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Tim Farron MP
House of Commons, London SW1A 0AA

Case for a Temporary Visa for Hospitality and Retail sector

Dear Mr Farron,

I am writing to you as Chief Executive of the Heart of London Business Alliance (HOLBA) following the recent Westminster Hall debate you led on the need for a temporary recovery visa for industries experiencing labour and skills shortages. We appreciated you calling for a debate on such a major issue. It has been a long-term policy aim to fix the skills shortage, and we agree with your call for a national cross-departmental skills strategy, including a temporary recovery visa for affected industries.

By way of background, HOLBA is a Business Improvement District acting on behalf of over 600 businesses and property owners in the Heart of London.

HOLBA and our members recognise that business needs to play its part in investing in and developing the UK's domestic labour force. However, at this critical economic juncture, we believe further consideration should be given to practical and non-ideological ways of filling the skills gap in the immediate term, including the time-limited use of workers from overseas.

HOLBA commissioned a survey of employers in the hospitality and leisure sector, representing over 5,000 jobs in the West End, earlier this year. This found that the West End is facing a more acute skills and labour shortage than other parts of the country. Hospitality and leisure businesses in the West End reported an average 19% of positions are currently vacant vs the national average of 15%.

This is impacting the commercial viability of West End hospitality businesses, who have reported an average 20% loss in sales this year, affecting the sector's ability, and the UK economy, to recover.

Tellingly, 71% of respondents identified a hospitality-specific visa for workers not covered by the points-based system as the best solution to the ongoing skills shortage. In the light of this, we believe that further consideration should be given to a temporary recovery visa for sectors facing a profound and severe skills shortage, which we believe could run alongside the points-based system.

HOLBA re-ran the survey amongst its members over the past month to see if the skills shortage remains an issue in the run up to Christmas. This found that 79% of businesses identified skills shortages as a major issue. This is again significantly higher than the national average.

Work is being done to attract young British workers into the hospitality sector, including the Hospitality Rising campaign. But our members tell us that this and local measures by themselves will not fill the gap or fix the economy. We believe that the Government is mistaken in its dismissal of a temporary recovery visa for sectors facing a profound skills shortage.

We would welcome the opportunity to meet with you and your policy team to discuss this issue and potential solutions, so that we can ensure businesses across the country, including here in the Heart of London, have the skills they need to survive, thrive, and help drive growth and economic recovery.

Yours sincerely,

Ros Morgan, Chief Executive of Heart of London Business Alliance