manager vacancies, however, they felt it was difficult to recruit the right person. The two companies interviewed had different approaches. One focused on recruiting from within and the other on recruiting from elsewhere in the hospitality industry (those with a hotel or restaurant background) rather than from other nightclubs.

One employer emphasised the importance of honesty and trust and gave examples of problems they had had previously with theft. They also described problems that had encountered in the past with people wishing to do the job for the social side and with managers who had drug habits.

### **5.2.7 Recruiting nightclub cashiers**

Nightclub cashiers take payment for entry into the club.

One employer interviewed noted that it was difficult to recruit cashiers. They felt that this was because applicants tended to have previously worked in retail and did not want to work nightclub hours.

### 5.3 Skills lacking

According to the National Employer Skills Survey, employers in the pubs, bars and nightclubs industry believe oral communication skills are the desired skills that applicants to jobs within the sector are most likely to lack. Other skills highlighted by employers as lacking include problem solving skills, team working skills and customer handling skills.

Table 24: Skills lacking amongst applicants

Skills lacking amongst applicants	Pubs, bars and nightclubs	All sectors of economy
Oral communication skills	45%	33%
Problem solving skills	39%	29%
Team working skills	37%	26%
Customer handling skills	35%	32%
Technical, practical or job-specific skills	29%	52%
Literacy skills	26%	22%
Numeracy skills	23%	18%
Written communication skills	23%	25%
Management skills	22%	23%
Foreign language skills	21%	12%

Source: National Employer Skills Survey, 2007

There is a similar picture in terms of skills skills lacking within the existing workforce

Table 25: Skills lacking within the existing workforce

Skills lacking amongst applicants	Pubs, bars and nightclubs	All sectors of economy
Oral communication skills	41%	36%
Problem solving skills	36%	36%
Team working skills	44%	35%
Customer handling skills	60%	41%
Technical, practical or job-specific skills	54%	52%
Literacy skills	13%	17%
Numeracy skills	18%	18%
Written communication skills	16%	21%
Management skills	24%	29%

Source: National Employer Skills Survey, 2007 (base: all those with skills gaps in their existing workforce)

Overall, according to the National Employer Skills Survey, 19 percent of pubs, bars and nightclubs report skill gaps within their existing workforce (the average across the whole economy being 15 percent). In total, pub, bar and nightclub employers report that 10 percent of the workforce are not fully proficient in their role, against an average of 6 percent across the whole economy. As the main reason for lack of proficiency is usually because staff are new to the role, these relatively high figures could reflect the higher than average labour turnover rates across the sector which results in a steady inflow of new starters.

Interviews with employers explored some of these top level skill gaps in more detail and allowed a breakdown by occupation. These are shown in table 25.

Table 25: Skills lacking within the workforce

	Essential
Bar and waiting staff	Interpersonal skills, customer service skills, basic numeracy skills, work ethic, personal thinking skills, sales skills, product knowledge, <i>mixology skills, barista skills</i> <sup>12</sup>
Chefs	Food preparation skills
Bar supervisors	Supervisory skills, training skills
Bar managers	Basic bar skills, basic numeracy, people management
General managers	Business acumen, experience, people management
Business development managers	All rounders
Owners/lessees/tenants	Financial acumen, marketing, people management, promotion, selling
Security staff	Security Industry Authority Licence
Nightclub cashiers	Cashing up accuracy

*Source: Industry interviews 2009*

According to a recruitment agency in Northern Ireland, only 40 percent of applicants for food preparation roles in licensed hospitality have relevant qualifications (such as Food Safety in Catering).

According to an industry training provider interviewed for this research, the main skills lacking in the workforce are in the following areas.

*"The main skills that are lacking in the pub workforce is the management of the business. People management, marketing, finance, promotion and selling. It is not unusual to be explaining how to cost a drink*

*Area manager's weakness is helping and supporting their licensees. They tend to act as a policing body but don't help them develop, too focused on control.*

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<sup>12</sup> Not applicable to all venues

*With bar supervisors, being able to supervise is their biggest weakness. Many with this job title do not actually supervise. They may train new staff but in a very ad hoc way.*

*With bar staff, customer service skills are weak as well as sales skills. Specifically it's recognising the importance of the customer, doing anything for them, attending to their needs. Also product knowledge is big area of weakness.*

*With kitchen staff there are those that can do the food processing but nothing else, there are those that have experience and skills and then those in the middle that try to produce good quality food but can't. Food safety done at a basic level but very few do the Level 3. This is gap, more should do this.*

*Security staff skills have improved, it is becoming more professional”.*

(Industry training provider, 2009)

An industry trade association interviewed for this research also highlighted the skills of self-employed owners/managers as being crucial.

*“People entering the industry as a lifestyle choice is problematic. People don't necessarily have the right background. There needs to be some sort of filter. Greene King for example have open book accounting. This is a bit strange, but good, for a self-employed business” (Nick Bish, Chief Executive, ALMR, 2009)*

#### **5.4 Labour turnover**

Staff turnover has always been high in the pubs, bars and nightclubs industry and most operators believe this to be inevitable. However, high staff turnover can be costly and turnover rates can be reduced by good management practices. According to People 1st's 2009 employer survey, staff turnover within the pub industry in 2008 stood at 42 percent. A separate survey of BII and FTLR members (that put the overall turnover at 27

percent) suggested that staff turnover is much higher in leased/tenanted pubs (39 percent) than in managed houses (22 percent) and freehouses (21 percent).

The overall turnover reported by respondents to the latter survey was surprising. One reason for this could be that those who are members of a professional body or trade association and took the time to respond to the survey could be more likely to be 'good employers' who understand the value of treating their staff well, thus keeping turnover low. Another reason could be the current economic, with few job vacancies elsewhere those working in the industry may be more likely to stay with their existing employer than might have been the case in the past.

Reasons for higher than average staff turnover could include:

- Poor recruitment skills of managers
- Lack of training and development offered
- Poor pay and/or conditions
- Poor morale

Labour turnover varies massively between businesses. A couple of employers interviewed had very low staff turnover .

*“Excluding bar staff, our staff turnover is less than five percent. Bar staff are students and stay for three years. We haven't had a new chef for six years”.*  
*(Independent operator, 2009)*

Reasons given by those interviewed for having low staff turnover included:

- Above industry average pay
- Good working hours (<40 hrs a week),
- Empower staff, particularly supervisors.
- Team building exercises for team leading (gorge walking)
- Good camaraderie

Others had much higher staff turnover:

*“Staff turnover is between 95 and 105 percent. But then management turnover is around 17 percent” (Medium sized brewery, 2009)*

*“It’s probably around 60-70%, it’s the nature of the business. Some work for 3 months to save some money for travelling but many come back again.” (Small pubco, 2009)*

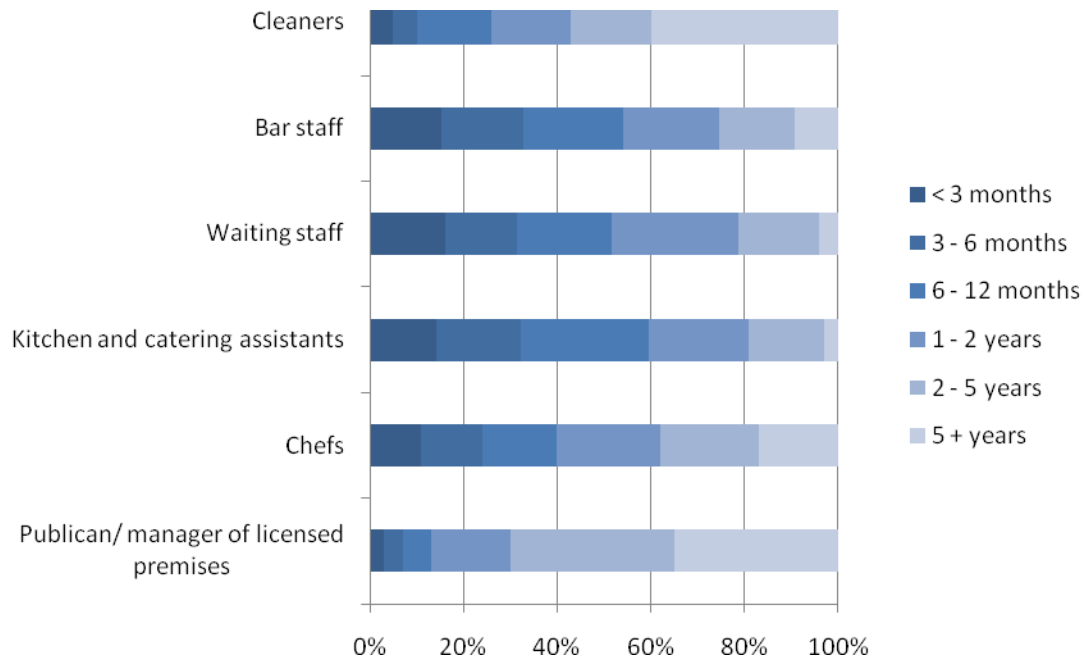
Reasons given by those interviewed for having high staff turnover included:

- Anti-social hours
- Low pay
- Transient nature of the workforce
- Students completing their studies/going home for holidays

Staff turnover is highest amongst bar staff. Many of those working in this role (particularly students and those from overseas) do not intend to pursue a career in the industry. This, in part, contributes to high staff turnover within this occupation (estimated to be 45 percent).

Figure 19 shows the length of time pub, bar and nightclub staff have been with their employer. Approximately 60 percent of kitchen and catering assistants and 50 percent of bar and waiting staff have been with their employer for less than one year.

Figure 19: Length of time with current employer



Source: Labour Force Survey, 2007/08

This suggests that older workers and those in full-time roles are likely to stay with businesses for a longer period.

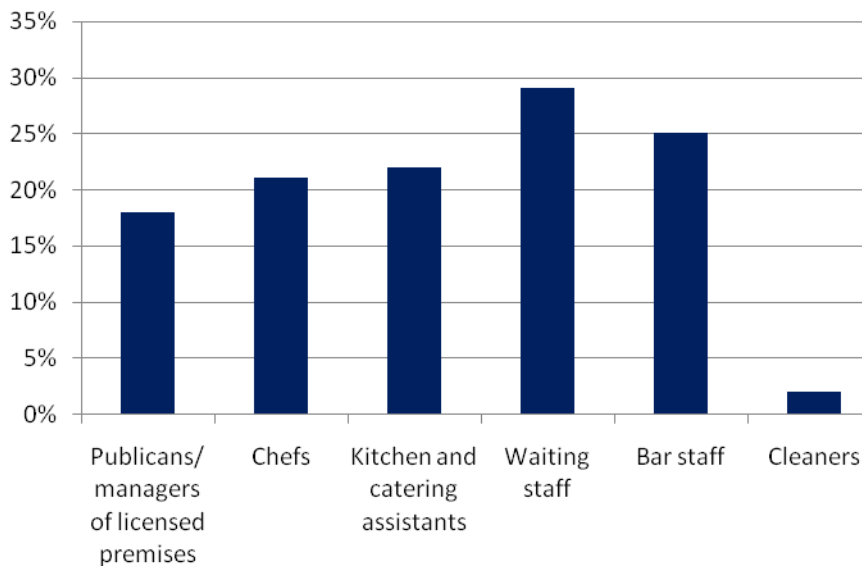
## 6 Workforce development

### 6.1 Overview

According to the 2007 National Employer Skills Survey, 71 percent of pubs, bars and nightclubs provide or arrange training for their staff. This is an increase from 64 percent in 2005. This could be a result of the introduction of the new licensing regulations in England and Wales. Given the high labour turnover rates within the industry, much of this training is likely to be introductory training for new staff.

Figure 20 shows the proportion of staff undertaking job related training in the last 13 weeks. Incidences of training are highest amongst front of house staff (possibly as a result of high labour turnover in these occupations), followed by kitchen staff and then managers. Very few cleaners had received training.

Figure 20: Undertaking job-related training in last 13 weeks (pubs, bars and nightclubs)



*Source: Labour Force Survey, 2007/08*

Training cultures vary across the industry. Some companies and independent premises have not had a tradition of training:

*“[there was] no investment in training historically, what we’re going through now is a huge corrective coaching programme. And that has to start at the management level, because they’ve never been given any training. So we’re trying to give them the skills to develop their own people”. (Small pub company, 2005)*

The larger managed estates are more likely to have formal training programmes in place for both new and existing staff. Ensuring all staff complete these programmes can be difficult as it can depend the value individual bar managers place on training.

Table 26 shows the type of training that employers provide and whether this is provided internally, externally or both. This shows that the most commonly provided training is on serving drinks, customer service, health and safety, new products and services and underage drinking. Training that is most commonly provided through some sort of external provision is basic food hygiene, legislation/law and alcohol and/or drug awareness (both of which are covered within the National Certificate for Personal License Holders) and health and safety.

Table 26: Type of training provided in-house and through external training

	In-house		External training	
	Number	%	Number	%
Serving drinks	200	66%	17	6%
Customer service/sales	188	62%	28	9%
Health and safety	187	62%	49	16%
New products and services	185	61%	14	5%
Underage drinkers	182	60%	31	10%
Alcohol and/or drug awareness	153	50%	53	17%
Cellar maintenance/drinks dispense systems	152	50%	43	14%
Legislation/law	135	45%	53	17%
Serving food	131	43%	15	5%
Food preparation and cooking	109	36%	37	12%
Staff management	109	36%	30	10%
Basic food hygiene (or similar)	88	29%	103	34%
Financial management	82	27%	41	14%
Base	303		303	

Source: People1st Pub, Bar and Nightclub Survey, 2009

Respondents were asked whether any of their staff were undertaking any nationally recognised qualifications. 26 percent said staff were working towards S/NVQs and 24

percent said staff were working towards licensing qualifications. Generally speaking, respondents from managed houses were more likely to have staff working towards formal qualifications.

Table 27: Number and percentage of respondents with staff working towards formal qualifications

	Number	Percent
S/NVQ	80	26%
Licensing qualifications	72	24%
Other vocational qualifications	35	12%
Apprenticeship	19	6%
An industry related degree	12	4%

Source: *People1st Pub, Bar and Nightclub Survey, 2009*

Table 28: Number and percentage of respondents with staff working towards formal qualifications

	Freehold		Leased/tenanted		Managed house	
	Number	%	Number	%	Number	%
S/NVQ	32	22%	31	25%	17	61%
Apprenticeship	11	8%	7	6%	1	4%
Other vocational qualifications	14	10%	12	10%	7	25%
Licensing qualifications	22	15%	36	30%	13	46%
An industry related degree	7	5%	3	2%	2	7%

Source: *People 1st Pubs, Bars and Nightclubs Survey, 2009*

Having stated which type of qualifications were being studied, respondents were prompted to note the actual title of the qualification. There were 191 entries here (many respondents mentioned a number of different courses), of which 42 were specifically mentioned as being S/NVQs. These are listed in Annex 2. The 10 most popular areas are listed in table 29.

Table 29 Common subject areas

Main topic of course	Number of mentions by respondents
Licensing	44
Other (not specified/miscellaneous)	42
Food & drinks service	15
Management / team leading / supervisory	13
Hospitality (general)	10
Food hygiene	7
Cellar	6
Catering	5
Customer service	5
Literacy / numeracy	5

Source: *People 1st Pub, Bar and Nightclub Survey, 2009*

Additional qualifications which respondents mentioned included business administration, health & safety, cookery and chef related qualifications, first aid, courses for door staff and food preparation.

## 6.2 Mandatory training and qualifications

### 6.2.1 England and Wales

#### 6.2.1.1 Person responsible for day-to-day running of licensed premises

Within England and Wales, all premises licences authorising the supply of alcohol must have an identified personal licence holder known as the designated premises supervisor. This ensures there is always one specified individual who can be readily identified at a premise where a premises licence is in force. This person will usually be responsible for the day-to-day running of the premises. More than one individual at the licensed premises may hold a personal licence, although it is not necessary for all staff to be licensed. But, all supplies of alcohol under a premises licence must be made by or under the authority of a personal licence holder.

A personal licence is issued for ten years in the first instance and can be renewed on application for a further ten years if the licence holder has not been convicted of any relevant or foreign offence.

Applicants for personal licences will need to obtain an accredited qualification first. The aim of the qualification is to ensure that licence holders are aware of licensing law and

the wider social responsibilities attached to the sale of alcohol. Personal licence qualification providers are accredited by the Secretary of State (for further details, see Annex 2).

The following personal licence qualifications are currently accredited:

- BIIAB Level 2 National Certificate for Personal Licence Holders
- GOAL Level 2 National Certificate for Personal Licence Holders
- GQAL Level 2 National Certificate for Personal Licence Holders
- NCFE Level 2 National Certificate for Personal Licence Holders

#### 6.2.1.2 Staff responsible for serving or selling alcohol

The Policing and Crime Bill was published last year and was last debated by MPs on 19<sup>th</sup> May 2009. The Bill contains a number of provisions to tackle alcohol misuse. Chief amongst these is the clause allowing the Secretary of State to introduce a national mandatory code of practice for those selling alcohol. The code could include up to nine new mandatory conditions on all licences. The Bill also gives local authorities the power to impose conditions on a block of premises in an area experiencing disorder or problems. The Bill just provides the government with the power to introduce a code - the details of what such a code could contain are still subject to discussion.

The present working proposals include a ban on irresponsible promotions, a requirement for POS unit pricing, Challenge 21 policy adopted and a requirement to offer minimum standard measures of alcohol. In addition, the draft list of potential local conditions which may be applied to problem premises include a ban on happy hours, the sale of “very low priced alcohol”, **formal staff training**, minimum seating area, risk assessments and dispersal policies. The content of codes and procedure will need to be approved by Parliament<sup>13</sup>.

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<sup>13</sup> Source: ALMR website

### 6.2.1.3 Door supervisors<sup>14</sup>

A Security Industry Authority (SIA) Door Supervisor licence is required if manned guarding activities are undertaken in relation to licensed premises, except where the activity only involves the use of CCTV equipment or falls within the definition of cash and valuables in transit or close protection (which require a different licence).

There are two types of SIA licence:

- A **front line** licence is required if undertaking licensable activity, other than key holding activities (this also covers undertaking non-front line activity). A front line licence is in the form of a credit card-sized plastic card that must be worn, subject to the licence conditions.
- A **non-front line** licence is required for those who manage, supervise and/or employ individuals who engage in licensable activity, as long as front line activity is not carried out - this includes directors\*\* or partners. A non-front line licence is issued in the form of a letter that also covers key holding activities.

Those applying for front line door supervisor licence must have an SIA endorsed qualification: Those recommended for the UK are:

- BIIAB Level 2 National Certificate for Door Supervisors
- City and Guilds Level 2 National Certificate for Door Supervisors
- Edexcel Level 2 BTEC Award in Door Supervision
- EDI Level 2 Certificate for Door Supervisors
- EDI Level 2 Award in Door Supervision

SIA-endorsed qualifications are valid for SIA licensing requirements regardless of which UK qualifications regulatory authority approved them. However:

- For those working mainly in England or Wales then the most appropriate qualifications are those focused on England and Wales.

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<sup>14</sup> Source: SIA website

- For those working mainly in Scotland then the qualifications most pertinent to you are those focused on Scotland.

## 6.2.2 Scotland

### 6.2.2.1 Person responsible for day-to-day running of licensed premises

The Licensing (Scotland) Act 2005 states that anyone who authorises the sale of alcohol to the public must hold a personal licence. Applicants for personal licences need to obtain an accredited qualification. The transition period for the Act began in February 2008 and was fully implemented on 1 September 2009.

The following personal licence qualifications are currently accredited in Scotland:

- BIIAB Level 5 Scottish Certificate for Personal Licence Holders
- City and Guilds Level 5 Certificate for Scottish Personal Licence Holders
- SQA Level 6 Scottish Certificate for Personal License Holders (On-Sales)
- EDI Level 5 Scottish Certificate for Personal Licence Holders (On-Sales and Off-Sales)

### 6.2.2.2 Staff responsible for serving or selling alcohol

Under paragraph 6 of schedule 3 of the Scottish licensing Act the law states that all other members of staff are required to achieve a level of competence in retailing alcohol. Therefore, all staff responsible for serving or selling alcohol needed to receive training before 1 September 2009. This includes part-time and casual staff. Training may either be a recognised qualification, such as the BIIAB Scottish Certificate for Licensed Premises Staff (SCLPS) and the ServeWise City & Guilds Certificate for Staff Working in Scottish Licensed Premises, alternatively staff can be trained on a set syllabus provided by a personal licence holder, or by using a workbook.

The training must cover the criteria as prescribed under the Licensing (Scotland) Act 2005. The maximum fine for making an unauthorised sale can be as high as £5,000 and or loss of licence.

A record of staff training must be kept at the premises and open for inspection by the Police or Licensing Standards Officer (LSO) from the local Licensing Board.

### 6.2.2.3 Door supervisors

Similarly to within England and Wales, those applying for front line door supervisor licence must have an SIA endorsed qualification. Those recommended for Scotland are:

- BIIAB Level 5 National Certificate for Door Supervisors (Scotland)
- City & Guilds Level 5 National Certificate for Door Supervisors (Scotland)
- Edexcel BTEC Award in Door Supervision (Scotland)
- EDI Level 2 Certificate for Door Supervisors in Scotland
- NOCN Award in Door Supervision (Scotland)
- SQA National Progression Award in Security Operations: Door Supervision (Scotland)

### 6.2.3 Northern Ireland

#### 6.2.3.1 Person responsible for day-to-day running of licensed premises

The Licensing (Northern Ireland) Order 1996 states that it is unlawful for a person to sell alcohol by retail unless they hold a licence authorising them to do so. The person to whom the licence may be granted is the owner of the business and may be an individual, body corporate or two or more persons in a business partnership.

When considering applications, the court will consider the qualifications and experience of the applicant to manage the business and the qualifications and experience of any person employed by him.

#### 6.2.3.2 Staff responsible for serving or selling alcohol

There are no mandatory training requirements for staff serving or selling alcohol in Northern Ireland.

### 6.2.3.3 Door supervisors

The remit of the Security Industry Authority (SIA) is to be extended to Northern Ireland in 2009. From 1<sup>st</sup> December 2009 those working in door supervision will need to hold an SIA licence, with effect from April 2010, as is the case in England and Wales, applicants will be required to have a SIA endorsed qualification. Those recommended for Northern Ireland are:

- BIIAB Level 2 National Certificate for Door Supervisors (Northern Ireland)
- NOCN Level 2 Award in Door Supervision (Northern Ireland)

## 6.3 Training for bar staff

The following section outlines the type of training bar staff receive including an overview of the common content.

### 6.3.1 Induction

Induction training for new staff will vary considerably depending on the type of premise and its training culture. Whilst those interviewed for this research all stated that they provided an induction to new bar staff, the length and depth of these induction varied considerable. In terms of length, the inductions varied from lasting a couple of hours to five days. Topics that tend to be covered within inductions for bar staff include:

- the staff handbook / the company ethos (mainly managed houses)
- health and safety
- operational procedures
- fire safety
- responsible retailing
- technical aspects of dispense
- taking / returning money
- basic customer service
- licensing laws
- weights and measures
- product knowledge

### 6.3.2 Post induction training

Following the induction, the majority of bar staff training is then delivered on-the-job, usually in the form of coaching by other staff. The formality of this will vary. In some cases, to ensure that bar staff are fully confident and trained in their job role, they are assigned with a 'buddy' or mentor who provides them with structured on the job training. One company interviewed as an assigned coach in each premise and new bar staff are

tested on their competencies. The coach will tick that they have done it in a manual / workbook.

Some employers do this type of training on an ad hoc, informal basis where the new-start shadows a more experienced member of staff for two/three shifts for instance.

On the job coaching tends to be run by a 'show them, guide them, let them' principle. The buddy or coach will show the bar person how do a task, for instance pour a pint or make a coffee, then watch them do the task while guiding them until they are competent to do the task. On the job coaching helps staff gain confidence and build relationships with other staff as well as train new skills.

### 6.3.3 Customer service

For many bar staff, once they are deemed competent, they might not receive any further training unless they want to progress within the business, usually to become a bar supervisor. Where additional training is provided to bar staff, it usually focuses on customer service. This includes sales training and product knowledge.

Customer service training tends to be delivered in-house, although some use external training providers, and tends to focus on understanding the customer, making customers feel welcome and dealing effectively with complaints. Customer service training often works well when it is interactive.

*"We take them to city centres, Birmingham and Manchester, and get them to recognise what they don't like so they know bad service." (Independent premise, 2009)*

Product knowledge training is commonly delivered by suppliers. One business interviewed sent their bar and waiting staff on supplier visits to help them to be able to recommend products to customers.

#### 6.3.4 Nationally recognised qualifications

Qualifications being undertaken by bar staff employed by the premises surveyed by People1st included:

- Level 1 Award in Responsible Alcohol Retailing
- Level 2 National Certificate for Personal Licence Holders
- Award in Beer and Cellar Quality
- Level 2 Award in Food Safety in Catering
- NVQ Level 2 in Multi-Skilled Hospitality Services
- NVQ Level 2 in Food and Drinks Service
- NVQ Level 2/3 in Customer Service

Other qualifications aimed at bar staff include:

- BIIAB Award in Customer and Drinks Service (Licensed Hospitality)
- BIIAB Level 1 Award in Essentials of Catering
- BIIAB Level 2 Award in Cooking, Theory and Practice
- BIIAB Award in Customer Service Excellence (Licensed Hospitality)
- BIIAB Level 2 Introduction to Licensed Retail Operations
- BIIAB Professional Bar Persons Qualification
- BIIAB Level 2 National Certificate in Licensed Retail
- BIIAB Level 1 Certificate in Alcohol Awareness
- EDI Level 2 Award in Hospitality and Catering Principles (Multi-Skilled)
- City & Guilds Level 2 Award in Principles of Customer Service in Hospitality, Leisure, Travel and Tourism
- EDEXCEL Level 2 BTEC Award in Hospitality and Catering Principles (Food and Drink Service)
- EDEXCEL Level 2 BTEC Award in Hospitality and Catering Principles (Multi-Skilled)
- EDEXCEL Level 3 BTEC Award in Hospitality Supervision and Leadership

- EDI Level 2 Award in Hospitality and Catering Principles (Food and Drink Service)
- EDI Level 2 Award in Principles of Customer Service in the Hospitality, Leisure, Travel and Tourism Industry
- City & Guilds Level 2 Award in Professional Bartending (Cocktails)
- WSET Level 2 Professional Certificate in Spirits
- EDEXCEL Level 3 BTEC Certificate in Food and Beverage Service
- SQA Level 5 Scottish Certificate for the Responsible Service of Alcohol (On-Sales)
- BIIAB Scottish Award in Responsible Alcohol Retailing
- BIIAB Scottish Certificate for Licensed Premises Staff (SCLPS)
- BIIAB Scottish Certificate in Alcohol Awareness
- BIIAB Scottish Award in Customer and Drinks Service (Licensed Hospitality)
- City and Guilds Certificate for Staff Working in Scottish Licensed Premises

## **6.4 Training for supervisors**

The following section outlines the type of training bar supervisors tend to receive and includes a description of the common content.

### **6.4.1 Induction**

The vast majority of bar supervisors will be promoted through the ranks and therefore are unlikely to be provided with induction training. Those who do join a business at this level will cover the same type of topics as bar staff:

- the staff handbook / the company ethos (mainly managed houses)
- health and safety
- operational procedures
- fire safety
- responsible retailing
- technical aspects of dispense
- taking / returning money
- basic customer service
- licensing
- weights and measures
- product knowledge

### **6.4.2 Supervisory training**

Interviews conducted with a range of premises suggest that the majority of supervisory training is delivered in-house, either formally or informally. Some is delivered by external training providers and can lead to nationally recognised qualifications.

When formal supervisory training is provided it tends to focus on:

- how to empower
- how to delegate
- leadership skills
- how to training staff

Supervisors may also be provided with conflict management training. This is commonly delivered by an external provider over one day. It may result in a nationally recognised qualification.

#### 6.4.3 Nationally recognised qualifications

Qualifications being undertaken by supervisors employed by the premises surveyed by People 1st included:

- Level 2 National Certificate for Personal Licence Holders
- Award in Conflict Management (BIIAB)
- NVQ Level 3 in Supervisory Management

Other qualifications aimed at supervisors include:

- BIIAB Introduction to Licensed Retail Operations
- BIIAB Award in Customer Service Excellence (Licensed Hospitality)
- BIIAB Level 2 National Certificate in Licensed Retail
- BIIAB Level 2 National Certificate for Designated Premises Supervisors
- BIIAB Level 2 National Certificate for Licensees (Drugs Awareness)
- BIIAB Level 3 Advanced Certificate in Licensed Hospitality
- EDEXCEL Level 3 Diploma in Hospitality Supervision and Leadership Skills
- City & Guilds Level 3 Award in Principles of Supervising Customer Service Performance in Hospitality, Leisure, Travel and Tourism
- EDEXCEL Level 3 BTEC Award in Hospitality Supervision and Leadership
- EDI Level 3 Award in Hospitality Supervision and Leadership Principles
- City & Guilds Level 3 Award in Hospitality Supervision and Leadership Principles
- City & Guilds Level 3 Diploma in Hospitality Supervision and Leadership
- Scottish Certificate for Licencees [Drug Awareness]

The Level 2 National Certificate for Personal Licence Holders (NCPLH) qualification enables people to apply for a Personal Licence. Courses detail social responsibilities and legal obligations of holding a Personal Licence and provide an understanding of the

current licensing laws and objectives.

The qualifications cover:

- the application process for a personal licence
- the application process for premises and occasional licences, mandatory & discretionary condition
- the content and purpose of an operating schedule and risk assessment
- drunkenness and disorderly behaviour
- licensed hours
- control of order
- the responsible retail sale of alcohol
- roles and responsibilities of the personal licence holder and the penalties relating to failure to comply with the law
- rights of entry to licensed premises
- the strengths of alcoholic drinks and the effects of alcohol on the human body.

In some businesses, qualifications may be used as a tool to aid progression. For instance one employer interviewed when training supervisors into potential managers used the BIIAB Diploma in Licensed Hospitality:

*"All our bar supervisors did all 7 modules of the BIIAB Diploma." (Independent operator, 2009)*

## **8.4 Training those responsible for the day-to-day running of licensed premises**

### **6.4.4 Lessees/tenants**

Those taking on licensed premises as lessees or tenants will have the opportunity to complete introductory training organised by their pubco or brewery. The content of this training will vary as will the extent to which the pubco or brewery promotes the training to new lessees/tenants. This training is not mandatory and lessees/tenants pay a course fee.

By way of example, Scottish and Newcastle's introductory training 'Inside Knowledge – Business Skills for Pubs' is a 5 day residential course. It covers the following topics:

- The Lease
- Staff Management
- Pubs & the Law
- Food Development
- Security & Drugs
- Conflict Management
- Controlling Your Finances
- Health & Safety
- Marketing & Promoting Your Pub
- The Perfect Pint

For those who require it, the week includes the National Certificate for Personal Licence holders exam. The week concludes with the BIIAB "Introduction to Licensed Retail Operations" examination.

#### 6.4.5 Managers of managed premises

Those interviewed described the main type of training provided to managers as being:

- Finance
- Marketing
- Health and safety
- Risk assessment
- Beer quality
- Security
- 

Below is an example of the management training one business interviewed provided using a combination of internal and external provision:

- Recruitment and selection
- Training and development of others

- Costing (including catering costings), monitoring and legislation procedures
- Profit and loss
- Risk assessments
- Marketing and merchandising
- Business planning
- Leadership development

These areas were covered using the BIIAB Profitable Business Portfolio which includes the BIIAB Level 3 Advanced Certificate in Licensed Hospitality and the BIIAB Level 3 Diploma in Licensed Hospitality.

## **6.5 Other occupations**

As well as the occupations above, the sector employs the following occupations:

- Kitchen staff
- Security staff
- Cashiers
- Cleaners
- Cloakroom staff, cashiers
- Toilet attendance.

Based on the research we are able to provide information on the ways in which kitchen staff are trained.

### **6.5.1 Kitchen staff**

Training for kitchen staff tends to be delivered in-house. The content varies depending on whether the premise provides freshly prepared food or mainly serves pre-prepared.

By way of example, Spirit Group's induction is called *Kitchen Players*. It deals with all aspects of the kitchen - set up, service and close, frying, grilling, hobs, pot wash, starters, mains and deserts. Following on from the induction, on-the-job coaching is provided and learning by example. Specifications training is also provided. This sets out how to deliver the appropriate portions, quality and quantity consistently to meet brand standards.

An example of training provided to more senior chefs was given by a brewery interviewed for this research. Their training includes:

- New kitchen managers go on a two week programme where the accredited kitchen manager will take them through the training plan - gap management workshops, supplier day and a one day train the trainer - coaching day.
- A kitchen management course. This contains modules in production appreciation, training and coaching.
- 1 class room day off-the-job explaining the brand, business and developments. Usually the Head Chef attends and cascades the information to the rest of the team

S/NVQs tend to be more commonly undertaken by kitchen staff than other staff working in pubs, bar and nightclubs.

## **6.6 Views on nationally recognised qualifications and funding**

### *Value of qualifications*

The research does highlight that although employers do not view qualifications as essential to the industry, it is acknowledged that qualifications are needed to professionalise the industry:

*"If we're going to convince parents, teachers that it this is career worth getting in to then qualification are what people like to see" (Training provider, 2009)*

Another employer expressed that more qualifications should be made mandatory given the amount of responsibility club operators have:

*"Given the amount of responsibility club operators have there should be more emphasis on qualifications for the industry...there should be more mandatory qualifications, particularly on health and safety...The designated premises*

*supervisory qualification for example isn't mandatory but should be as it would discourage cowboys and professionalise the industry" (Nightclub employer, 2009)*

### *Views on S/NVQs*

Views on S/NVQs are mixed. Some employers appear indifferent or have a negative view towards S/NVQs describing them as either cumbersome, a tick box exercise and too long for industry. It was also said that S/NVQ assessors are not the best trainer: *"they are not the best people out there" (Training provider, 2009)*. Some use them to develop the skills of their chefs and cooks but generally not for other staff.

### *Funding*

The research found that many of the employers in this sector have been approached with regards to accessing funding but most haven't taken this up usually due to a combination of being too busy and being provided with too much unclear information.

Views on Train to Gain were negative. One employer described an experience where the train to gain broker was assigned without knowing anything about the hospitality industry.

It was suggested that the train to gain brokers should recommend appropriate courses rather than placing so much emphasis on S/NVQs.

It was also said that the funding system was frustrating because of the restrictions on who was eligible within a business.

## **6.7 Training delivery**

Employers in the pubs, bars and nightclubs industry deliver training using a combination of in-house and external methods.

The following section outlines the different types of delivery methods employers use and where appropriate the main benefits of this style of delivery and employer views.

### 6.7.1 In-house training

Where training is delivered in-house it tends to be in the form of coaching and interactive class room based training.

#### *Front of house staff*

Induction training for bar staff and supervisors is delivered in-house usually via interactive class room style. Post initial training tends to be delivered on the job in the form of coaching / shadowing a “buddy.”

The main benefits of coaching for staff are that they gain confidence and build a relationship with other staff members. Additionally it is a useful way of knowing through observation that the member of staff is fully competent.

Further training for front of house staff includes customer service training, where the focus tends to be on sales training and product knowledge.

Where there is an internal trainer, supervisors are trained on topics such as how to delegate and empower and leadership and coaching skills via workshops run internally.

Employers explain that developing your own staff means that costs are kept down and staff are trained by someone who knows and understands the business culture.

### *Back of house staff*

Training for kitchen staff tends to be delivered in-house. The content varies depending on whether the premise provides freshly prepared food or mainly serves pre-prepared dishes.

By way of example, Spirit Group's induction is called *Kitchen Players*. It deals with all aspects of the kitchen - set up, service and close, frying, grilling, hobs, pot wash, starters, mains and deserts. Following on from the induction, on-the-job coaching is provided and learning by example. Specifications training is also provided. This sets out how to deliver the appropriate portions, quality and quantity consistently to meet brand standards.

An example of training provided to more senior chefs was given by a brewery interviewed for this research. Their training includes:

- New kitchen managers go on a two week programme where the accredited kitchen manager will take them through the training plan - gap management workshops, supplier day and a one day train the trainer - coaching day.
- A kitchen management course. This contains modules in production appreciation, training and coaching.
- 1 class room day off-the-job explaining the brand, business and developments. Usually the head chef attends and cascades the information to the rest of the team

#### 6.7.2 External training

Training that is most commonly provided through some sort of external provision is basic food hygiene, legislation/law and alcohol and/or drug awareness (both of which are covered within the National Certificate for Personal Licence Holders) and health and safety.

Product knowledge training is commonly delivered by suppliers. One business interviewed sent their bar and waiting staff on supplier visits to help recommend products to customers.

Externally delivered courses to train supervisors are used to develop their skills in delegation, how to empower and leadership skills.

Qualifications are particularly beneficial as a motivational tool. For instance, some businesses use qualifications as a tool to aid progression, an example being when training supervisors into potential managers using the BIIAB Diploma in Licensed Hospitality

#### *Back of house staff*

S/NVQs tend to be more commonly undertaken by kitchen staff than other staff working in pubs, bar and nightclubs.

Note that this does not apply to all employers. For instance some employers do not tend to use qualifications, except for as a result of them being organised locally but not as a company-wide policy.

#### 6.7.3 E-learning

Research undertaken by People 1st in 2006 found that L-boxes are used by some employers in the pubs, bars and nightclubs industry. These are a portable form of e-learning.. The benefits of using L-boxes (or similar) include:

- Consistency
- Ensures all staff do same thing
- Can be used to measure and guarantee that is happening.
- As it is portable they can be used in a pub or a staff room.

*“we use our boxes quite a lot and it is a very, very effective method of delivering. Especially when you’re looking at delivering technical certificates, food hygiene, health and safety, risk assessment.” (Pub employer, 2006)*

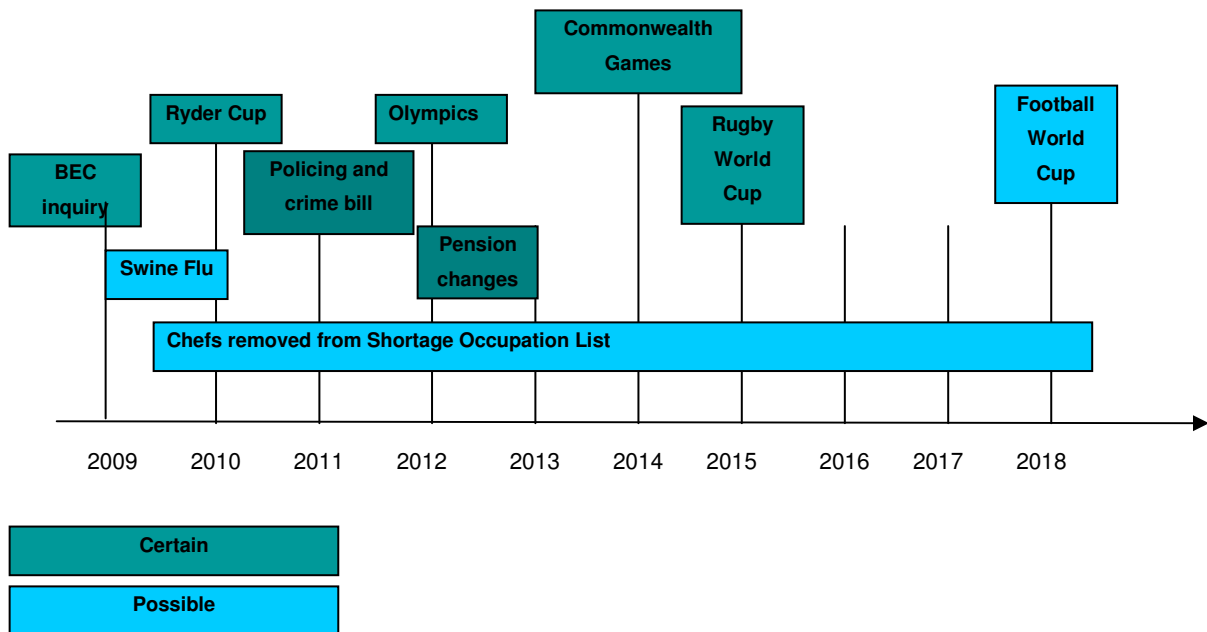
*“We’ve got bar skills, food skills. We’ve got customer service, we’ve got cellar management. We do have basic food hygiene, but we actually do have an induction programme. It’s a standard, our own induction programme that runs for about an hour and twenty minutes. Very interactive, that’s the point I would maybe say...” (Pub employer, 2006)*

## 7 Future developments

### 7.1 Overview

Figure 21 shows some of the potential future drivers of change for the licensed hospitality industry over the next 10 years which could have implications for employment and skills needs.

Figure 21: Future trends



The 'Golden Decade of Sporting Events' will be one driver of labour and skill needs for businesses located in certain areas. The 'welcome' and service received by visitors for these events will have wider implications in terms of the perceptions of the UK as a world class tourist destination.

Another key factor will be any changes to the pubco model that occur as a result of the outcome of the BEC inquiry. The 2009 Business and Enterprise Committee (BEC) inquiry into pubco practices was conducted to follow up on the 2004 Trade and Industry Committee inquiry into the relationship between pub companies and their lessees, specifically those operating a tied estate. The BEC inquiry found that the problems identified five years ago remained and the imbalance of bargaining power persists and recommended a full Competition Commission inquiry into the market.

Other on-going trends which are likely to continue into the future, therefore potentially impacting on employment and skills include:

- Further promotion of 'Pub is the Hub' initiative
- Closure of local amenities
- Under utilisation of premises
- Diversification

The following section describes some of the opportunities and threats to the future of the pubs, bars and nightclubs industry as identified by the employers interviewed for this research. Please note, some identified as a threat, things that others identified as an opportunity. For example, there were mixed views on the possibility of mandatory qualifications for the industry and the value of more businesses diversifying into food.

## **7.2 Opportunities**

Future opportunities include:

- Food. Although whilst the gastro pubs are doing well, the eating out market is a given size and is unlikely to grow substantially, especially given the current market conditions.
- Recruiting customers and good staff from pubs that are closing
- Marketing via social networking sites (such as Facebook)
- Room for improvement on the High Street – good pubs that market food in the day time and are a young persons venue at night
- The 2012 Olympic and Paralympic Games
- The 2014 Commonwealth Games
- Legislation professionalising the industry
- For those with capital, there will be some good buys
- More chefs moving from restaurants to pubs
- More professionalism because of market forces (higher customer expectations)
- Tourism – within Northern Ireland, 78 percent of tourist visit a pub and 64 percent eat in a pub. Opportunities in the North East with the value of the pound against the Euro for attracting more Scandanavian tourists.

- Conference business has increased in Northern Ireland as has number of international flights.
- Professionalise nightclub industry through qualifications. *"It would be good if some of the new universities had a club management degree or a module in a hospitality degree about nightclubs. It would need to cover what is involved in working in the industry, the business side of it, legal, property, licensing, marketing, and the importance of having an entrepreneurial mind."* (Nightclubs, 2009)
- Diversifying by adding accommodation
- Utilising and making available technology (such as WIFI, pull-down TV screens, texting and Facebook)
- Building links with education *"need to make links with school and college more and at an earlier age, 6th form is too late"* (Brewery, 2009) for example by doing brewery tours for 14-19 year olds.
- Improving product knowledge of staff (for example by taking them on supplier visits)
- Promote career opportunities within the industry
- *"There are huge opportunities to improve levels of service, it is too inconsistent"* (Large brewery, 2009)
- For training to get standards to a higher level.
- *"Given the amount of responsibility club operators have there should be more emphasis on qualifications for the industry" "There should be more mandatory qualifications, particularly on health and safety" "The designated premises supervisory qualification for example isn't mandatory but should be as it would discourage cowboys and professionalise the industry"* (Nightclub, 2009)
- A training provider reported that as a result of economic down turn there has been as positive demand to training from their clients *"training people, developing and supporting people will help them through the recession."*
- In the independent pubs sector, more are seeing they need to train their people.
- Would be nice if there was more legislation but people should want it. Would like to see that if businesses can access funding that they can share it amongst the team not just key people. Need balance though...not funding for everyone.

### 7.3 Threats

Future threats include:

- The continuation of the recession
- Increased legislation
- Rising costs
- The value of freehouses could fall due to lack of funding from the banking sector
- The future for leased pubs looks tough. *"They not only have to pay rent but are then penalised on products, they only work if they are tie-free. Rent that rises with RPI not fair and is leading to empty pubs."* (Hotel, 2009)
- "Those with an indifferent offering and poor service will disappear out of sight."
- Pricing of alcohol in supermarkets
- Low pay
- Unsociable hours
- Negative perceptions of the industry (particularly the portrayal of binge drinking in the media)
- Lack of one big lobbying voice with government. *"We need to speak with one voice - need an organisation like the Gambling Commission"*. (Large brewery, 2009)
- Mandatory training. *"This will cost businesses money and will be even more regulation for the industry. Businesses may have to draw up training plans for approval by the local authority (who aren't experts in this area). This could be different across different local authorities and difficult to enforce"*.

## **Workforce data**



**Table 1: Pubs, bars and nightclubs**

	Publican/ manager of licensed premises		Chefs		Kitchen and catering assistants		Waiting staff		Bar staff		Cleaners	
Gender												
<i>Male</i>	17,400	50%	16,800	68%	10,000	60%	4,200	17%	60,500	45%	200	2%
<i>Female</i>	17,700	50%	8,000	32%	6,700	40%	20,700	83%	73,500	55%	11,400	98%
Age												
<i>18-19</i>	600	2%	2,700	11%	11,300	68%	16,200	24%	31,800	24%	500	4%
<i>20-24</i>	6,100	17%	6,400	26%	2,100	13%	5,400	46%	61,100	46%	1,100	9%
<i>25-34</i>	8,900	25%	6,200	25%	500	3%	1,800	14%	18,300	14%	1,400	12%
<i>35-55</i>	14,800	42%	7,100	29%	1,800	11%	1,400	14%	18,300	14%	5,200	45%
<i>55+</i>	4,700	13%	2,400	10%	900	5%	100	3%	4,500	3%	3,400	29%
Employment status												
<i>Full-time</i>	29,700	85%	18,800	76%	2,400	14%	4,500	18%	35,500	27%	300	3%
<i>Part-time</i>	5,400	15%	6,000	24%	14,200	86%	20,400	82%	98,400	73%	11,300	97%
<i>Also full-time student</i>	1,700	5%	1,600	10%	10,200	61%	14,400	58%	48,400	36%	400	3%
<i>Temporary contract</i>	1,700	7%	0	0	3,500	22%	3,600	15%	17,200	13%	500	4%
<i>Self-employed</i>	10,900	31%	700	3%	0	0	0	0	400	0%	0	0
Ethnic origin												

<i>White</i>	33,400	95%	23,600	95%	16,500	99%	23,900	96%	130,700	97%	11,100	96%
<i>BME</i>	1,600	5%	1,300	5%	100	1%	1,000	4%	3,400	3%	500	4%
Born overseas	2,000	6%	2,100	8%	600	4%	2,100	8%	11,600	9%	800	7%
Level of highest qualification												
<i>Degree (or equivalent) or post-graduate</i>	5,400	15%	1,900	8%	400	2%	1,500	6%	18,900	14%	700	6%
<i>Level 3</i>	9,570	27%	6,240	25%	3,570	21%	6,280	25%	45,010	34%	650	6%
<i>Level 2</i>	9,270	26%	7,815	32%	6,945	41%	8,480	34%	34,235	26%	2,000	17%
<i>Level 1</i>	6,960	20%	6,945	28%	3,685	22%	6,240	25%	23,455	17%	3,250	28%
<i>No qualifications</i>	3,900	11%	1,800	7%	2,200	13%	2,300	9%	12,500	9%	5,100	44%

**Table 2: Pubs, bars and nightclubs**

	Publican/ manager of licensed premises		Chefs		Kitchen and catering assistants		Waiting staff		Bar staff		Cleaners	
Responsible for supervising staff	23,100	96%	13,400	57%	600	4%	3,000	12%	23,800	18%	800	7%
Undertaken job-related training in the last 13 weeks	6,400	18%	5,200	21%	3,200	22%	5,600	29%	32,300	25%	200	2%
<i>Length of time with employer</i>												
Less than 3 months	1,200	3%	2,700	11%	2,400	14%	4,000	16%	20,000	15%	600	5%
3 months but less than 6	1,400	4%	3,200	13%	3,000	18%	3,600	15%	23,100	17%	600	5%
6 months but less than 12	2,100	6%	4,000	16%	4,400	27%	4,900	20%	28,500	21%	1,800	16%
1 year but less than 2	5,800	17%	5,500	22%	3,500	21%	6,800	27%	27,400	20%	2,000	17%
2 years but less than 5	12,100	35%	5,100	21%	2,700	16%		17%	21,900	16%		17%

							4,300				2,000	
5 years but less than 10	6,500	19%	3,100	13%	400	2%	1,100	4%	6,900	5%	2,500	22%
10 years but less than 20	3,700	11%	800	3%	200	1%	-	0%	5,900	4%	1,400	12%
20 years or more	1,900	5%	200	1%	-	0%	-	0%	200	0%	700	6%

**Table 3: Licensed hospitality staff working outside of the pub, bar and nightclub industry**

	Publican/ manager of licensed premises		Bar staff	
Gender				
<i>Male</i>	10,500	84%	35,800	48%
<i>Female</i>	2,100	16%	38,900	52%
Age				
18-19	100	1%	13,900	19%
20-24	1,600	13%	31,300	42%
25-34	3,200	26%	12,300	16%
35-55	4,600	37%	10,000	13%
55+	2,800	23%	7,200	10%
Employment status				
<i>Full-time</i>	11,200	90%	27,300	37%
<i>Part-time</i>	1,300	10%	47,400	63%
<i>Also full-time student</i>	400	3%	21,500	29%
<i>Temporary contract</i>	300	2%	10,600	14%
<i>Self-employed</i>	400	3%	900	1%
Ethnic origin				
<i>White</i>	11,500	92%	70,500	95%
<i>BME</i>	900	8%	4,100	5%
Born overseas	2,000	16%	8,100	11%
Registered disabled				

Level of highest qualification				
<i>Degree (or equivalent) or post-graduate</i>	2,900	23%	8,100	11%
<i>Level 3</i>	2,510	20%	25,760	34%
<i>Level 2</i>	2,435	20%	16,635	20%
<i>Level 1</i>	3,255	26%	12,805	26%
<i>No qualifications</i>	1,300	10%	11,500	10%



**Table 4: Licensed hospitality staff working outside of the pubs, bars and nightclubs industry**

	Publican/ manager of licensed premises		Bar staff	
Responsible for supervising staff	11,500	95%	13,600	18%
Undertaken job-related training in the last 13 weeks	2,100	17%	16,300	23%
<i>Length of time with employer</i>				
Less than 3 months	700	6%	10,300	14%
3 months but less than 6	800	6%	10,000	13%
6 months but less than 12	2,400	19%	10,100	14%
1 year but less than 2	1,900	15%	12,500	17%
2 years but less than 5	2,500	20%	19,000	25%
5 years but less than 10	3,300	26%	7,000	9%
10 years but less than 20	100	1%	2,700	4%
20 years or more	900	7%	3,200	4%

## Methodology

This report is based on cross-sectional research conducted between January and April 2009. The research was compiled by the People1st research team who were supported by the British Institute of Innkeeping (BII) and the Federation of the Licensed Retail Trade (FLRT) in Northern Ireland and BPPA. The methodology comprised:

### Review of existing information

- Analysis of previous interviewed undertaken by People 1st
- Analysis of secondary datasets (such as the Labour Force Survey)
- Analysis of a primary employer survey conducted by People 1st in March 2009
- Review of trade press articles
- Review of journal articles
- Review of industry data (such as that produced by the British Beer and Pub Association and CGA Strategy)

### A survey of BII and FLRT members

The aim of this survey was to enable comparisons between different types of premises as well as ensuring the views of those managing freehold premises were considered. Secondary datasets do not tend to distinguish between the types of premises and freehold employers tend to be the most difficult to reach.

A self-completion questionnaire and pre-paid envelope were distributed to all BII members via the BII Business monthly magazine. As BII do not cover Northern Ireland, FLRT also distributed the questionnaire to their members by post. It is estimated that the questionnaire was distributed to 16,000 businesses. For reasons of time and cost, a reminder questionnaire was not distributed.

In total, 303 employers responded to the survey. This was a disappointing response rate of 2%. The methodology used will be reviewed in order to improve future response rates.

The following tables show the number of responses received for different types of premise.

	Responses	%
Pub or bar	264	87%
Membership club	11	4%
Nightclub	4	1%
Restaurant	5	2%
Inn/hotel	12	4%
Other	7	2%
	303	100%

	Number	%
Freehold	146	49
Leased/tenanted	122	41
Managed house	28	9

As the survey was self-selecting and a survey of BII/FLRT members (rather than the industry as a whole) the findings cannot be interpreted as representing the industry as a whole. The findings can be used to provide an indication of the differences between the types of premises (freehold, leased, managed etc) for those responding to the survey.

#### In-depth interviews

Semi-structured in-depth interviews were conducted with a range of industry representatives. These were:

- Independent hotel/bar/coffee shop with two premises
- Two trade associations
- Independent nightclub
- Small bar/nightclub/restaurant company with 7 premises
- Regional brewery with 85 managed houses and 35 tenancies
- Small pub company with 21 managed houses
- Two training companies

- Small family managed pub company (puts managers in 10 pubs leased from pub companies)
- Large national brewery (leased division)
- Large national pub company

The majority of interviews were conducted face-to-face and lasted approximately one hour.

Industry contacts were provided by BII, the Association of Multiple Licensed Retailers and People 1st.

## **Annex 2**

### **Personal Licence Qualification Accreditation**

On 31 July 2003 the Government published details of the syllabus for the new personal licence qualification. The syllabus outlines a framework of subject areas that prospective courses must cover in order for the resulting qualification to gain accreditation. A person who holds an accredited qualification will satisfy one of the conditions necessary to obtain a personal licence.

All personal licence qualifications will need to be accredited or certificated (unless they are equivalent qualifications gained outside England and Wales) by the Secretary of State and be awarded by similarly accredited bodies.

### **Personal Licence qualification – who must apply**

The aim of the personal licensing qualification is to ensure licence holders are aware of licensing law and the wider social responsibilities attached to the sale of alcohol.

The Licensing Act 2003 stipulates that any supply of alcohol made under a premises licence must be made or authorised by a personal licence holder. In addition to this, a designated premises supervisor, who has overall responsibility for the supply must be named on the premises licence. Each designated premises supervisor must hold a personal licence.

The Secretary of State also has the power to exempt specified groups - or persons of prescribed prescription - from the requirement to obtain an accredited personal licence qualification in order to obtain a personal licence. She expects to exempt, by regulation, the Hon Company of the Vintners of the City of London; holders of licences issued by the board of the Green Cloth and by the University of Cambridge.

### **The full personal licence syllabus is as follows:**

#### **Personal licences**

What they are

What they entitle the holder to do

Period of validity

Who grants them

### **Licensing authorities**

What they are

How they work Licensing objectives - what they are

Functions of licensing authorities

Importance of partnerships

Role of Crime Reduction Partnerships Licensing policies

Hearings Appeals

### **Personal licences**

Procedures for application

Criteria for new personal licences and renewals

Determination of application

Persons disqualified from

Penalty for selling without

Convictions during application and after grant or renewal

Relevant offences Forfeiture or suspension of licence on conviction

Penalty for breach

## **Alcohol**

Definition of supply of alcohol

Premises to which the definition applies

Wholesale and retail sales

Nature of Strength of intoxicating drinks

Alcohol in the body etc

## **Unauthorised licensable activities**

Unauthorised sales Defence of due diligence penalties for breach

## **Police powers**

Suspension and closures

Antisocial Behaviour Bill – EHO powers of closure (to be inserted when legislative programme complete)

## **Duties of the personal licence holder**

Notification of convictions

Changes in name and/or address

Production of licence to authorised personnel

Penalties for breach

## **Premises licences**

What they are

Licensable activities and what they are

Definition of regulated entertainment

Role of designated premises supervisor

Need for risk assessment as designated premises supervisor

Awareness and prevention of crime, disorder and anti-social behaviour in and around licensed premises

### **Operating schedules**

What they are

What they should include

Children in licensed premises

### **Permitted temporary activities**

Definition

Frequency

Police objections

### **Disorderly conduct on licensed premises**

Rights and duties of authorised person Illegal drugs

Relevant offence of drink driving

Prevention of nuisance Pubwatch/Retail

Watch schemes

## **Department for Culture, Media and Sport**

Portman Group - responsible drinks promotions

Consequences of irresponsible drinks promotions

Penalties for breach

## **Protection of children**

Sale of alcohol to and by young persons

Proof of age cards and schemes

Consumption of alcohol by young persons

Test purchasing

Penalties for breach

Defences

Importance of the awareness of other relevant legislation related to the protection of children

## **Rights of entry**

Rights of entry

## **Prohibitions**

Moving vehicles

Service areas etc

<http://www.culture.gov.uk/images/publications/PersonalLicenceQualificationAccreditation.pdf>

### **Annex 3: Example of content of licensing qualifications**

#### Level 2 National Certificate for Personal Licence Holders (BIIAB)

Under the Licensing Act 2003, anyone authorising the retail sale of alcohol must hold a Personal License. The Level 2 National Certificate for Personal License Holders (NCPLH) qualification enables delegates to apply for a Personal License. This course details social responsibilities and legal obligations of holding a Personal License and offers delegates detailed understanding of the current licensing laws and objectives. In summary, the qualification covers and enables the following:

- the application process for a personal licence
- the application process for premises and occasional licences, mandatory & discretionary condition
- the content and purpose of an operating schedule and risk assessment
- drunkenness and disorderly behaviour
- licensed hours
- control of order
- the responsible retail sale of alcohol
- roles and responsibilities of the personal licence holder and the penalties relating to failure to comply with the law
- rights of entry to licensed premises
- the strengths of alcoholic drinks and the effects of alcohol on the human body.

#### Level 2 National Certificate for Designated Premises Supervisors (BIIAB)

This qualification is designed to provide designated premises supervisors with an understanding of their role and responsibilities in relation to the Licensing Act 2003, as well as address the practical day-to-day issues involved in running a licensed premises.

- the roles and responsibilities of the designated premises supervisor
- the licensable activities carried out in licensed premises
- the requirements of legislation and best practice to support the four licensing objectives

- how to conduct a risk assessment, and how it is used to underpin the operating schedule
- the relationship between the operating schedule and management controls.

#### Level 5 Scottish Certificate for Personal Licence Holders (BIIAB)

The BIIAB SCPLH covers the syllabus set by the Scottish Government to enable candidates to understand the law in relation to:

- the roles, responsibilities and functions of Licensing Boards and Licensing Standards Officers
- the application process for a personal licence
- the application process for premises and occasional licences, mandatory & discretionary conditions
- protection of children from harm
- the content and purpose of an operating schedule and risk assessment
- drunkenness and disorderly behaviour
- licensed hours
- control of order
- the responsible retail sale of alcohol
- roles and responsibilities of the personal licence holder and the penalties relating to failure to comply with the law
- unauthorised licensable activities
- rights of entry to licensed premises
- the strengths of alcoholic drinks and the effects of alcohol on the human body.