

SW REGION SECTOR SUMMARY

SKILLSMART RETAIL

SECTOR FOOTPRINT

SkillsSmart Retail Ltd is the Sector Skills Council for the Retail sector. The SkillsSmart Retail 'footprint' is defined in terms of Standard Industrial Classification (SIC) codes and covers those enterprises within 52.1 to 52.6. It does not include hairdressers and dry cleaners (www.skillsmartretail.com).

Tranche 4, Sector Skills Agreement, Stages 1 & 2, and 2 of the Sector Skills Agreement have been completed. The Stage 3 report for England is due at the end of September 2007.

SKILLSMART RETAIL LABOUR MARKET

Sources: SSDA Sector LMI Factsheets SkillsSmart Retail background briefing and Stage One Sector Skills Agreement, SLIM SW Sector balance sheet, 2008; CACI's Retail Footprint, NESS 2007 data derived from LSC SW research team.

Sector size & business size

- The SW is the largest of all the English regions with an area of almost 24,000 square kilometres.
- It has the largest number of retail destinations - 417 or 15% of the English total.
- Over 100 of the retail locations are classified as Rural Centres, the largest number recorded in any region in England.
- Retail employs 260,900 people (10.7% of all employment) across the South West region.
- The sector comprises of 26,400 business units.
- The SW has a diverse mix of rural geography that retailers do business within. These include an extensive coastline and national parks.
- In many of its rural areas, the region relies heavily on tourism, making it a challenge for retailers to thrive out of season.
- The sparsely populated areas can also present challenges for those who wish to support businesses in the area.
- A number of its key centres are undergoing a major and much-needed regeneration, including Bristol and Exeter. For many of these centres this will result in a massive recruitment drive, with up to 3,000 new retail vacancies being created in each of the major cities in the next one to four years
- The region has also seen a major growth in farmers' markets selling home-grown produce from the region. The market days have created increased footfall, vitality and income generation to new and existing businesses, and often provide a unique offer to tourists and customers looking for quality produce
- Unemployment in the region is very low and the percentage of retired people is higher than the UK average. Demand for good staff is therefore high and there is a need to recruit and upskill those seeking employment and to promote retail as a career of choice

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- Forecasts of future employment for the SW indicate that between 2004-2014 employment in the sector will increase by 31,000, while a further 107,000 vacancies will need to be filled as a result of people leaving the sector (replacement demand)
- Similar to the national average, 84% of firms employ 10 or less employees
- Only 3% employ over 50 staff

Between 2000 and 2005, employment in the retail sector increased by 5% in the SW

- Large scale shopping destinations can be found at Cribbs Causeway, Bristol, Plymouth, Exeter and Cheltenham. These centres can attract a great deal of expenditure as indicated below:

South West regions and comparative expenditure (£m per year)

Bristol	1,044
Cheltenham	674
Cribbs Causeway	615
Bath	488
Plymouth	482
Exeter	471
Bournemouth	412
Swindon	236
Taunton	233
Salisbury	229

Source: CACI Retail Footprint 2006

Profile of the workforce

- 60% of those employed in the sector are female compared to 47% for the SW as a whole.
- 30% of the workforce are aged between 16 to 24, a higher proportion than seen for the SW as a whole (14%).
- In BME measures, only 2% are non-white in the SW, although Skillsmart Retail Ltd report important local variations where BME have a significant presence
- 49% of retail employees are in sales and customer service.
- 21% in management roles
- National retailers employ approximately 60% of the total sector workforce
- Staff turnover is high (40% in some high street stores)
- In areas where there is a great deal of development, retailers can often find it difficult to find the number of colleagues with the right level of skills to participate.
- 53% of employees are part-time higher than the average for all sectors in the SW of 29%.

Vacancies & recruitment

- Employing establishments within Skillsmart Retail in the SW reported 6,650 vacancies in 2007, accounting for 11% of the total number of vacancies in the region.
- Of those vacancies 22% were hard-to-fill, lower than the overall average for the SW of 35%.

All information and data contained in this sector summary is accurate up to 31May 2008

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- In 2007 there were 800 vacancies that were as a result of skills shortage accounting for 12% of all vacancies. Skills shortage vacancies also account for 54% of all hard-to-fill vacancies, lower than the SW average of 62% and the highest of all SSCs.
- 20% of Skillsmart Retail establishments in the SW reported skills gaps amongst their existing workforce, higher than the regional average of 16%.

Qualifications in the workforce

- Just under one quarter (23%) of the workforce are qualified to below Level 2.
- Approximately 12% of the workforce have no qualifications.
- The sector has a large number of small owner-manager businesses. Skillsmart Retail Ltd has recently conducted a segmentation study on these smaller retailers, which has indicated that there are significant numbers of retailers who are open to undertaking external training. This needs to be offered at or near their place of business with an emphasis on the business issues they confront on a daily basis.
- Multiple retailers have a long history of providing business and learning support in house. As a result many do not frequently engage in publicly funded provision. Retailers do take account of qualifications for recruitment. However, the key mantra is often recruit for attitude and train for skills.
- 63% of Skillsmart Retail establishments in the SW provided on or off the job training in the 12 months prior to the NESS07 survey, lower than the average for all industries as a whole in the SW (68%).

KEY DRIVERS AND ISSUES

- Retail is often seen as stop-gap rather than a career – career paths are not evident
- With a quarter of the workforce without a Level 2, over 21,000 adults in SW are eligible for Train to Gain first Level 2s
- Major regeneration in Bristol, Taunton, Exeter and Plymouth will result in over 3,000 new jobs in each centre
- Research carried out in BDP, Somerset, Devon and Cornwall suggests that although 60% of employers train their staff, only one in 6 uses FE colleges.

NSAS/COVES /14-19 DIPLOMA/HE (NATIONAL SKILLS ACADEMIES AND CENTRES OF VOCATIONAL EXCELLENCE)

- The SSC Skillsmart Retail has won the opportunity to develop a National Skills Academy and are in development of their business plan phase until Summer 2008. They have submitted the business plan to the LSC on 31st March 2008 and are currently awaiting the outcome.
- A national Retail Fashion Skills Academy has been set up in and supported by Arcadia Group, in association with the University of Arts in London, which enrolled its first students in September 2006. This will impact on the SW when the Diploma comes out of Pilot phase and SW CoVE and School Academies can apply to run the diplomas in the region

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- Key Training in partnership with Swindon College, Paragon ITE Group and Bournemouth & Poole College, Retail CoVE, Round 8 - started June 05
- 14-19 Diploma: work on the Retail Specification will start in 2007 and roll out in 2010.

KEY EMPLOYERS

Most employers are engaged through Town Centre Managers who convene meetings and consultations, which are communicated through local networks to the Sector Skills Council and other skills development partnerships.

LOCAL AND REGIONAL PROJECTS/NETWORKS

- There are three Retail Skills networks in the SW covering Glos + WoE, Plymouth and Dorset; each has worked with the SSC to invest in Mystery Shopper and employer/customer surveys to develop local workforce development plans - local discretionary funding was £400k over the last 2 years
- The SW Retail Strategic Forum is in place to co-ordinate a regional action plan and good practice, and to provide a steer to all matters relating to the development of skills in the sector
- In Dorset and Swindon & Wilts, a cohort of 30 Young Apprentices in Retail in each area, started in September 06 on a 2 year programme to achieve NVQ2 alongside their GCSEs: 6 new partnerships have been agreed in the SW and were rolled out from September 2007
- Sector secondary research has recently been carried out in Devon, Cornwall, Dorset & Somerset – final reports were made available November 06
- An additional £1.9m of ESF is being invested (mostly over the last 12 months and ending in Dec 2007), including a proportion of the £1.2m into Cornwall to support Retail (plus Admin and Manufacturing)
- a range of development outputs have been achieved through these projects, including a higher proportion of SME employers engaging in training their staff in full and part NVQs, short bite-size skills training and Skills for Life.

SUMMARY OF SUPPLY

Source: LSC IPOL data (ILR extract)

Analysis of further education and work based data by Sector Skills Council footprint is not yet available for 2006/07. The data presented below relates to Train to Gain activity which can, in most cases, be attributed to a specific sector.

Skillsmart Starts 06/07		
Starts	NVQ in Retail	58
	NVQ in Retail Operations	8
	NVQ in Retail Skills	257
Total Starts		323

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Train to Gain planned provision

- In the academic year 2006/7, the SW LSC has approximately £13m funding for First Level 2s to be delivered through Train to Gain
- 80% of this sum is contracted through 79 training providers to deliver nearly 20,000 L2's with supporting Skills for Life provision
- The provision allocated is subject to employer demand and can be vired in a mix to suit demand and successful delivery in any area of the SW
- The remaining 20% of the funding is set aside to respond quickly to employer demand outside of these providers or to increase volumes within them should demand be there
- The Retail/Customer Services sector has been allocated through the provider contracts 3,926 planned starts - 20% of the total and it had achieved 19% starts up to June 2007

SUMMARY OF DEMAND

- Skillsmart Retail was due to publish its research and gap analysis by the end of 2006, when details on demand will be more readily available. This is their stage 3 sector skills agreement, which is now available.
- Skillsmart Retail has developed new occupational qualifications to meet the diverse needs of retailers, which offer an NVQ Level 1 & Level 2 plus a range of pathways at Level 3 to allow for progression in different disciplines in the industry
- The new qualifications were implemented this September and it is expected that most providers will be approved to deliver them by September 2007
- LSC needs to ensure that providers have implementation plans in place to move to these new qualifications, especially through Apprenticeships
- The strong messages from employers are:
 - that they want 'bite-size' chunks of learning, delivered in the workplace to fit with working patterns (the sector is taking part in the Test & Trials of unit accreditation and funding)
 - 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
- The sector recognises the high cost and wastage in recruiting new staff and training them to minimum standards required by legislation; the sector is introducing the Skills Passport which, if taken up effectively will save businesses time and cost in retraining individuals who have previously achieved approved units, awards and qualifications, especially regulatory Health and Safety and Hygiene friendliness – the individual training recorded is transferable to other employers/sectors
- The Sector Skills Council has collated a list of current qualifications that meet the needs of employers; Of these the following are considered to be priority

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qualifications, to which the LSC is asked to align its funding:

Qualification Title	Level	Priority rating
Retail Skills	2	High
Retail	3	High
BTEC First National Diploma		
ABC Diploma in Fashion Retail	2	High
Apprenticeship in Retail	2	High
Advanced Apprenticeship in Retail	3	High
Young Apprenticeship in Retail		High
BTEC First Certificate		Medium
Retail Skills	1	Low
Foundation Degree		