


Retail

West of England Local Sector
Skills Statement 2019



Working together to develop the current and future skills of the sector.



The Local Sector Skills Statements provide up-to-date market intelligence from industry sectors; celebrating the notable achievements and expertise of businesses and education in the region compared to regional and national policy and research.

They provide insights into: the skills challenges faced by businesses in 2018/19, possible solutions, and potential partnerships for stakeholders to collaborate in the region.

The reports inform key priorities for: investment in training, education, careers advice and professional development in the West of England.



Produced and written by Business West

Business West is working in partnership with the West of England Combined Authority, West of England LEP and the region's universities and colleges through the Western Training Provider Network. The intelligence gathered feeds into the West of England skills strategy.



Retail

Local Sector Skills Statement 2019

The retail sector employs 2.8 million people in Great Britain, 9.5% of total employment. ⁽¹⁾

Retail is a large and diverse sector encompassing global operators, supermarkets and small independent retailers. At the heart of communities, retail is vital to the UK economy. In 2017, consumers in the UK spent around £395 billion in retail purchases and the sector as a whole contributed £92.8 billion to UK economic output, measured as GVA. ⁽¹⁾ The sector accounts for around 9.5% of all UK jobs. ⁽¹⁾

The West of England has an impressive array of central and out-of-town shopping quarters and when combined, the annual footfall exceeds 100 million. The presence of leading retailers and an array of smaller independent shops offers a unique and varied shopping experience which contributes significantly to employment in the region. As of 2017, there were over 90,000 job vacancies advertised for the sector across the West of England, and the sector is forecast to grow by 1.7% between 2017 – 2026. ⁽²⁾

Retail is changing. At the centre of the change sits a technological revolution that has fundamentally altered how people shop. New competitors are emerging from outside of the industry, consumers now crave enhanced responsive and personal experiences and the number of physical shops is reducing – since 2015 there are 2485 fewer retail stores in the UK. ⁽³⁾ Online trade continues to grow, with sales now representing approximately 16.4% of total sales nationally, ⁽³⁾ but this isn't necessarily a straightforward substitution for physical stores. Successful retailers are having to adapt and offer multi-channel experiences to complement their physical presence and serve consumer demand.

The costs are rising faster than the market is growing but technology will continue to play a part in optimising the buying process, offering tailored, unique and intuitive experiences that will result in more confident and frequent purchases. This in turn provides retailers the opportunity to capitalise with a much deeper insight into their customer demands and behaviours. The Business West Skills and Training Survey 2018 reveals that just under 30% of respondents don't currently sell online.

Retail employers face challenges to ensure they have the right people and skills at the forefront of their business, which will help them to develop innovative, seamless experiences that provide greater satisfaction. In a recent report from the British Retail Consortium (BRC), it is anticipated that there could be up to 900,000 fewer jobs in retail by 2025. ⁽³⁾ Whilst greater automation may impact functional roles such as customer sales, the transformation is beginning to create new roles such as; category experts, product advisors, analysts and designers. According to the Business West Skills and Training Survey 2018, the top three soft skills required currently are; basic problem solving, accuracy and punctuality and the ability to multitask. ⁽³⁾ In the future, this is likely to shift towards being able to engage with the customer through a variety of channels, thinking laterally and creatively with increased knowledge of IT equipment. Data handling, cyber security, digital marketing, strategic planning and change management also come into play as business models start to change and with greater adoption of technology. In the Business West Skills and Training Survey 2018, retail businesses in the West of England reported



“The main shopping centres in this region have a combined annual footfall of more than 100 million visitors and growing! With the planned investment and improvements in our transport network over the next few years, we are expecting to see even more visitors, more businesses relocating, and more new jobs. As a regional team, we are looking to take this very strong message out to national and international retailers and show them what they are currently missing.”

John Hirst, Chief Executive Destination Bristol

that the biggest skills shortages exist in sales and marketing and product knowledge, with some also expressing shortages in tax, VAT, import and export. Of those businesses that had recruited in the last 12 months, 33% reported hard to fill vacancies, citing the main reason as low number of applicants with the required skills or qualifications. Just under half had introduced changes to tackle recruitment challenges such as offering flexible working, training less qualified recruits and increasing salaries.

In light of the unprecedented changes ahead, a new national British Retail Sector Council was launched in March 2018. Leaders from industry will meet regularly and work with the government to provide strategic oversight of the challenges and tackle the productivity gap.

Key Facts

A summary of key facts both locally and nationally in this sector

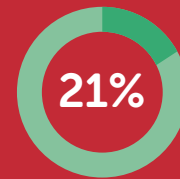
£20,571 was the average advertised salary for vacancies in the West of England. ⁽²⁾



The **top 5 skills** reported to be **most important for retailers** in the West of England are: **customer service** (90%), **communication** (87.5%), **team work** (75%), **problem solving** (65%) **sales** (59%) ⁽⁷⁾



21% of respondents to the Business West Skills and Training Survey 2018 currently **offer work placements**. ⁽⁷⁾



There are a number of **Business Improvement Districts (BIDs)** in the West of England which are business-led and business funded to improve a defined commercial area, typically in town and city centres across the region.



There are now **apprenticeship standards available to support retail career progression** – Retailer L2, Retail Team Leader L3, Retail Manager L4 and the newly launched Retail Leader apprenticeship degree L6.



16.4% of all sales in 2017 were **online**, up from 2.5% in 2015. ⁽³⁾



29% of retailers in the West of England state that they **don't currently sell online**. ⁽⁷⁾



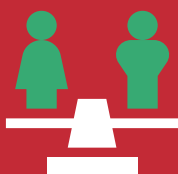
Pay is rising in the industry at a faster rate than across the UK. Average hourly pay in retail was up **4.6%** in 2017. ⁽³⁾



Women make up the majority of the workforce (60%), although fewer are represented at a senior level. ⁽⁶⁾



The gender pay gap is reducing. Average pay for women in retail in 2018 was 9.1% which was lower than for men. That gap has closed from 11.0% in 2016. ⁽⁴⁾



170,000 EU nationals work across the retail industry in the UK. ⁽⁵⁾



There were **100,000 roles** in retail in 2016 that did not exist in 2011. ⁽⁵⁾



Notable Achievements

Local Sector Skills Achievements in 2018

Since the start of the **Skills West programme**, a total of **123 employability opportunities** have been pledged from the retail sector across the West of England. Opportunities include offers of work experience, apprenticeships, workplace visits, mock interviews and CV advice sessions.

BRC worked with retailers and the **DWP** to promote the range of careers available across the industry in the first **Retail Jobs campaign**.⁽³⁾

In 2018, **Skills West at Business West** supported Bristol Independents Day by opening up a pop up shop in The Arcade Bristol to offer free skills advice to local retailers.

Developers of **Wapping Wharf** in Bristol have been given approval to place and convert further containers to form "Cargo Work". The new scheme, the second in the city after the Boxworks, will utilize shipping containers to provide flexible office space to business.

During 2018, **32 retail businesses in Bath received support to upskill their employees** through the government funded Future Bright programme.

West of England Combined Authority (WECA) committee agreed to establish a West of England **Love our High Streets fund of up to £10m** to support high streets across the region. Bath, Bristol and South Gloucestershire councils will work with communities to pilot projects in a bid to transform and revive local high streets and town centres.

Online retail giant **Amazon** will open a new warehouse in Severn Beach in 2019 which will create **1000 new jobs**.

In November 2018, the **new retail leader degree apprenticeship was approved**. The level 6 degree is the first of its kind to be approved for the retail sector and aims to help organisations to develop their employees and widen the search for talented people who will see the retail industry as a career of choice. Planned developments for 2019 include the areas of procurement/supply and buyer/merchandising.

Skills West teamed up with partners and a number of business experts to deliver a series of interactive skills development workshops for SMEs. Attendees received advice, guidance and basic tools to help improve knowledge, recruitment and people development processes. These workshops were designed to offer insight into increased awareness of:

- ▶ flexible talent pools and the benefits of a diverse workforce
- ▶ recruitment and induction processes to save costs and aid retention
- ▶ talent management and succession planning for business growth and productivity
- ▶ apprenticeship recruitment and employee development within small businesses

In September 2018, Skills West launched the **'Find Your New Recruit'** campaign to raise awareness of the skills gaps affecting employers across the West of England. 30 LEGO® figures of various professions were hidden at iconic locations across Bristol. Once found, finders were encouraged to take a selfie with their 'new recruit' at their place of work and tweet with hashtag **#pledgeyoursupport**

Skills Priorities for 2019

Priority One

Improve Careers Education Information Advice and Guidance (CEIAG)

- *Reflecting on how the objectives in this section can address equality and diversity.*



Issues

The sector is able to attract younger people. However low wages and a lack of information on the variety of roles and progression routes can often present challenges with attracting and retaining people. 12.4% of businesses in the West of England responding to the Business West Skills and Training Survey 2018 suggest that unclear progression routes are the biggest barrier for young people entering the sector. ⁽⁷⁾

Objectives

- ▶ Ensure local retail industry and networks/bodies provide current up-to-date information on the labour market and career pathways into the industry and share with schools, further and higher education using existing platforms such as Careers Pilot and Careers Near Here
- ▶ Local employers and education providers to promote retail as an attractive career option to people of all ages and the variety of new progression routes and career options
- ▶ Support and encourage retail employers to engage with local CEIAG strategies and programmes including the objectives of the Careers Enterprise Company and Careers Hub to ensure careers advice and routes into the sector are clear and current
- ▶ Support retail to identify and support opportunities for pre-employment training that addresses the recruitment challenges affecting the sector

Local Response

The West of England Careers Hub was launched in September to work with 25 schools and colleges across the region to improve careers and work experience opportunities for young people. The hub offers targeted support to schools including; up to £3,500 per year to use on opportunities to strengthen links with employers, access to a Hub Network Group to build a community of good practice between schools, support from an Enterprise Coordinator and Enterprise Advisers; Careers Leader Training and Continuing Professional Development for wider teaching staff.

Future Recommendations

The retail sector must support the objectives of the Careers Enterprise Company in the West of England as part of the Enterprise Adviser Network and Careers Hub. Also to partner with other CEIAG agencies to engage with schools, Further Education Colleges and Higher Education to promote the retail sector.

Skills Priorities for 2019

Priority Two

Improve the quality and responsiveness of local education and training provision



Issues

Whilst there has been an overall increase in the number of apprenticeship standards created, there are still relatively few to support retail careers at all levels, particularly in merchandising and buying, and there is still not enough pathways and progression routes available in local education provision. 20% of retailers who responded to the Business West Skills and Training Survey 2018 also stated that skilled manual/technical roles had been hard to fill. ⁽⁷⁾

Objectives

- ▶ Encourage businesses to work with education and skills providers to become involved with the co-design of training provision that is relevant to industry needs and addresses the challenges affecting the sector
- ▶ Ensure that relevant labour market intelligence is fed back continuously to education to ensure issues and actions remain focused in curriculum delivery
- ▶ Work with Business West, Western Training Provider Network (WTPN) and cluster organisations to bring together industry and education to better inform of the sector challenges, needs and landscape
- ▶ Improve the quality and local responsiveness of education and training

Local Response

During the lifetime of the Skills West programme, three sets of Local Sector Skills Statements and Provider Action Planning analysis have been produced for each industry sector, including Retail, offering up-to-date insight and data analysis within the region to support education with curriculum development.

Future Recommendations

Ensure local businesses, education providers and stakeholders work together to ensure continued co-design of curriculum.

Skills Priorities for 2019

Priority Three

Increase apprenticeship starts and availability of higher apprenticeships

- *Reflecting on how the objectives in this section can address diversity and equality.*



Issues

Despite an overall increase in the number of apprenticeship standards created nationally, there are still relatively few to support retail careers at all levels, particularly in merchandising and buying. There is also still a clear lack of knowledge surrounding the recent apprenticeship reforms amongst SMEs. According to the Business West Skills and Training Survey 2018, 74.8% of employers in the West of England ⁽⁷⁾ had never used apprenticeships to recruit or upskill, citing the main reasons as perceived cost, lack of time and that they were too small to support an apprenticeship. Employers are still not considering apprenticeships to enhance skills of their existing workforce, which would in turn aid productivity, business growth and retention.

Objectives

- ▶ Ensure there is clear, accessible apprenticeship advice and guidance to individuals and employers with clear pathways and entry points
- ▶ Education providers to work in partnership with businesses to raise the awareness of apprenticeship reforms and the financial support available for recruitment and upskilling existing staff
- ▶ Employers and educators to continue to work together to develop a range of apprenticeships at all levels, and in all areas of retail, to enable career progression and address the changing needs of the sector
- ▶ Businesses to engage with the South West Apprenticeship Ambassador Network and encourage apprentices to become a young ambassador

Local Response

The industry is working hard to ensure that retail is a career of choice for the future. The new Retail Leader Degree Apprenticeship has been approved and complements the existing pathway from entry level. Further degree apprenticeships are currently in development in the areas of procurement/supply and buyer/merchandising.

Skills West as part of Business West has continued to work with employers to offer free advice and guidance on apprenticeships through face to face engagement and skills clinics. In 2018, skills advisers opened a pop-up shop during Bristol Independents Day to offer support to local retailers.

South West Apprenticeship Ambassador Network is building a strong cohort of business ambassadors and encouraging apprentices to become a young ambassador.

Future Recommendations

Ensure local businesses, education providers and stakeholders continue to work together to ensure ongoing introductions of apprenticeships into businesses of the right quality and level.

Skills Priorities for 2019

Priority Four

Engage SMEs in the active retention of staff through programmes of skills development and training to ensure increased productivity and sustainable growth

- *Encouraging SMEs to consider best practice in staff welfare.*



Issues

The sector as a whole, experiences issues with retention. With the threat of automation on functional roles and the need for increased customer engagement, sales and product knowledge, creative thinking and IT skills, the sector should look to upskill existing employees to address these shortfalls. In the Business West Skills and Training Survey 2018, only 3% of businesses had used apprenticeships to upskill their employees and only 24% had a staff training and development plan in place.

Objectives

- ▶ Continue to work with partners to collate intelligence and work with education and industry to ensure relevant training and skills programmes to meet demands and emerging needs of SMEs
- ▶ Encourage businesses to engage in staff development with a view to improving retention and cost saving
- ▶ Raise business awareness of; leadership and management, digital strategy and customer service training opportunities, and particularly the use of apprenticeships to up-skill existing workforce and aid retention
- ▶ Future Bright, Business West and other regional business engagement programmes to ensure businesses are informed of the support for in-work training and apprenticeships to upskill their existing workforce and support in-work progression for all employees. Ensure best practice and learning is shared between businesses.

Local Response

Skills West teamed up with experts Atoll HR, to deliver interactive workshops for SMEs focussing on talent management and succession planning. Attendees gained knowledge, insight and basic tools to help improve their people planning processes and employee retention to aid growth and productivity.

All of the colleges in the region have started to develop strong partnerships with business networks, with SMEs often invited to attend expos and events, particularly around apprenticeships and educating employers on how they can be used to upskill. Many also have Young Apprentice Ambassadors attending business events to promote their apprenticeship journey.

Future Recommendations

Ensure businesses are informed of the support for in-work training and apprenticeships to upskill their existing workforce and support in-work progression for all employees. Ensure best practice and learning is shared between businesses.

Skills Priorities for 2019

Priority Five

Support SMEs to be inclusive and effective in staff recruitment

- *Reflecting on how the objectives in this section can address equality and diversity.*
- *How to build the talent pipeline in the region.*



Issues

The sector, as a whole, typically attracts a younger and transient workforce. Furthermore, females make up the majority of the workforce (56%) although fewer are represented at senior levels. ⁽⁶⁾

71% of businesses surveyed as part of the Business West Skills and Training Survey 2018 do not currently have an equality and diversity policy. ⁽⁷⁾ There is an opportunity for the sector to support female progression into leadership roles and expand the talent pools from which it recruits to attract a more diverse and inclusive workforce. Also, as the region has a growing BAME and ageing population, it is a commercial imperative that businesses look more closely at their recruitment practices to ensure all customers' needs are met.

Objectives

- ▶ Encourage wider recruitment practices by promoting the sector via wider labour pools, for example older workers, ex-military, ex-offenders and work returners
- ▶ Encourage more businesses to take advantage of the benefits behind apprenticeships at all levels and ages in order to future-proof the workforce
- ▶ Help to identify opportunities for pre-employment training programmes and work with strategic and education partners to support people into employment where appropriate
- ▶ Support the work of national industry bodies and other organisations to create a variety of employment and work experience opportunities for those from all backgrounds
- ▶ Business West, through the Skills West programme, to encourage retail companies to seek best practice to explore their company culture and the nature of their 'talent pipeline', to open up recruitment possibilities for under-represented groups

Local Response

The Skills West team at Business West, supported by Flexology, delivered a workshop focussing on flexible working. During the workshop, attendees learned about the benefits of a diverse talent pool and how to appeal to wider groups of untapped talent through better job descriptions. Signposting to diverse groups within the region was also provided to encourage employer collaboration and engagement opportunities.

South West Apprenticeship Company worked with Skills West to deliver advice and guidance to SMEs about the benefits of apprenticeships and how they can be used to recruit new staff, upskill the existing workforce and help to build a more diverse and inclusive workforce.

Future Recommendations

Partners to continue working collaboratively to support businesses to be more inclusive in staff recruitment and recruitment practices.

Regional Centres of Excellence and Research

Destination Bristol
British Retail Consortium (National)
Retail Economics (National)
Innovation, Operations Management and Supply Research Group (UWE)

Key Training Providers

Bath College
City of Bristol College
Weston College
South Gloucestershire & Stroud College
N-Gaged Training
Babcock
Hit Training
Lifetime Training
T2 Group

Professional Networks and Organisations

British Retail Consortium (BRC)
British Independent Retailers Association (BIRA)
Rural Shops Alliance
Federation of Small Businesses (FSB)
Destination Bristol (DMO)
Visit Bath (DMO)
Business West (International Trade support/Export)
British Online Retailing Association (BritORA)

Endorsed by

West of England LEP & West of England Combined Authority

Reference Documents

- 1) Retail sector in the UK - Government research briefing 2018
<http://researchbriefings.files.parliament.uk/documents/SN06186/SN06186.pdf>
- 2) Prospects LMI in a box – Retail sector in the West of England
<https://careerpilot.org.uk/adviser-zone/lmi-in-a-box/west-of-england-by-sector/retail>
- 3) Better Jobs – maintaining the momentum 2018 <https://brc.org.uk/media/273152/better-jobs-maintaining-the-momentum.pdf>
- 4) Pay in Retail factsheet <https://brc.org.uk/media/371753/10428-pay-in-retail-2018.pdf>
- 5) A fair Brexit for Consumers – The People Roadmap Autumn 2017
<https://brc.org.uk/media/191675/the-people-roadmap-final-report.pdf>
- 6) Women in Retail - The commercial advantage of more women in the boardroom
<https://womeninretail.com/wp-content/uploads/2016/11/The-commercial-advantage-of-more-women-in-the-boardroom.pdf>
- 7) Business West Skills and Training Survey 2018

Supporting Research Documents

- a) West of England Combined Authority Business Plan, 2018/19
- b) West of England Combined Authority Operating Framework, 2018/19
- c) Industrial Strategy: building a Britain fit for the future, November 2017
- d) The Grand Challenges, Policy paper, May 2018
<https://www.gov.uk/government/publications/industrial-strategy-the-grand-challenges/industrial-strategy-the-grand-challenges>
- e) Careers strategy: making the most of everyone's skills and talents, December 2017
- f) Careers guidance: for further education colleges and sixth-form colleges, February 2018

Advise, connect, support

Get in touch today

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The West of England Combined Authority (WECA) covers Bath & North East Somerset, Bristol and South Gloucestershire. WECA also supports the Local Enterprise Partnership, which includes North Somerset.