



mia

meetings industry association

Venue Insight
Research Report

November 2021

BACKGROUND

For over three decades the [Meetings Industry Association](#) (mia) has supported, guided and represented business meeting, seminar, conference and events venues alongside specialist sector-specific audio-visual suppliers, production houses and agencies, professional event organisers and equipment hire providers.

Our membership features venues including residential and non-residential conference centres, hotels with events space, large national exhibition spaces, sporting and academic venues, independents as well as corporate groups featuring a number of properties.

This latest research report, which has once again been shared with the UK government's Department for Digital, Culture, Media and Sport (DCMS), is based on the responses of 157 organisations operating within the sector.

EXECUTIVE SUMMARY

The level of employment within the business meetings and events sector is recovering, however, it still down on pre-COVID levels amidst ongoing recruitment and wider operational challenges, according to our latest research.

This survey of 157 venues, including alternative institutions and attractions offering meeting facilities, indicates a **17.5%** decrease in the total number of employees represented today compared to pre-COVID, a significant change on the average **53%** decrease reported in our July 2021 research.

Indicating a recent surge in recruitment plans for venues amidst the lifting of restrictions and subsequent increases in demand, almost 9 in 10 (**87%**) venues are currently recruiting, with over three-quarters (**76%**) of those doing so stressing the need for waiting staff.

Reinforcing the recruitment challenge, a staggering loss of over a third (**34%**) of non-UK workers has been reported between the start of the pandemic and today, led by challenges presented by Brexit and applications to the EU Settlement Scheme closing on 30 June 2021.

In a bid to attract and retain staff, almost two-thirds (**63%**) of venues have reportedly increased hourly rates and annual salaries, with more than half (**59%**) of those doing so for all roles at an average rise of 11%. Where such rises aren't being applied to all roles, they are predominantly being done so to waiting staff, with over three-quarters (**76%**) of venues now providing flexible working and over half (**58%**) offering wellbeing initiatives as an additional, if not alternative, means of non-financial incentive.

Such expenses reflect a much wider operational challenge in terms of increased costs across the sector, with almost half (**45%**) of venues increasing F&B rates, and a third (**33%**) increasing room rates to cover increasing staff costs.

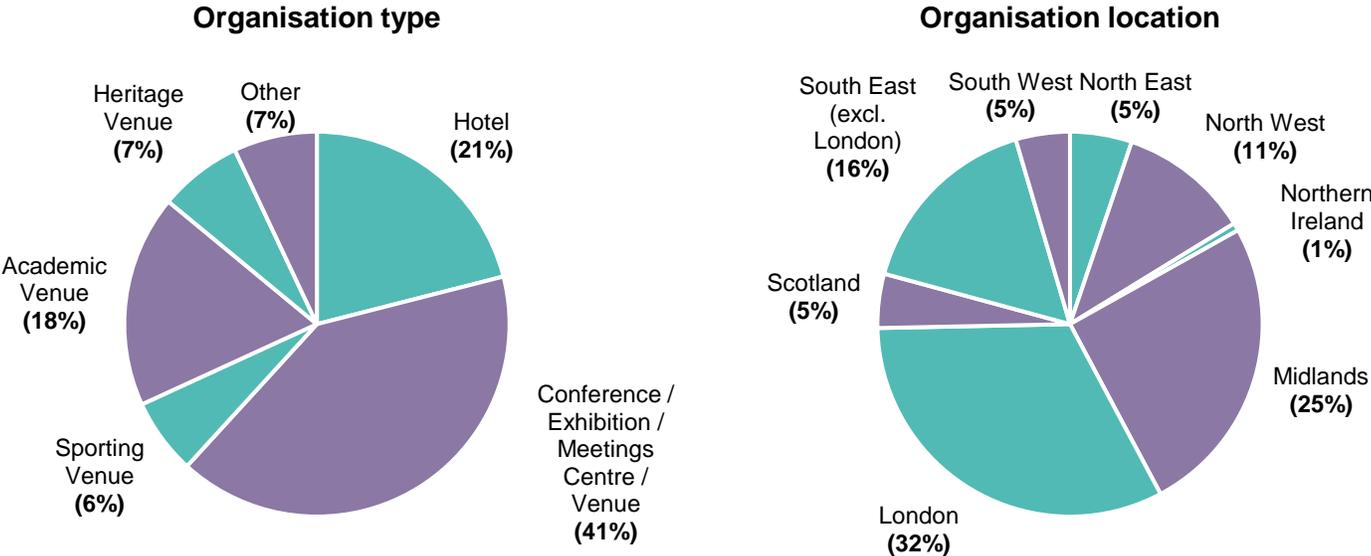
Almost 9 in 10 venues (**85%**) are experiencing increased costs, with more than half (**58%**) having done so substantially. A large proportion of venues have seen increases in F&B (**86%**), energy (**72%**), salary (**64%**) and recruitment (**44%**) costs to name a few, all of which are averaging increases of greater than 10%. Concerningly, **87%** of venues are forecasting further increases in the next quarter.

Adding further concern, similarly almost 9 in 10 (**89%**) of venues state that they are currently experiencing issues with the supply chain, most of which are doing so with F&B (**77%**) and caterers. Almost three-quarters (**70%**) of venues stress that such issues are impacting their service levels, with **69%** reducing their banquet offering, **52%** reducing the number of bedrooms offered and **41%** reducing meeting spaces available.

1 | PROFILING RESPONDENTS

Reflecting the diversity of the UK's business meetings and events venues, the 157 survey respondents represent purpose-built conference, exhibition and meeting venues (41%), hotels (21%), academic (18%), heritage (7%) and sporting venues (6%). Other venues making up the remaining 7% of the latest research span museums, research and development campuses as well as outdoor visitor attractions all boasting meeting facilities.

Similarly, a diverse range of responses representing venues situated across the UK have been recorded, with almost a third (32%) based in London, a quarter (25%) in the Midlands and more than a fifth (21%) in Scotland and the northern regions.



2 | Workforce

Over the course of the pandemic the impact of COVID-19 on the number of active employees across the sector has been well-documented, with our prior research emphasising the sectors' dependence on the Job Retention Scheme amidst the unavoidable depletion of revenue streams and financial reserves.

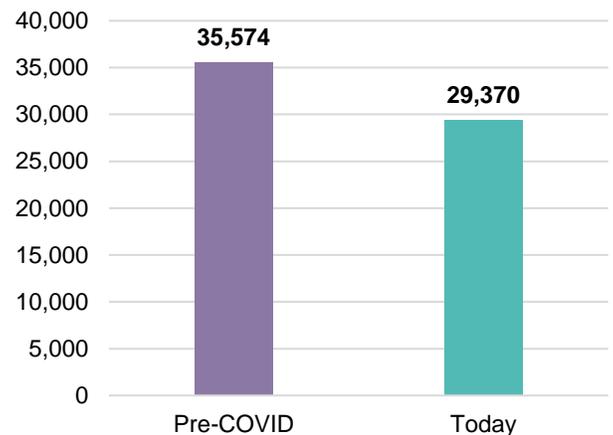
Despite this, since restrictions were lifted in July 2021, many venues have swiftly found themselves facing an alternative workforce challenge. While demand certainly hasn't returned to pre-COVID levels, and isn't expected to do so until at least 2023, the ability for venues to suddenly open for business once more comes with the age-old response to demand; supply.

Reinforcing these workforce challenges, the venues represented within our research demonstrate a **17.5%** decrease in the number of total employees employed today compared to before the pandemic. This includes the staggering loss of over a third (**34%**) of non-UK workers amidst the challenges presented by Brexit and applications to the EU Settlement Scheme closing on 30 June 2021.

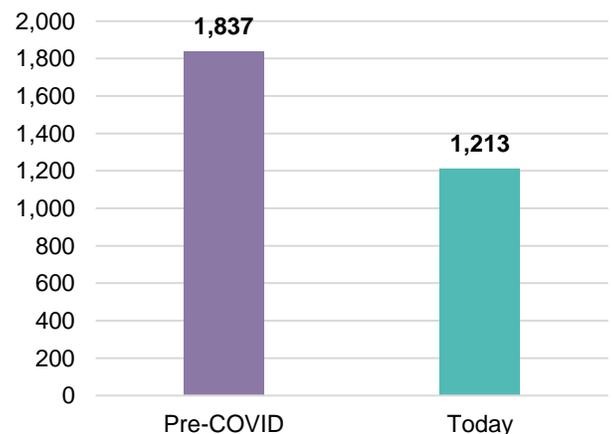
While at face value this declined workforce may appear severely unsettling, it is worth noting that this **17.5%** decrease in workforce size is significantly less prominent than the average **53%** decline reported in our July 2021 research, reinforcing the sector's recent recruitment drive to accommodate a return to business.

Despite positive signs of a return to more recognisable workforce levels, venues still claim to be operating with workforces reflecting an average **85%** of the required number of employees. With this in mind, it's unsurprising to see the range of ways in which venues are responding and managing demand, as will be explored throughout this research.

Total number of employees



Total number of non-UK workers



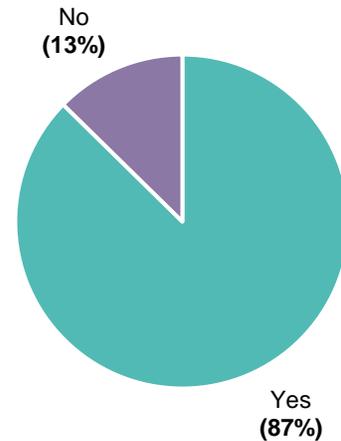
3 | Recruitment

Although it is observed that the reduction in the average workforce size has narrowed significantly over the course of the last quarter, the majority (87%) of venues are still actively looking to fulfil a wide range of roles.

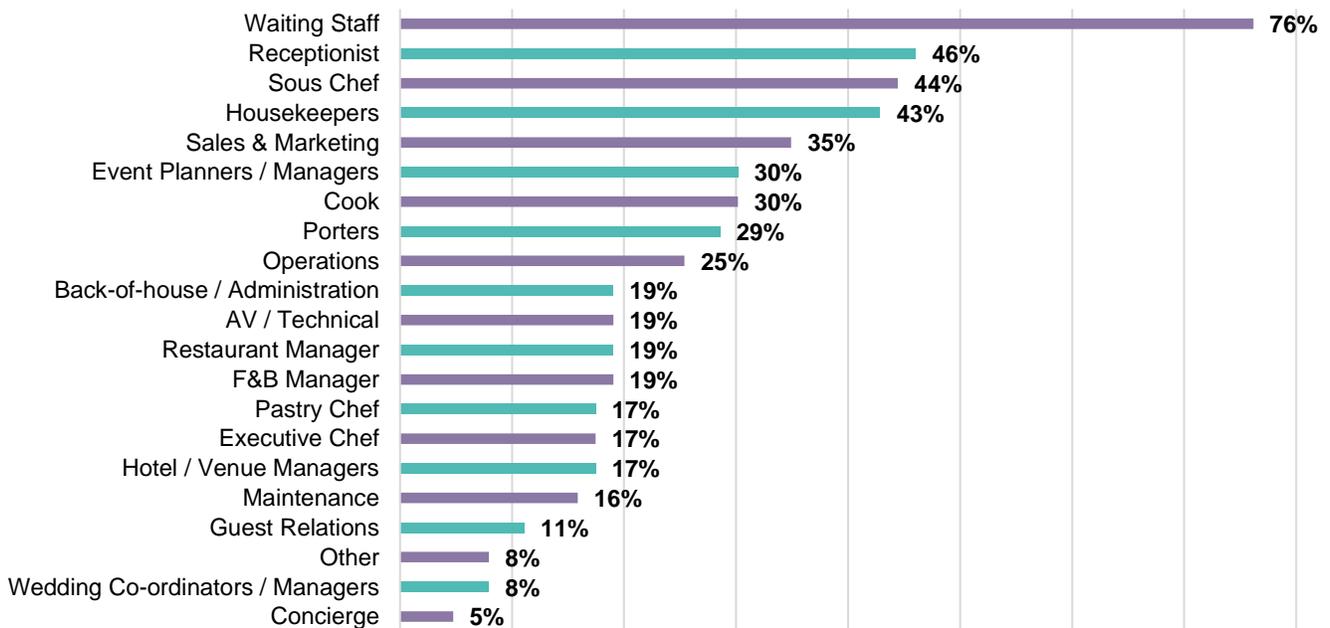
Addressing not just the current staff shortages that have been reported, as consumer confidence rebuilds venues must also ensure they are suitably equipped to facilitate larger and more lucrative event bookings, whereby previously streamlined event and venue functions must now be restored to reflect a fuller operation.

As demonstrated within the chart below, venues are currently recruiting for a plethora of roles, serving a diverse range of event functions. Most prominently, over three-quarters (76%) of venues are now recruiting for waiting staff, with the typically temporary and part-time role not as well protected via the Job Retention Scheme during the pandemic and F&B offerings now beginning to incrementally increase back to more recognisable levels.

Does your organisation currently have any staff vacancies?



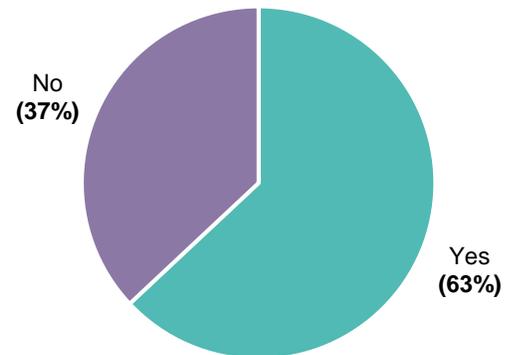
In which areas of the organisation do you currently have vacancies?



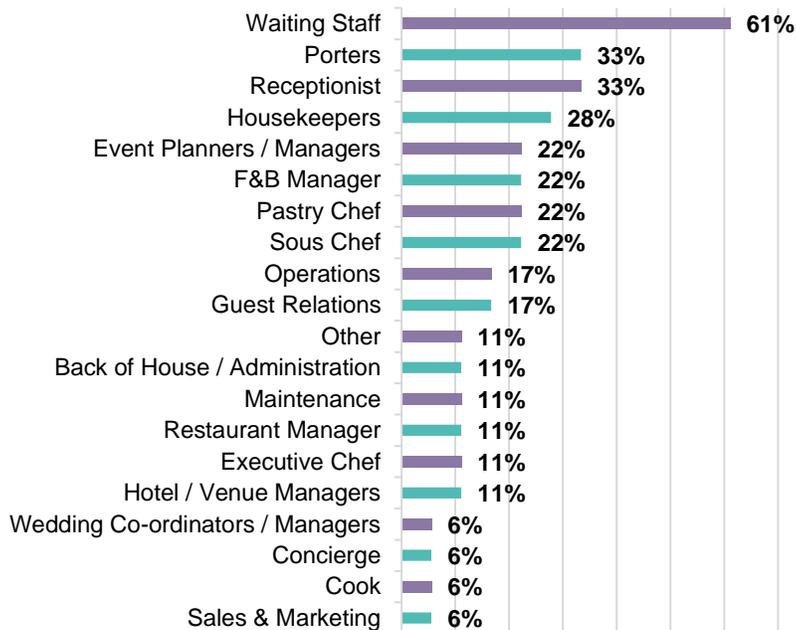
With redundancy levels well-documented across the sector as a direct result of the pandemic, as well as the ending of the Job Retention Scheme on 30 September 2021, it could be assumed that venues would have a vast selection of talent to fulfil outstanding vacancies.

With almost two-thirds (**63%**) of venues raising their hourly rate / annual salaries in a bid to attract and retain staff, it does however suggest that the sector is struggling to recruit. More than half (**59%**) of these venues are applying wage increases across all roles and the average raise reflects a generous **11%** rise. So, amidst the current economic situation, including the competitiveness of the UK job market and current unemployment rate, why is the sector struggling to fulfil roles?

Have you raised your hourly rate / annual salaries in a bid to attract/retain staff?



Which posts is this enhanced salary for?

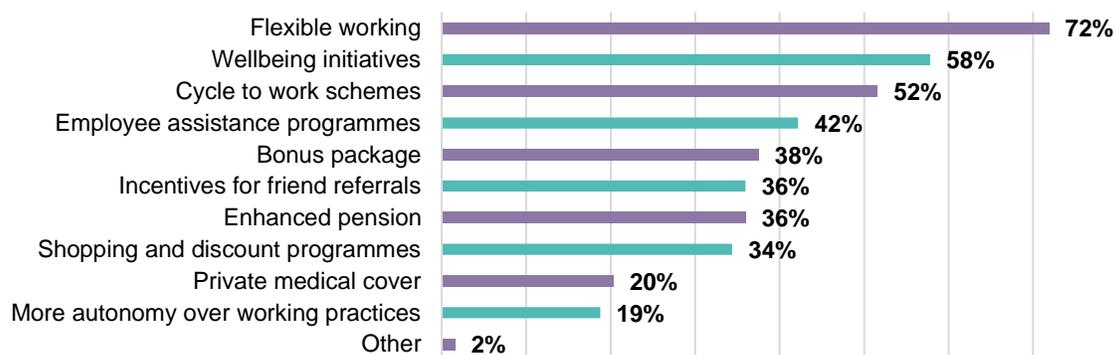


Referring to previous research conducted in July 2021, more than half (**59%**) of 122 venues had experienced resignations over the course of the pandemic, with over three-quarters (**77%**) of those doing so to join a different sector. Providing potential rationale for the sector's current recruitment struggles, the reasons cited included employees' need for greater job security, better work life balances and greater attention towards employee wellbeing. At the same time, anti-social hours and rates of pay were also a leading factor, supporting the evidence that the majority (**61%**) of venues that have now increased hourly rates just for specific roles are predominantly doing so for waiting staff.

With enforced restrictions obstructing venues' ability to conduct business and generate income throughout the pandemic, it is unsurprising that many venues are also opting to provide non-financial incentives as a means of attracting and retaining staff.

Not only has the pandemic paved the way for the rise of flexible working, as now offered by almost three-quarters (72%) of venues, but multiple wellbeing initiatives, as provided by more than half of venues (58%), have also come to the forefront. This includes the offering of cycle to work schemes (52%), employee assistance programmes (42%) and private medical cover (20%).

What benefits are you currently offering to try and attract and retain staff?



Providing financial incentives, including bonus packages that are currently being offered by over a third (38%) of venues, can of course be a burden on already depleted financial balances. As a result, almost half (45%) of venues are increasing their F&B rates to fund such increases, while almost one-third (30%) are accommodating for this by increasing room hire rates.

How is your organisation planning to fund pay increases?



In their ongoing bid to attract and retain staff, the following percentage of venues are also considering the below actions to compensate for raised hourly rates and salaries:

- Applying a specific F&B service charge on meeting bookings: **16%**
- Applying a service charge for all elements of meeting bookings: **8%**
- Applying a specific staff levy/welfare charge: **8%**
- Other: **4%** (incl. increasing non-meeting menu prices and promoting incremental salary increases year-on-year)

In a time when market competition is rife amidst rising yet low demand levels, it is interesting to observe that less venues appear to be absorbing these additional costs as a means of remaining price competitive. At the same time however, we must again consider venues' depleted finances, as well as several operational challenges as will be explored next.

4 | Operations

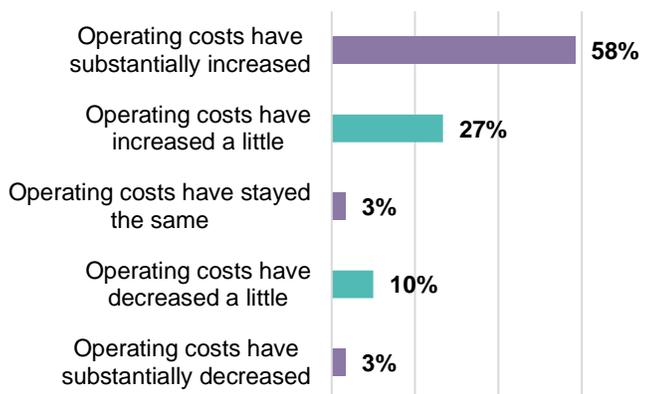
Beyond the average **11%** pay rise being offered by venues looking to retain and attract staff through financial incentives, for **85%** of venues their operating costs have also increased, with more than half (**58%**) stating that they have done so substantially.

Correlating with the recruitment drive being experienced across the sector, as well as the reported pay increases being offered, it is unsurprising to observe the proportion of venues experiencing increased salary (**64%**) and recruitment (**44%**) costs. Similarly, a significant proportion of venues are experiencing an increase in F&B (**86%**) and energy (**72%**) costs, as has been widely reported based on consequences such as the current HGV driver shortage.

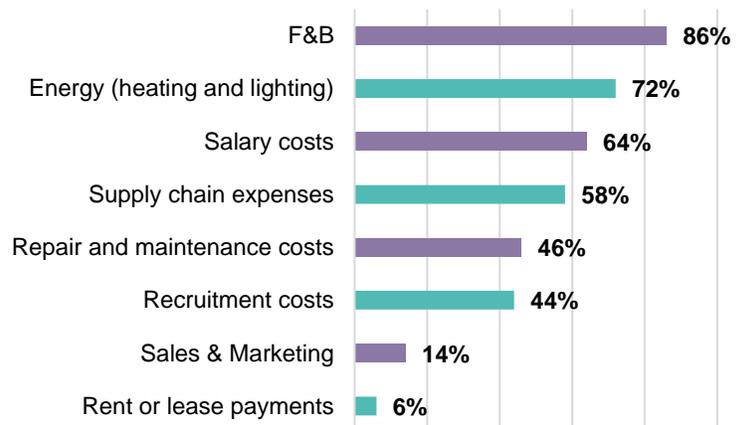
Concerningly, such increases aren't minimal either, with venues stating costs have increased as much as the following on average:

- Recruitment costs: **19%**
- Energy costs: **16%**
- Repair and maintenance costs: **14%**
- F&B: **13%**
- Supply chain expenses: **12%**
- Salary costs: **11%**

Which of the following statements best applies to your current operating costs?



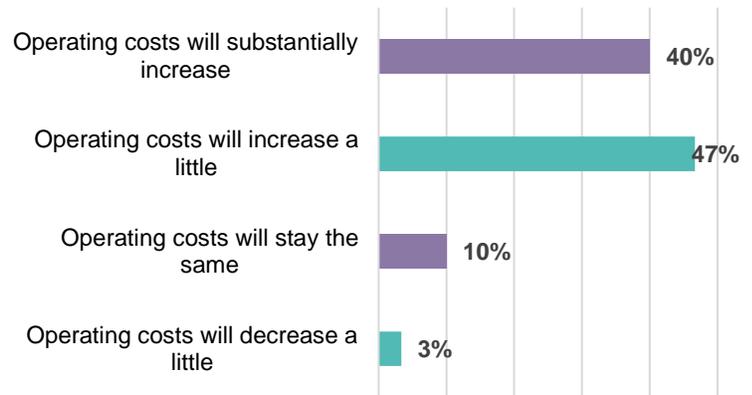
In which areas have you currently seen an increase in operating costs?



Despite the pre-existing increase in operating costs that have been reported to date, unfortunately there are no signs of these easing up either. Only 1 in 10 venues are now expecting their operating costs to stay the same in the next quarter, while a staggering **87%** are forecasting a further increase in their costs.

Reinforcing venues' need to compensate for such increases through increased F&B rates, room rates etc., venues are forecasting an average **12%** increase in costs for the quarter ahead.

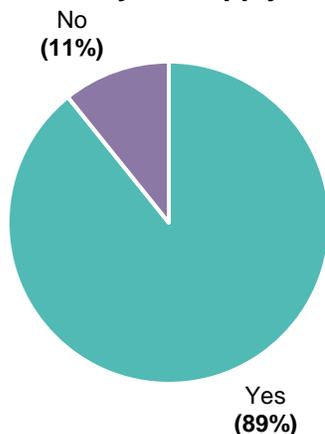
During the next quarter, which statement best matches your expectations regarding operating costs?



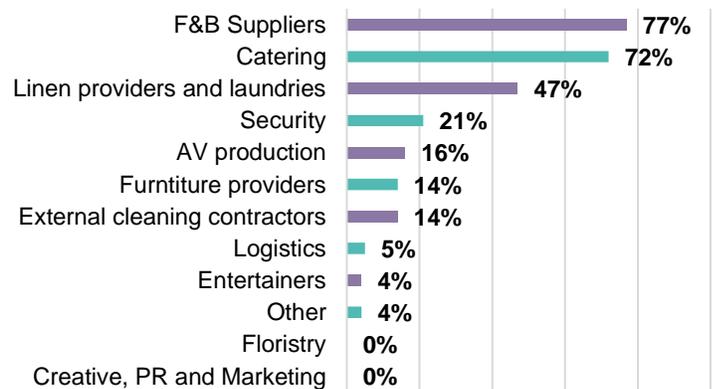
In addition to increased operating costs, almost 9 in 10 (**89%**) venues are currently experiencing issues with their supply chain, with it already reported that more than half (**58%**) of venues have experienced increased expenses in this area, averaging **12%**.

With over three-quarters (**77%**) of venues experiencing issues with F&B suppliers, and **72%** with catering suppliers, there is a clear reinforcement of issues arising within the food function for venues, with a significant shortage of waiting staff and widespread increase in F&B costs.

Are you currently experiencing any issues with your supply chain?

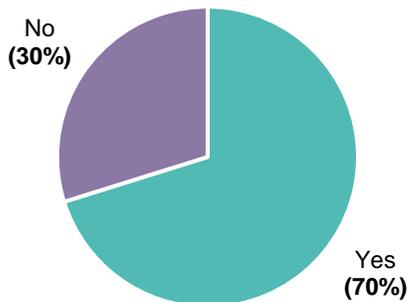


In which areas of the supply chain is your organisation experiencing issues?

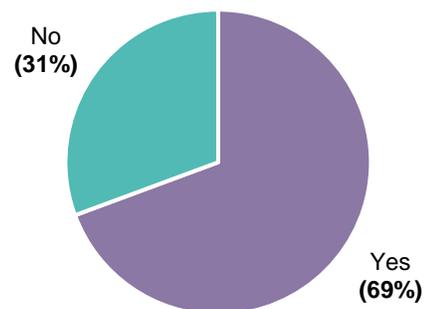


Paired with staffing shortages, venues are experiencing clear operational challenges, with 7 in 10 stating their current service levels have been impacted by supply chain issues. Based on findings reported to date, it is unsurprising to discover that over two-thirds of venues (**69%**) have had to limit their banquet/restaurant offering. In addition to reported food shortages, changes in food quality and lack of waiting staff, venues are also highlighting their inability to dress food spaces with table linen, with almost half (**47%**) experiencing issues with linen providers and laundries.

Are the supply chain issues impacting your current service levels?

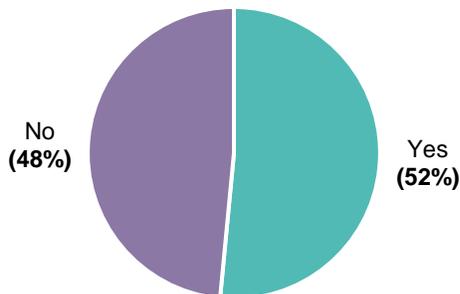


Have you had to limit your banqueting or restaurant menu/offer in any way?

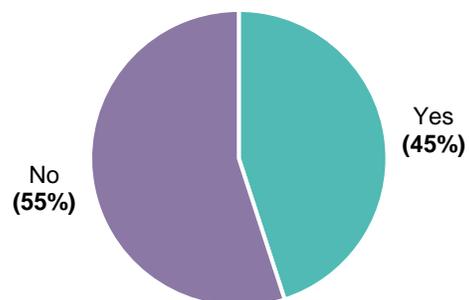


In addition to banqueting challenges, over half (**52%**) of venues providing accommodation have had to reduce the number of bedrooms available to be booked, with **42%** of venues currently recruiting doing so for housekeepers. As a result, the average venue providing accommodation is currently working towards a maximum **58%** occupancy, with almost half (**45%**) of venues already reducing the number of meeting and event spaces available to be booked.

Have you had to reduce the number of bedrooms currently available to be booked?



Have you had to reduce the number of meeting and events spaces you currently have available to be booked?



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