

RETAIL 2020

REPORT 3: SOLUTIONS –
THE JOURNEY TO BETTER JOBS

September 2016



THE BRC IS THE GO-TO
TRADE ASSOCIATION
FOR ALL UK RETAILERS,
DELIGHTING OUR
MEMBERS, PROMOTING
THE STORY OF RETAIL,
SHAPING DEBATES AND
INFLUENCING THE ISSUES
AND OPPORTUNITIES
THAT MATTER TO
THE INDUSTRY.

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INTRODUCTION



Retail plays a unique role in the fabric of British social and economic life. For many it provides the first step into the world of work and, for many more, it provides long-term roles with opportunities to climb the career ladder. For older workers, it offers new opportunities, as an increasing number of people seek flexible employment close to where they live. The retail industry is unique in its ability to reach across the generations.

Over the past half century, the contribution of retail to providing good quality, entry level jobs in communities across the UK has been made possible through steady improvements in productivity. The consumer base grew, as did the purchasing power of most customers. More women entered the workplace and the number of physical retail shops grew, whilst new ways of trading developed with the growth of online.

The industry is now undergoing a transformation more profound and far reaching than any that has gone before. At its centre sits a technological revolution that has fundamentally altered how we shop, the choices we can make, the way retail businesses work and the nature of skills that retailers will need in the future. Even today, 100,000 people are employed in retail jobs that did not even exist five years ago. Against this backdrop the industry has come together to undertake detailed research to consider the implications for the workforce as we look forward to 2020 and beyond.

This is the third report in the BRC's Retail 2020 series. We explored the structural shifts in our first report, *Retail 2020: Fewer but better jobs*. Although the BRC believe there will be fewer jobs across the retail industry in the future, this will not be the case for every retail business and retailers are already responding individually to the new and changing landscape.

Our second report, *Retail 2020: What our people think*, considered the attitudes and motivations among lower paid retail employees with an emphasis on pay, progression and productivity.

Our work has shown that it is imperative to improve industry productivity, to harness and develop new and different skills for the digital age as well as a clear need to deliver better on the things that our people tell us are most important to them.

This report explores the journey ahead, a journey towards a shared industry vision of *better jobs*. Jobs which are more productive, higher-paid, fit for the future and more rewarding for the retail workforce.

Only through the industry coming together, aligning understanding of the challenges and targeting actions to overcome them will we be able to successfully navigate towards the vision of *better jobs*.

A handwritten signature in black ink, reading 'Helen Dickinson'.

HELEN DICKINSON OBE
Chief Executive
British Retail Consortium

A SHARED VISION

Achieving the vision of *better jobs*, which we explore further in this report, requires individual companies to continue to progress what works for them as well as collaborate in working with us and each other. To that end the companies named below have agreed that:

“ As an industry we collectively share the responsibility for the dramatic changes currently underway.

Whilst we will all plot our own journey focused on the needs of our customers, our people and our business, we also recognise the value of us working together to share knowledge, learnings and best practice in order to build momentum and alignment for the greater good of the industry. So we will....

1. Support with our leaders being part of driving forward the steering group and/or participate in forums to enhance shared knowledge and understanding.
2. Collaborate in effectively partnering with the Government and related agencies on pay, progression and productivity.
3. Provide (pre-agreed) data to support the BRC's measurement assessment to enable us to know whether the industry is making progress.

”

- ARRAN AROMATICS
- BOOTS
- BRIGHTHOUSE
- CARPETRIGHT
- CELESIO
- CLARKS
- COSTA COFFEE
- COSTCUTTER
- CRABTREE & EVELYN
- DEBENHAMS
- DEICHMANN SHOES
- DFS
- DREAMS
- FINDEL
- GREGGS
- HOBBS
- HOLLAND & BARRETT
- HOUSE OF FRASER
- ICELAND
- IKEA
- ISABELLA OLIVER
- SAINSBURY'S (INC. ARGOS)
- JOHN LEWIS PARTNERSHIP (WAITROSE, JOHN LEWIS)
- KFC
- KINGFISHER (B&Q, SCREWFIX)
- MARKS & SPENCER
- McDONALD'S
- MORRISONS
- N BROWN
- NEW LOOK
- SCOTTISH MIDLAND CO-OPERATIVE
- SHOP DIRECT
- SIGNET
- SPAR
- STEINHOFF
- SUPERDRUG
- TESCO
- THE BODY SHOP
- THE CO-OPERATIVE GROUP
- WHITTARD OF CHELSEA
- WHSMITH
- WILKO

REPRESENTING
1.2_M
RETAIL
EMPLOYEES

WHY?

THE CASE FOR CHANGE

A new retail landscape is being created by the combined effects of a series of powerful forces for change. Consumers are demanding more service, a more technologically-driven offer and more engagement and personalisation. New competitors are emerging from both within and outside the industry. And in a world where shopping is no longer synonymous with physical shops, what is the role of and the future for store networks? What are the skills needed in a “digital first” world? The future is uncertain, but we know that it will be different. There are four fundamental reasons why significant change in the industry is inevitable.



SOCIAL

- As the largest and most geographically diverse private sector employer, the industry sustains local economies, spreads wealth and brings jobs to communities across the country
- Labour costs are set to rise more quickly while greater technological capability is available at lower cost, and we anticipate that the rate of store closures is likely to increase
- Our analysis suggests there could be up to 900,000 fewer jobs in retail by 2025¹
- This will impact unevenly across the country and on different groups of people
- The impact will be higher where economic growth is weakest, and the National Living Wage is highest relative to local median wages
- This in turn will impact on those more vulnerable in the workforce. As locality and flexibility are the most important reasons to work in retail, some people may be less inclined or able to take jobs with more travel or hours that don't work for them



FINANCIAL

- Costs are rising faster than the market is growing
- Competition is intense. Shop prices have been falling for over 3 years²
- Industry profitability has declined from net margins of 6-8% of sales pre-2007 to 3-5% today
- The annual cost of implementation of the National Living Wage is expected to be between £1.5bn and £3bn and Apprenticeship Levy between £140m and £160m from 2017
- Business rates continue to rise and by 2020 the retail industry burden will be £550m higher than in 2017
- The impact of these alone equates to 20 per cent of industry profitability and it is unlikely that additional costs will pass through into prices due to high levels of competition
- While the decline in retail productivity was less severe than in the rest of the economy and is now 15% above its pre-crisis peak, it is still 12% below where it would have been if it had continued to grow at its pre-crisis trend rate³

1 BRC - Retail 2020: Fewer but better jobs
2 BRC - Shop Price Index
3 Capital Economics and ONS

The effect of change could have profound impacts on communities, opportunities for people to progress and the availability of geographically diverse entry level jobs. At the same time, this presents an exciting opportunity for the industry to come together and redefine the rules of the game, rather than solely tackle the challenges individually. Without this, the industry could remain on the trajectory of a compressed workforce with a high prevalence of low pay and low productivity.



PEOPLE RELATED

- Throughout the 1990s about 15% of all employees and about a third of retail employees were on low pay. In the last few years the incidence of low pay in retail has risen faster than across the economy as a whole
- Around 1.5m people currently work in low paid roles in retail, of which 70% are female and one in five are recipients of means-tested working age tax credits⁴
- Retail now employs 100,000 people in types of roles that did not exist in 2011
- Many progress but others are 'stuck' on low pay or do not want to take more responsibility for the pay that is offered
- Retail employees are not a homogeneous group. Groups differ significantly in their needs, motivations and attitudes - a one size fits all approach by employers or policy makers will be ineffective
- Maximising the engagement, contribution and productivity of people will become even more crucial to future success as new and varied skills are needed

TECHNOLOGICAL AND STRUCTURAL



- The way people shop is changing. There are 40,000 fewer shops than there were in 2006 and approximately 15% of retail sales are online (and growing at 10-15% per year)
- Investment in digital is rising and investment in physical space is falling
- The rate of store closures will increase as more leases come up for renewal
- 60% of retail jobs are at a high risk of automation in the next 20 years, higher than any other industry⁵
- Physical retailing is changing and the role of the store is being re-imagined
- The ways shoppers might engage, even in the near term, cannot be anticipated with total certainty - not least because the technologies which could come to the fore may not even have been invented yet
- Growth in digital and the ubiquity of technology may adversely affect the number of jobs, but it also will make better jobs possible - requiring higher level of skills and more creativity and judgement

4 BRC - Retail 2020: What our people think
5 Deloitte: Transformers, 2016

WHERE WE WANT TO GO: *OUR VISION*

A number of retailers working together under the leadership of the BRC have been exploring what industry wide steps can be taken to ensure that the employment opportunities are as attractive, accessible and well remunerated as possible and where, as an industry, we want to get to.

The primary responsibility for managing the changes ahead lies within businesses and many retailers are working individually to attain the best possible outcomes. Productivity will improve and increasing rates of pay will provide added impetus for improving the contribution of the jobs remaining in retail.

The question is whether this on its own will shift the industry from the current trajectory of a compressed, less differentiated workforce. Therefore, players in the industry have a choice. Whether to let the future evolve organically or to play a more active role in shifting from this current trajectory.

FROM

REPUTATION



- NOT WIDELY VIEWED AS A CAREER OF CHOICE
- OFTEN STOP GAP OR FIRST JOB
- LOCALITY AND FLEXIBILITY MOST VALUED BY WORKFORCE



SKILLS



- NOT A LOT OF STRETCH, LIMITED DECISION MAKING POWER FOR FRONT LINE EMPLOYEES
- A LOT OF NEW ROLES EMERGING, BUT THESE ARE NOT FORMING A PART OF DEVELOPMENT PLANS AND CAREER PATHS YET



LEADERSHIP



- SOME POCKETS OF EXCELLENCE, BUT LACK OF CONSISTENCY IN QUALITY



REWARD



- SOME PEOPLE ARE "STUCK", WHILE OTHERS DO NOT WANT TO TAKE MORE RESPONSIBILITY
- FLATTER HIERARCHY
- MEDIAN WAGES ABOVE NLW, BUT PRESSURE ON OTHER BENEFITS
- HIGH VARIABILITY ACROSS THE INDUSTRY ON PAY AND BENEFITS



Our cross industry group wants the latter and has defined what we aspire to in the future: the vision of *better jobs*, characterised below.

Achieving this vision requires companies both to respond individually and to collaborate. It requires leadership around people within businesses and the willingness to innovate and to build and develop new skills and capabilities.

It also relies on constructive engagement between Government and industry as new approaches are developed. In the next section we outline what needs to change to reach this vision and finally we look to how we will make this happen.

TO



- DIVERSITY AND INCLUSION LEADER
- BEST ROUTE TO SOCIAL MOBILITY (“GET IN, GET ON” IN LIFE)
- RICH, REWARDING CAREER WHILE MAINTAINING FLEXIBILITY
- COMMUNITY HUB, POSITIVE ROLE IN SOCIETY



- SOME TASKS ARE AUTOMATED TO ENABLE HIGHER VALUE ADDED ROLES – BETTER USE OF “HUMAN TOUCH”
- WIDE VARIETY IN ROLES
- VARIED CAREER PROGRESSION ROUTES FOR THOSE WHO WANT THEM



- HIGH CALIBRE LEADERS – WIDELY RECOGNISED TRAINING GROUND FOR GENERAL MANAGEMENT, HIGHLY SOUGHT AFTER JOBS
- LEADERSHIP IN LOCAL COMMUNITY



- OPPORTUNITIES FOR PROGRESSION REGARDLESS OF ACADEMIC BACKGROUND
 - TRAINING GROUND FOR CORE EMPLOYABILITY SKILLS
 - MOST JOBS ABOVE NLW, ATTRACTIVE REWARDS AND BENEFITS PACKAGE
 - MORE ENTREPRENEURSHIP IN THE INDUSTRY
 - HIGHER JOB SATISFACTION
 - LOWER TURNOVER – AND MORE ACCEPTED PRACTICE OF PEOPLE LEAVING AND RETURNING
-

WHAT TO CHANGE TO GET US THERE

HOW TRAINING SUPPORTS PROGRESSION

CURRENT CHALLENGE:

44%

AGREE "I FEEL AMBITIOUS TO PROGRESS MY CAREER"

42%

THINK THERE IS NOT MUCH SUPPORT AND ENCOURAGEMENT TO GO FOR PROMOTION

44%

BELIEVE ITS NOT WORTH GOING GETTING PROMOTED - YOU HAVE TO WORK HARDER FOR NOT MUCH MORE PAY

73%

HAVE HAD TRAINING BUT ONLY 19% SAY ITS ENABLED THEM TO EARN MORE

The industry spends £3bn per year on training. Around three quarters of employees report receiving training in their current role. These figures are higher than those generally reported in the Labour Force Survey or employer surveys such as those carried out by UKCES.

For many people, jobs in retail allow them to get in and get on in work, but our research shows this isn't

the case for everyone. Strengthening the link between high quality training and the ability to progress in work will be key to unlocking the creation of *better* jobs.

Due to high labour turnover many companies need to provide a lot of basic training, perhaps falling short on resources to provide more advanced training, which would enable more people to progress.

PERSONALISING THE EMPLOYMENT OFFER TO DIFFERING LIFE NEEDS

CURRENT CHALLENGE:

56%

BELIEVE PEOPLE ARE LESS LIKELY TO BE PROMOTED IF THEY WORK PART-TIME

54%

WANT MORE HOURS

57%

OF 18-24 YEAR OLDS WOULD PREFER CASH TO PERKS; BUT AMONG OVER 55s THIS FALLS TO 35%

63%

BELIEVE SHIFT PATTERNS ORGANISED AROUND EMPLOYER

Our research shows that flexibility is more important than achieving one's potential for a large proportion of workers: conversely it also suggests that once flexibility is achieved and secured, there may be potential for individuals to contribute more, as long as it is not jeopardised.

We also see that a majority of part-time workers are keener for more hours to increase their earnings. This suggests the existence of two distinct cohorts of part-time workers:

one group who are underemployed because they want to contribute more hours to earn more money, and another whose over-riding priority is their part-time or flexible working. We know that, for many of our people, the ability to fit work around caring responsibilities or study is an important reason for choosing to work in the sector. Personalising the employment offer requires greater recognition that preferences around flexible working, hours and benefits packages differ amongst the retail workforce.

In our second report, *Retail 2020: What our people think*, we explored some of the retail workforce challenges and identified four areas of opportunity for the industry to enhance and accelerate the move towards the vision of *better jobs*: enhancing how training supports progression; considering how the employment offer is personalised to differing life needs, enabling progression across various groups in different ways; and engaging our people in improving productivity.

Here we explore each of these again and identify areas of focus for where solutions may lie which would support the delivery of the vision. Some retailers are already embarking on programmes and initiatives to take forward their future journey and we highlight a number of case study examples throughout this section.

SOLUTIONS:

- Training that provides better outcomes for employees and employers
- An Apprenticeship Levy system that supports these objectives, through a focus on outcomes not processes
- A clearer link between training and progression that is well understood
- Targeting interventions which reduce staff turnover

CASE STUDIES

CO-OP

Shining Stars is a 9-month leadership development programme for accelerated learning

OCADO

An award winning programme of recruitment, induction, training and development for the Customer Service Team Members who drive the vans

JOHN LEWIS PARTNERSHIP

Pathways: A programme of accelerated learning for retail partners to progress to the next level which includes a mix of stretch opportunities, formal learning and mentoring

SOLUTIONS:

- Greater understanding of individual preferences within companies
- Targeted job redesign enabling greater flexibility in more senior roles or more hours in others
- Regular review of balance between employer and employee of contractual hours requirements
- More personalised benefits to the preferences of different cohorts of employees

CASE STUDIES

PETS AT HOME

Timewise project to develop and offer part-time and flexible jobs in senior roles

COSTA

Feelgood platform; points earned for customer and sales metrics enable self-selection of benefits

BOOTS

Benefits Box: an online portal for colleagues to personalise their offer by trading salary for tax efficient benefits to create a package that works for them.

PROGRESSION IS ENABLED ACROSS DIFFERENT GROUPS IN DIFFERENT WAYS

CURRENT CHALLENGE:

67%

MOTIVATED TO GIVE THEIR BEST AT WORK, BUT DIPS MID-CAREER

42%

THINK THERE IS NOT MUCH SUPPORT OR ENCOURAGEMENT AVAILABLE TO GO FOR PROMOTION

45%

HAPPY IN THEIR CURRENT JOB AND SEE NO REASON TO CHANGE

52%

FEEL OVERQUALIFIED

.....

The industry offers a route for many from the shop floor to senior roles, with the capacity to work in new, innovative areas such as e-commerce and supply chain logistics. Our aspiration is that such progression routes are accessible to as many people of our people as possible.

.....

However, today, fewer than half of low paid employees feel ambitious to progress their careers. But there is also a significant proportion who choose not to seek job progression – either due to lack of aspiration or because pay differentials are not seen to reflect the level of additional responsibility so how progression routes are available to as many people who want them will be vital.

PEOPLE ARE ENGAGED IN IMPROVING PRODUCTIVITY

CURRENT CHALLENGE:

72%

HAVE IDEAS OF HOW THINGS CAN BE DONE BETTER

44%

BUT FEEL THEIR IDEAS WOULD NOT BE TAKEN SERIOUSLY

67%

MOTIVATED TO GIVE THEIR BEST AT WORK

.....

In recent years much attention has been given to identifying the reasons behind the UK's poor productivity performance. It is clear that, while Government has an important role to play, many of the levers to improve our productivity lie within individual businesses. Ensuring they are able to adopt best practice, and engage their people in this, will be key.

.....

As the eyes and ears of businesses, front line employees are uniquely placed to help identify challenges and explore ways to improve processes and procedures. In workplaces where there are barriers to engagement, it will be important that retailers explore, understand and find new routes to engaging their people in ensuring that their business is as productive and high-performing as it can be.

SOLUTIONS:

- Better access to career advice
- Building a better understanding of individual career preferences and how they match to the needs of the business
- Tailoring progression programmes to support those preferences
- Delivering programmes which enable greater inclusion and diversity across all levels

CASE STUDIES

TESCO

Female leaders initiative combining formal training and soft skills around confidence and resilience

THE TIMPSON GROUP

Timpson are the biggest employers of ex-offenders in the UK, creating opportunities for prison leavers to live a crime free life and become an important part in the businesses success

SOLUTIONS:

- Better assessment of employee engagement
- Measurement and enhancement of a holistic view of business productivity (leadership, talent management, planning for the future, commercial excellence, and operational efficiency)
- Work with employees to identify and act on ways to improve business processes
- Simplification of business processes without loss of quality or customer service

CASE STUDIES

SHOP DIRECT

#innovate creating an online space for idea sharing and voting. Top ideas taken forward. Standout programme gives CEO selected applicants to work on a business challenge

HOBBS

Developing a scheme to unlock employee potential through more training, broader skill sets and empowerment

HOW TO MAKE IT HAPPEN: THE FRAMEWORK

The vision is challenging but achievable. Ensuring that productivity improvements and increased rates of pay deliver improvements in the quality and contributions of the jobs that remain is essential. In the previous section we identified where areas of focus for solutions may lie and just a taste of some of the programmes and initiatives that some retailers are working on.

Achieving the vision at industry level requires individual companies to continue to progress and develop what works for them as well for them to collaborate in working with us, the Government, other stakeholders and to share individual successes so others can learn from them.

There is an important role for the BRC here too, supporting this journey towards the vision. We will do this by:

CHAMPIONING the vision and the steps needed to successfully deliver it

CHALLENGING the industry to achieve the best possible outcomes

CONVENING key partners – retailers, the Government, think tanks, trade unions and others to enhance understanding, achieve greater alignment and hence accelerate momentum

This section sets out the framework that we have put in place: a clear definition of what is critical to success; the commitment of retailers to be involved in the journey; a way to assess progress; the goals for working with government; and the forward plan for the next 12 months.

A CLEAR DEFINITION OF WHAT IS CRITICAL TO SUCCESS

EFFECTIVE GOVERNANCE: A Steering Group to oversee the project, made up of senior retail representatives drawn from across the industry. The Steering Group will meet at least quarterly to agree priority actions, monitor progress and decide on next steps.

DIVERSE EXTERNAL ENGAGEMENT: The convening of regular roundtables/forums across the industry and with key partners to ensure that thinking from within and outside the industry is shared and that we have the opportunity to obtain input and expertise and refine our plans as a result.

MEASUREMENT: To have in place a small range of key metrics to enable a clear definition of success and an assessment to be made of how much progress is being made. Our intention is to carry out a regular assessment of what the metrics show and to report on them accordingly.

WORKING IN PARTNERSHIP WITH GOVERNMENT: While recognising the leading part which the industry needs to play in creating the right conditions to deliver, the role of the Government is also crucial.

THE COMMITMENT OF RETAILERS

The retailers we have worked actively with in recent months have shaped the thinking and focus of our work and have already committed significant time and resources to establish the best way forward. Together with our core group, we approached our wider membership to seek their commitment to the vision of *better jobs* and received a widespread and positive response as demonstrated by the companies named on page 5.



I AM DELIGHTED THAT DEBENHAMS HAS BEEN PART OF THIS STEERING GROUP AT SUCH AN IMPORTANT TIME OF STRUCTURAL CHANGE FOR RETAIL. WITH SO MANY NEW AND DIFFERENT ROLES EMERGING, I'M LOOKING FORWARD TO WORKING WITH MY PEERS ACROSS THE INDUSTRY TO HELP CHANGE PERCEPTIONS OF RETAIL AS A CAREER OF CHOICE.

- NIKKI ZAMBLERA, DEBENHAMS



HOW WE BUILD AND DRIVE MOMENTUM AROUND THE VISION OF BETTER JOBS WILL BE CRITICAL AS THE NATURE OF ROLES IN OUR BUSINESS CONTINUES TO EVOLVE. WE HAVE ALREADY SEEN A CHANGE IN THE MARKET, DRIVING MUCH MORE FOCUS ON THE REQUIREMENT FOR DIGITAL EXPERTISE. THE DEGREE OF SKILL AND KNOWLEDGE CHANGE IS FURTHER EXACERBATED BY AN INCREASING PACE OF CHANGE, BORNE OUT OF EVER CHANGING CONSUMER BEHAVIOUR.

- CAROLINE MASSINGHAM, N BROWN



WE'VE ALWAYS BEEN PROUD OF OUR ABILITY TO PROVIDE CARE IN THOUSANDS OF COMMUNITIES ACROSS THE UK, TO GIVE ACCESS TO EMPLOYMENT FOR ALL, AND TO PROVIDE TRAINING AND PROGRESSION FOR EVERYONE. AS CUSTOMERS' EXPECTATIONS OF BOTH OUR RETAIL AND EMPLOYMENT OFFER CHANGE WE HAVE TO RESPOND AND ADAPT. OUR CHALLENGE IS TO REMAIN IN THE VANGUARD OF SOCIAL MOBILITY, ENSURING THAT WHILE JOB ROLES WILL SURELY CHANGE, THEY WILL BE BETTER, MORE ENGAGING JOBS IN THE FUTURE.

- MATTHEW BLAIN, BOOTS



RETAIL HAS ALWAYS PROVIDED FANTASTIC OPPORTUNITIES FOR THE PEOPLE WHO WORK IN IT, REGARDLESS OF YOUR BACKGROUND OR QUALIFICATIONS. I REALLY WANT US TO BE ABLE TO BUILD ON THAT LEGACY AND MAKE OUR SECTOR A REALLY COMPELLING PLACE TO WORK WITH OPPORTUNITIES FOR PEOPLE TO PROGRESS THEIR CAREERS.

- TRACEY KILLEN, JOHN LEWIS PARTNERSHIP



OPERATING MODELS WITHIN COMMUNITY PHARMACY HAVE VARIED LITTLE OVER THE LAST DECADE. HOWEVER AUTOMATION, THE GROWTH OF DIGITAL AS WELL AS A DESIRE TO ADD INCREASING VALUE TO THE CUSTOMER EXPERIENCE WITHIN HEALTHCARE ARE LEADING TO CONSIDERATION OF NEW ROLES WHERE GREATER CAPABILITY AND CUSTOMER FOCUS ARE KEY.

- HILARY STABLES, CELESIO



OUR COLLEAGUES ARE THE HEART OF OUR BUSINESS AND, AS THE RETAIL SECTOR CHANGES, WE ARE EXCITED ABOUT THE NEW OPPORTUNITIES AVAILABLE TO COLLEAGUES AS THEY DEVELOP THEIR CAREERS IN RETAIL AND HELP US TO SERVE BRITAIN'S SHOPPERS A LITTLE BETTER EVERY DAY.

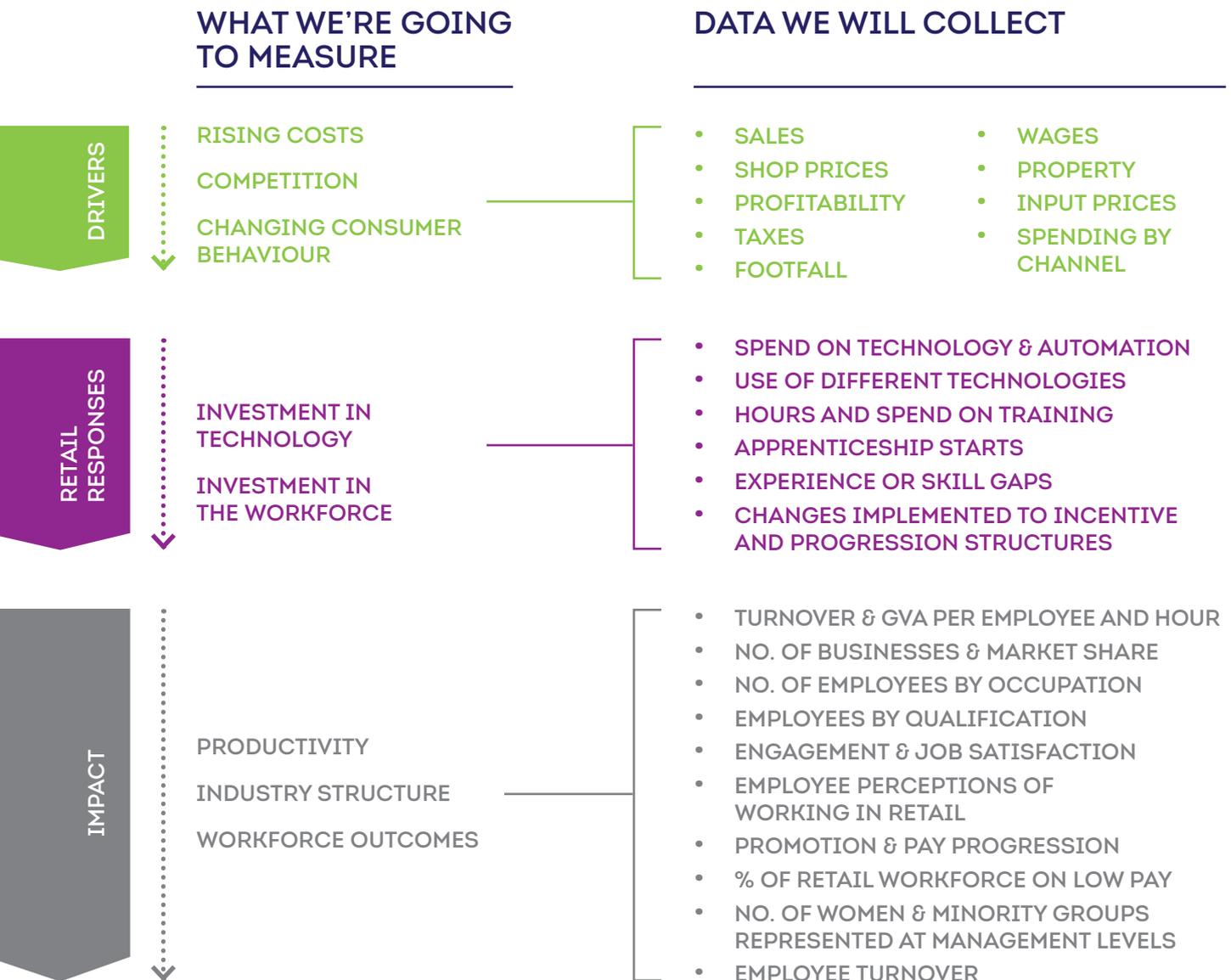
- NATASHA ADAMS, TESCO



A WAY TO MEASURE SUCCESS AND ASSESS PROGRESS

As the structure of the industry continues to change in the coming years, it will be vitally important to ensure that we have reliable ways of measuring how successful the industry is in moving towards the vision. This information will be invaluable to a range of different audiences - retail executives, industry observers and stakeholders and the Government.

We have defined below what we're going to measure and the data we will collect. Using these inputs we will develop a Dashboard through which overarching successes can be assessed. This will be supported by the signatories to the vision, and reported on regularly.



THE GOALS FOR WORKING WITH GOVERNMENT

A goal for us is to enhance the understanding of Government, as well as other stakeholders, of the changing face of retail and the impact on pay, productivity and progression in the industry. We believe our data should become a definitive and authoritative source enabling Government to make better and more targeted interventions.

The most notable immediate area in which we are looking to work closely with the Government is the development and implementation of the Apprenticeship Levy. As recognised earlier in this report, we know that the nature of retail skills will be very different in the future. The focus will shift to colleagues' ability to engage with the customer, their ability to think creatively and the knowledge and skills that they have to use digital technology. Apprenticeships have the potential to play a valuable role in supporting this change in the skills base and to assist those who are most vulnerable in the workforce to adapt to the new challenges generated by change.

We have, however, continuing concerns about the process of development and implementation of the Apprenticeship Levy. We do not yet believe that the current approach being taken is sufficiently well thought through and will not deliver the desired volume or quality of apprenticeships.

The industry has a strong track record in training its people, giving them the skills and experience to enable them to succeed in their future careers, both within the industry and elsewhere. It is essential that this contribution is actively supported by the Apprenticeship Levy. The following steps will make a significant contribution to achieving that goal:

1. **ENSURE AN EMPLOYER-LED, INDUSTRY-SPECIFIC SOLUTION TO THE APPRENTICESHIP LEVY - TO INCLUDE RESPONSIVE AND EFFECTIVE PROCESSES TO DEVELOP NEW STANDARDS.**
2. **MEASURE OUTCOMES NOT PROCESSES/INPUTS - SPECIFICALLY ADDRESS CONCERNS ABOUT OFSTED INSPECTIONS AND SKILLS FUNDING AGENCY REGISTRATION.**
3. **GIVE BUSINESSES SUFFICIENT TIME TO PREPARE, INCLUDING BY ALLOWING MORE THAN 18 MONTHS TO SPEND APPRENTICESHIP LEVY FUNDS.**
4. **ENSURE FUNDS CAN BE DIRECTED TO THE MOST VALUABLE TYPE OF TRAINING - INCLUDING LEVEL 1 AND INTERNAL TRAINING PROGRAMMES.**
5. **ENSURE SEAMLESS INTEGRATION OF THIS APPROACH IN THE DEVOLVED NATIONS.**

A successful approach to partnership working with Government will be integral to the future success of our work on delivering the vision for the industry.

THE FORWARD PLAN

AUTUMN 2016

BRC

SEPTEMBER

- Launch of *Retail 2020: Solutions - the journey to better jobs*

OCTOBER

- Tooley Street Research undertakes annual BRC *What our people think* survey

NOVEMBER

- *Retail 2020* Baseline Dashboard finalised and published

GOVT. RELATED

SEPTEMBER/OCTOBER

- LPC recommendations to Govt about NLW/NMW rates for April 2017

OCTOBER

- Govt confirms final levels of Apprenticeship Levy funding, government support, 16 to 18 payments and English and maths payments

NOVEMBER

- Govt confirms NLW and NMW rates for April 2017
- Retail APPG reports on impact of technology on retail employment opportunities

OTHERS

SEPTEMBER

- People 1st appoints members to its Retail Apprenticeship Board
- Resolution Foundation publishes Low Pay Britain report
- CBI continue their Workplace 2030 work stream, looking at the workplace of the future. Starting with an event on Employee Engagement
- JRF launches *We can solve poverty in the UK. A strategy for governments, business, communities and citizens*

NOVEMBER

- Timewise launch Flexible Job Design/career pathways guide
- Fabian Society publish Retail Taskforce report
- JRF publish 'Pay progression in the retail sector: challenges and opportunities' report, that will consider what businesses and the government can do to improve productivity and pay in the sector.

AUTUMN

- CIPD skills/megatrends report examining the efficacy of UK public policy on skills, with international comparisons and research exploring quality of career advice available in schools

WINTER 2016

SPRING 2017

JANUARY

- Progress reporting on *What our people think*
- Future Leaders Lecture

JANUARY/FEBRUARY

- BRC undertakes Workforce survey
- Apprenticeships for retail re-imagined and new strategy agreed with Government

APRIL / MAY

- *Retail 2020* showcase event

MAY

- LPC submission

DECEMBER

- Autumn statement
- Scottish Budget to include an announcement on the Apprenticeship Levy monies

DECEMBER

- Govt confirms final detailed funding and eligibility rules for the Apprenticeship Levy

JANUARY/FEBRUARY

- LPC consults on new NLW/NMW rates for 2018

MARCH

- Budget

APRIL

- Apprenticeship Levy commences operation with new Institute for Apprenticeships
- Revised NLW/NMW rates introduced

DECEMBER

- IPPR look at future problems and solutions for the skills system, including structural change in retail

WINTER

- CIPD investigates the proportion of the workforce with caring responsibilities and the challenges they face
- The Living Wage Foundation launch an evaluation and assessment service for retailers

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**BRC – RETAIL 2020:
REPORT 3: SOLUTIONS –
THE JOURNEY TO BETTER JOBS**

ISBN: 978-1-78490-084-7

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