

**WEST OF  
ENGLAND**

Combined Authority

**Skills  
West**

Connecting for success

## Retail

West of England Local Sector  
Skills Statement 2017



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

# Retail Local Sector Overview

The retail sector is the largest employer in the West of England. As of 2017 there were over 92,000 people employed in the West of England, up from 83,000 in 2015<sup>(2)</sup>.

**Retail has grown year-on-year since 2008, generating an annual turnover of £90bn nationally and contributing an estimated £2.4bn Gross Value Added (GVA) to the regional economy<sup>(1)</sup>.**

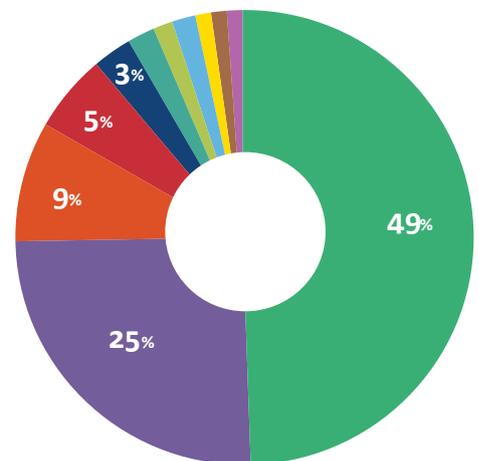
The West of England is home to many major retail locations and includes:

- Bristol Shopping Quarter, Broadmead – 15m footfall
- Cabot Circus – 18m footfall
- The Galleries and The Arcade – 10m footfall
- Bath City Centre including Milsom Street and Southgate Centre – 25m footfall
- The Mall at Cribbs Causeway Mall – 12.6m footfall
- Wapping Warf and CARGO 2 in Bristol
- Weston-super-Mare Sovereign and Dolphin Square Centres – 11m footfall
- Yate Shopping Centre and Riverside – 11.8m footfall

By 2024 employment forecasts anticipate the retail sector will increase by approximately 4.5% equating to the creation of approximately 6,182 jobs in the West of England region<sup>(1)</sup>.

## Employment Areas

- Sales and Retail Assistants
- Retail and Wholesale Managers
- Elementary Storage Occupations
- Retail Cashiers
- Vehicle Technicians
- Sales Supervisors
- Sales Accounts
- Van Drivers
- Shelf Fillers
- Other Administrative Occupations
- Book-keepers and Payroll Managers



All data represents the West of England

The industry is now undergoing a transformation more profound and far-reaching than any that has gone before. At the centre of the change sits a technological revolution that has fundamentally altered how we shop, the way retail businesses work and the skills that retailers are nurturing for the future.

Today, 100,000 people are employed in retail jobs that did not even exist five years ago and 15.9% of sales are online, growing at 10 to 15 % a year.<sup>(6)</sup>

*"The main shopping centres in this region have a combined annual footfall of more than 100m 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 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

Annual Local Sector Skills Statements report on local sector knowledge and expertise, plus wider regional and national intelligence. Gain insight about skills challenges in your sector, notable achievements and skills priorities and objectives for 2017. The themes have been defined by the West of England Local Enterprise Partnership (LEP). This report has been designed for education providers and businesses to inform decisions and identify objectives for investment in training and development of curriculums.

# Key Facts



**21.9% OF THE WORKFORCE IN THE RETAIL SECTOR IS AGED 16-24<sup>(3)</sup>.** AS OLDER WORKERS RETIRE, THEY ARE NOT BEING REPLACED BY YOUNGER WORKERS AT THE SAME RATE AS BEFORE. DEMOGRAPHIC CHANGE WILL RESTRICT THE SUPPLY OF YOUNGER WORKERS ENTERING THE SECTOR<sup>(4)</sup>.



AS OF 2017 THERE ARE **92,219 EMPLOYED** IN THE SECTOR IN THE WEST OF ENGLAND.



THE WEST OF ENGLAND RETAIL SECTOR **CONTRIBUTES £26BN TO THE UK ECONOMY.**



BY 2036 THERE WILL BE **88,000 NEW RETAIL JOBS** IN THE REGION.



THE WEST OF ENGLAND LEP EMPLOYER SKILLS SURVEY (2016) SHOWS THAT 47% OF RESPONDENTS FROM THE RETAIL SECTOR INDICATED THAT THEY HAD EXPERIENCED HARD TO FILL VACANCIES WITHIN THE LAST 12 MONTHS; CITING **A LOW NUMBER OF APPLICANTS WITH THE REQUIRED SKILLS** AS THE MAIN REASON<sup>(8)</sup>.



**NEW TECHNOLOGY SKILLS CAN BE A CHALLENGE FOR OLDER WORKERS** WHO ARE LESS LIKELY TO HAVE UP-TO-DATE IT SKILLS<sup>(4)</sup>.



**ONLINE SHOPPING NOW ACCOUNTS FOR 15.9% OF ALL ANNUAL RETAILS SALES.**



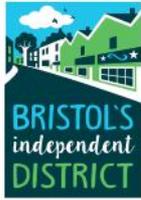
RETAIL EMPLOYERS WILL **GAIN A COMPETITIVE EDGE BY OFFERING TRAINING IN IT AND PROFESSIONAL SKILLS.**



**THE PAY GAP BETWEEN RETAIL AND THE WIDER ECONOMY IS CLOSING.** AVERAGE PAY WAS 68% OF THE UK MEDIAN IN 2016, UP FROM 66% IN 2015. FOR MANY, A JOB IN RETAIL COMES WITH AN ATTRACTIVE REWARDS PACKAGE, WITH MORE THAN 90% OF RETAILERS OFFERING ADDITIONAL PAID HOLIDAYS, PENSIONS CONTRIBUTION ABOVE THE STATUTORY MINIMUM AND GENEROUS STAFF DISCOUNTS.

# Notable Local Sector Achievements

**Bristol and Bath** are ranked in the top 20 UK shopping destinations attracting £1.8bn annual visitor spend.<sup>(3)</sup>



**Gloucester Road in Bristol is Europe's longest street of independent shops.** The BID formed in 2014 and covers businesses from Cheltenham Road to Pig Sty Hill, and Ashley Down Road to Zetland Road.

70% of high street and local centre shops are independent.



Plans have been approved for a new flagship development adjacent to The Venue Leisure Park and **The Mall at Cribbs Causeway**. It will include an international size indoor ice rink and is set to create 240 new jobs.



**CARGO** is home to a host of independent retailers. This new concept made entirely of converted shipping containers is part of the wider retail offering at **Wapping Wharf**.



Broadmead has been a Business Improvement District (BID) area since 2015. The BID works with and on behalf of retailers to ensure that Broadmead is promoted and marketed as a great shopping destination.



Bath BID was formed in 2011, with an ongoing programme of focused management for its 700 member businesses around core areas of managing and saving, welcoming and promoting and developing and innovating.



The £45m **Dolpin Square retail and leisure complex** is due to be completed in late 2017. The facility includes a variety of branded restaurants, a cinema complex and a health and fitness centre. The development of the site is expected to act as a catalyst to stimulate retail growth in Weston-super-Mare, as well as creating over 200 new job opportunities for local people in the town centre.



BID Clifton village was formed in 2012, to support all businesses within the area and to work collaboratively on projects that will enhance the village and make a difference to the trading environment.



Bedminster BID formed in 2013, combining art, advertising and entertainment, high street retailing and real estate development.

# Skills Priorities 2017

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



### Issue:

There is a lack of knowledge of career options and structure with a need to change the perception that there is a lack of training opportunities.

### Objectives:

- Communicate and promote retail as an attractive career option to young people.
- To collate feedback on the job roles and goals valued by young people.
- Careers information should provide consistent information about entry routes available at all levels and promote the benefits of rapid career progression.
- Support the objectives of the Careers Enterprise Company in the West of England and encourage employers from within the retail sector to engage with schools as part of the Enterprise Adviser Network.
- Support and encourage employers to engage with the Pathways to Professions Programme to ensure careers advice is current and routes into the sector are clear and help individuals to access pre-employment training that addresses the challenges affecting the sector.

## 2. Improve the quality and local responsiveness of education and training



### Issue:

Respondents to the West of England LEP Employer Skills Survey (2016) cited that the main reason for hard to fill vacancies is finding candidates with the right level skills. Additionally, with increasing levels of expectation, the workforce will need to become more customer focused. Continued collaboration with education providers will be required to develop talented leaders and ensure the workforce is equipped with the right business and customer service skills, along with relevant qualifications at managerial level in retail.

### Objectives:

- Encourage business 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 labour market intelligence is fed back continuously to education to ensure issues and actions remain focused.

## 3. Increase apprenticeship starts and availability of higher apprenticeships



### Issue:

There is still a lack of understanding around recent apprenticeship reforms, the benefits of apprenticeships and how to develop an existing workforce via this route. According to the West of England LEP Business Skills Survey, only 14% of retail businesses plan to recruit an apprentice in the next 12 months, with 11% planning to upskill via apprenticeships in the next 12 months.

### Objectives:

- With a high proportion of SMEs located in the region, apprenticeships are a cost-effective way to expand the workforce and remain competitive. It is therefore important to ensure that these businesses have a clear understanding of the apprenticeship reforms, the Levy and opportunities are communicated and accessible.
- Apprenticeships should be promoted not only as an entry route into the sector but as a pathway for career progression to existing employees and a viable alternative to university.
- A particular focus should be given to customer service and leadership and management development
- Employers and educators must work together to develop a range of apprenticeships at all levels to enable career progression and contribute towards a sustainable workforce.

# Skills Priorities 2017

## 4. Engage SMEs to boost productivity and build capacity for growth



### Issue:

With customer expectation around good service increasing, customer service, leadership and management are perceived as the most important skills for future business growth. Additionally, digital marketing and technical skills will be valuable to future-proof a business with the rapid development of online shopping. Without these skills and the ability to react to demand, SME's risk increased operating costs and losing out to competitors.

### Objectives:

- Work with partners and employers to collate intelligence and inform industry of available provision, current skills demands and emerging skills needs along with the importance of investing in skills to aid business growth and remain competitive.
- Raise awareness of leadership and management, financial, digital and customer service training opportunities, particularly the use of apprenticeships to up-skill existing workforce.
- Encourage businesses to engage in staff development with a view to improving retention and cost saving.

## 5. Enhance equality and diversity through multiple career pathways



### Issue:

The sector employs the highest number of non-UK nationals 26%<sup>(7)</sup>. In this context, the threat of a much wider skills shortage looms following the UK vote to leave the EU.

### Objectives:

- Encourage recruitment and promote the sector via sustainable but flexible labour pools such as older workers and women returners who may already have general business skills and customer service experience and increase competency of the workforce and retention.
- Encourage more businesses to take advantage of the benefits of apprenticeships at all levels in order to future proof their workforce.

## Regional Centres of Excellence and Research

- Destination Bristol
- Broadmead BID
- Bath BID

## Key Providers

- Bath College
- City of Bristol College
- Weston College
- South Gloucestershire and Stroud College
- N-Gaged Training

## Professional Networks and Organisations

- British Retail Consortium (BRC)
- British Independent Retailers Association (BIRA)
- Rural Shops Alliance
- Federation of Small Businesses
- Independent Retailer Month – national campaign July each year

## Reference Documents

- 1) Labour Market Information, May 2016-17
- 2) West of England LEP Retail Map, May 2016
- 3) Office for National Statistics (ONS), Retail Sales in Great Britain, May 2017
- 4) UKCES Strategic LMI, 2016
- 5) UKCES Sector Insights: Skills and Performance Challenges in the Retail Sector, 2015
- 6) British Retail Consortium Retail2020 current campaign
- 7) ONS International immigration and the labour market, UK, 2016
- 8) West of England Employer Skills Survey, 2016

Employment Areas Chart – NGaged Training / LMI Statement 2017 based on Labour Insights, May 2016 - May 2017 & EMSI

## Get in touch today



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