

**WEST OF
ENGLAND**

Combined Authority

**Skills
West**

Connecting for success

Retail

West of England Local Sector
Skills Statement 2018



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



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 2017, 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

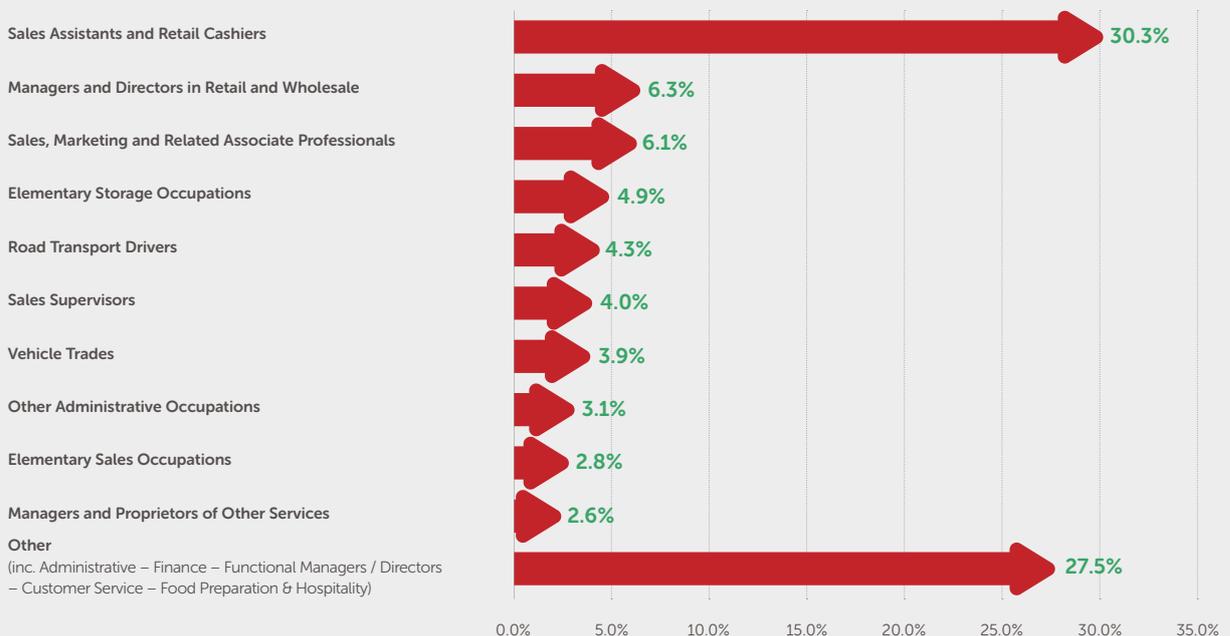
Local Sector Skills Statement 2018

The retail sector employed a total of 4.6 million people in Great Britain in 2016, 15.2% of the total. This makes it the largest industrial sector in Great Britain.⁽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 £406 billion in retail purchases and the sector as a whole contributed £194 billion to UK economic output, measured as GVA.⁽¹⁾ The sector accounts for around 15% of all UK jobs.⁽²⁾

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 combined with an array of smaller independent shops offers a unique and varied shopping experience and contributes significantly to employment in the region. As of 2017 there were over 92,000 people employed in the sector in the West of England, and forecasts suggest that this may increase by 4.5% equating to the creation of approximately 6,182 jobs in the West of England region.⁽³⁾

% of Total Jobs in Retail Sector (2017)





“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

Retail is changing. At the centre of the change sits a technological revolution that has fundamentally altered how we shop. Consumers now crave enhanced digital and in-store experiences which is threatening traditional high street stores, many of whom are being forced to adapt their business models and invest in omni-channel experiences to aid survival and remain competitive. Online sales now represent approximately 16% of total sales nationally ⁽⁴⁾. Retailers will need to embrace technology in order to optimise the buying process, making a more tailored and intuitive experience that will result in more confident and frequent purchases. This in turn provides retailers with a much deeper insight into their customer demand and behaviours and the opportunity to capitalise.

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. Whilst greater automation may impact functional roles, it is likely to result in new, better paid and creative roles such as: category expert, product advisor, analyst and designer. According to the BRC Retail 2020 Futures report⁽⁵⁾, the top 3 soft skills required currently are basic problem solving, accuracy and punctuality and the ability to multitask. 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 and 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.

Key Facts

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

39% of the retail sector workforce in the UK is aged under 30. ⁽⁷⁾



Women make up the majority of the workforce (56%), although fewer are represented at a senior level. ⁽⁷⁾



29% of retailers in the West of England state that they **don't currently sell online**, nor do they plan to in the future ⁽⁸⁾

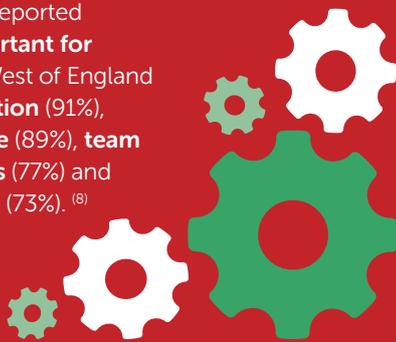


Online shopping now accounts for approximately 16% of all annual retail sales, an increase of 14.4% since May 2016.

Selling online offers an additional route to market locally, nationally and internationally. ⁽¹⁾



The **top 5 skills** reported to be **most important for retailers** in the West of England are: **communication** (91%), **customer service** (89%), **team work** (86%), **sales** (77%) and **problem solving** (73%). ⁽⁸⁾



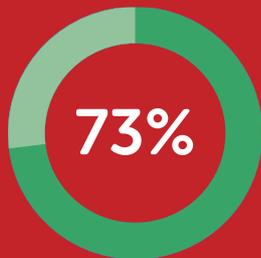
There are **now apprenticeship standards** available to support **retail career progression** –

Retailer L2, Retail Team Leader L3, Retail Manager L4.

The retail management degree L6 standard is currently in development.



73% of those surveyed currently offer work experience. ⁽⁸⁾



Average salary in retail is £24,500. ⁽⁷⁾



In 2017 there were **over 92,000 people** employed in the sector in the West of England. ⁽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.





Notable Achievements

Local Sector Skills Achievements in 2017

The **Bristol City Centre BID** began its first 5 year term on 1st November 2017.

The **Prince's Trust** have had great success with their **Get into Programme**, designed for young people aged 16-30 to gain experience and training to move into a job. The next course is set to run for Customer Services in Bristol in May 2018.

The **Broadmead Bristol BID** has offered all levy payers mystery shopping visits each year starting 2016. Participating businesses receive detailed reports highlighting strong performance as well as areas for improvement.

In October 2017, **Greggs** launched their national retail apprenticeships scheme, generating 120 new jobs across 8 locations, of which Bristol is one.

The national government campaign **Disability Confident** launched in 2016 and supports employers to make the most of the talents disabled people can bring to the workplace. Since then over 200 retailers have signed up to support the scheme.

Skills West has secured a total of 140 pledges from employers willing to support the sector by offering work experience, insight and other opportunities to promote careers in the industry.

20 businesses across a range of sectors, including retail, were sponsored to undergo a programme of mystery shopping. Feedback was provided to help retailers identify areas they need to upskill with a particular focus on sales and customer service techniques.

Bath BID started workshops to support businesses with specific knowledge/skills topics; the workshop on GDPR completely sold out.

Skills Priorities for 2018

Priority One

1. Improve Careers Education, Information, Advice and Guidance (CEIAG)

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



Issue

The sector is able to attract younger people. However low wages and a lack of information on the variety of roles can often present challenges with attracting and retaining people. 26% of businesses in the West of England suggest that low wages are the biggest barrier for young people entering the sector. ⁽⁸⁾

Objectives

- ▶ Work with industry and the industry networks/bodies to provide current information on the labour market and career pathways into the sector that can be shared: with schools, Further and Higher Education using existing platforms such as Careers Pilot and Careers Near Here.
- ▶ Employers and education to promote retail as an attractive career option to people of all ages.
- ▶ Support and encourage employers to engage with the Pathways to Professions Programme to ensure careers advice and routes into the sector are clear and current.
- ▶ Support the objectives of the Careers Enterprise Company in the West of England and other agencies to engage with schools as part of the Enterprise Adviser Network.
- ▶ Help to identify and support opportunities for pre-employment training that addresses the challenges affecting the sector.

Skills Priorities for 2018

Priority Two

Improve the quality and local responsiveness of education and training



Issue

Whilst there has been an overall increase in the number of apprenticeships standards, there are still relatively few to support retail careers at all levels, particularly in merchandising and buying. Approximately 40% of retailers in the West of England also stated that sales and customer services roles had been hard to fill due to a low number of applicants with the right skills ⁽⁸⁾.

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 labour market intelligence is fed back continuously to education to ensure issues and actions remain focused.
- ▶ Work with Skills West, Western Training Provider Network and cluster organisations to bring together industry and education to better inform of the sector challenges, needs and landscape.

Skills Priorities for 2018

Priority Three

Increase apprenticeships starts and availability of higher apprenticeships

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



Issue

There is still a clear lack of knowledge surrounding the recent apprenticeship reforms amongst SMEs. In the Business West Skills and Training Survey 2017, we asked businesses to confirm knowledge levels in each area of the reforms. In most cases, 60% of businesses stated they had no knowledge. The main reasons preventing uptake of apprenticeships were lack of time, lack of knowledge and many felt they were too small or not appropriate. Using apprenticeships to develop staff and enhance their skills where possible will aid productivity, business growth and retention.

Objectives

- ▶ Provide 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 must continue to work together to develop a range of apprenticeships at all levels and areas of retail to enable career progression and address the changing needs of the sector.

Skills Priorities for 2018

Priority Four

Engage SMEs in upskilling and retaining staff to ensure increased productivity and sustainable growth



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

Issue

The sector as a whole experiences a high turnover of staff and with low unemployment levels in the West of England, consideration should be given to retention and training the existing workforce. In the Business West Skills and Training Survey 2017, only 3% of businesses had used apprenticeships to upskill their employees and 50% have a staff training and development plan. 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 shortfalls.

Objectives

- ▶ Continue to work with partners to collate intelligence and inform industry of skills demands and emerging needs of SMEs.
- ▶ Promote awareness of the use of apprenticeships to upskill the existing workforce and aid retention.
- ▶ Encourage businesses to engage in staff development with a view to improving retention and cost saving.
- ▶ Raise awareness of: leadership and management, strategy digital and customer service training opportunities, particularly the use of apprenticeships to up-skill existing workforce.
- ▶ Future Bright, Skills West and other local business engagement programmes to ensure businesses are aware 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 2018

Priority Five

Support SMEs to be inclusive and effective in staff recruitment

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



Issue

The sector as a whole typically attracts a younger and typically transient workforce. Furthermore, females make up the majority of the workforce (56%) although fewer are represented at senior levels.⁽⁷⁾ 36.7% of businesses surveyed as part of the Business West Skills and Training Survey 2017 in the region don't currently have an Equality & Diversity policy.⁽⁸⁾ 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.

Objectives

- ▶ Encourage recruitment and promote the sector via wider labour pools, for example older workers, ex-military, ex-offenders and returners.
- ▶ Encourage more businesses to take advantage of the benefits behind apprenticeships at all levels in order to future-proof their workforce.
- ▶ Help to identify opportunities for pre-employment programmes and work with partners to support people into employment where appropriate.
- ▶ Support the work of national industry bodies and other organisations to create 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 recruitment possibilities for under-represented groups.

Regional Centres of Excellence and Research

Destination Bristol
Visit Bath
People 1st
British Retail Consortium (National)
Retail Economics (National)

Key Training Providers

Bath College
City of Bristol College
Weston College
SGS College
N-Gaged Training

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:

William Juckes, Retail Sector Group Chair, West of England LEP
John Hirst, Destination Bristol

Reference Documents

- 1) The Retail Industry statistics and policy March 2018
- 2) PWC outlook 2018
- 3) Prospects Labour Market Information, May 2016/17
- 4) West of England LEP Retail Map, May 2016
- 5) Office for National Statistics (ONS), Retail Sales in Great Britain, May 2017 (needs latest validation)
- 6) British Retail Consortium Retail2020 current campaign
- 7) People 1st – workforce sector profile 2016
- 8) Business West Skills and Training Survey 2017
- 9) Emsi - economic modelling 2018 courtesy of Prospects Services

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

Get in touch today



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#skillswest

Advise, connect, support



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.