

Wholesale & Retail Sector Intelligence Summary

Demand Side Profile

Sector Profile

- In West Midlands, the sector employs 354,400 people and this accounts for around 10% of the total England Wholesale & Retail workforce and equating to 15% of the region's workforce. The majority (86%) work in firms with fewer than 10 employees.
- According to the Office of National Statistics there are 26,700 Retail and 11,900 Wholesale employers in the West Midlands.
- Just over 112,000 people are employed in Wholesale, with the largest concentration in The Black Country and Birmingham & Solihull (50,000).
- Birmingham & Solihull, Staffordshire and The Black Country have the highest number of Retail employees.
- Across the sub-regions, Shropshire has the least number of employees in Wholesale and Retail (just under 30,000).
- Women account for 53% of the workforce in comparison to 45% in all sectors.
- The Wholesale and Retail workforce comprise of around 9% non white employees.
- The sector has a particularly young age profile with over a quarter of all staff are in the 16-24 age range which compares with 15% across all sectors.
- The workforce is less well qualified than many other sectors. Only 16% of staff in the region is qualified to NVQ Level 4 or above, which compares with 31% across all other sectors. Just over 32,000 staff has no formal qualifications.

Future Employment

- Overall more than 198,000 job opportunities are expected to arise in the sector 33,000 are new job opportunities created as the sector expands and 165,000 are opportunities due replacement demand.
- Highest demand is forecast in Managers/ Senior Officials and Sales and Customer Service. Although the latter, together with Administrative/Secretarial and Skilled Trades will see a reduction in opportunities.
- Geographically the greatest numbers of job opportunities are forecast to arise in Staffordshire (41,000), Birmingham & Solihull (40,000) and the Black Country (38,000).

Recruitment, Skills and Training Issues

- Less than one in five of vacancies are identified as hard to fill, lower than the average for all sectors of 24%. The proportion of vacancies that are hard to fill is much higher in some parts of the region – notably Herefordshire and Worcestershire.
- Only one in ten of all vacancies are due to skills shortages, lower than the regional average for all industries of 12%.
- Around 7% of the region's retail staff is deemed to have skill deficiencies by their employers. Skill gaps are most common within sales and 'elementary' occupations such as shelf fillers and trolley collectors.
- Across the sub-region the percentage of employers funding or arranging training for staff is well below the regional average. An average 3 in 5 employers offered training.
- Developing the management & leadership skills of wholesale and retail staff, and those working in sales roles, is a major priority in the face of increasing competition and changing customer expectations
- Technological developments and innovations are generating a growing demand for IT specialists. The DTI has estimated that nationally due to the success of online retailing in 2005 there was a demand at national level for an extra 5,000 – 10,000 IT specialists. This is expected to grow to an estimated 350,000 to 800,000 over the next 5 years.
- Deficiencies in important basic literacy skills was highlighted by industry (for example of the ability to read aisle headings, shelf edge labels and details on product packages)

Supply Side Analysis

FE Enrolments by Local office

LSC	2005/06 (FO5)		2006/07 (FO5)		2007/08 (FO4)		% Change 2005/6 to 2007/08	
	16-18	19+	16-18	19+	16-18	19+	16-18	19+
Birmingham and Solihull	310	245	355	369	324	352	4%	44%
Black Country	159	61	245	109	306	159	92%	160%
Coventry and Warwickshire	55	145	78	232	129	222	134%	53%
Herefordshire and Worcestershire	86	41	92	44	142	41	65%	0%
Shropshire	102	128	76	83	93	35	-9%	-73%
Staffordshire	121	102	341	539	393	747	225%	632%
West Midlands	833	722	1,187	1,376	1,387	1,556	66%	115%

- Numbers have grown across all sub regions except Shropshire
- 19+ enrolments in Staffordshire has increase to just over six times what is was in 2005/06
- Just under 7, 100 enrolments across the region over three years. Staffordshire has had most enrolments (74%) of the regional total followed by Birmingham & Solihull (28%) and Black Country (15%).
- Top 5 qualifications are: Certificate in Skills for a Working Life (Entry 2 and 3) (38%), Certificate of introduction to Retailing (17%), Certificate in Skills for Working Life 5%, NVQ in Retail Skills (7%) and Certificate in retailing (6%)
- 76% of the regional enrolments are classified as White British. Birmingham & Solihull have the highest BME participation at 45% followed by the Black Country with 27%

FE Enrolments by Notional NVQ Level

LSC	2005/06 (FO5)		2006/07 (FO5)		2007/08 (FO4)		% Change 2005/6 to 2007/08	
	16-18	19+	16-18	19+	16-18	19+	16-18	19+
Entry Level	708	382	876	452	1,013	355	43%	-7%
Level 1	13	#	156	458	92	612	608%	20300%
Level 2	79	267	119	372	230	514	191%	92%
Level 3	33	70	36	94	52	75	58%	7%
Level 4, 5 or higher	#	#	#	#	#	#	-	-
Unknown	#	#	#	#	#	#	-	-
Total	833	722	1,187	1,376	1,387	1,556	61%	115%

Note: # less than 10 enrolments

Over the three years:

- 53% of enrolments are at Entry Level
- 22% are at Level 2
- 19% are at Level 1
- Entry Level qualifications have the most enrolments in all sub regions with the exception of Staffordshire which has more level 2 provision
- Level 3 provision is decreasing year on year in Birmingham & Solihull and Level 2 is decreasing in Shropshire

WBL Enrolments by Local office

LSC	2005/06 (P15)		2006/07 (P15)		2007/08 (P12)		% Change 2005/6 to 2007/08	
	16-18	19+	16-18	19+	16-18	19+	16-18	19+
Birmingham and Solihull	341	348	312	270	280	320	-18%	-8%
Black Country	523	229	262	197	258	337	-51%	47%
Coventry and Warwickshire	172	158	144	134	126	185	-27%	17%
Herefordshire and Worcestershire	158	194	148	211	161	397	2%	105%
Shropshire	115	141	100	174	112	265	-3%	88%
Staffordshire	306	290	314	357	259	531	-15%	83%
West M	1,615	1,360	1,280	1,343	1,196	2,035	-26%	50%

- Staffordshire have the highest number of starts (23%) followed by Birmingham & Solihull (21%) and Black Country (20%)
- Apprenticeships (Level 2) account for 84% (7432) of total regional starts (8829)
- The Certificate in Retail accounts for the most starts at 55%, with 47% being at Level 2 (Apprenticeship)
- 88% of the starts are classified as White British with Birmingham and Solihull having the highest BME participation at 25%
- The gender split is 65% female and 35% male
- More than half the total starts (54%) are 19+

Train to Gain Enrolments by Region

LSC	2005/06 (P15)		2006/07 (P15)		2007/08 (P12)		% Change 2005/6 to 2007/08	
	16-18	19+	16-18	19+	16-18	19+	16-18	19+
Age Band	16-18	19+	16-18	19+	16-18	19+	16-18	19+
West Midlands	#	#	#	570	0	1,365	-	-

- represent enrolment with less than 10 individuals

- There has been a 139% increase in enrolments in the last year
- There have been 1935 enrolments over the 2 years of which 77% (1488) are female
- 82% (1593) of enrolments are White British
- 90% (1747) are at Level 2 and are NVQ in Retail Skills
- 3 qualifications are currently delivered, NVQ in Retail Operations, NVQ in Retail Skills both at Level 2 and NVQ in Retail Level 3
- All enrolments are under Birmingham & Solihull, due to contracting arrangements.

ESF Enrolments by Local office

LSC	2005/06 (P15)		2006/07 (P15)		2007/08 (P12)		% Change 2005/6 to 2007/08	
	16-18	19+	16-18	19+	16-18	19+	16-18	19+
Birmingham and Solihull	#	21	#	63	#	60	-100%	186%
Black Country	15	12	34	40	70	26	367%	117%
Coventry and Warwickshire	#	24	13	57	13	53	550%	121%
Herefordshire and Worcestershire	64	24	45	51	30	27	-53%	12%
Shropshire	#	35	#	49	#	23	-75%	-34%
Staffordshire	49	#	64	15	68	#	39%	14%
West Midlands	140	123	159	275	182	197	30%	60%

Note: # less than 10 enrolments

- Total of 1076 enrolments in the region of which 595 (55%) are 19+
- Herefordshire & Worcester have the most enrolments with 241 (22%)
- NVQ in Retail Operations has the most enrolments with 384 (36%) followed by Certificate in Skills for Working Life 337 (31%)
- The gender split is 54% female, 46% male
- 80% of enrolments are White British

LLDD Enrolments by Programme for learners who have a disability or learning difficulty

LSC	2005/06		2006/07		2007/08		% Change 2005/6 to 2007/08	
	16-18	19+	16-18	19+	16-18	19+	16-18	19+
FE	358	329	470	407	594	349	66%	6%
WBL	412	271	255	263	169	304	-59%	12%
TtG	#	#	#	48	#	136	-	100%
ESF	#	#	#	16	#	33	67%	3200%
Total	773	601	730	734	768	822	-1%	37%

Note: # less than 10 enrolments

- FE have the highest proportion of LLDD enrolments at 32%
- WBL has 19% of LLDD

Success Rates FE

- Upward trend across all sub regions
- Overall Success Rate is 66%
- Herefordshire & Worcester have highest at 87% followed by Coventry & Warwickshire at 74%
- Shropshire has the lowest at 53%

Success Rates WBL

- Success rates are increasing across all sub regions
- The overall whole Framework Success Rate is 51% with Advance Apprenticeships being 40% and Apprenticeships being 54%
- Hereford & Worcester have the highest SR at 60%, Shropshire 57% and Staffordshire at 54%
- Coventry & Warwickshire have the lowest at 34%

Success Rates TtG

- Level 3 success rates have decreased from 50% in 2006 to 42% in 2007
- Level 2 success rates have decreased from 79% in 2006 to 62% in 2007
- The overall success rate for retail is 64%

Key Issues and Responses

Key issues identified by Demand Side Profile and Sector Skills Agreements:

- Need to up skill existing workforce specifically in Leadership & Management and IT.
- Need for increased productivity and competitiveness in an ever growing consumer led market.
- Employers require fit for purpose qualifications and training deliver.
- Needs must be addressed through enrolments on economically valuable qualifications. See Retail Sector Priority Qualifications table below under

Response.

- Required increase in Apprenticeship starts to meet 1 in 5 National target and a requirement to have Retail recognised as a first choice career.
- Low take up of BME participants in programmes.
- More than half of FE provision in Wholesale & Retail is at entry level. The proportion of entry level qualifications being delivered currently outweighs the amount of Level 2 & 3 provision being delivered.
- Numeracy levels and delivery is currently low, yet it is recognised as a sector requirement.
- Volunteers in Retail sector currently not really engaged in formal training.
- There is a need to improve the take up of Train to Gain particularly at level 3 in the Retail Sector by working with Skillsmart, the Brokerage Service and employers.
- Continued Provider quality and performance improvement.

Response

- Priority qualifications endorsed for use by the Sector Skills Council for Retail, Skillsmart, have been identified in the table below. Providers are encouraged to deliver priority qualifications and cease the provision of non-priority qualifications in the future.

Retail Sector Priority Qualifications	
Award in Food Safety for Retail	Certificate in Retailing
BTEC First Certificate in Retail	Certificate in Skills for Working Life
BTEC First Diploma in Retail	Certificate of Introduction to Retailing
BTEC National Award in Retail	Focus on Retail
BTEC National Certificate in Retail	HNC in Retail Management
Certificate for Retail Merchandisers	Introduction to Retail
Certificate in Chilled Food Retail Skills	Introduction to Retail Operations
Certificate in Fresh Food (Fruit and Vegetables) Retail Skills	Introductory Certificate in Business, Retail and Administration
Certificate in National Lottery Retail Management Skills	Introductory Diploma in Business, Retail and Administration
Certificate in National Lottery Retail Skills	National Skills Profile -Retail
Certificate in Retail	NVQ in Retail
Certificate in Retail Customer Service Skills	NVQ in Retail Operations
Certificate in Retail Operations	NVQ in Retail Skills
Certificate in Retail Principles	

- In addition; for both Level 2 and Level 3 qualifications additional support and flexibilities are being agreed through Sector Compacts. Provider briefings on compacts will be arranged by Sector Skills Council when appropriate
- Required increase in Apprenticeship starts will be addressed through the National Apprenticeship Service. The service is being promoted to providers and stakeholders throughout November 2008. In addition a National marketing campaign will start in February 2009.
- More work needs to be done around the kudos of Apprenticeships particularly in schools. Apprenticeships need to be promoted as an alternative progression route to FE into HE.
- BME participation needs to be addressed in all programmes, on average BME participation is approx 10%. Given the demographics of Birmingham and the Black Country in particular, more awareness raising of the sector/progression routes needs to be highlighted in schools and by Connexions.
- Numeracy is a priority for the sector. The Train to Gain Skills for Life flexibilities are seen to offer the opportunity to increase delivery of Skills for Life as employees with higher levels of prior qualifications will now be able to access Skills for Life training through the service.
- Links with Job Centre Plus will help to improve integrated progression from pre employment to Level 3 to meet the growth requirements of the sector via SPN,LEPS
- Marketing Birmingham is a private-public partnership supported by Birmingham City Council and over 350 member companies, champions and private investors from all over the West Midlands. In partnership with Retail Birmingham they have co-ordinated sleek and stylish campaigns for city

centre fashion retailers under the new Style Birmingham brand promoting the industry as a first choice career. Further similar promotion in sub regions to be welcomed.

- Volunteers within the Retail Sector now have opportunity to take advantage of Train to Gain flexibilities which include self employed and the voluntary sector. This flexibility will help to improve engagement with more SME's and improve skills within these areas.
- Improved take up of Train to Gain will be addressed through promotion of Train to Gain flexibilities, use of retail ambassadors and Location Models. Currently two Location Models are planned for 2008/9 in the region. One has started in Stratford upon Avon and West Bromwich is in discussion with Black Country Consortium. This project engages with 100 independent retailers with the aim of each retailer undertaking an ONA with a Skills Broker and in turn accessing funded training & development
- The Retail Specialist Provider Network (SPN) run by the LSC is a key communication route between the LSC, providers, Skillsmart, JCP, Connexions and the Brokerage. Themes of work arising from the Retail SPN as a result of recommendations taken from the Retail Sector Review are Employer Engagement, Quality, Provision and Train to Gain. Continued use of Retail Specialist Providers whether as a full SPN or specific Task and Finish Action Groups are key to driving up performance and addressing the issues identified within the sector.