

Sector Summary Report Retail Sector

Sector Definition

The Retail sector relates to the footprint of Skillsmart who are the Sector Skills Council for the retail industry. Qualifications relate to the following occupational areas:

- Retail sale in non-specialised stores
- Sale of food, beverages and tobacco in specialised stores
- Pharmaceutical and medical goods
- Cosmetic and toilet articles
- New goods in specialised stores
- Second hand goods in stores
- Mail order
- Repair of personal and household goods

Overview

The NE contains 5% of all retail enterprises in England. The majority of the workplaces are micro enterprises. Most retail employees in the NE are part time workers, with only 4 in 10 of the workforce being full time workers. Currently 32% of the workforce is aged over 45 and as the workforce ages, North East retailers will need to broaden the labour pool from which they traditionally recruit. Whilst the region has a number of substantial retail destinations such as the MetroCentre and other major city centres, there are also a large number retail outlets in rural areas. Retail is a key sector underpinning those regarded as important to the regional economy.

		Skillsmart
		Retail
EMPLOYERS		708
Number of establishments		17,949
Share of all establishments		16.2%
EMPLOYMENT		
Number of employee jobs		106,100
Share of all employee jobs		10.5%
QUALIFICATION LEVELS (INDICATIVE)		
Employees whose highest qualifications are at:		
	Level 4 and above	10.0%
	Level 3	24.8%
	Level 2	28.5%
	Below Level 2	22.8%
	No qualifications	13.9%
Proportion of employees without qualifications at Level 2		36.7%
PROJECTED EMPLOYMENT CHANGE		
Projected employment change 2007-2017		4.2%

(Sector Skills Needs in the NE: Summary Matrix (modified 13 October 2008))

Future Skills Key Demand side issues for 2009/10

From research conducted by the SSCs for their Sector Skills Agreements, the following key issues were identified:

- That management skills deficits affect business success and recruitment practices.
- That there is a growing need for higher level IT design and user skills to meet the expanding online retailing sub-sector.
- Contextualised customer service skills are demanded by industry as opposed to general customer service skills.

Sector Qualification Strategies (SQS) and Vocational Qualification Reform (VQR)

All Sector Skills Councils have recently completed their SQS and Action Plans. Through this process a variety of new and updated qualifications will emerge that are more closely aligned to the needs of employers. It is anticipated that there will be a need for providers to develop capacity and upskill their workforce to deliver new qualifications. The following is a link to the sector qualification strategy:

<http://www.skillsmartretail.com/pdfs/masterversionapprovedsqs.pdf>

Compacts

A sector compact is a non-contractual agreement between the Department for Innovation Universities and Skills, the Learning and Skills Council and a Sector Skills Council to work collaboratively to drive up demand for skills across England through Train to Gain. The LSC will be working with Skillsmart to develop their compact in 2009/10. It is anticipated that the flexibilities within the compact will facilitate growth in provision.

National Skills Academy - Retail

The National Skills Academy for Retail was approved in July 2008. The first six months will be spent creating the infrastructure to allow the Academy to open its doors to employers, employees and potential recruits to retail. The Academy's activities will be focussed on the small and medium sized retail business, training provision and business support. Currently the SSC is carrying out a feasibility study on where to locate a number of Skills Shops which will make up the retail academy. There is currently an existing facility in Eldon Square, Newcastle which will form part of the NSA structure.

Economic Developments

There are a number of new retail developments planned for the region including an expansion in Newcastle to include Debenhams, the Oval development in Darlington and major retail expansion in Durham City as part of the 2020 Vision for the city's regeneration.

Analysis of provision - Train to Gain

Following thorough analysis of provision, it has been identified that there is potential for growth in retail provision in particular the following NVQs:

NVQ Level 2 in Retail Skills

NVQ Level 3 in Retail

NVQ Level 2 in Optical Retailing

Consideration should be made to the additional Train to Gain level 2 and 3 qualifications lists.

WBL Apprenticeships

There are opportunities to grow apprenticeships in this sector given the economic developments in the region and the presence of the National Skills Academy. The following frameworks are available for delivery:

- Apprenticeships in Retail
- Advanced Apprenticeship in Retail

Skillsmart Retail is currently re-designing all the retail knowledge-based qualifications (VRQs) into one overarching qualification for entry into the Qualifications & Credit Framework. They are aiming to have this ready for launch in June 2009 for first registrations from 1 September 2009.

This qualification will be available at levels 1-3 as follows:

L1 Award in Retail Principles*

L2 Award/Certificate**/Diploma in Retail Principles*

L3 Award/Certificate** in Retail Principles*

* Development title – this may change

** This will be the knowledge-based qualification for the Apprenticeships in Retail

These qualifications will be achieved through the acquisition of units and credits and will contain core retail units such as selling, service, and team working and specialist retail units such as beauty products, visual merchandising, DIY, grocery and fashion.

Focus Recommendations for 09/10

- Respond to the economic developments in the region with regard to skills growth and demand from employers.
- Deliver the new qualifications when available ensuring that the provision continues to adapt and be responsive to sector needs.
- Further develop the provider base across the region to best respond to the needs of employers in the sector.
- Develop new delivery models to allow SMEs to get involved and grow provision in the region.
- Support the sector during the economic downturn.