



**The Marches Sector Skills Deep Dive -
Retail
Report September 2021**



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Sector Key Stats:



4,515 businesses

Including employers such as Lyreco, M and M Direct, Skyjack, AICO, Ruskin Seafoods, T I A, Pontrilas, Manbat, D.A. Roberts Fuels, Hexagon



49,750 employees



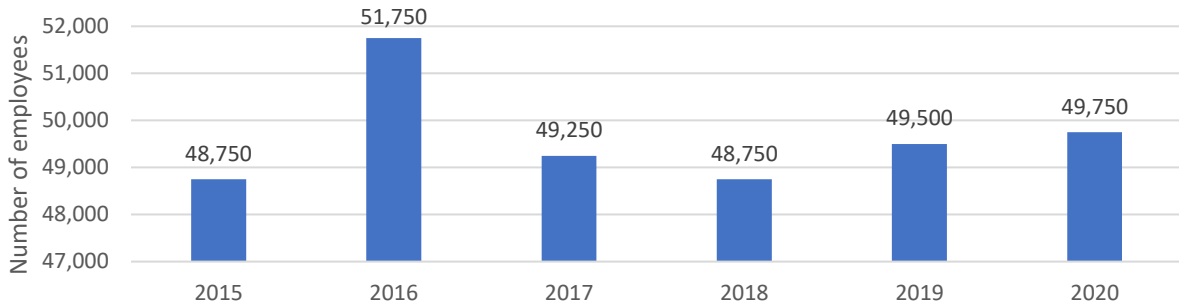
£1.8bn GVA

The retail sector includes any business or individual involved with selling products directly to consumers. The retail sector includes shops, department stores, supermarkets, market stalls, door-to-door sales people and internet retailers.

1. A look at the sector pre-pandemic

In 2020 there were 49,750 employees in the retail sector across the Marches LEP area, accounting for 17% of total employment. This is an increase of 1% (+250 employees) since the previous year. 28% of these were in Herefordshire (13,750 employees), 43% were in Shropshire (21,500 employees), and 29% were in Telford and Wrekin (14,500 employees).

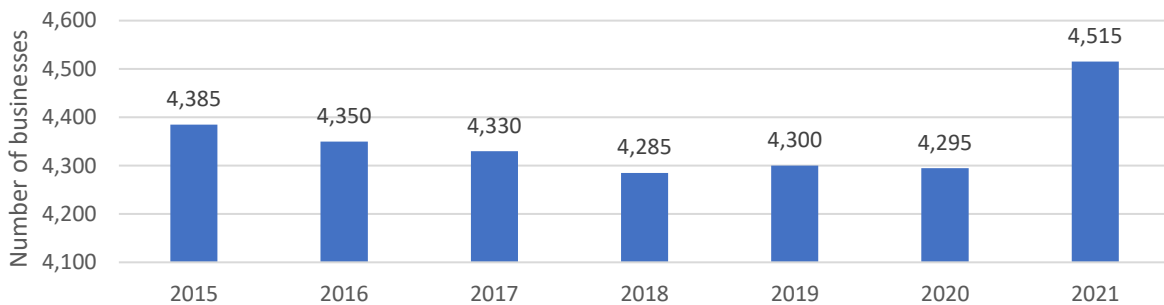
Figure 1: Employees, 2015-2020



Source: ONS Business Register & Employment Survey

In 2021 there were 4,515 business across the Marches LEP area in the sector, accounting for 14% of total businesses. This is an increase of 5% (+220 businesses) since the previous year. 31% are in Herefordshire (1,410 businesses), 48% were in Shropshire (2,180 businesses), and 20% were in Telford and Wrekin (925 businesses).

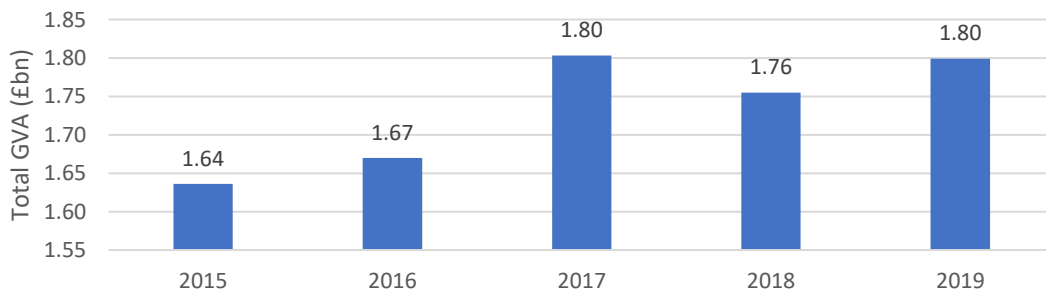
Figure 2: Businesses, 2015-2021



Source: ONS UK Business Count

In 2019 the sector contributed £1.8bn towards the Marches economy, an increase of 3% (+£44m) since the previous year, accounting for 12% of total GVA. 28% of the sectoral GVA came from Herefordshire (£495m), 43% came from Shropshire (£780m), and 29% came from Telford and Wrekin (£524m).

Figure 3: GVA, 2015-2019



Source: ONS Regional Gross Value Added (Balanced GVA)

1.1 Job hotspots

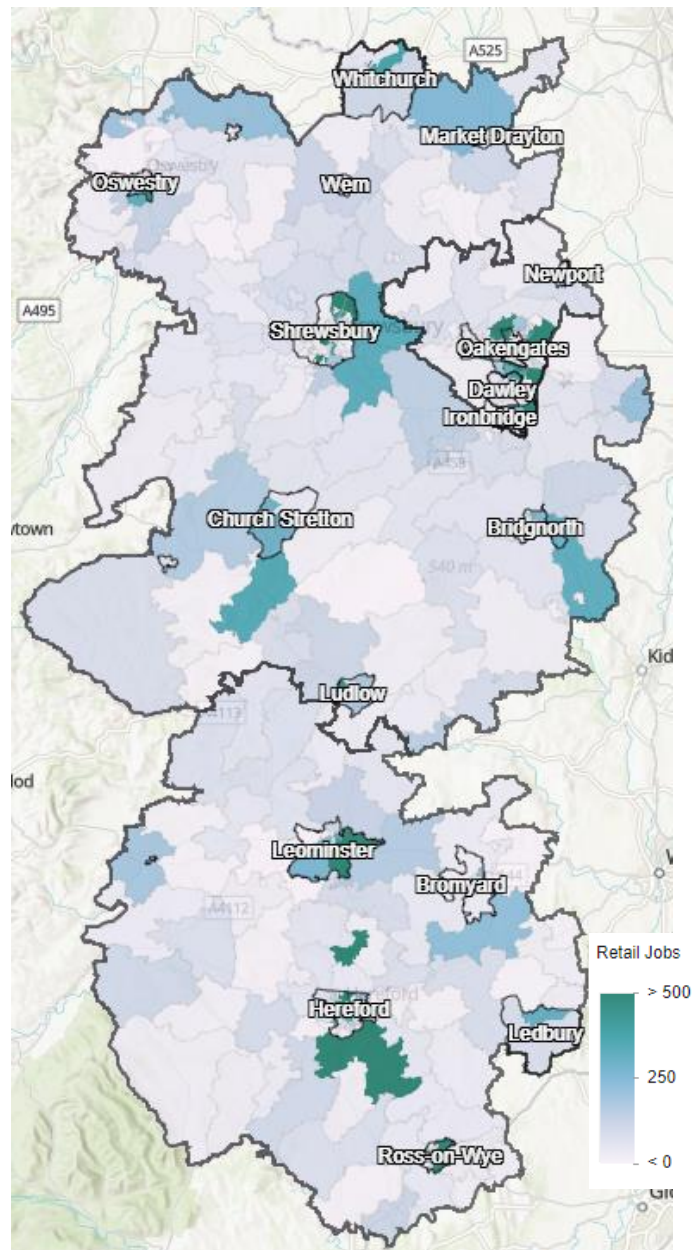
Key hotspots of retail activity are displayed in Figure 4 below, depicting the concentration of retail sector jobs. More detailed maps, including related to growth, are available to view [here](#).

The spatial analysis reflects the key Marches town centres that are the hubs of retail attractions in the LEP area. In particular:

- **Telford and nearby market towns of Oakengates, Donnington, Madeley and Wellington:** Telford and parts of Wellington and Madeley are particularly reliant on retail jobs, although since 2016 there has been distributed growth and shrinkage.
- **Shrewsbury:** there are concentrations of retail jobs in the town centre and the outskirts to the north and south. Growth has remained relatively flat in these areas of high concentration.
- **Hereford:** specifically the city centre and also just south of the city there has been a steady rise in retail jobs.
- Other small towns, with differing characteristics. For example:
 - **Ross-on-Wye, Leominster, Ludlow, Church Stretton, Market Drayton, Whitchurch and Oswestry** all have pockets of high retail jobs levels.
 - Retail jobs have grown in some areas since 2016, largely in out-of-town areas or suburbs, but notably in **central Bromyard, Market Drayton and parts of Ludlow and Newport.**
- Overall, retail activity is primarily concentrated in town centres across the Marches.

Source: ONS Business Register & Employment Survey

Figure 4: Concentration of Retail Jobs in the Marches



More information on towns in the Marches can be found [here](#).

The Marches Strategic Economic Plan (SEP)¹ references retail as an enabling sector.

¹ [Marches Strategic Economic Plan, 2019](#)

1.2 Skills situation

The vacancy situation in 2019 in the wholesale and retail sector shows that 6% of companies in the Marches have a vacancy that is hard to fill, and a further 4% have a skills shortage vacancy. This is compared to an overall England average across all sectors of 8% and 6% respectively.

Figure 5: Wholesale and Retail Vacancies

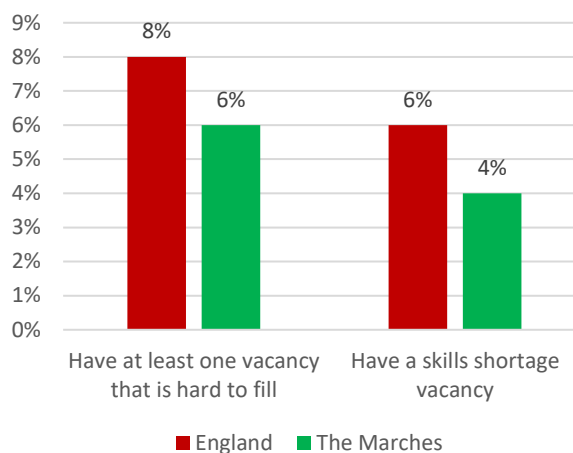
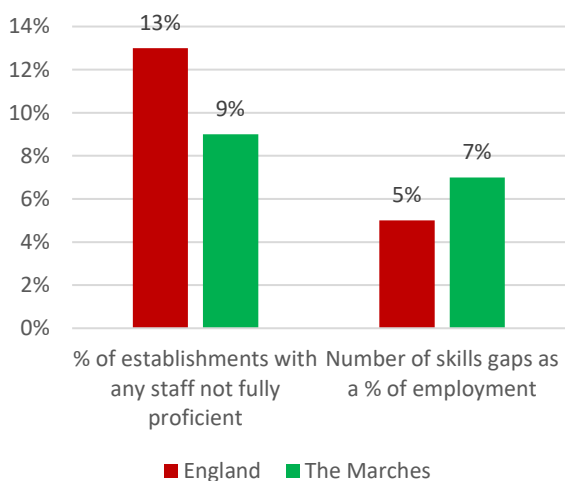


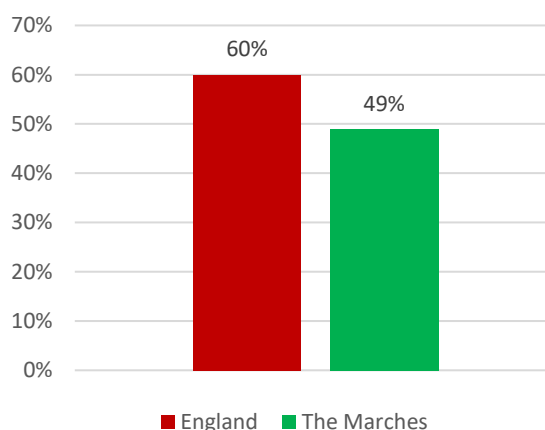
Figure 6: Wholesale and Retail Skills Gaps



In terms of skills gaps, 9% of establishments had staff who aren't fully proficient within the wholesale and retail sector. 7% of all employees within the wholesale and retail sector are not skilled enough. Across England, 13% of establishments have staff who aren't fully proficient and 5% have skills gaps.

In the wholesale and retail sector, 49% of staff are trained compared to 60% as a whole across England.

Figure 7: Wholesale and Retail Staff Trained as a % of all Staff



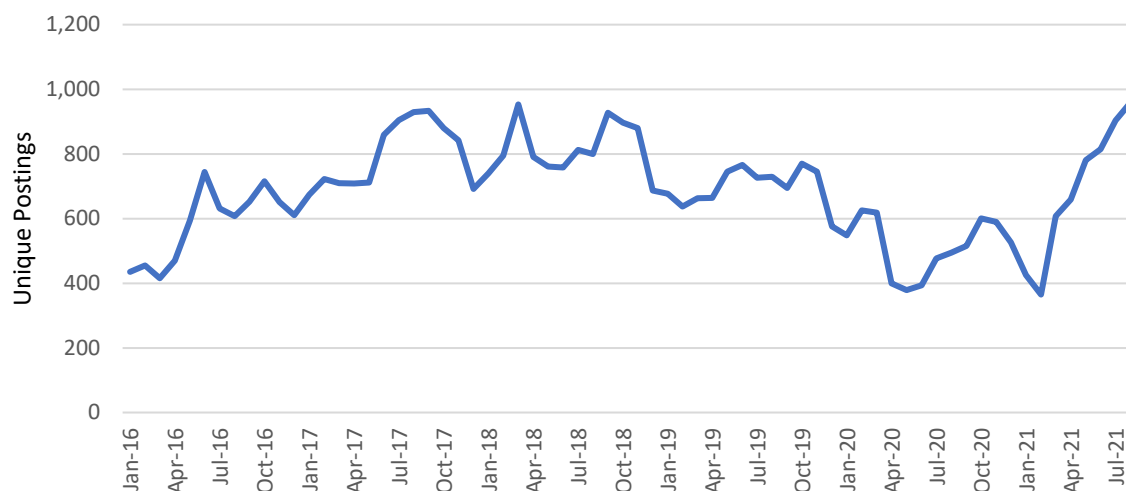
Source: Employer Skills Survey, 2019

2. COVID impact on the sector

2.1 Job postings

On the 23rd March 2020 a lockdown came into effect across the UK as people were told to stay at home to reduce the spread of COVID-19. The below graph highlights the immediate impact it had on the sector via a sharp decline in postings in the month of March 2020 (618 postings) to April (400 postings), remaining low until the sector was allowed to reopen in July (477 postings) climbing to reach 601 postings in October 2020, before a second lockdown in November stifled job postings again. Postings have since reached 959 in August 2021, back above the long-run average for the sector.

Figure 8: Unique postings, January 2016 - August 2021



Source: EMSI Analytics

There were 1,034,000 job vacancies in the UK in June to August 2021, an increase of 35.2% (269,300) on the previous quarter and the highest since the series began in 2001. Between 23 August and 5 September 2021, 15% of businesses said that vacancies were more difficult to fill than normal, up from 9% in early August. These difficulties coincide with a very busy time for recruitment according to the latest labour market data. Of all businesses that were experiencing recruitment challenges, one in four (25%) said that a reduced number of EU applicants was a factor, (23% for retail businesses). In early August, 2% of retail businesses say they had fewer EU workers than in previous years (7%).²

2.2 Immediate impact

The reduced footfall in shops translated into a sharp decline in sales as a whole across the sector. In mid-March 2020, we saw a sharp decline in total sales as the effects of the coronavirus pandemic hit stores. This decline continued in April as the first full month where many non-essential stores reduced or paused trading, resulting in the lowest levels experienced since 2005. While sales at a total level had recovered by June 2020, they continued to grow into October 2020, fuelled by online sales³ and customers starting their Christmas shopping early.

The Centre for Retail Research has found that almost 125,000 retail jobs were lost in the first eight months of 2020, and almost 14,000 shops closed permanently, due to the lower footfall, lower spend and acceleration in the shift to online caused by the coronavirus (COVID-19) pandemic.⁴

² [ONS, 2021](#)

³ [The Independent, 2021](#)

⁴ [PWC, 2020](#)

The dip in sales between October to January was due to the tough restrictions imposed on some parts of the country in the lead up to Christmas. By June 2021 sales were 9.5% higher than in February 2020, before the impact of COVID.

There has however been a mixed picture for different outlet types.

Figure 9: Retail sales, seasonally adjusted, Great Britain, June 2018 to June 2021



Source: ONS – Monthly Business Survey – Retail Sales Inquiry

Food stores, were able to buck the trend and reported annual growth in 2020 of 4.3%, the highest yearly growth since 2001. Retailers provided feedback of panic buying in March, which caused a sales spike.⁵ Anecdotal evidence from retailers suggested that click and collect and online services had boosted sales as did the ability to remain open while other sectors were closed because of their classification as non-essential retailers. Dips in spending suggest some customers had switched some food spending to hospitality as some restrictions in that sector were relaxed. Feedback from some retailers suggested that sales were positively boosted in June by the start of the delayed Euro 2020 football championship.

Figure 10: Food stores volume sales, seasonally adjusted, Great Britain, June 2019 to June 2021



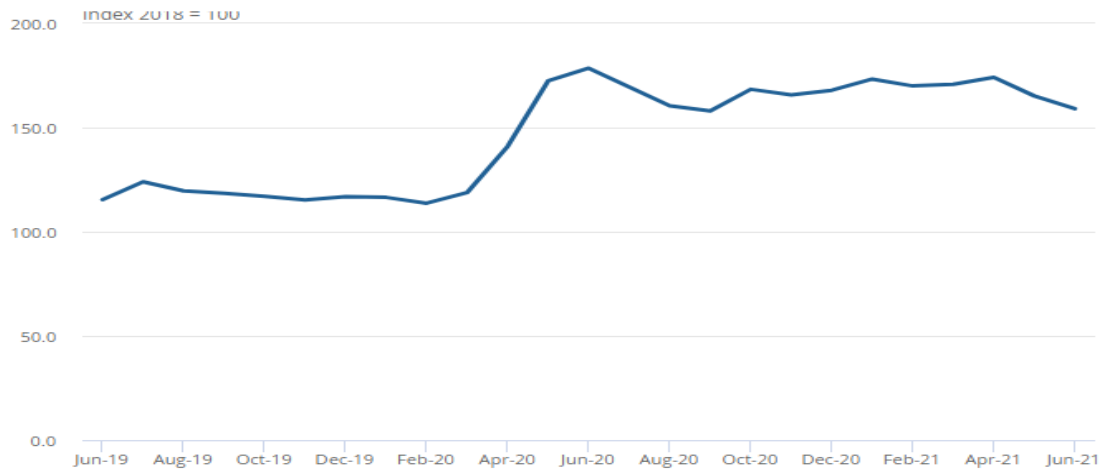
Source: ONS – Monthly Business Survey – Retail Sales Inquiry

Non-store retailers reported a record annual growth in 2020 of 32.0%. Feedback from retailers stated that the closure of large sectors of physical retail allowed for online portals to fill consumer demand

⁵ [Economics Observatory, 2020](#)

throughout the pandemic period. Online food store sales in particular recorded a record year-on-year rise of 126.4% with feedback from retailers suggesting a significant increase in click and collect orders over the Christmas period. Sales remain much higher than their pre-pandemic level, with volumes in June 2021 being 39.9% higher than in February 2020.

Figure 11: Non-store retailing (retailers with no physical store presence) volume sales, seasonally adjusted, Great Britain, June 2019 to June 2021



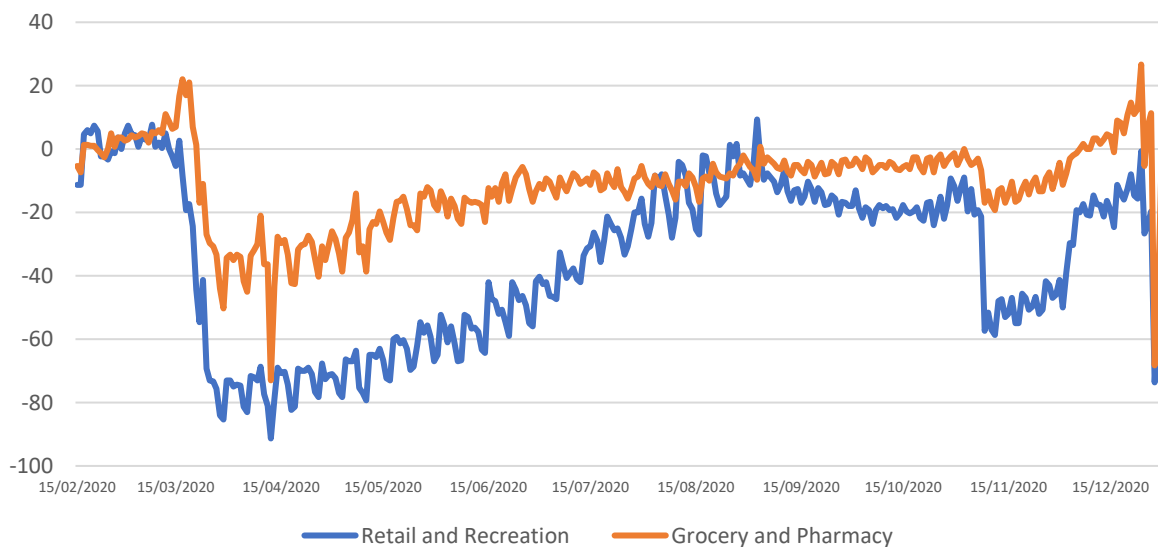
Source: ONS – Monthly Business Survey – Retail Sales Inquiry

2.3 Footfall

The chart below shows average visits to different categories of places, using location data of Google users, compared to the beginning of 2020. The pattern is similar for both lockdowns with an initial rise in visits to grocery and pharmacy stores before a sharp decline as lockdown took hold.

Since the easing of restrictions over the Easter holiday increases have again been observed in most categories, before a large decrease again as the Christmas lockdown began.

Figure 12: The Marches footfall, February 2020 - December 2020

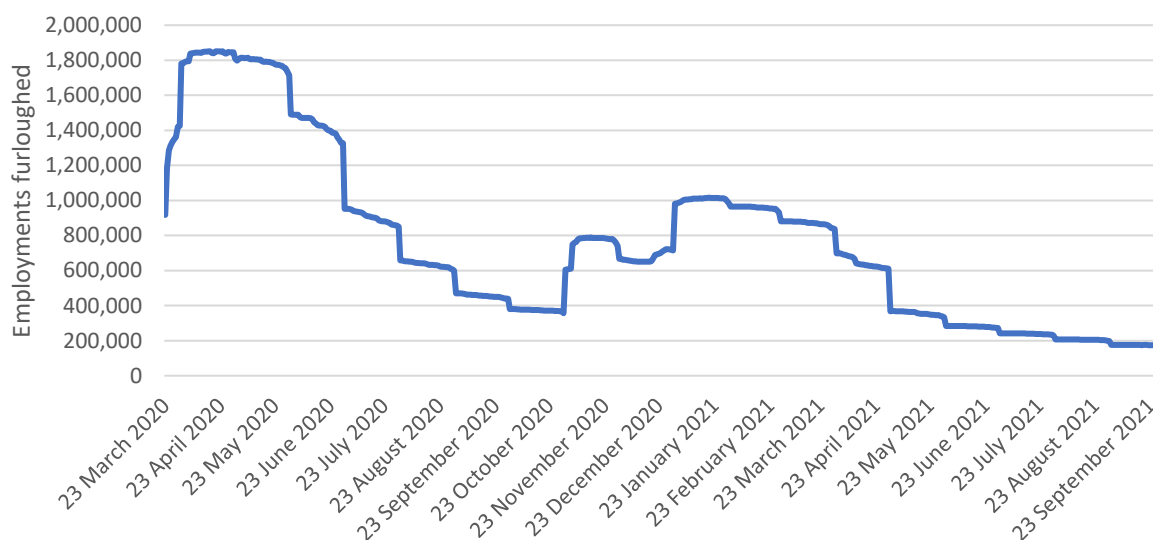


Source: Google COVID-19 Community Mobility Reports

2.4 Furlough

Across the UK, employments furloughed in the wholesale and retail sector increased dramatically from 917,300 on 23rd March 2020 to a high of 1,851,200 on 24th April 2020. The number has since declined, despite increases after the second and third lockdown and was at 172,000 on 30th September 2021. At its peak on 25th March 2020, the sectors furloughed employees made up 21.3% of all employees on furlough.

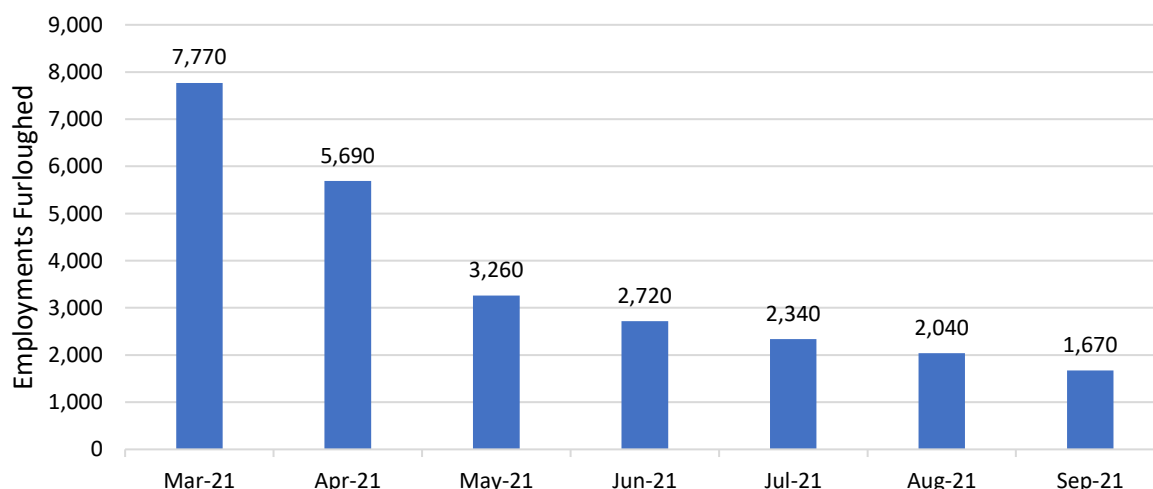
Figure 13: Wholesale and retail; repair of motor vehicles employments furloughed in the UK



Source: HMRC Coronavirus Job Retention Scheme statistics

Marches data is available for the months March 2021 onwards. We can see a decrease in the number of employments furloughed up until May 2021, after which the number increased in June before falling again. In September 2021 furloughed employees in the wholesale and retail sector made up 18% of all employees on furlough in the Marches.

Figure 14: Wholesale and retail; repair of motor vehicles employments furloughed in the UK



Source: HMRC Coronavirus Job Retention Scheme statistics

From July 2021 the furlough scheme started to wind down and the scheme is scheduled to end completely after September 2021.⁶ Some uncertainty still remains as to what proportion of jobs still furloughed at that point will exist once the scheme ends, or whether there will be a significant number of so-called “zombie jobs” that will disappear. Analysts generally expect that there will be a rise in unemployment when the scheme ends.

2.5 SEISS

There has been a total of 107,900 claims made from 32,300 individuals in the Marches across all SEISS grants; the total claims reached a value of over £293.6m. The Self-Employment Income Support Scheme supports people who are self-employed and whose earnings have been impacted by the pandemic.

West Midlands Region: Claims by Broad Industry

Figure 15: SEISS breakdown by broad industry associated with retail activities for the West Midlands Region:

Sector description	Total potentially eligible population	Total no. of claims made to 07/10/21	Total value of claims made to 07/10/21 (£)	Average value of claims made to 07/10/21 (£)	Take-Up Rate
Accommodation and food service activities	6,100	2,100	5,000,000	2,300	35%
Other service activities	18,100	8,900	17,900,000	2,000	49%
Wholesale and retail trade; repair of motor vehicles and motorcycles	16,900	5,100	9,700,000	1,900	30%
All	258,000	95,000	200,000,000	2,100	37%

Source: HMRC Self-Employment Income Support Scheme statistics

Using an Exposure Index developed by labour market analytics company EMSI, there appear to be around 2,000 jobs in Herefordshire in occupations with an exposure index greater than or equal to 50 which indicates a higher level of exposure to the disruptions caused by the coronavirus pandemic and the resulting lockdown given their dependence of a range of factors, including:

- The need for physical proximity in jobs.
- Take up of furloughing scheme.
- Dependence on affected supply chains.
- Dependence on affected market demand.
- Proximity of key worker functions which may enhance demand and/or competition.

⁶ [BBC News, 2021](#)

3. Future projections for the sector

3.1 The future of the high street

The government's new "build back better" high street strategy⁷ lays out five priorities: breathe new life into empty buildings, support high street businesses, improve the public realm, create safe and clean spaces, and celebrate pride in local communities. It focuses on tackling empty buildings and freeing up space on pavements and roads for cafes and restaurants to add vibrancy. It highlights the need for more green space and increased investment in historic buildings.

Conversely, it has very little to say on the fundamental issues consistently highlighted since the Portas review: business rates and operational costs; the inequality of car parking charges between town centres and out-of-town developments; the costs related to other modes of transport and access. It does not address ownership models for retail spaces, or the wider costs and logistics of operating on the high street. And it does not mention support for the local, independent businesses hit by the pandemic.

Instead, it lays out ways in which the government is relaxing (and seeking to further relax) planning and building-use regulations. This risks encouraging substandard, purely profit-driven developments and squeezing out smaller businesses.

Research has highlighted several crucial needs: focused spending on local businesses; tackling problematic behaviour by corporations and absentee landlords; a rethink of how development and operational and fiscal systems might encourage – and not penalise – high-street activity.

Nationally, there has been much concern around the future of Britain's high streets, which were facing a number of pressures such as online and retail park competition before the pandemic began.

Lockdowns that have disproportionately affected non-essential retail and hospitality have created additional pressures, such that a number of well-known high street retailers, for example Debenhams, Bonmarche, the Arcadia Group, Peacocks, Jaeger and Edinburgh Woollen Mill, have entered administration, closed stores, or ceased trading altogether. According to KPMG, nationally, "high streets could lose 20-40% of their retail offerings as a result of the accelerated shift to online commerce."

3.2 The main reason for retail decline?

Internet shopping⁸, which explains the buying power of Boohoo and ASOS. One of the reasons for their success – and the failure of high-street rivals to compete – is business rates. Retailers with a presence on the high street paid £7.2 billion in business rates in 2018/19, while online traders paid only £457 million on their out-of-town warehouses.⁹

Then came COVID-19. Due to the government-mandated lockdowns, the retail industry's shift to digital has become even more marked. With automation also threatening the loss of many retail jobs in future, some are predicting that as much as 95% of shopping will be online by 2040.¹⁰

As a rule, smaller units, like those occupied by Topshop or Miss Selfridge, have been easier to let or repurpose than large department stores, like Debenhams. Before the pandemic, chain store closures and a declining demand for retail space caused rents to fall and resulted in shorter lease lengths over the past few years.¹¹

⁷ [MHCLG, Build Back Better High Streets, 2021](#)

⁸ [ONS, 2021](#)

⁹ [The Conversation, Future of high streets: how to prevent our city centres from turning into ghost towns, 2021](#)

¹⁰ [The Conversation, Future of high streets: how to prevent our city centres from turning into ghost towns, 2021](#)

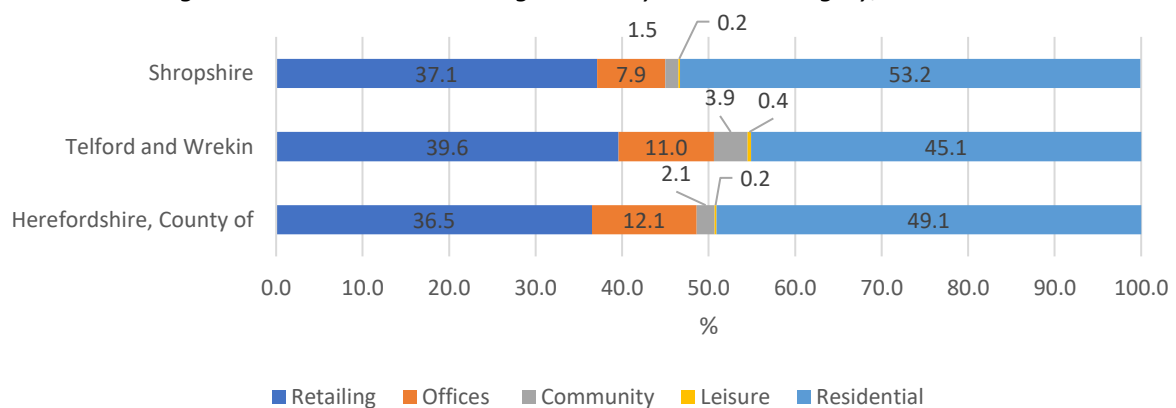
¹¹ [The Conversation, Saving the high street: what to do with empty department stores and shopping centres, 2021](#)

These trends led to an influx of independent businesses on our high streets including bars, restaurants, small shops, music and cultural venues as well as community businesses. COVID-19 is having a catastrophic impact on these businesses, in particular those in the arts, hospitality, entertainment and recreation sectors. It remains to be seen how many will survive the current lockdown. The failure of these businesses will not only lead to more redundant retail space – it could also effectively kill off many green shoots of town centre transformation.¹²

High streets need reliable, long-term funding. Historically, much of this revenue has come from business rates. More recently, additional funding has been raised in many towns and cities through Business Improvement Districts, where businesses pay a levy – a form of additional tax – that funds projects within the boundaries of the defined district.¹³

Data on makeup of high streets in the Marches before the pandemic shows that retail use occupied 38% of space across the 3 local authorities, offices at 10%, community at 3%, leisure at 0.3% and residential at 49%.

Figure 16: Addresses on the high street by land use category, March 2020



Source: ONS High streets in Great Britain: March, 2020

3.3 Regeneration of high streets

If retail and commercial spaces on the high street are replaced by housing, then this will seriously reduce the amount of money available to regenerate high streets.¹⁴

Other ideas discussed in research to regenerate high streets involve concepts from the circular economy, which encourages the continual use of resources, and the sharing economy. For example, repair cafes, where people can have their broken products repaired for a small price, could become more popular. Also, The Swedish ReTuna, a recycling mall, is the best example of a shopping centre selling only items that were donated and upcycled.¹⁵

Additionally, second hand shops and libraries of things, where people can borrow or rent items, including fashion, household, toys and games, and tools, could establish themselves in high streets. The current high street crisis is painful, but it is also an opportunity to reinvent the shopping experience we grew to know and love in the past.¹⁶

¹² [The Conversation, Saving the high street: what to do with empty department stores and shopping centres, 2021](#)

¹³ [The Conversation, Saving the high street: what to do with empty department stores and shopping centres, 2021](#)

¹⁴ [The Conversation, Saving the high street: what to do with empty department stores and shopping centres, 2021](#)

¹⁵ [The Conversation, Future of high streets: how to prevent our city centres from turning into ghost towns, 2021](#)

¹⁶ [The Conversation, Future of high streets: how to prevent our city centres from turning into ghost towns, 2021](#)

3.4 Future skills trends

Technology & Digitalisation: Purely digital retailers have set a high bar for customer experience by enabling seamless and personalised shopping experiences, easy deliveries and returns those customers now demand from traditional retailers. Retailers need to find new ways to engage and retain customers or risk becoming irrelevant. Traditional shops are taking on new models, requiring new technologies and services like click-and-collect, AR dressing rooms, self/mobile checkout to enhance the in-store experience.¹⁷ Digital thinking is needed at the very top of boardrooms for businesses to keep up with the evolving retail landscape. Businesses will need to enhance their digital presence and increase their e-commerce offerings to remain relevant.

Positive staff experience is a strategic differentiator in attracting and retaining top talent, and much of that revolves around giving staff the tools to succeed in a tech-enabled environment. Implementing modern technologies will be vital for retailers to remain competitive in the future of work; tech that helps with upskilling and re-skilling the workforce will be critical investments. M&S has worked with Decoded to form an in-house data science academy to train their workforce in programming languages such as R and Python, a decision that came from the CEO wanting to be a 'digital-first' organisation.¹⁸

The 'Internet of Things' may eliminate the need for cashiers in the future. There will be more need for customer service and less for cashiers; more need for problem solving and return resolution, and more need for innovation and technology skills. If a business is shifting online, it will require fewer storefront employees and more technical staff.¹⁹

Product/Service Innovation: Competing with Amazon on price will not be a sustainable long-term strategy for any retailer; instead, they need to stand out through product and service innovation. USPs are vital, with many brands and retailers investing more in product development. Increased levels of customer data (buying habits, lifestyle, preferences etc) can open opportunities to use technology like AI and machine learning for creating products.

Personalisation will be a large part of innovation. Retailers moving to become 'experience centres' to boost customer loyalty and frequency, e.g. Activewear brands giving yoga classes, John Lewis giving gardening classes, Waitrose having in-store events hosted by chefs.²⁰ The best talent in frontline employees will become more critical to growth strategy as in-store customer experiences become more technology-driven and demonstrations/tastings/events become more extravagant to compete with online sales. A store needs to make the experience of coming in greater than the convenience of ordering with fast delivery.²¹

'Big Data': Big data analytics is being used at every step of the retail process to understand customer behaviour, predict demand, and optimise pricing. This can reduce costs, improve customer experience, optimise supply chains, and help with targeting. Big data in retail is largely split into merchandising and supply chain analytics, social media analytics, customer analytics, and operational intelligence.²²

¹⁷ [Smartsheet, A Digital Transformation Report, 2019](#)

¹⁸ [Digital Leadership, 2020](#)

¹⁹ [Deloitte, The future of work for retail, 2018](#)

²⁰ [Smartsheet, A Digital Transformation Report, 2019](#)

²¹ [Deloitte, The future of work for retail, 2018](#)

²² [Modor Intelligence, The Big Data Analytics in Retail Market](#)

4. Skills delivery assessment

Figure 17: Curriculum overview of courses delivered in the Marches to learners:

Program	Achievements	Subject Achievements Quotient	Annual Openings	Variance	% Variance	Regional Jobs (2021)	Regional Jobs (2025)	% Jobs Growth (2021-2025)	Median Annual Wages
Retail and Commercial Enterprise	0	0.00	0	0	0%	0	0	0%	£0.00
Retail Management	0	0.00	504	504	Insf. Data	16,216	16,311	1%	£15,865.89
Retail Operations	105	1.04	706	601	573%	21,854	22,069	1%	£16,792.84
Wholesale Operations	0	0.00	276	276	Insf. Data	7,671	7,783	1%	£24,677.08
Retailing and Wholesaling n.e.c.	78	2.01	127	49	63%	3,621	3,681	2%	£23,239.13
Importing and exporting	0	0.00	3	3	Insf. Data	53	57	8%	£23,949.45
Warehousing and Storage Operations	10	0.15	120	110	1101%	2,967	3,054	3%	£25,748.54
Funeral Services	3	0.85	9	6	209%	147	152	3%	£24,959.00
Laundering and Dry Cleaning	0	0.00	7	7	Insf. Data	247	237	(4%)	£15,551.00
Cleaning	1	0.03	184	183	18288%	5,985	5,958	(0%)	£8,339.18
Housekeeping	0	0.00	77	77	Insf. Data	1,973	2,012	2%	£17,354.17
Hairdressing	177	1.30	49	(128)	(73%)	945	882	(7%)	£12,766.98
Beauty and Complementary Therapies	206	1.02	41	(165)	(80%)	949	965	2%	£15,495.35
Hairdressing and Beauty Therapy	52	0.39	69	17	33%	1,473	1,413	(4%)	£12,486.66
Property and Facility Services	8	0.25	276	268	3349%	5,039	5,334	6%	£25,599.16
Service Enterprises n.e.c.	4	0.04	154	150	3760%	4,649	4,659	0%	£19,869.65
Sport	438	1.23	68	(370)	(85%)	1,926	1,907	(1%)	£16,865.19
Leisure Management	14	0.39	26	12	85%	612	626	2%	£34,667.01
Fitness Instruction	57	0.48	8	(49)	(86%)	208	210	1%	£9,702.40
Outdoor	1	1.72	56	55	5546%	1,639	1,614	(2%)	£9,690.38
Coaching	131	4.05	30	(101)	(77%)	966	934	(3%)	£8,514.09
Exercise and Fitness Management	83	2.63	64	(19)	(23%)	1,786	1,770	(1%)	£17,525.11
Leisure and Recreation	14	0.62	53	39	276%	1,285	1,305	2%	£22,452.55
Sport, Leisure and Recreation n.e.c.	338	0.87	95	(243)	(72%)	2,599	2,587	(0%)	£15,455.66

Source: EMSI Analytics

In the academic year 2018/19 there were 1,720 achievements in courses relevant for the retail sector. There were 438 achievements in Sport, followed by 338 achievements in Sport, Leisure and Recreation. The sector subject area with the highest achievement quotient was coaching at 4.05. Subject quotient is a measure of specialisation for a subject area. Values above 1 represent relative specialisation. There are 8 courses with subject quotients above 1.

Where the variance figure for a course is red, it means that there is an overprovision of people completing courses in comparison to how many roles are opening on an annual basis, therefore the provider base is currently oversupplying the labour market. When the variance figure is black it means there are areas where the provider base already offers courses, but the data indicates that there may be room to grow these to meet employment demand. Where the variance figure is blue it shows courses the provider base does not currently offer but employment is in demand locally, indicating that there is potential for creating courses to meet these skills needs.

Skills provision that is aligned to local jobs and industry demand not only helps providers with their Ofsted inspection but also helps to ensure learners are best placed to get employment using the skills

they have learned, supply employers with the skills they need and support growth in the local and wider economy.

This provision review identifies areas of misalignment in the Marches for the retail sector:

Strengths (course areas that are well met compared to industry demand)

- Course areas which do not have much of a gap between supply and demand, where there are similar levels of provision compared to job supply is a strength as local employers will be supplied with local talent pools. This includes Funeral Services, Leisure Management, Hairdressing and Beauty, Retailing and Wholesaling.
- Disciplines that also have a net positive change in jobs in the next few years are seen as extra strengths to the area. For example, Importing and Exporting, Property and Facility Services.

Opportunities (course areas that are currently under supplied compared to demand)

- Opportunity areas include those courses with an undersupply of provision compared to demand, as these are the disciplines which are sought after but have little provision locally. There is room for courses to be developed in these disciplines to meet local employer needs, such as Retail Operations, Property and Facilities Services, Cleaning, Service Enterprises, Warehousing and Storage Operations, Outdoor.
- Opportunity areas also include courses where there is no provision but where there is employer demand locally, such as Retail Management, Wholesale Operations, Housekeeping, Laundering and Dry Cleaning, Importing and Exporting, Retail and Commercial Enterprise.

Threats (course areas that are oversupplied compared to industry demand)

- Disciplines with too much provision and not enough employer demand will lead to an oversaturated supply of labour in certain disciplines. Learners from these courses will find it difficult to find employment locally, and possibly look further afield to find work. Courses in this group include those large gaps such as Sport, Sport Leisure and Recreation, Beauty and Complementary Therapies, Hairdressing, Coaching, Fitness Instruction, Exercise and Fitness Management. However, these disciplines do provide opportunities for self-employment.
- The best way to implement change is to prioritise interventions based on biggest misalignments and gaps. Disciplines with a low uptake, need extra resources to highlight the opportunities in these occupations.

5. Conclusions

Technology has had, and is continuing to have, a major impact on the sector, through the advent of online / multi-channel retailing, but also in the increasingly sophisticated IT systems major retailers use to manage their supply chains and in-store operations.

Globalisation is also affecting the sector through the capacity to source goods from all over the world, and in providing opportunities to enter foreign markets. UK retailers now operate in several countries across Europe, North America, and the Far East. At the same time, many foreign retailers have a presence in the UK.

Consumer demand is also shaping the sector especially with the increasing number, and success of, discounters. Some luxury retailers have also continued to perform well in the current economic climate. At the same time, retailers have also entered new markets, such as offering financial services (horizontal integration) and in developing their own branded goods (vertical integration).

Demographic change will result in retailers needing to consider how they can better serve an ageing population, and how this will affect the supply of one of their traditional sources of labour – young people.

Supply vs Demand

- The following are areas where courses are already offered in the Marches, but there may be room to grow to meet employment demand:
 - Retail Operations, Retailing and Wholesaling n.e.c.
 - Warehousing and Storage Operations
 - Funeral Services
 - Cleaning
 - Hairdressing and Beauty Therapy
 - Property and Facility Services
 - Service Enterprises n.e.c.
 - Leisure Management
 - Leisure and Recreation
- Retail Management, Wholesale Operations, Importing and Exporting, Laundering and Dry Cleaning, and Housekeeping are not currently offered in the Marches, and there is potential for creating new courses here to meet employer demands.
- Future drivers of skills include increasing use of technology, automation, and customer personalisation.

Conclusions

- The way we shop and where we shop have been significantly impacted by COVID.
- If there's one thing the online revolution has taught retailers it's that customers want to feel a close connection to brands whose ethos they feel aligned with. This means a return to a more post-war type high-street, peppered with independent stores full of locally sourced produce – a real opportunity for the Marches.
- The long-term vision might be for towns and cities with renewed individual identities, but the reality will take many years to achieve. In the meantime, most high streets will have to get by with empty shops – and lots of them. Part of the reason for that is that rents and rates remain too high for many local businesses to sign up to.

Black Country Consortium



Economic Intelligence Unit

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