



Retail at the
 of our
communities

Retail At The Heart Of Our Communities:

A Strategy For The Workforce And Industry

September 2024



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Introduction



The retail sector has been under significant pressure for a number of years. Googling 'Retail Sector Crisis' will bring back results from anytime between 2017 and 2024, with articles detailing the loss of many high street staples between 2017 and 2019, including brands such as Maplin, Mothercare, Toys 'R' Us and Poundworld.

These results are followed by pages detailing the impact of the pandemic, followed quickly by the cost of living crisis.

This continual state of crisis is taking its impact not only on the sector but also on those workers who do so much to deliver for our society, our economy and our communities. However, as well as dealing with the challenges these crises have caused, over the same time period, workers have had to adopt to issues such as the transition to net zero, unacceptable increases in violence and abuse, and developments in technology/automation.

This report aims to make clear that there is a viable future for the retail sector, a future where workers can thrive, where businesses can grow and where our communities can be best served by those who have already delivered so much. We now have a Government which is not only committed to economic growth but is also clear that such growth can only be delivered through a framework of Partnership. This document lays out a clear agenda for such Partnership that can, in significant part, be delivered by adequate union representation of workers on the UK's Industrial Strategy Council.

There is little doubt that retail jobs and retail workers are of key economic and social importance. They are vital to our town centres and communities, and for many young workers, retail is their first experience of work, while it can also offer flexible opportunities to help balance other commitments such as being a parent or carer.

The retail industry directly employs three million people, with many other jobs reliant on the success of the industry¹.

Retail staff both need and deserve to be given a much better, fairer deal and, ultimately, if we want the sector to prosper, we need to make sure retail jobs are better jobs.

At the same time, the sector provides a focal point for our communities, ensures families can remain fed and helps to tackle loneliness and isolation. The importance of retail, and retail workers, to our economy and our society should never be underestimated.

¹ <https://brc.org.uk/media/680620/rjr32022.pdf>

As such, Usdaw is calling for a plan for the future of retail work based on the following measures:

- **Better pay and secure work:** The Government to set the Low Pay Commission a target of a minimum wage of £15 per hour as soon as possible – to help drive engagement and productivity in the sector. Better work must go beyond basic pay and include improvements to Statutory Sick Pay (SSP) and Respect for Shopworkers through 'Protection of Workers' legislation.
- **The delivery of a new economic framework to support retail growth and drive investment in good quality retail jobs.** This includes tackling business rates and the lack of parity between online and physical retailers to help support investment and growth across the industry and deliver greater job security.
- **Support with retraining and upskilling, with a strong focus on skills and development in the context of technology/automation and the transition to net zero.** In terms of delivery, the Union Learning Fund should be reintroduced, alongside the introduction of a legal right to paid time off for retraining. Furthermore, the Apprenticeship Levy must be urgently transformed into a Growth and Skills Levy.
- **Fair treatment and equality for all retail workers:** Diversity and inclusion must do much more than just pay lip service. We need more robust action from both employers and Government to create a respectful, inclusive work environment within which every worker has the opportunity to thrive.
- **Stronger protections for retail workers:** Usdaw will continue to deliver a true voice for retail workers, giving them a stronger voice and say on the issues that matter to them at work. However, this needs to be supported by strengthened trade union rights and protections against redundancy, including 90 days' consultation for large-scale redundancies and three weeks' redundancy pay for all workers irrespective of age.

Udaw is calling for a robust plan for the future of retail work that addresses the immediate priorities facing retail and its workers, as well as wider measures to help deliver better jobs across the sector. We need a co-ordinated and inclusive approach, and we are urging Government, retailers and all key stakeholders to engage and work together with the Union.

Only by working together can we help to deliver better jobs that retail workers both need and deserve, while at the same time securing the future viability of the sector for all.



Paddy Lillis
Udaw General Secretary

Executive Summary



Usdaw is the UK's fifth largest trade union and operates solely within the private sector. The Union has over 360,000 members across many sectors, but the majority of our members work in retail. This gives Usdaw a direct insight into the difficult nature of retail work and the challenges that workers in the sector are facing on a daily basis.

The cost of living crisis has created further hardships for retail workers. Usdaw believes more needs to be done to protect retail workers and deliver better-quality and more secure retail jobs. Usdaw is calling for a robust plan for the future of retail work built on the measures and priorities detailed in this report, which are summarised below.

A New Economic Framework

- Fundamental reform of business rates.
- Reform of tax laws to ensure that companies pay their fair share of tax, through tackling tax avoidance, evasion, and the use of offshore havens.
- The introduction of an online sales tax to create a more level playing field between online, and bricks and mortar retailers.
- Promotion of co-operative and mutual business models, providing communities with practical advice and support on how to start and grow co-operative businesses.
- Action to ensure adequate funding for local authorities so that councils can plan ahead and invest in their high streets, local jobs and wider communities.

Better Pay and Secure Work

- A clear target to reach a minimum wage of £15 per hour as soon as possible. We also need to end the rip-off youth rates in the minimum wage.
- Secure work through providing a right to a contract that reflects normal hours.
- Greater recognition of the link between good pay and secure work, and how they relate to productivity and customer service.
- Improved sick pay – statutory sick pay is not enough to live on. SSP needs to be paid from day one, at an individual's normal rate of pay, to all workers.
- A proper social security system – the current system does not provide the safety net that families need with many being pushed deeper into poverty. We need a fair system that protects families and treats people with dignity.

Skills Development and Training

- Significant and long-term investment in skills funding, including the reinstatement of the Union Learning Fund across England.
- A right to paid time off for retraining, to support the development of lifetime skills.
- A fully costed education programme to give workers the vocational skills needed for the future of work.
- Fundamental reform of the Apprenticeship Levy scheme so it is accessible to all workers, with a focus on opportunities for those facing disadvantages in the labour market.
- A voice for workers in all discussions on skills strategy.

New Technology and Automation

- A new legal requirement for employers to consult with workers, and their representatives, on all decisions related to new technology at work, as well as requiring the use of Health and Safety Risk Assessments and Equality Impact Assessments, which employers must act upon.
- Employers to be required to regularly consult with workers and their representatives over the ongoing use of technology which may significantly impact work or people.
- A right for workers to have a human connection when decisions about them and their job are being made, and ensure that any new roles created by new technology are first made available to those workers affected.
- A right to switch off – lessons can be learned from countries where similar provisions have already been successfully introduced.

A Just Transition to Net Zero

- Adequate safeguards to protect retail workers on the path to net zero, including co-ordinated public policy initiatives and legislation.
- Retail workers must be at the centre of any plans or legislation to ensure a fair and just transition. The decarbonisation of industries will have a major impact on the lives of working people; therefore, they must be wholly represented and consulted.
- Economic policies and public investments that offer long-term sustainable growth for retail and a better deal for working people.
- A robust plan for retail, devised in co-ordination with unions and workers, to protect and create good quality retail jobs right across the UK to ensure a just transition to net zero.

Freedom From Fear: Abuse Is Not Part of the Job

- Engagement with politicians and the police, to press for action on retail crime prevention, detection, and access to justice.
- Adequate security provisions in stores, along with sufficient staffing levels. Employers and the police must also do more to inspire confidence in reporting, ensuring effective investigations are conducted and all reports are taken seriously.
- Simpler and easier reporting procedures; currently, confusing processes can deter workers from reporting incidents.
- Significant investment in training by employers to support staff when attempting to deal with challenging scenarios in store.
- The introduction of legislative provisions in England, Wales and Northern Ireland, that mirror those already introduced in Scotland.

A Voice for Retail Workers Through Strengthened Protections

- A significant reduction in the statutory thresholds for trade union recognition to ensure effective worker voice in discussions, such as those around working hours.
- Stronger protection against redundancy, including 90 days' consultation for large-scale redundancies.
- A personal retraining budget for all workers to ensure the best chance of re-entering the workplace as soon as possible.
- A significant increase in Statutory Redundancy Pay so that all workers are entitled to three weeks' pay for each year of service.
- Closing the loophole where in locations with fewer than 20 employees, employees are not entitled to redundancy consultation – even where the decision affects more than 20 people across the business.
- Strengthening protection against redundancy, and health and safety rights for pregnant women and new mothers.

Improve Equality, Diversity and Inclusion Across the Sector

- Robust action, including strengthening the Equality Act 2010 and rights at work, to ensure certain groups of workers are not left behind.
- Extension of the duty on employers to publish their pay-gap data.
- Extension of the duty to conduct Equality Impact Assessments to help identify disproportionate risk to workers with protected characteristics, and use action plans to mitigate the impact. This includes the requirement to conduct equality impact assessments on the introduction of new technology at work.
- Reinstatement of protections against third-party harassment and introducing a new duty on employers to take positive steps to prevent sexual harassment.
- Action to strengthen flexible working rights, particularly for low-paid workers. This includes reform of family-friendly rights, day-one rights for all working parents and high-quality, accessible, affordable childcare.
- Legislation to strengthen the right to reasonable adjustments and support for disabled workers, including the use of meaningful penalties for bosses who fail to provide adjustments, and for reasonable adjustment passports to be mandatory.

Current Outlook



The Crucial Role of Retail

Retail is the largest private sector employer in the UK, directly employing three million people, with many other jobs reliant on the success of the industry². Given the severity of the challenges facing the UK economy, core sectors such as retail remain of key importance to economic growth and overall GDP. Whilst we are now seeing economic growth, the UK has underperformed against much of the G7 since the end of the pandemic. We have also seen huge levels of inequality with high levels of poverty in many areas of the country. The retail sector has huge potential to drive economic growth and support local economies, but the previous Tory Government continually undermined and underestimated its potential.

In addition to the economic importance of retail, the sector also plays a crucial role within wider society. Local jobs like those provided by the retail sector are crucial not just to economic activity, but the vitality of local communities, helping to address youth unemployment and tackling social mobility. High streets represent the heart and social hub of the community, and removing opportunities for people to connect on a social level has a number of direct and secondary impacts that will be felt for many years to come. We have seen (both pre- and post-pandemic) the huge impact that mass store closures can have on local communities across the UK.

The hugely disproportionate impact of retail closures on the local economy in deprived areas can be particularly devastating and not just to people working in retail, but right across the supply chain, from manufacturing to distribution. While retail's role on the high street is undeniably changing, with local high streets transforming to a broader mix of shops, housing, leisure and green space, local partnership between retailers and communities remains of critical importance to the local economy and jobs.

Retail Regional Employment Figures

Region	Total Employment (Thousands)	% Total Regional Employment
North East	104	9.7
North West	302	8.7
Yorkshire and The Humber	221	8.9
East Midlands	180	8.3
West Midlands	217	8.1
East of England	248	8.7
London	430	7.7
South East	368	8.6
South West	227	8.8
Wales	114	8.9
Scotland	217	8.6

Source: ONS, Nomis, Business Register and Employment Survey. These are employment figures, which differ from jobs figures as some people hold more than one retail job.



² [brc.org.uk/media/680620/rjrj32022.pdf](https://www.brc.org.uk/media/680620/rjrj32022.pdf)

The Pandemic and Cost of Living Crisis

The pandemic highlighted the crucial importance of retail workers. Usdaw members were key to ensuring the country remained fed throughout the crisis. The pandemic exposed the reliance of our society and our communities on some of the lowest-paid workers in the economy.

The pandemic also caused significant job losses in retail. According to the Centre for Retail Research (CRR), almost 180,000 UK retail jobs were lost in 2020 – up from 143,000 the previous year. The growth in online retail accelerated during the pandemic, worsening the impact on high street retail. The share of online sales tripled from 9% in 2012 to 27% in 2023³. Meanwhile, physical shops lost 12.6% of their market share in the years 2006-2019.

The pandemic was quickly followed by a cost of living crisis. Increased prices throughout 2022 and 2023 led to a reduction in discretionary spending with customers tightening their belts, particularly with non-essential spends.

The CRR again reported massive job losses as businesses closed, or cut costs. According to CRR figures, 120,000 retail jobs were lost in 2023, including 10,000 store closures⁴. This included many high-profile retailers disappearing from the high street, such as Paperchase, Wilko, M&Co, Joules, McColls, Sofa Workshop and TM Lewin.

Looking Ahead

The costs of operating in many towns and cities remain high, mainly due to excessive business rate bills. It is an often-quoted fact that whilst retail makes up 5% of the economy, the sector pays over 20% of the total business rates received by the Treasury. We are pleased that the Labour Government has committed to levelling the playing field on business rates, and continue to call for urgent action in this area.

Retail has always been an innovative and adaptable sector, striving to meet the challenges it faces. However, it is clear that the sector needs support and focus, through the UK's industrial strategy, to be able to continue to deliver economically and socially.

In addition to changing shopping habits, the sector is also grappling with the impact of technology and automation. Retail also has the potential to help address issues of inequality in our society.

While consumer confidence has recently risen to its highest level in three years⁴, this has not yet flowed through to retail sales figures⁵. Throughout this report, we will look at a whole range of other areas where support can be provided to assist the sector in delivering on its potential.



Retail has always been an innovative and adaptable sector, striving to meet the challenges it faces.

³ www.retailresearch.org/retail-crisis.html

⁴ The Deloitte Consumer Tracker | Deloitte UK

⁵ Retail sales, Great Britain - Office for National Statistics (ons.gov.uk)

Members' Insights: Experiences from the Shop Floor



What Retail Work Looks Like

Retail work is 24/7, mentally and physically demanding, multi-skilled, high pressure, profit driven, and target led. Retail workers have to be adaptable and dynamic, responding to rapid changes in a fast-moving consumer driven industry. Despite the demands of the job, many retail workers and their families are facing impossible decisions just to make ends meet. While everyone has been affected by the rising cost of living, retail workers have been at the sharp end.

Usdaw members in retail know first hand the demanding nature of work in the sector - they are living this every day. As such, Usdaw members are perfectly placed to give a direct insight into the realities of working in the retail sector. After hearing from over 5,500 members in our annual Freedom From Fear Survey, and more than 6,700 in our latest Cost of Living Survey, we wanted to gain a more detailed insight into the lives of some of our members on the shop floor to help shape this plan for the future of retail work.

We interviewed a number of Usdaw members in detail about their experience in the sector on a range of key topics. Their stories give a personal voice to the issues faced by all retail workers and the realities of what retail work really looks like on a daily basis (names have been changed to protect our members' anonymity).

Rachel

Rachel has worked in retail for over 40 years. In Rachel's store, and in response to the cost of living crisis, staff are allowed to take out-of-date products home for free. Rachel told us the situation was so dire for some of her members that they came into work on their day off or after working earlier in the day just to see what was available to take away. Rachel recognised the benefits of trade union collective bargaining to increase pay rates in her workplace and believed that all workers should have a union negotiating their pay.

Rachel also spoke to us about the large number of changes to the retail sector she has seen in her career. Rachel recognises that change is needed to keep up with customers' expectations. She felt that it was vitally important though that staff who are affected by these changes are looked after by the company, who should look to retain and redeploy staff members rather than simply losing hard workers with experience in the retail sector.

In Rachel's store, the business has introduced several changes related to new technology such as the use of online payslips. Since her payslip has gone online, Rachel has been unable to access a payslip with any reliability. Every time her manager sets up the account, by the time she comes around to accessing it next time she finds her account needs resetting. This has led to her not having a reliable way of checking her pay. Rachel said that while she recognises that this set up is convenient for a lot of people, it can create difficulties for those who have not been given the skills to adapt to these changes. When holiday booking and shift patterns went on to an app, Rachel went to tell her manager she was having trouble using it and said "they looked at me like I had two heads, they were clearly thinking 'why can't you do this?'".

This digital skills gap really knocked Rachel's confidence, despite her excellent customer service skills and 40 years of experience working in retail. Rachel said that digital changes could be really useful for staff if there was a member of staff for their area that was responsible for digital skills in the workplace and helping people to adapt. Something more in-depth than a video tutorial, and easier to access than trying to find time with their already overworked manager. Rachel was keen to see the Government reinvest in the Union Learning Fund so that the Union Learning Reps could work with the companies to help provide staff with the support that they need.

**Usdaw members in retail know first hand
the demanding nature of work in the sector
- they are living this every day.**

Emma

Emma has worked in retail for 21 years. She's been in Usdaw for nearly 15 years and a rep for over seven years. Emma spoke to us about how low pay in retail makes it very difficult for staff members with childcare to work and still earn enough money to live on, and how the cost of living crisis has made this situation even worse. The maximum hours that Emma is able to get in a week is 20 and for a lot of this time when she's working these hours, she ends up having to pay childcare costs to go into work. The childcare that is available to her is mostly only available from 8-6, meaning when she is offered overtime outside of these hours, she often has to turn it down. Changing employer in response to this situation would result in Rachel losing her long service along with various terms and conditions. Emma would like to see more done by the Government to make childcare affordable and accessible so that it would not take up so much of her wages just to go to work.

Emma told us that the low pay and the low hours made it difficult for staff to think about working in retail as their main career - many colleagues had to work at least one other job to make ends meet. A lot of the people that are hired to work in the store are university students, and they have to put their studies first so there is a high turnover of staff. Emma said that she would like to see the Government do more to support low-paid workers, that during the pandemic retail workers were praised as key workers, and if every retail worker had to 'get a better job' to survive as some politicians have suggested, there would be no one to stack the shelves or sell people the food they need.

Emma recognised that changes were important for retail businesses to survive; however, she would like to see more consideration from the company for staff who get caught up in these changes. Across her career in retail, Emma has seen several changes that go on to be reversed a few years later, such as the removal of a layer of management in the store, or putting members through a redundancy process, only to bring a similar role back a few years later. In the meantime, a lot of the management jobs were picked up by newly created supervisor roles, since some of the previous managers stepped down into those roles rather than being made redundant, and there is an expectation that they work to the level they did before. Emma would like to see more Government protection from companies saving money by watering down job roles on paper, but still expecting the same level of work and responsibilities from those staff members.

Emma spoke to us about how abuse was handled in the workplace. Emma told us that there is an instant messenger group for stores in her area, as violence and abuse against staff are on the rise. She spoke to us about incidents where members of staff had been punched in the face by shoplifters, and how a supervisor had a basket thrown at their head when challenging a man who was walking out of the store with a basket of high-value alcohol items. Emma said that while the company has a good policy for recording these incidents and the store has a panic button and cameras monitored by a remote security team, the police rarely end up prosecuting these shoplifters based on this information.

Like many other members, Emma told us that the store rarely has an in-person security presence, and that this, combined with the lack of police presence in the area, meant that staff did not feel very safe at work. She would like to see the Government invest more in police for her area and take shoplifting and abuse against shopworkers more seriously. Emma has been involved in Usdaw's Freedom From Fear campaign since becoming a rep, and believes it's one of the most important campaigns the Union runs for its members. She'd like to see the Government get more involved in the campaign and work with the Union and the company to help make the workplace safer for her members.

Gavin

Gavin has worked in various retail companies for a number of years and has seen significant growth in online home delivery. New starters are offered contracts which are as small as four hours a week, with the promise that because it is a busy section, there will always be overtime. However, Gavin told us this is not always the case and when overtime is frozen this can cause a lot of issues for staff who still have rent, mortgages and higher utilities to pay. This has been a leading cause of turnover at Gavin's store as people stay with the job only until they can find another company that can give them more hours. Gavin would like to see a commitment from the company to move away from short-hour contracts, and for a minimum of 16-hour contracts to be offered.

While Gavin tells us that age-restricted sales have always been a trigger for abuse of shopworkers, he noticed a sharp uptake in abuse during the Covid pandemic when they had to enforce restrictions. More recently, the cost of living crisis is taking its toll with an increase in abuse from customers feeling the financial pressures of the crisis, as well as an increase in shoplifting in stores. Gavin told us he had witnessed a member of the public verbally abusing a staff member because they were unable to exchange a defective air fryer as there were no replacements in stock. Despite this, in Gavin's store there has been a reduction in security staff being on duty during shifts.

Gavin told us that one of the major issues for members who have children is the cancellation of overtime at very short notice, caused by changes to the store overtime budget by head office at the last minute. While Gavin has raised challenges on this with the company for the members, even when the overtime is cancelled within 'agreed' timelines, it can still be too late for parents to cancel their childcare. Gavin would like to see the company commit to the overtime hours that it has agreed with a staff member in the same way that the company expects its employees to attend agreed overtime without cancelling at short notice. In reaction to the trend for retail workers to make up their hours using overtime, Gavin would like to see more employment law that would protect staff from last-minute cancellations.

Delivering a New Economic Framework



Usdaw's vision for the future of retail jobs is built on better-paid and more-secure jobs. However, to deliver on this vision, we must first tackle a whole series of fundamental problems plaguing the sector within the current economic framework. Business rates, commercial rents/leases and a lack of parity between online and physical retailers have all contributed to the decline of the sector and the subsequent lack of investment in good quality retail jobs.

As such, Usdaw is calling for urgent action on the following four key priorities.

Fundamental Reform of Business Rates

There is little doubt that the cumulative burden of business rates has hindered the sector's ability to invest, innovate and grow. Usdaw recognises the needs for businesses to pay their fair share of taxation; however, the disproportionate level of taxation paid by the retail sector, when compared to its overall economic contribution, is unfair and unbalanced. 1 in 5 UK constituencies are highly reliant on the sector for jobs, with some areas relying on retail and wholesale for over one-third of their total employment⁶. Furthermore, the economic output of the retail sector in 2023 was 4.9% of the UK's total economic output⁷. Despite this, retail pays 10% of all business taxes.

A key issue with business rates is the lack of flexibility within the current structure. Business rates are unable to account for rapid change and, while this has always been a key strength in terms of minimising tax avoidance, it has unfairly damaged bricks and mortar retailers.

This has resulted in mass job losses across UK high streets, a reduction in footfall in town and city centres and, subsequently, the further creation of ghost towns. Research from the BRC found that 85% of retailers say that business rates are an 'extremely' or 'very important' issue for their businesses when opening or closing stores. In two-thirds (67%) of store closures, business rates had a material impact in the decision-making process.

Recent research by Development Economics has shown that, without action on business rates, 17,000 more shop fronts will close by 2033. That's 15 more closures in every town in England alone.

It is clear that the UK needs a modern and flexible business taxation structure that increases when businesses are growing, not when they are under pressure or in decline. Usdaw strongly believes that shifting the balance of business taxation away from business rates and towards fairer taxation across the sector as a whole, is a key priority in securing the future of retail jobs.

Labour has listened to Usdaw's case for reform, and announced in its manifesto plans to replace the business rates system to raise the same revenue but in a different way (although we do not yet know what this will look like). This change is designed to create a level playing field between high street and online retailers, tackle empty properties and encourage entrepreneurship. Usdaw will continue to make our case and will be closely watching Labour's proposals as they are unveiled.

Tax Reform

Beyond business rates, there is a clear need for wider reform of UK tax laws to ensure that companies pay their fair share of tax through tackling tax avoidance, evasion and the use of offshore havens. This should be done with the aim of creating a level playing field between online, and bricks and mortar businesses. Research shows that eCommerce companies are likely to pay three times less corporate income tax than large brick and mortar retail chains⁸. The challenge here is not just fair taxation but effective taxation, which is crucial to stimulating investment/growth within the sector. To help deliver a fairer tax system, and to support a reduction in business rates, Usdaw continues to call for the introduction of an online sales tax.

Growth of Co-operative and Mutual Business Models

The co-operative movement has its origins on the shop floor, when the Rochdale Pioneers opened a shop selling food for working people at fair prices, owned by the people that used and relied on it. 180 years later, the co-operative model is used across the world, giving members a stake in local businesses and giving employees a meaningful say in how their workplaces are run.

Evidence from around the world shows that the co-operative model is good for business and good for workers. Co-operative businesses are more resilient, have higher survival rates in the early years of trading and better productivity.

The Government's ambition to double the size of the co-operative and mutual sector is welcome, and should sit at the heart of ambitions to regenerate our high streets. Usdaw supports efforts to create a level playing field between co-ops and other forms of business, including removing barriers to accessing finance faced by co-ops and mutuals, and making sue communities have access to practical advice and support on how to start and grow co-operative businesses.

⁶ www.cbi.org.uk/media/lazmjzsl/cbi-economics-retail-group.pdf

⁷ <https://researchbriefings.files.parliament.uk/documents/SNO6186/SNO6186.pdf>

⁸ uniglobalunion.org/news/uni-report-highlights-e-commerce-tax-avoidance

Adequate Funding for Local Authorities

Sustained cuts to local authorities' budgets over the past 14 years have had a number of impacts on communities and town centres. While the economic impacts of austerity may be easier to quantify, the social impacts are often underestimated. Yet across the UK we see declining high streets and empty shops – a visual reminder of how over the past decade Government cuts have sucked the life out of many previously vibrant town centres and led to an increase in anti-social behaviour.

This acute lack of funding must be addressed as a matter of urgency. Labour have pledged to provide greater stability to council budgets by giving councils multi-year funding settlements.

Tackling anti-social behaviour will prove key to addressing declining high streets but without the wider social benefits from adequate funding, local authorities are stuck in a vicious cycle. This situation cannot continue. Usdaw will keep calling for a long-term plan on funding and budgets that addresses the underlying financial pressures local authorities face, as well as the indirect fallout. This would ensure that councils can plan ahead and invest in/support their high streets and local jobs.

Analysis from the Local Government Authority (LGA) suggests councils will face a £2.3 billion funding gap in 2025-26, rising to £3.9 billion in 2026-27. Usdaw supports a move away from the constant reliance on councils to self-fund services via council tax increases, which is simply unsustainable in the long term.

In the past, local councils have raised concerns that the process of applying for funding pots, such as those used for town centre regeneration, was overly complex and time consuming, made worse by the fact that policy staff previously involved in funding applications have been cut considerably over the past decade. Labour has pledged to end this wasteful competitive bidding process where too much time and energy is spent making bids for relatively small pots of money.

What Good Looks Like

Despite funding pressures facing local authorities, many councils have used innovative strategies formed around the local characteristics of their town centres to help tackle some of the key challenges facing their high streets, including⁹:

- **Newcastle's City Centre Transformation Plan** is a £50 million strategy, designed to establish Newcastle as an attractive centre for tourism, business and investment, and create a city centre that their residents can be proud of.
- **The Royal Borough of Kensington and Chelsea (RBKC)** are using a combination of data insights from Mastercard spending, O2 phone footfall and the RBKC Citizens' Panel of 2,000 residents to inform their high street strategy.
- **Stockton-on-Tees Borough Council** invested £17 million into a Hampton by Hilton hotel in 2017, having identified a gap in their local hotel market for a mid-range corporate offer.
- **The Isle of Wight Council** established several pop-up shops on Newport high street in council and privately-owned units. The pop-ups were introduced in response to community feedback which found the high street to be uninspiring and out of reach of community activities. Events such as street markets can increase footfall from residents and visitors and create local employment opportunities.
- **Shrewsbury's Eco-Regeneration:** The town centre of Shrewsbury aspires to be redeveloped, utilising eco-regeneration to become a place for people to exchange food and goods. The hope for this regulatory project is the development of eco-regeneration.

⁹ www.local.gov.uk/publications/creating-resilient-and-revitalised-high-streets-new-normal#councils-contribution-to-successful-high-streets

Good Work and Productivity



Framing Good Work

Retail work, and work in any other sector, should provide people with decent pay and hours so that they not only 'get by', but are given the full potential to live happy and fulfilling lives. Staff should feel that their rate of pay is, at minimum, decent and fair, with hours which allow a healthy work/life balance; and beyond covering bills, food and other essentials, an income that allows opportunities and options for enjoyment and participation in society.

Work underpins many people's lives, often determining the options for where we live, what childcare is available to us, how we spend our free time, and having implications for the lives of our children and other dependents. Our places of work are where many of us spend a significant amount of our week; some people spend more time in the company of colleagues than they do close family members.

In addition to decent pay and hours, staff should feel secure in their roles, stable and safe. Workplace culture should be such that people feel part of something positive and enjoy good relations with colleagues.

Flexibility, in terms of having influence and choice, over hours should be a day-one right, as opposed to one-sided flexibility in favour of employers, which causes great financial uncertainty. Everyone should have the option of a contract which helps provide stability. Retail staff should feel able to take time off work when they are ill.

When the pandemic struck in 2020, it became clear to everyone just how vital retail workers are. The designation of key worker status was a recognition of the crucial nature of retail functions including the provision of food, drinks and other essentials for the general public to buy. Shopworkers' pay and conditions should therefore reflect the importance of their roles to the country and wider society.

It is very concerning, then, that retail work often does not look how it should, and especially so given the significant additional pressures experienced during the cost of living crisis, which has made things even harder for people.

Usdaw acknowledges there are no quick fixes or easy solutions. But, as covered in more detail in this report, the reality of retail work can be harsh; often with workers trying to exist on low pay, rip-off youth rates, precarious working arrangements and conditions, and sometimes in-work poverty, meaning even the essentials can be a challenge to afford.

On top of this bleak financial landscape, the fact retail staff often face abuse and threats of violence, frequent changes to shift patterns due to fluctuating consumer spending patterns – plus the pace of automation, which is a major worry for many retail staff – have all contributed to what can be a brutal trading environment.

The Productivity Puzzle

The productivity gap is one of the most serious and vexing economic problems facing the UK economy, the productivity of the British workforce stopped growing around 2009 and is now around 20% below the level it ought to be. While no single thesis fully explains the drivers behind Britain's disappointing productivity levels in comparison to its international competitors, there is growing consensus that the culture of low pay and precarious employment within Britain's labour market has significantly restricted the path to higher productivity.

Unfortunately, in retail as with other sectors, the word 'productivity' has actually become synonymous with job losses and cuts to hours. Due to the increased strain resulting from shrinking workforces, there can be negative impacts on mental health and wellbeing, which can – ironically – create a downward spiral in productivity.

Staff are being made to work harder without any real-terms improvement in wages, meaning productivity is boosted in the short term but with significant and negative long-term repercussions due to the intensification of work.

Growing evidence has emerged that better pay enhances productivity and improves employee retention and engagement¹⁰. The business case for higher pay and more secure hours is therefore compelling. 94% of Living Wage employers report benefits including better recruitment, staff retention, engagement and relations, and enhancement of reputation¹¹.



¹⁰ The Smith Institute, The local Living Wage dividend: An analysis of the impact of the Living Wage on ten city regions by Paul Hunter

¹¹ www.livingwage.org.uk/good-for-business

High staff turnover can be hugely costly to business, including outlay for recruitment, administration, induction training and assessment centres. Paying staff better and therefore increasing the likelihood of retention also means holding onto vital knowledge and skills, a crucial component of customer service. Though retailers are not oblivious to these facts, pressures on the sector can lead to an increased focus on short-termism, and a culture of prioritising the next trading statement.

Whilst pay is by no means the only issue that affects staff motivation, decent pay helps to build trust, involvement, identity and purpose. For this to happen, staff must be seen as an investment and an asset for businesses looking to up-skill individuals and work towards winning their long-term career loyalty.

Research published by the Living Wage Foundation and the Smith Institute found that lifting just a quarter of low-paid workers onto the real living wage, could boost the UK economy by £1.7 billion, in part thanks to increased productivity. Usdaw believes employers should therefore increase pay to drive real productivity growth, as opposed to waiting for productivity to drive up pay.

In July 2024, the first King's Speech of the new Labour Government established securing economic growth as a fundamental mission, with the aim of increasing living standards. At the centre of this are good jobs and productivity growth in every part of the country so that everyone is better off. Usdaw fully supports this mission. Better-paid jobs have to be at the core of renewing and transforming the UK economy, so people can help support their local high streets and build stronger, safer communities.

Customer Service

Good customer service is a valued element of the in-store retail experience. The delivery of good customer service is intrinsically linked to good work. The rise of online shopping is often blamed for the demise of high street stores, but retailers need to take some responsibility. Failure to invest in pay, staff numbers, benefits and training has a direct and detrimental impact on the customer service experience. This undermining of the value of interpersonal skills can unfortunately heighten the frustration customers feel which, while unacceptable, can sometimes lead to abuse towards staff.

If staff are feeling negative towards their work, and customers are feeling that customer service is not up to scratch, then that is a vicious circle. This is all despite evidence that good customer service increases the average value of transactions.

If retailers are serious about future-proofing their businesses, they need to fully recognise the importance of good pay and secure work, and how they relate to productivity and the customer experience.

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Low Pay and Health Impacts

Data from the Health and Safety Executive revealed that the UK lost 17.1 million working days to work-related stress, depression or anxiety in the year 2022 to 2023; an estimated 875,000 workers suffered mental ill-health relating to work, which accounted for 48.6% of 1.8 million work-related ill-health cases for the year¹². Research by the Mental Health Foundation and London School of Economics suggests mental health problems cost businesses at least £118 billion per year.

There is evidence of the strength of the link between low pay and workers' mental health, including that difficulties affording the essentials of a decent standard of living have a direct effect. Investment in pay is therefore also an indirect investment in workers' mental health and, in turn, reducing sickness absence.

In September 2023, The Real Living Wage Foundation reported on a poll they conducted with workers earning below the real living wage. This revealed 60% had turned to food banks, 39% are regularly skipping meals, 50% reported their pay negatively impacted their overall quality of life and 54% said their pay affects their anxiety levels. 75% of children growing up in poverty have at least one working parent. All of this demonstrates the direct links between poverty and worse health outcomes.

The Marmot Review: a strategic review of health inequalities in England post-2010 clearly demonstrated that low incomes are associated with worse outcomes in basically every aspect of health and wellbeing, including life expectancy. Low pay and insecure hours mean people struggle to afford the basics for good health, like nutritious food and warm homes. When people need to juggle multiple jobs, this can add further stress. Such circumstances can really take their toll on mental health and family life.

Decent pay underpins workplace health and wellbeing, and with millions more households facing poverty due to the lasting impacts of the cost of living crisis, it has never been more important for employers to pay good wages. Pay is about far more than just money in people's pockets – it affects workers' health and life opportunities, and those of their children.

¹² <https://press.hse.gov.uk/2023/11/22/hse-publishes-annual-work-related-ill-health-and-injury-statistics-for-2022-23>

A New Deal For Workers: Secure Work and Secure Jobs



Low Pay and Insecure Work During a Cost of Living Crisis

Retail work has become synonymous with low pay and insecurity, with workers often facing redundancies, short-hours contracts, a lack of stable hours and cancelled shifts. While there have been some significant increases to pay in recent years, retail staff have often found that these were largely eaten up by the increased cost of essentials such as energy bills, food and fuel.

Usdaw's most recent cost of living survey of members highlighted these issues are still ongoing, finding that 73% of respondents feel financially worse off than five years ago. Two-thirds said financial worries were impacting their mental health, two-thirds won't be able to afford a holiday this year and 16% miss meals every month to pay bills; as a result of the cost of living crisis, this figure has tripled since the start of 2021.

Though inflation rates have dropped, this just means prices aren't rising as quickly as they were, and should also be seen in the context of years of austerity, which have often left those earning the least with little to no room to manoeuvre.

Beyond wages, retail workers are exposed to high levels of insecurity, including job losses, volatility in hours and not being able to find enough stable hours. Low-paid workers are much more affected by all these forms of insecurity than higher-paid workers.

Short-notice changes to shift patterns, where additional hours are agreed and then removed, impact our members' ability to budget and can lead to financial insecurity.

The UK Insecure Work Index 2024 states that retail is amongst the sectors that have seen the largest increases in severely insecure work, with Wholesale, a closely related sector, also being listed¹³.

Zero-Hours and Short-Hours

Zero-hours and short-hours contracts are a key issue for retail workers, with many employees struggling to get the hours they need to make ends meet. While some employers argue that short-hours contracts offer flexibility for workers, we know many individuals want to work more hours but are unable to. Additionally, workers often work far more hours than they are contracted to, but the employer can reduce them back down to contracted hours whenever they want. This is not fair because the flexibility is all in the employer's favour. A recent Usdaw survey showed 60% of respondents regularly work additional, non-contractual hours and 64% of those who do said they would like these hours to be guaranteed in their contract.

The government commissioned Taylor Review (2017), a report into Modern Employment Practices, highlighted one-sided flexibility as a major issue affecting the labour market. Following significant lobbying from Usdaw, the Low Pay Commission recommended that workers be given a right to reasonable notice of working hours, compensation for shifts cancelled without reasonable notice, and that workers should be given the right to switch to a contract reflecting actual hours worked.

Usdaw agrees with the British Retail Consortium's Report on *How to Build, Retain And Empower Your Retail Workforce* from 2019, which stated, 'Creating a mutually understood definition of flexibility - weighted we would suggest in favour of employees, is key - if improvements to retention, engagement and productivity are desired.' To deliver this, we believe that hours which are regularly worked, in addition to contractual hours, should become part of the individual's contract, something supported in Labour's Plan to Make Work Pay.

Retail workers deserve better. If we want the sector to prosper, we need to ensure that retail jobs are quality jobs.

¹³ The UK Insecure Work Index 2024 (lancaster.ac.uk)

Sick Pay

The UK has one of the lowest rates of Statutory Sick Pay of any developed country. Being ill has a huge financial impact on low-paid workers, because they are forced to live on just £116.75 per week for up to 28 weeks. Even worse, those that earn less than £123 per week are not even entitled to be paid. Retail staff should not have to live in fear of being unable to pay their bills when they need time off to recover from illness.

2023 statistics on sick pay in 'equivalent' countries stated workers in Germany are entitled to a minimum of up to 70% of their wage for up to 78 weeks. Entitlement is 100% in Norway, Iceland, Luxembourg and Denmark, and in France it's £41.50 a day. Clearly, the UK is currently lagging significantly behind¹⁴.

Research from Usdaw's recent cost of living survey shows the extent of the issue, with almost 3 in 4 members unable to afford to take time off work when they are ill.

This can lead to further problems, such as presenteeism, which refers to reduced workplace productivity due to ill health; staff feeling they can't be off work, often due to the inadequate sick pay provisions, continuing to attend work and trying to keep going, despite not being well enough to do so.

Recent estimates suggest the cost of presenteeism to business is double the cost of absenteeism, and that 1.5 days of work time are lost to presenteeism for every day lost due to absenteeism¹⁵. This will partly be down to the fact that staff going into work ill will sometimes pass on their sickness to colleagues.

It's in everyone's interests to have a sick-pay system that works and is fair, as opposed to a what has been described as a 'working-while-sick epidemic'¹⁶ in this country, where workers are 'detrimentally working through sickness'; the cost of which grew by £25bn in the UK in 2023, compared with 2018.

Strengthening Protections for Workers

It is currently too easy and cheap for employers to make redundancies. Delivering substantial improvements to redundancy provisions would not only help protect workers who find themselves in this situation, it would also encourage employers to look at alternatives.

Over many years, thousands of retail workers have missed out on protections around redundancy consultation because they worked in stores with fewer than 20 employees. This occurs even when colleagues in larger stores are affected by the same decision. Usdaw is clear that the right to consultation should be determined by the number of people affected across a business, rather than a single premises or establishment.

Usdaw is also calling for redundancy rights to be strengthened through measures including a 90-day statutory period of redundancy consultation in cases where more than 100 individuals are at risk; a personal retraining budget for all workers to ensure the best chance of re-entering the workplace as soon as possible; a significant increase in Statutory Redundancy Pay so that all workers are entitled to three weeks' pay for each year of service, which would equally tackle current age discrimination in the Statutory Redundancy Pay Scheme; and strengthening protection against redundancy, and health and safety rights for pregnant women and new mothers.

A New Deal for Retail Workers

The calls in Usdaw's 'A New Deal For Workers' campaign set out what we believe is required, and the Labour Government has committed to many of these.

The main elements of Usdaw's campaign are a higher baseline via the National Minimum Wage with a target of £15 per hour, contracts being based on normal hours worked, the provision of adequate sick pay, and improvements to redundancy pay as a method to deliver greater job security. Raising the minimum wage is a significant way to also help tackle race and gender pay inequality.

Usdaw has been doing everything possible to deliver for members by driving up wages. Some notable examples within recent local pay deals were an 8.3% increase for staff at Sofia Foods/Youngs Seafood in Livingston, and a 7.8% uplift at GXO Logistics in Bradford.

Within Usdaw's national agreements, a 10.1% increase was negotiated on hourly rates for Customer Team Members/Post Office Counter Assistants in Co-op, with a 10% increase in Ikea taking rates to £12 (£13.15 in London). In Tesco Retail, a 9.1% increase was negotiated, taking the rate to £12.02 per hour; this followed Usdaw securing three pay increases in 10 months in Tesco, meaning that in the space of less than two years, the hourly rate was negotiated up by over a quarter.

Office for National Statistics (ONS) data shows that around 40% of Universal Credit claimants are in work. An Usdaw survey conducted this year showed that 24% of respondents who are on Universal Credit struggle to pay their energy bills every month, with a further 36% saying they struggled to pay a bill in the 12 months to June 2024.

Retail workers need a higher statutory pay baseline, improved enhancements, better terms and conditions, safer workplaces, increased job security, better sick pay, and a proper social security system.

If we want the sector to prosper, we need to ensure that retail jobs are quality jobs. This means secure and well-paid employment, meaningful hours, and day-one employment rights are all essential.

Beyond wages, retail workers are exposed to high levels of insecurity, including job losses, volatility in hours and pay, and not being able to find enough hours.

¹⁴ www.bigissue.com/news/employment/how-does-britains-sick-pay-compare-to-the-rest-of-the-world

¹⁵ www.sheffield.ac.uk/media/12544/download

¹⁶ www.theguardian.com/society/article/2024/aug/02/presenteeism-what-causing-britain-working-while-sick-epidemic

Skills and Training: Technology and Automation



A retail worker who at the start of their career was primarily stacking shelves, could now be responsible for multiple self-service tills, troubleshooting both software and hardware issues, dealing with online orders and administering stock check software. Technology has also become a key part of the employment relationship, managing holiday booking processes, rota systems and payslips.

Despite the scale and scope of the challenges we are facing on this front, data from Usdaw's survey on the impact of new technology and automation in the workplace showed that over half of workers do not believe they have been given adequate training on the use of technology at work¹⁷. The lack of training provided by employers is concerning as many workers do not believe they have the skills to cope with new technologies that are introduced into the workplace in the next five years.

Ensuring that workers receive the correct training will be crucial moving forward as technology becomes a bigger part of job roles¹⁸. Unfortunately, the previous Conservative Government made policy decisions which will set back efforts to address this issue. For example, the decision to scrap the Union Learning Fund in England took away a key skills development opportunity for many retail workers.



Fundamental Reform of the Apprenticeship Levy

The Apprenticeship Levy Scheme was established under the guise of ensuring workers had access to formal training in the workplace. The scheme 'taxes' large employers and then allows companies to use this money help fund the provisions of accredited apprenticeship training. If the money is not used within a certain period of time, it gets given to the Treasury.

Apprenticeship schemes can mitigate some of the issues facing retail workers by offering practical training carried out in the workplace, in work time. However, in its current form, the levy has seriously undermined skills development across the sector, diverting money away from training and skills budgets and incentivising the provision of higher-level apprenticeships. The scheme has been a complete failure and has resulted in one-third fewer people starting an apprenticeship programme. The levy lacks flexibility and fails to support essential courses of key importance to retail workers.

Udaw is pleased that the Labour Party has promised to fundamentally reform the Apprenticeship Levy into a Skills and Growth Levy. Amongst other changes, this will allow employers to spend half of their levy funds on approved, non-apprenticeship training programmes. This reform must address previous issues with the Apprenticeship Levy by working to direct funding to ensure that those groups who are typically disadvantaged in the labour market are able to access skills provision.

The newly created Skills England body will play a vital role in determining eligible courses for the Growth and Skills Levy across England. The experience of trade unions, along with employers and training providers, can ensure that this new body is fully aware of skills needs, both from an employer's and an employee's perspective.

¹⁷ www.usdaw.org.uk/OrganisingForANewDeal

¹⁸ www.usdaw.org.uk/OrganisingForANewDeal

Reskilling and Retraining

Last year, it was estimated that 94% of UK workers will need reskilling by 2030, with poor digital skills affecting 33% of the UK workforce. It is clear therefore that high-quality training provisions are key to any plan for the future of retail¹⁹.

Retailers cannot assume that workers already have the skills required to operate new technology effectively. Equally, workers are frequently afraid to admit skills gaps to their employer. This is where unions can play an incredibly effective role in identifying and addressing the skills gaps present in the economy.

Usdaw believes the reintroduction of the Union Learning Fund in England could be pivotal in supporting skills development in the retail sector going forwards. The ULF had a fantastic record in supporting retail workers back into the classroom and gaining new skills. Union Learning funded projects helped more than 250,000 union members return to learning every year. ULF projects, alongside the role of Union Learning Reps, were hugely successful in helping adults take that first step back into learning, equipping them with the necessary basic skills and empowering them to progress to intermediate and higher-level qualifications. While these projects continue to deliver fantastic results in Scotland, Wales and Northern Ireland, workers in England cannot get access to the skills provisions they so desperately need.

Focussing on Key Skills

High-quality training provisions should be the foundation of any plan to respond to automation and technology, with a focus on key skills gaps, and priorities such as English, Maths and practical digital skills. Skills gaps in these areas are often barriers to accessing further training in other areas, so they must be addressed as a priority. As evidence gathered by the BRC has confirmed, some of the other key skills gaps for retail are at lower levels of education, such as basic employability, numeracy and customer-service skills.

The aforementioned skills gap can generally be addressed by training courses (Level 2-3), which can be provided by the Further Education (FE) sector through the Adult Education Budget. However, one issue that needs to be addressed in the FE sector, in order for retail workers to access courses and training, is provisions around shift work. Many retail workers do not have set hours, with rotas changing week to week, but currently, FE struggles to offer a provision for learners who may not be able to attend a classroom at the same time every week for 12 weeks. This is one of several reasons why Usdaw continues to call for the Government to introduce a right to designated paid time off for studying/training to support the development of lifetime skills.

It is estimated that nine in ten UK employees will need to reskill by 2030, at an additional cost of £13 billion per year. It is clear therefore that high-quality training provisions are key to any plan for the future of retail.

Soft Skills

Soft skills tend to refer to non-technical skill sets which relate to how a person carries out their work. Some examples of soft skills in retail include customer service/communication, empathy, time management, problem solving, teamwork and flexibility. All of these are key requirements for retail work. Soft skills are transferable between different roles and therefore an investment in developing them is beneficial to both the employee and employer. Soft skills also transfer to other roles within the sector and wider labour market.

Digital Skills

Practical digital skills are a major skills gap in the retail sector and are often a barrier to accessing other upskilling opportunities. As stated above, many elements of the employment relationship, such as staff handbooks, payslips, and compliance training, are now online. There is also a trend for companies to invest in online Learning Management Systems. However, all of this is done without any provision for developing the digital skills that staff need in order to access these resources. This is also true with government resources.

Government, employers and unions can work closely together to first develop retail workers' digital skills, not only for the sake of plugging this skills gap, but also to remove a barrier to accessing further training and development opportunities. Some retail employers have developed digital champions in the workplace who are either Union Learning Reps or supported by ULRs. These digital champions have been able to identify digital skills gaps, then work to address them. ULRs are well placed to help with these schemes.

¹⁹ www.cbi.org.uk/articles/reskilling-the-talent-solution-of-the-future

Collective Agreements

One of the ways in which unions and employers can work together around technology and automation to protect and develop skills is through better consultation and a standalone Technology/Change Agreement. Usdaw has negotiated such agreements with a number of employers covering topics including a series of principles for the introduction of new technology, the protection of jobs, ensuring proper training, compensation for new skills and fair use of monitoring and surveillance. Usdaw believes that both the Government and ACAS should be encouraging employers to reach these types of agreements with unions, as worker representatives.

If technology is introduced purely to make businesses more efficient, this is likely to have a significant and negative impact on workers. In these circumstances, automation may increase barriers to opportunity and progression at work for already disadvantaged groups, contributing to greater inequality and more entrenched occupational segregation.


Women, Black and Minority Ethnic workers, disabled people and young workers are at particular risk. These groups are over-represented in low-paid and insecure work and in sectors more at risk of automation, putting their jobs at disproportionate risk. They are also less likely to have the digital skills needed to take advantage of new roles created. The voices of workers affected by automation, represented through independent trade unions, must be included in discussions over the type of workplace technology introduced and how that technology is put in place. This will ensure everyone can understand what adjustments are needed and ensure that workers benefit equally from the advantages of new technology. This would enable businesses to develop equality-aware policies that meet the needs of different groups of employees. Practically this could include adapting technology to meet the need of disabled workers or targeting upskilling and training towards workers whose roles are at risk.

Ensuring Skills Delivery in the Workplace

Trade unions have continually demonstrated their ability to engage with employers and training providers to deliver skills and training provisions in the workplace. This has been through specific Lifelong Learning Centres, operated in larger workplaces, or using innovative methods to deliver training programmes in smaller workplaces.

Unfortunately, in recent years, there has been a growing problem in securing relevant funding for workplace-based training and skills provision due to new complexities arising from the devolution of funding to Combined Mayoral Authorities. Access to funding is based on an individual's home address rather than workplace, meaning that securing funding for all workers in the same workplace could mean applying to three or four separate funds, all with differing rules and requirements.

Usdaw is calling for Government to tackle this unintended consequence of a postcode-based skills funding system.



Practical digital skills are a major skills gap in the retail sector and are often a barrier to accessing other upskilling opportunities.

Usdaw is calling for the immediate implementation of the following provisions to ensure retail workers can retrain and take advantage of the future world of work:

- A significant and long-term investment in skills funding, including the reinstatement of the Union Learning Fund across England.
- A right to paid time off for retraining to support the development of lifetime skills.
- The development of individual learning accounts.
- Fundamental overhaul of the Apprenticeship Levy, including significant action to ensure that those who are disadvantaged in the labour market are able to access an apprenticeship programme, as well as the promotion of Level 2 and 3 Apprenticeships.
- Work to combat the unintended consequences resulting from a postcode-based skills funding system that can create additional barriers for some adult learners.
- The creation of a Trade Union Innovation Fund, to be administered by the TUC, that will support the vital role of trade unions in providing Education and Training.
- Ensure the voices of workers are represented in all discussions on skills strategy.
- A new legal requirement for employers to consult with workers, and their representatives, on all decisions related to new technology at work, as well as requiring the use of Health and Safety Risk Assessments and Equality Impact Assessments, which employers must act upon.
- Employers to be required to regularly consult with workers and their representatives over the ongoing use of technology which may significantly impact work or people, as well as ensuring that possible negative health and safety or equality impacts are addressed.
- A right for workers to have a human connection when decisions about them and their job are being made, and ensure that any new roles created by new technology are first made available to those workers affected.
- A right to switch off – lessons should be learned from countries where similar provisions have already been successfully introduced.
- Significant statutory reduction in the thresholds for trade union recognition to ensure effective worker voice in discussions.
- Stronger protection against redundancy, including 90 days' consultation for large-scale redundancies and three weeks' redundancy pay for all workers irrespective of age.

Green Jobs and Sustainability



The Path to Net Zero

The retail industry is one of the largest contributors to UK greenhouse gas emissions, contributing approximately 80% more emissions each year than all road transport²⁰. As such, the UK's net zero strategies will significantly impact the sector and its workers. Usdaw recognises the importance of retailers committing to the climate change agenda and the need for the sector to fulfil its environmental obligations. However, to build a greener, fairer future and address the climate change crisis, workers must be at the centre of any plans or legislation to ensure a fair and just transition.

Key Challenges

The retail sector and its workers face a number of key challenges on the path to net zero. For example, changing consumer shopping habits have led to the growth in online shopping, but there are serious questions to be asked about the environmental impacts. While the shift to digital could provide opportunities for decarbonisation, when we specifically look at online shopping, there are a number of impacts that are problematic, from excess packaging and waste to carbon emissions. As such, retailers will need to evaluate every component of their supply chain and develop greener solutions.

Retailers will also need to focus on delivering behavioural change, particularly among consumers. While we have seen recent well-intentioned trials for reusable packaging, these have generally been unsuccessful. Retail staff could play a crucial role in encouraging consumers to make more environmentally responsible choices, but staff will need training and upskilling if they are to advise customers on low-carbon products and options.



Staff will also play a direct role in minimising energy usage and waste, but retailers will need to be mindful of good levels of employee engagement. Research from the University of Essex has shown that employees are more likely to act positively to reduce or minimise energy usage and waste if they have higher engagement levels with their employer²¹.

In addition, retailers will face increased scrutiny over ESG (Environmental, Social and Governance) metrics, i.e. being held accountable for the societal costs of things such as disposing of excess packaging and sending returns to landfill. Usdaw supports scrutiny of such practices, and it is important for retailers to be held accountable on this front; however, with the sector already facing a number of challenges, it is crucial that retailers are given the right economic support from Government in terms of balancing business viability with environmental responsibilities.

Job Security and Job Creation

The path to net zero has the potential to create new jobs within the sector, but at the same time we could see significant job losses. There is also the added complication of skills development. For example, workers may need to be retrained in specialised shops where more product knowledge is required. For Usdaw, the key concern here is whether or not this will lead to the emergence of new jobs outside the sector (such as repair shops/centres) or whether existing retailers will be able to build this into future business models to help retain and create new retail jobs.

To help protect and encourage the creation of new jobs, we need to ensure that we bring the core concepts relating to net zero into education and training, particularly through lifelong learning and reskilling of the existing workforce. To deliver this, Usdaw supports the new Labour Government in its creation of the "Skills England" body to help anticipate supply and demand for nationwide skills investment, and to ensure training accounts for the overall needs of the labour market. In a wider sense, Usdaw supports a co-ordinated and cohesive approach to skills provisions, by ensuring that the key concept of net zero is brought into the wider debate on skills and productivity.

Unions will play a crucial role in this process, helping retailers to plan ahead and anticipate the needs for training, upskilling and reskilling of workers to support their adaptation to net zero. The sector will need to adopt an inclusive approach with continuous promotion of lifelong learning, paid time off for learning and support for Union Learning Reps.

²⁰ [brc.org.uk/climate-roadmap/section-1-context/1-5-the-uk-retail-industry-and-climate-change](https://www.brc.org.uk/climate-roadmap/section-1-context/1-5-the-uk-retail-industry-and-climate-change)

²¹ [thegrocer.co.uk/promotional-features/a-new-approach-will-sustain-retailers-drive-to-net-zero/657531.article](https://www.thegrocer.co.uk/promotional-features/a-new-approach-will-sustain-retailers-drive-to-net-zero/657531.article)

The Crucial Role of Retail Workers

Staff within the sector have the knowledge, experience and ideas needed to help deliver meaningful improvements on the path to net zero. In this sense Usdaw is clear that workers, through their trade unions, must be at the centre of the plan to help retail deliver on net-zero targets. Trade unions must not be sidelined in major discussions and decisions which directly impact the lives of working people.

The pandemic highlighted the fundamental importance of trade unions in securing support for sectors such as retail to overcome a number of key challenges. For example, Usdaw worked with Government and other key stakeholders to make representations on a number of key issues affecting the sector such as safety measures in the workplace, business rates and violence/abuse against shopworkers. Similarly, Usdaw and its members will have a key role moving forward in supporting retailers in the transition to net zero, with the aim of protecting jobs and ensuring the future viability of the sector.


Unions can also play a crucial role in compliance with environmental regulations, helping retailers to get ahead of the changes and make improvements prior to legislative changes.

Delivering Good Quality Green Jobs in Retail

It is evident that retail is a core part of the solution to climate change, but this must be done alongside delivering better, good quality, green jobs for the sector.

Udaw supports a net-zero approach in retail based on the following priorities:

- The introduction of economic policies and public investments that offer both long-term sustainable growth for retail and a new deal for working people, with a focus on retail jobs and growth right across the UK.
- Adequate safeguards to protect retail workers on the path to net zero, ensuring no community is left behind. This should include co-ordinated public policy initiatives and legislation, which bring together economic, social and environmental priorities.
- Retail workers must be at the centre of any plans or legislation to ensure a fair and just transition. The decarbonisation of industries will have a major impact on the lives of working people; therefore, they must be wholly represented and consulted.
- A sectoral plan for retail, devised in co-ordination with unions and workers, to protect and create good quality and secure retail jobs right across the UK to ensure a just transition to net zero.
- Increased focus from Government and retailers on making retail jobs better; we must ensure that retail jobs deliver a higher standard of living for retail workers, based on decent pay and secure work.
- A co-ordinated approach to skills provision for the transition to net zero via the new Labour Government's "Skills England" body. Government and employers should work with unions to plan and anticipate the needs for training, upskilling and reskilling of retail workers.



In order to build a greener, fairer future and address the climate change crisis, workers must be at the centre of any plans or legislation to ensure a fair and just transition.

Freedom From Fear: Abuse is Not Part of the Job



For retail workers, violence and abuse are far too often a part of the job. Usdaw is clear that no one should go to work fearing for their safety and more needs to be done to tackle this issue, with the overall aim of ensuring retail jobs are better jobs.

Background

While violence and abuse against retail workers have reached a shocking high, it is sadly not a new development, with Usdaw launching our Freedom From Fear Campaign over 20 years ago.

The campaign has made huge strides over the last two years. In August 2021, as a result of Usdaw's campaigning, a new ground-breaking law to protect shopworkers from violence, threats and abuse was introduced in Scotland. We are close to getting similar protections for all retail workers across the UK.

Despite progress in terms of legislation, it is clear that retail workers continue to be impacted by abuse, threats and violence and therefore the campaign must continue. As such, the Union continues to engage with employers, politicians, the police and the justice system to ensure shopworkers have the protection they deserve.

Recent Increases in the Issue

The pandemic brought the issue of abuse against shopworkers into sharper focus. While retail staff received widespread public support, many retail workers were met with an unacceptable level of abuse and violence. In addition to the normal triggers (eg shop theft and enforcing age-restricted sales requirement), retail workers had to deal with a variety of new pressures and new range of responsibilities. Shockingly, over 90% of retail workers faced abuse during the pandemic as part of their job role. The pandemic seems to have brought about a new normal for a small portion of society in being rude and abusive to retail staff.

The cost of living crisis hit immediately after the pandemic. This crisis saw a significant increase in the number of people stealing to sell on. These criminals have used increasing violent tactics to ensure they can take what they want, irrespective of the impact on retail workers.

When riots were seen in the Summer of 2024, this quickly spread to retail operations, with workers placed at significant risks. Once again, low-paid retail workers immediately ended up on the front line.

Udaw Survey Results 2023

As part of our Freedom From Fear campaign, Usdaw surveys members each year. The 2023 survey results are based on 5,884 responses received throughout 2023. They show that the high levels of abuse and violence recorded in the 2022 survey have, in some ways, been exceeded in the most recent survey. Some of the key findings from the 2023 survey are as follows:

- Over 7 out of 10 respondents had experienced verbal abuse.
- 46% received threats of violence and 18% were physically assaulted during the year, up from 8% in the previous year.

Udaw's survey results also show the gender impact of abuse at work. Women were more likely to be the victim of verbal abuse - 79% of women, against 72% of men. However, men were significantly more likely to be physically assaulted - 10% of men, against 7% of women. Looking particularly at harassment, 41% of women had experienced sexist abuse, rising 56% for women under 27, and 54% of non-white retail workers had experienced racist abuse.

The Economic Impact

Alongside the huge emotional and physical impact on people, retail crime is a huge cost pressure for retailers who are already struggling with squeezed margins. According to the BRC, the total cost of retail crime stood at £3.3 billion in 2022/23, an increase of £1.8 billion on the previous year.

£1.8 billion was lost to customer theft, double the rate from the previous year.

Not only this but staffing levels, through cuts to jobs and labour shortages, have become significantly lower, creating a disgruntled customer base and increased pressure on retail workers.

Data from our 2022 Freedom From Fear Survey highlighted the extent of the issue with nearly one-third of those surveyed stating that the violence and abuse they have experienced at work have forced them to consider a change of job. At a time of significant labour shortages, and incredibly high levels of staff turnover across the retail industry, it is clear that violence and abuse are not only human issues, but also an economic issue that both business and Government must take seriously.

Ultimately, we know there are no quick fixes to reduce and prevent retail crime and the impacts on workers, but there are clear actions employers, Government and the police can take to make progress on this issue.

Support from Retailers

Over recent years, there has been a strong commitment from across the sector to investing time, money and resources into tackling the issue. In 2019, as part of their Safer Colleagues, Safer Communities campaign, the Co-op Group confirmed that they were investing £70 million over the following three years on equipment, training and innovation. These work programmes have included significant investment in training, such as induction training/information on how to react to common flashpoints such as shoplifting and age-related sales.

Alongside this, a whole range of other retailers have made investments in new technology and delivered work programmes to assist in the reporting of incidents.

Our 2022 survey of members highlighted some positive developments, with the overall confidence of respondents in their employer gradually increasing, recognising the work that the industry has been doing with the Union over recent years. Both levels of reporting and overall confidence in employers have seen an increase when compared to the statistics from our 2019 survey.

Our survey also shows an encouraging increase in reporting of incidents to employers. There appears to have been an increased effort by employers to make people aware that abuse will not be tolerated. Despite rates of reporting being up, overall confidence in the effect of such reporting leaves plenty of room for improvement. Employers and the police must do more to inspire confidence in reporting, ensuring effective investigations are conducted and all reports are taken seriously. The procedural reporting of issues needs to be made simpler and easier, with confusing policies acting as a deterrent for many of our respondents.

The passing of the Protection of Workers (Retail and Age Restricted Goods) Act by the Scottish Parliament was a very welcome development. The Act came into force in August 2021 and had resulted in over 500 convictions by February 2024.

Effective Legislation, Policing and the Justice System

While it is clear there have been some improvements in areas in recent years, it is also apparent that this is not just an industry issue or one which can be resolved by the sector alone. Despite the investment and engagement from so many within the sector, violence and abuse have continued to rise to previously unimaginable levels. The Association of Convenience Stores has estimated that there were over 76,000 violent incidents in the convenience sector last year alone, compared to 41,000 in the previous year.

If we are to truly tackle these issues, we must continue to engage with politicians and the police, to press for action on retail crime prevention, detection and access to justice. As such, the Union has been working hard with politicians, police forces, employers and employer associations to tackle this issue. The passing of the Protection of Workers (Retail and Age Restricted Goods) Act by the Scottish Parliament was a very welcome development. The Act came into force in August 2021 and had resulted in over 500 convictions by February 2024.

We are looking for similar legislation in England, Wales and Northern Ireland, that covers all retail workers, allows data to be tracked and provides an adequate deterrent to would-be criminals. We welcome commitments given so far from Governments in Westminster and Stormont to deliver relevant legislation and continue to urge and continue to urge all politicians to use the Scottish provisions as the hallmark of effective legislation.

The correct reporting of retail crime has long been an issue as many incidents are not properly recorded, and even where incidents are recorded, this does not mean they will show up in the data. Incidents can be recorded by the employer and not the police, incidents can be recorded by the police but recorded under business crime rather than a crime against an individual, and there's little recording of incidents of racism and other forms of harassment against retail workers. Usdaw is calling for an industry-wide approach to ensuring that all incidents are correctly recorded and reported on within crime statistics.

Police support is vital. Police and Crime Commissioners are being urged to advocate for retail crime to have a higher priority and more resourcing in local policing strategies.

What Next?

Despite the best efforts of all involved, shopworkers still commonly lack confidence that they can be provided with the protection and support that they need. While some progress has been made in terms of legislation, it is clear that more needs to be done to deliver better and safer retail jobs. Until there is evidence that shopworkers feel safe and respected for the essential service they provide, Usdaw will continue its campaigning on this issue. We will also continue monitoring the levels of abuse our members suffer, examining the effectiveness of the new legislation and encouraging our members to report the incidents they experience.

Equality, Diversity and Inclusion



Together, women, Black, disabled and LGBT+ workers make up the majority of employees in the retail sector. As a result, issues facing these workers are far from minority issues. The future of the sector demands that promoting equality and tackling discrimination are embedded at the heart of creating better jobs.

Women, Black workers, disabled and LGBT+ workers are both overrepresented in low-paid and insecure work and more likely to experience discrimination and harassment in the course of doing their job.

Addressing the particular challenges these workers face not only helps to break down barriers to opportunity and progression at work, but also ensures the vibrancy of the sector and that retail workplaces are reflective of the communities they are a part of. Unlocking opportunity has the potential to significantly benefit both the retail sector and boost the UK economy as a whole. Reviews over recent years have highlighted how action to improve diversity can benefit business:

- The McGregor Smith review into race at work estimated the UK economy could receive a £24 billion boost if Black Minority Ethnic talent was fully utilised.
- The Women's Budget Group estimated the economy is losing out on £28.2 billion in lost economic output as a result of women being prevented from taking on more paid work due to childcare issues.
- The Stephenson Farmer review into mental health at work estimated poor mental health costs employers between £33 billion and £42 billion a year, with a cost to the economy as a whole of between £74 billion and £99 billion. This figure has now risen to at least £117.9 billion.²²

There are a wide range of issues that put barriers in the way of workers with protected characteristics remaining in and progressing at work. Some have become core priorities such as mental health at work; some, like the menopause, have emerged as key issues in recent years; and there are those that remain persistent structural and social issues, like racism, sexual harassment and disability discrimination, where retailers can play a key role in creating opportunity and promoting change.

Employers are also coming under increased scrutiny from the public. Social movements such as Me Too and Black Lives Matter have called out businesses whose actions – or lack of action – contradict statements on equality. Consumer opinion continues to hold a sway for brand names and smaller businesses alike. Therefore, there is a reputational benefit to being an inclusive employer who acts to promote equality and tackle discrimination.

Current Picture

There is a lack of accurate data regarding where workers with protected characteristics sit within the retail sector. The information available points to persistent pay gaps and occupational segregation. Having transparent data on where workers are employed in the retail sector is not a solution in itself, but helps to be able to target action to support workers to participate and progress on an equal level with their peers.

Women

Women in the retail sector remain concentrated in lower-paid and part-time work. The wholesale and retail sector makes up 12% of all jobs held by women in the UK (the second highest after health and social work)²³. While women make up 46% of all workers employed in wholesale and retail, only 35% of full-time workers are women, while over 65% of part-time roles are done by women²⁴.

In our own survey, while women made up 64% of respondents, we found that they were overrepresented in low-hours and low-paid work – of respondents earning the National Living Wage of £11.44 or below, 71% are women²⁵.

Women are also twice as likely to be employed on part-time contracts of fewer than 16 hours a week, with 14% of women working these type of contracts compared to just 6% of men. This rises to 20% for Black Minority Ethnic women and 24% for disabled women²⁶.

The reasons for this are complex but the primary reason is that women continue to shoulder the majority burden for childcare and caring for older or disabled relatives. Therefore, they are more likely to be balancing paid work with unpaid care.

Improving women's ability to balance work and care is key for retailers looking to close the gender pay gap and create opportunities for women at all levels.

Women are also more likely to experience pregnancy and maternity discrimination, sexual harassment and sexist and ageist attitudes that can result in them reducing their hours or feeling like they have no other option than to leave paid work altogether. Therefore, employers need to be ensuring rights to risk assessments and reasonable adjustments are upheld as well as having robust strategies for tackling harassment and unfair treatment at work.

²² P8, 'The economic case for investing in the prevention of mental health conditions in the UK' www.mentalhealth.org.uk/sites/default/files/2022-06/MHF-Investing-in-Prevention-Report-Summary.pdf

²³ P4 'Women and the UK economy' March 2024 <https://researchbriefings.files.parliament.uk/documents/SN06838/SN06838.pdf>

²⁴ ONS Workforce Jobs by Industry

²⁵ 2024, Usdaw Cost of Living Survey

²⁶ 2023, Still Struggling, Usdaw Cost of Living Survey Results <https://usdawlive.b-cdn.net/i34do5p1/cost-of-living-survey-results2023.pdf>

Black Workers

Black Minority Ethnic workers make up around 20.8% of working age employees in the UK²⁷. However, the numbers of Black workers are slightly higher in the retail sector. Around 1 in 5 (21.8%) of our members are Black - this figure is based on our own internal monitoring data and statistics published by the Office for National Statistics about the sectors in which we organise²⁸.

Our survey of over 10,000 low-paid workers indicated that Black workers are more likely to be working in short-hours jobs (fewer than 16 hours a week) which are characterised by low pay and lack of access to employment rights.

The pandemic widened the employment gap between white and BME workers and there was a substantial fall in the number of BME workers in wholesale and retail. This is part of an overall fall in the number of workers in retail, but one which disproportionately hit BME workers. The number of BME workers in the sector fell by 12%, compared to a 7% fall in the number of white workers²⁹.

While there may be many reasons behind this, a key issue has been that BME workers are more likely to be employed in precarious work, placing Black workers disproportionately at risk of redundancy.

They are therefore far less likely to be benefiting from negotiated improvements to pay, safe working practices, job security and other terms and conditions.

Structural racism within the labour market is a significant factor in the ethnicity employment gap. To tackle this, retailers must ensure zero tolerance to racist attitudes and behaviour at work as well as more targeted action to address the unequal position of Black workers in the labour market.

Disabled Workers

A fifth of the UK's working age population is disabled. Disabled people are less likely to be in full-time employment than non-disabled workers, and disproportionately more likely to be in part-time and low-paid work.

Disabled workers face significant barriers to getting and keeping jobs. This results in an employment gap of around 28%³⁰. Not only are they less likely to have a paid job but when they do, disabled people earn substantially less than their non-disabled workers.

The UK's disability pay gap currently stands at 14.6% according to TUC analysis of the Labour Force Survey³¹, leaving disabled workers earning 85.4p for every £1 earned by non-disabled workers. The pay gap widens significantly depending on the primary impairment. For workers with mental health problems, the pay gap rises to 22.1%.

In retail the majority of disabled workers are working with hidden impairments, such as mental health. Stigma, assumptions and disbelief can be huge barriers to retail workers feeling they can open up about how their health is impacting them at work, or how work is impacting on their health.

Ensuring employers are aware and are acting on the duty to implement reasonable adjustments is crucial to supporting disabled workers to remain and progress in work.

LGBT+ Workers

Lesbian, gay, bisexual, transgender and non-binary workers make up a small but significant population of the UK workforce. The 2021 census, which asked about sexual orientation and gender identity for the first time, found 3.2% of people in England and Wales identified as LGB and 0.5% identified as transgender³². As well as not including information from Scotland and NI, it is worth noting these questions were voluntary and did not include people 16 or under; therefore, the true number is likely to be larger than data shows.

Our experience suggests that the number of LGBT+ workers is higher in the retail sector. BRC research supports this, putting the figure for LGBT+ workers at retail store-based level at 8.4%³³. This is due to a number of factors including the proportionately higher number of younger workers employed in the sector and the higher proportions of LGBT+ people concentrated in cities and student towns where there are large numbers of retail jobs.

Though attitudes have improved, lesbian, gay, bisexual, trans and non-binary workers still face stigma, discrimination, bullying and harassment for being themselves in work.

The 2019 National LGBT+ Survey by the Government Equalities Office found:

- 23% of respondents experienced a negative or mixed reaction from others in the workplace due to being LGBT+ or thought to be LGBT+.
- 11% of those in work had experienced a negative reaction due to someone disclosing that they were LGBT+ without their permission, 11% due to other inappropriate comments or conduct and 9% due to verbal harassment, insults or other hurtful comments.
- 77% of respondents that had experienced a negative incident in work said the most serious incident was not reported, primarily because they had thought it would not be worth it, or that nothing would happen or change³⁴.

Effective policies to deal with bullying and harassment and confidential reporting procedures are particularly important for creating safe and inclusive workplaces for LGBT+ workers. Ensuring policies are inclusive of LGBT+ experiences and rights at work, as well as action to raise awareness among other employees, ensures that workplaces are safe and inclusive for all workers.

²⁷ ONS (published Nov 2023) www.ethnicity-facts-figures.service.gov.uk/work-pay-and-benefits/employment/employment/latest

²⁸ ONS (drawn from Census 2021, updated 2024) www.ons.gov.uk/datasets/RM064/editions/2021/versions/3/filter-outputs/5f411916-71db-4f54-bf6e-d259c121626a

²⁹ TUC, June 2022 www.tuc.org.uk/research-analysis/reports/jobs-monitor-impact-pandemic-bme-employment

³⁰ Disabled people in employment, House of Commons Briefing, March 2024: <https://commonslibrary.parliament.uk/research-briefings/cbp-7540>

³¹ TUC Disability Pay Gap 2023 - www.tuc.org.uk/research-analysis/reports/jobs-and-pay-monitor-disabled-workers-23.

³² 2021 census: What do we know about the LGBT+ population: <https://commonslibrary.parliament.uk/2021-census-what-do-we-know-about-the-lgbt-population>

³³ MBS BRC Retail Report P22: <https://brc.org.uk/media/mi3jvx20/j091072-mbs-brc-retail-report-sp.pdf>

³⁴ Government Equalities Office, 'LGBT Action Plan: Improving the lives of lesbian, gay, bisexual and transgender people', 2018 : www.gov.uk/government/publications/lgbt-action-plan-2018-improving-the-lives-of-lesbian-gay-bisexual-and-transgender-people

Improving Equality and Diversity Across the Sector



Strategies to address equality and tackle discrimination can often take a back seat to other priorities, particularly in challenging business landscapes. While 98% of retailers have a Diversity and Inclusion strategy³⁵, progress to address the unequal position of workers in the sector remains slow.

In 2021, the BRC launched its *Diversity and Inclusion Charter* – which over 90 retailers have so far signed up to – with a focus on embedding equality in all aspects of business. This is a welcome step, but the BRC’s most recent report notes that while retail leadership teams have become notably more representative, ‘diversity and inclusion strategies are not translating to more inclusive environments for the retail workforce’³⁶. Turning words into action involves creating a strategic plan of action in response to, and in consultation with, retail workers’ experiences on the shop floor.

It is important that improving equality is not just seen as a ‘nice to have’ but is something that is considered in every business and policy making decision. This change cannot happen without strong leadership at the top. It is encouraging to see more representation in retail leadership and this drive must continue beyond the boardroom.

Without more robust action, including strengthening the Equality Act and rights at work, certain groups of workers risk being left behind, contributing to widening pay gaps and entrenched occupational segregation. Retailers are missing out on the boost to productivity that comes with diversifying talent at all levels of the business.

Mandatory Pay Gap Reporting

Many retailers still do not have detailed systems for monitoring the position and progression of staff with protected characteristics at work. Without up-to-date information, it is very difficult to develop a clear picture or address patterns of inequality in recruitment, retention and progression. Over recent years, a number of retailers have committed to voluntarily publishing their ethnicity, disability and LGBT+ pay gap information, but for this to provide an accurate picture across the sector we need more employers to publish data. We therefore welcome Government plans to extend mandatory reporting for disabled and BME workers³⁷.

Extending the duty on employers to publish their gender pay gap data, to include ethnicity and disability pay gap information, gives transparency about where workers are employed in a business. Alongside the requirement to publish an overall figure, employers should be required to report on pay bands and pay quartiles, and publish pay data from across different ethnicities. Due to research that suggests persistent pay gaps also exist for LGBT+ workers, consideration should be given to further extending mandatory pay gap recording to include sexual orientation and gender identity.

Current gender pay gap reporting applies to employers with 250 or more employees but, given the well-established business benefits of having a diverse workforce free from discrimination, we see no reason why the requirement to publish pay gaps might not be extended to all but the smallest businesses.

Usdaw is also calling for pay gap reporting to be accompanied by the mandatory publication of action plans to monitor year-on-year progress towards objectives. This should make clear what specific steps the employer intends to take to address pay discrimination and inequality and it could also be used to highlight good practice that other employers might learn from. The EHRC should be fully funded to support employers to meet reporting deadlines and create meaningful action plans to close pay gaps.

Extend the Duty to Conduct Equality Impact Assessments

Public sector employers are already required by law to conduct equality impact assessments to assess where business decisions, policies and practices are having, or are likely to have, an effect on equality in the workplace, and we welcome Government plans to strengthen Equality Impact Assessments for public sector bodies. Extending this duty to private sector employers would help to create a safeguard for workers who occupy a more precarious position in the labour market. Requiring employers to conduct equality impact assessments is crucial to identify where changes to ways of working pose a disproportionate risk to workers with protected characteristics, and inform action plans to mitigate the impact.

This should include the requirement to conduct equality impact assessments on the introduction of new technology at work. This is particularly important for workers in the retail sector, as workers with protected characteristics are disproportionately likely to occupy low-paid and low-hours roles that are at risk of automation. These same workers are also less likely to possess the digital skills needed or be able to access appropriate training to take advantage of new roles created as technology changes the sector.

³⁵ P8, ‘Tracking progress on diversity and inclusion in UK retail’, fourth edition, 2024 <https://brc.org.uk/media/mi3jvx20/j091072-mbs-brc-retail-report-sp.pdf>

³⁶ P9 ‘Tracking progress on diversity and inclusion in UK retail’, fourth edition, 2024. <https://brc.org.uk/media/mi3jvx20/j091072-mbs-brc-retail-report-sp.pdf>

³⁷ Labour Party Manifesto 2024: <https://labour.org.uk/change/break-down-barriers-to-opportunity/#respect>

Strengthening Employment Rights and Tackling Insecure Work

Action to address low pay, tackle insecure work and strengthen employment rights such as access to sick pay, as outlined in other parts of this report, is of particular value to groups of workers who are more likely to occupy a more precarious position, and therefore be more in need of robust protections at work. There are particular areas where strengthening existing legislation related to equality at work would be beneficial to workers in the retail sector:

1. Reinstatement of Third Party Harassment Protections and Restoring Power to Tribunals

Usdaw welcomes the Worker Protection Act, coming into force in October 2024, that will introduce a new positive legal duty on employers to take reasonable steps to protect their workers from sexual harassment. Shifting the onus onto employers to stop sexual harassment from arising in the first place, by addressing the risks that can enable sexual harassment to happen at work, drives culture change – moving the focus from redress to prevention. Employers will be supported through technical guidance issued by the EHRC to help employers, workers and their representatives better understand the preventative duty. The EHRC will play a part in monitoring and enforcing the new preventative duty and any additional expansion to protections.

We continue to call for Government, in consultation with unions, to reintroduce explicit protection from third party harassment (removed from the Equality Act in 2013) and give consideration to how managers and supervisors are trained to ensure proper support for staff, particularly those in frontline and customer-facing roles.

2. Reform of Family-Friendly Rights

We welcome the Labour Government's commitment to review the parental leave system within the first year of office. We continue to call for:

- **Day-one rights for all working parents.** This should include removing qualifying periods and lower earnings limits on workers to access parental pay.
- **Standalone dedicated leave and pay rights for parents.** Leave and pay rights should not rely on the employment status of the other parent and must be standalone non-transferable rights. Existing maternity rights should be enhanced alongside a significant increase in paternity leave and pay entitlements. Statutory payments should be significantly increased to enable low-paid working parents to make full use of their parental leave entitlement.
- **No rolling back of Maternity Leave and Pay rights or existing parental protections.** The Government should commit to a non-regression clause in relation to existing parental rights.
- **Access to 10 paid days' carer's leave.** Building on the current Carer's Leave Act (that provides employed carers with one week's unpaid leave per year) to make these 5 days paid. With a goal of securing 10 days' paid carer's leave for working carers.
- **Rights for grandparents.**



3. High-Quality, Accessible, Affordable Childcare

Affordable and accessible childcare is one of the key barriers for retail workers. Low wages are eaten up by expensive childcare costs and the lack of readily available childcare around retail-friendly hours means that when overtime is available, parents miss out on extra earning potential. In a wider sense, high-quality, accessible, affordable early years' childcare is an investment in essential social infrastructure with long-term benefits for the economy and society. High-quality childcare helps remove barriers to employment and creates more well-paid jobs in the sector. Lack of childcare is a barrier to women's participation and progression within the sector and contributes to the gender pay gap.

The Government commitment to undertake a review of the current childcare system is welcome as is the promise of free breakfast clubs in every primary school as part of the Children's Wellbeing Bill³⁸. Government must deliver a fully funded, comprehensive childcare system which is easily understood by and supports working parents, including:

- Fully funded free breakfast and after-school clubs available in every primary school.
- 30 hours' funded, flexible childcare per week from the end of parental leave to the start of primary school.
- Funded school holiday provisions.
- Funding for the free hours hourly rate to reflect the true cost of care provision.
- Raising awareness of free entitlements and benefits to support working parents.
- Meeting upfront costs for low-income families.

³⁸ Children's Wellbeing Bill: <https://educationhub.blog.gov.uk/2024/07/18/the-kings-speech-2024-what-does-it-mean-for-education>

4. Strengthening the Right to Reasonable Adjustments and Supporting Disabled Workers

A stronger framework for disabled workers to request reasonable adjustments will ensure quicker responses to requests, and meaningful penalties for bosses who fail to provide adjustments and for reasonable adjustment passports to be mandatory.

Better enforcement of the right to reasonable adjustments could be achieved by providing more detailed practical examples of timely implementation within the Equality and Human Rights Commission's statutory code of practice on employment.

- **Access to Work:** This is the Government's flagship programme that funds adjustments for disabled workers, including those with mental health problems. The Government should ensure all employers are made aware of Access to Work so that all disabled workers and employers have the opportunity of benefiting from it. In addition, it should be funded appropriately so all eligible people can access their full entitlement. This is particularly important for smaller employers who may not have the resources to make adjustments needed.
- **A statutory mental health at work plan:** We welcome plans to modernise the Mental Health Act and give mental health the same attention and focus as physical health³⁹, and we are calling for Government to implement a statutory mental health at work plan to include core standards around training, raising awareness and decent work.

5. Strengthen the Right to Flexible Working

Recent changes to Right to Request Flexible working made it a day-one right for all employees from their first day in the job, but more needs to be done to ensure that flexible working is accessible to all workers from day one. We also welcome the commitment from Government to tackle one-sided flexibility such as banning exploitative zero-hour contracts⁴⁰. Action to strengthen flexible working should provide workers with transparency when applying for roles, and more say over the hours they work to enable parents, carers and disabled people to better balance their lives, health and work. For low-paid workers, the criteria that can be used to refuse requests should be more tightly drawn, with the right to appeal a refusal reinstated, to give workers the opportunity to scrutinise and challenge the reasons given for rejecting a request.

In addition, restoring the power of employment tribunals to make wide recommendations where an employer has been found guilty of unlawful discrimination, including indirect sex discrimination, is an effective way of changing workplace policies, cultures and practices and preventing others from experiencing similar treatment.



High-quality childcare helps remove barriers to employment and creates more well-paid jobs in the sector.

³⁹ The King's Speech 2024: www.gov.uk/government/speeches/the-kings-speech-2024

⁴⁰ Labour's New Deal for Working People: <https://labour.org.uk/updates/stories/a-new-deal-for-working-people>

What Next?



The retail sector continues to demonstrate its fundamental importance to the UK economy and society as a whole. Despite this, retail jobs do not reflect their true value and significance. Throughout this report, we have covered some of the key challenges facing retail workers including but not limited to trying to exist on low pay, insecure working arrangements and a lack of investment in skills and development. We have also covered a number of additional pressures facing retail workers - in particular, violence and abuse at work.

It is clear that more needs to be done by both employers and Government to help shape the future of retail work and to ensure retail jobs provide people with the decent pay and hours they both need and deserve. In addition to decent pay and hours, staff should feel safe and valued at work. Retail workers should feel part of something positive and enjoy good relations with colleagues and the communities they serve.

To deliver on this vision, Usdaw is calling for a joint approach from all key stakeholders, including the Government and industry, to help secure the future of retail work through better jobs. While there are no quick fixes or easy solutions, there are a number of priorities and required measures - as outlined in this report - that will go some way to making progress on this issue for our members and the sector as a whole. As a starting point, Usdaw is committed to the following actions:

Campaign for Action to Save Our Shops Through a New Economic Framework

Usdaw will continue to push for a new economic framework to support retail growth and drive investment in good quality retail jobs. This includes tackling business rates and the lack of parity between online and physical retailers, to help support investment and growth across the industry. The needs of the sector will only be adequately addressed if correct prioritisation is given through the UK's Industrial Strategy Council and the voices of retail workers are heard on this Council, through union representation. We will also continue to call for urgent action to address the lack of funding for local authorities, along with an immediate and promotion of co-operative and mutual business models.

Work with All Key Stakeholders to Promote and Deliver Better Retail Jobs

Usdaw will utilise every available channel, from lobbying Government to negotiating with employers, to promote and deliver better-paid retail jobs. However, our vision goes beyond better pay and conditions to greater rights and protections at work. This includes promoting diversity and equality, with a view to ensuring retail is a respectful, inclusive work environment within which every worker has the opportunity to thrive.

Promote Skills Development and Training Across the Sector

Usdaw will ensure a strong focus on skills and development, particularly in the context of technology/automation and the transition to net zero. We will campaign for the reintroduction of the Union Learning Fund and fundamental reform of the Apprenticeship Levy. We will also campaign for a legal right to paid time off for retraining and a legal right for consultation with staff on the implementation of new technology in the workplace.

Deliver a Voice for Retail Workers

Usdaw, as always, will continue to deliver a true voice for retail workers, giving them a stronger voice and say on the issues that matter to them at work. The pandemic and cost of living crisis have shown how workers need their unions more than ever, which is why Usdaw will campaign for stronger protections at work, including strengthened trade union rights.



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