

# Sector overview

(**LIMITS project** Advisory Board, October 2021)

Gabriella Alberti, Marketa Dolezalova



# Food and Drink manufacturing

## Size and Workforce

- Diverse sector – includes production, processing, distribution
- **Estimated 4.1 million employees** (Grant Thornton Report 2021)
- Large percentage of migrant labour, especially among seasonal and agency workers
- Labour shortages across all skill levels (low, mid-, and high skill level)

## Key issues

- **Ageing workforce**, up to 25% of the workforce is set to reach retirement age in the next 15 years (Grant Thornton report 2021)
- Immigration changes - jobs in the sector **are not on the Shortage Occupation List**
- Negative **perception** of the sector among young people
- Lack of information about ways of gaining required skills and training

# Residential and Social Care

## Size and Workforce

- Mix of NHS, local authority, and independent providers
- Estimated 1.67 million jobs, with 1.54 million of filled positions (Skills for Care report, October 2021); on average **105,000 vacancies**
- 84% of workforce is British, 7.2% EU nationals (113,000 jobs), 9% non-EU nationality
- **82% of workers female**

## Key issues

- Ageing workforce – average age 43.9 years
- **Ageing population** will increase demand on the sector
- Immigration changes – care workers not eligible under the Skilled Worker route
- High care **worker turnover** – 28.5% in 2020/21
- Working conditions: sector not **attractive** for young people?

# Hospitality

## Size and workforce

- Employs about 10% of entire UK workforce
- ONS (2019) **27% of workers were foreign born and 11% EU nationals**
- **Pre-pandemic 15% of the 4.5 million working in the sector were from the EU**
- **Labour turnover 15% higher on average than in other sectors (UKH 2019)**
- **354%** increase in delivery and takeaway sales in April 2021 (vs April 2019) and related increase of this workforce (UKH 21)
- Wages (normally about 25% lower than average UK) increase offered in accommodation and food in response to shortages (¾ of businesses, October 21)

## Key issues

- Impact of pandemic: 4.7bn lost turnover because of 64% drop in sales ([UKH July 2020](#)) Slow recovery forecast with 76% of premises reopening by end of May 2021
- Since March 2020 **355,000 people have left the hospitality industry**-about a tenth of the workforce ([the Sunday Times June 12, 2021](#)).
- **Brexodus effect:** During 2020 about **1,293,000 EU nationals have left the UK**
- **Furlough effect:** hospitality workers may decide not to return to work the sector **given poor conditions** but look for alternatives (inter-sector mobility transitions)
- The **new PBS system salary threshold is** above typical base salary of chef/much above waiter/ress
- Latest ONS Oct 2021 **vacancy data for hospitality: up to 161%** (%of Feb2020)

# Warehousing and Logistics

## Size & Workforce

- Fast growing sector due to changing demographics and consumer habits
- Increased **automation** in warehousing
- Approx. 200,000 employees in warehousing
- Approx. 600,000 HGV drivers employed in the sector
- Migrant workforce: in 2019 **28% of the Transport and Storage population were foreign born** (13% EU and 15% non-EU) (according to the Migration Observatory analysis of the Annual Population Survey)

## Key issues

- An average **52,000 vacancies** in the sector in July-September 2021/the [RHA](#) estimated shortages over 100,000
- The number of HGV drivers in the UK has fallen 16% (53,000) since 2017, largest decline was among 46-55 year old (ONS)
- **Number of EU drivers fell by 43% in the year ending in March 2021**
- **Aging UK workforce** – average HGV driver age is 55 years
- Changes to cabotage and delays to training contribute to issues with shortages and supply issues
- Key issue for warehousing is lack of warehouse space
- Working conditions in the sector are **not attractive** for young people