2019 Horticulture Sector Skills Survey – Sub-Sector Report: Garden Retail

A report for the Ornamental Horticulture Roundtable Group

October 2019

Cert No:
QEC19593371/0/Q

Pye Tait Consulting

Registered in England, Company No: 04001365, VAT No: 755 8312 14 Registered office: Royal House, 110 Station Parade, Harrogate, North Yorkshire, HG1 1EP
Tel: 01423 509433

Email (enquiries related to this report): m.pye@pyetait.com
Email (general enquiries): info@pyetait.com
Website: www.pyetait.com

Contents

List of figures and tables

1.Introduction

While the number of businesses in the garden retail sector is not known from national statistics, due to the poor match between the national classifications (of, for example, the Standard Industrial Classification codes) and the sector, according to the Horticultural Trades Association (HTA) there are around 2,000 specialist garden retailers, and the sector supports the employment of 48,700 people (Oxford Economics)[1].

The research for this report on the sub-sector of Garden Retail was carried out as part of the wider research conducted by Pye Tait Consulting across the entire ornamental horticulture sector in 2019. The wider survey comprised 1,101 businesses in the ornamental horticulture sector.

The skills survey was based on the following research objectives and this mini-report has been so structured:

1. Define the ornamental horticulture sector, including all relevant sub-sectors, and estimate current and anticipated future UK workforce numbers, including additional and replacement demand
2. Understand the drivers of change affecting ornamental horticulture (including opportunities and constraints to growth) and how these are influencing employers' skills needs
3. Establish the profile of the horticulture workforce, including demographic information, ethnicity, qualifications attainment and working patterns
4. Quantify the prevalence of skills shortage and recruitment difficulties at all levels (including hard-to-fill vacancies) and reasons why these are being experienced
5. Quantify current skill levels and the future importance of those skills (using a skills-scoring approach), to determine future critical skills gaps and priority training needs
6. Identify the organisations that employers are using to provide training and highlight any gaps in training provision that can be identified by employers
7. Explore attitude, approaches and barriers to training.

The bespoke skills survey consortium supporting this work comprised the following organisations:

- Agriculture and Horticulture Development Board (AHDB),
- Arboricultural Association (AA),
- British Association of Landscape Industries (BALI),
- Chartered Institute of Horticulture (CIH),
- Horticultural Trades Association (HTA),
- Land Based Colleges & Universities Aspiring to Excellence (Landex),

[1] Oxford Economics (2018), *The economic impact of ornamental horticulture in the UK*

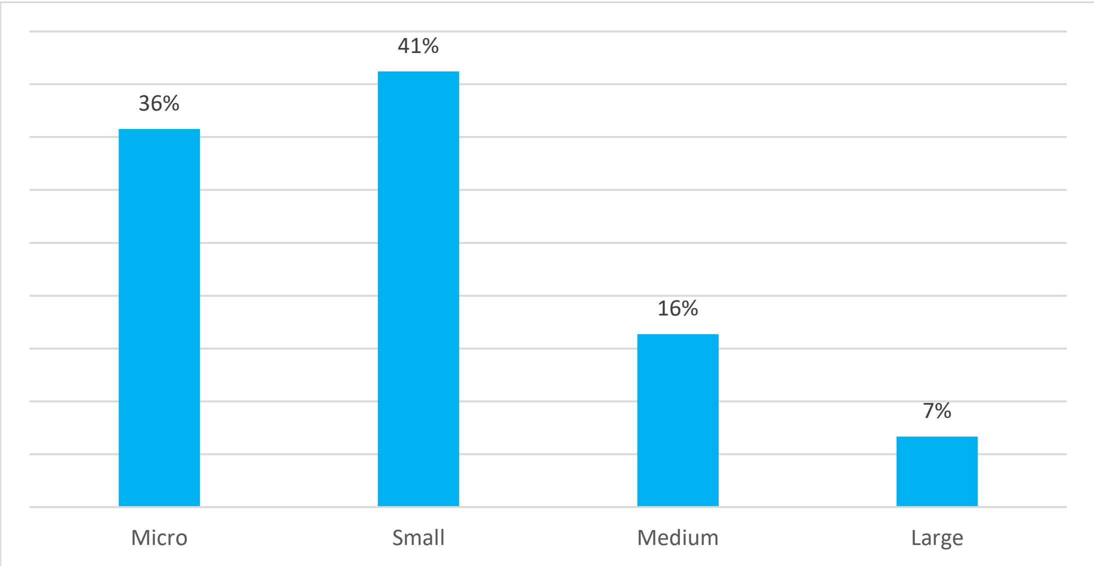
- National Farmers' Union (NFU) and
- Royal Horticultural Society (RHS)

1.1 Overview of Survey Participants – business size

The 179 businesses surveyed confirmed employing 6,773 workers, represent approximately 14% of the overall workforce (48,700) as cited in the Oxford Economics report.

Of the 165 businesses[2] responding to this question on business size, the majority (almost 77%) are micro and small businesses -which is not unexpected given the overall Ornamental Horticulture report shows that approximately 88% of business are micro or small. This figure is based on the definition of large businesses having 100+ employees.

Figure 1: Business size (large defined as 100+ employees)



Base: 165 respondents, single choice question

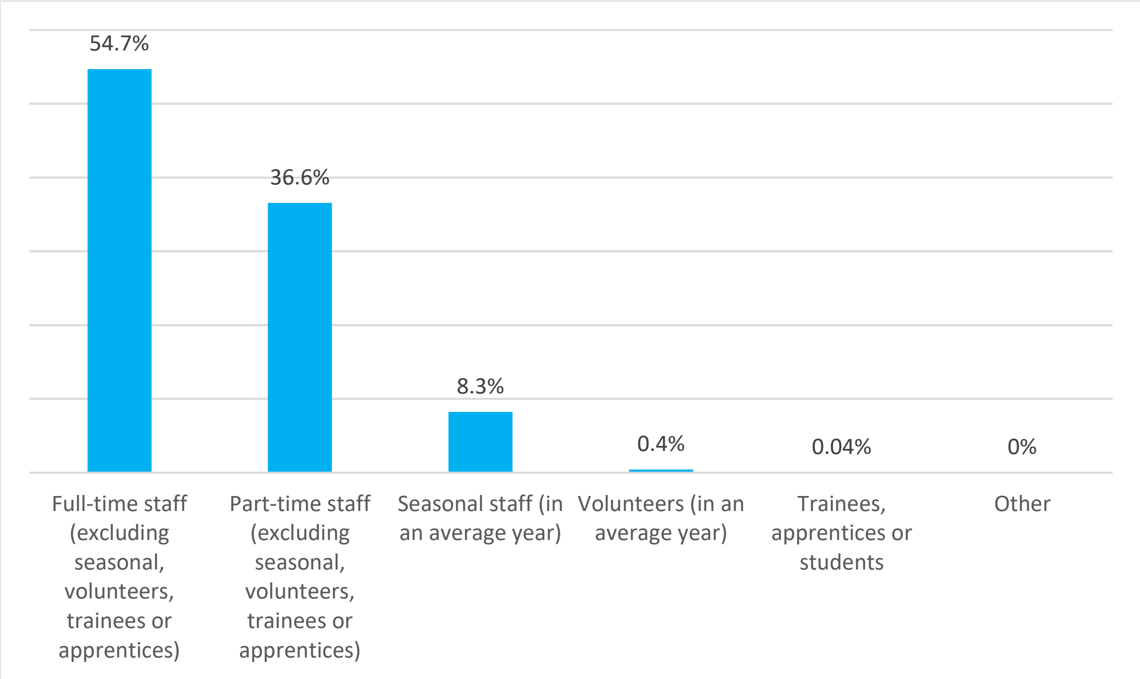
[2] It should be noted that not all businesses were able to answer each question or each in question in full detail. The base numbers for the survey responses and respondents may therefore vary from question to question.

2. Workforce

2.1 Workforce overview

Of the staff employed, a large majority (around 91%) work part-time or full-time. The proportion of seasonal staff is moderate at approximately 8.3%. Apprentices and trainees constitute a very low 0.04% of the workforce. The average number of apprentices per business was 0.5 in the last three years and is predicted to only moderately increase to 0.6 in the next three years.

Figure 2: Working modes



Base: 177 respondents; 6735 responses, multiple choice question

2.1.1 Workforce age, residency, ethnicity, gender

Residency

Of the sector's employees, 88% are UK residents, 8% are EU residents (non-UK) and 4% are non-EU residents. These figures include seasonal workers.

Ethnicity

In terms of ethnic origin, the workforce is predominantly of British and other white backgrounds (99.8%). These figures include seasonal workers.

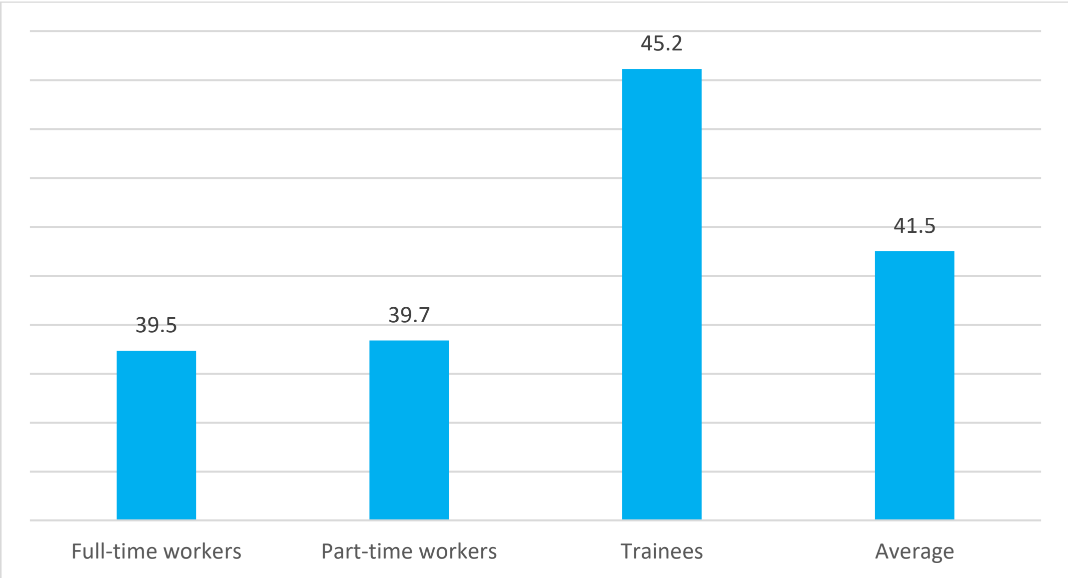
Gender

Regarding gender, the sector is nearly balanced between female (54%) and male (46%) employees. These figures include seasonal workers.

Age

As the figure below shows, the average age of the workforce is 41.5 years old. This figure excludes seasonal workers. The UK national average is also 41.5 years, therefore it may be considered that the workforce on the sector is not ageing, even though the age of part-time workers exceeds the national average by years. What has to be emphasised in this context, is the physical nature of many tasks and jobs in the sector. It is therefore evident, that the sector's highly skilled workforce is ageing. An interesting aspect is the high average age of trainees, which is an indicator for a high presence of career changers in the sector.

Figure 3: Age of workforce (excluding seasonal workers)

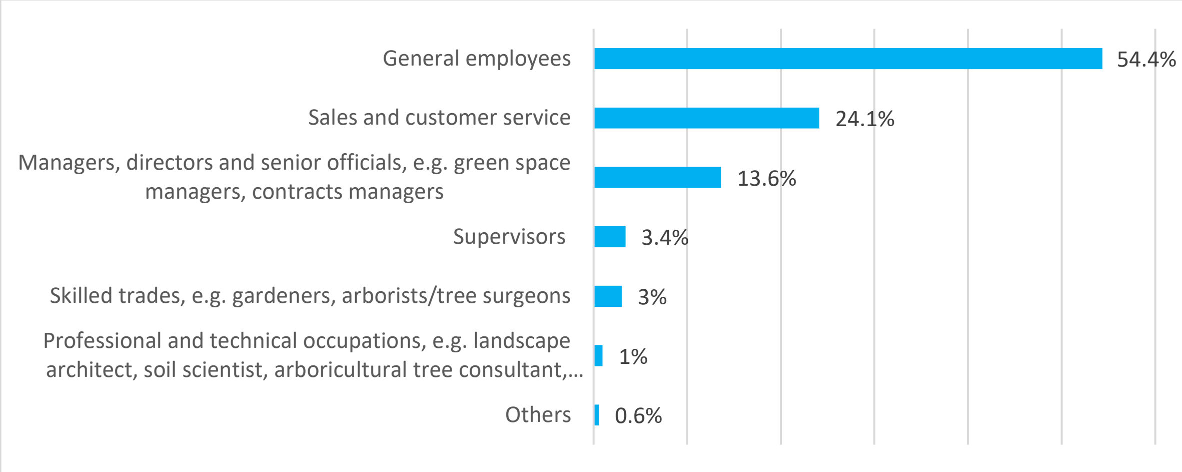


Base: 130 respondents; 3757 responses, multiple choice question

2.1.2 Workforce - Job roles (current and next two years)

Respondents were asked to provide estimates of their current and future numbers of staff including managerial roles, skilled trades or general employees whose work and jobs tasks could be associated with Ornamental Horticulture skills and knowledge. We asked about direct employment, but did not distinguish between seasonal, full-time and part-time staff. As can be seen from the figure below, the Garden Retail sub-sector, employs a relatively high proportion of general employees (54%) and in sales and customer service (24%). The relatively high proportion of managers (14%) may be attributed to the large number of micro and small businesses in the sector (combined 77%).

Figure 4: Current Workforce by job role

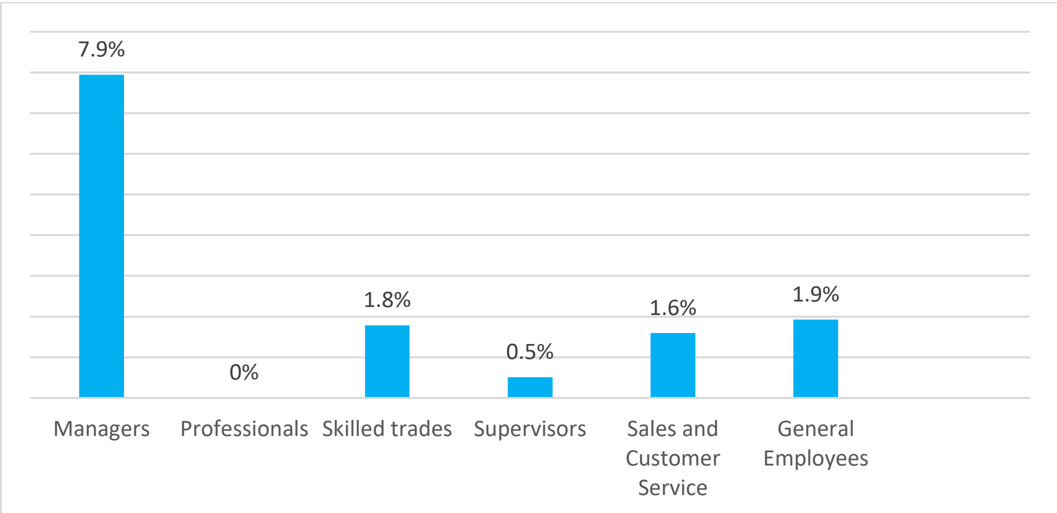


Base: 176 respondents; 5735 responses, multiple choice question

The 177 Garden Retail businesses confirmed employing a total of 6,773 staff, an average workforce per business of 38.5 employees (considerably higher than across the OH sector for which the average is around 25 employees).

In the next two years, Garden Retail businesses predict that average numbers in all staff groups will increase, albeit some of which will be modest. What stands out here is that the numbers of managers are anticipated to increase significantly by 8%, while professional and technical occupations are anticipated to stagnate. General Employees, Skilled Trades and Sales and Customer Service are predicted to increase modestly (each below 2%). It should be noted, however, that 93 businesses did not report any increases or decreases in staff and that increases were concentrated in a small number of medium and large-sized businesses.

Figure 5: Predicted change in staff numbers



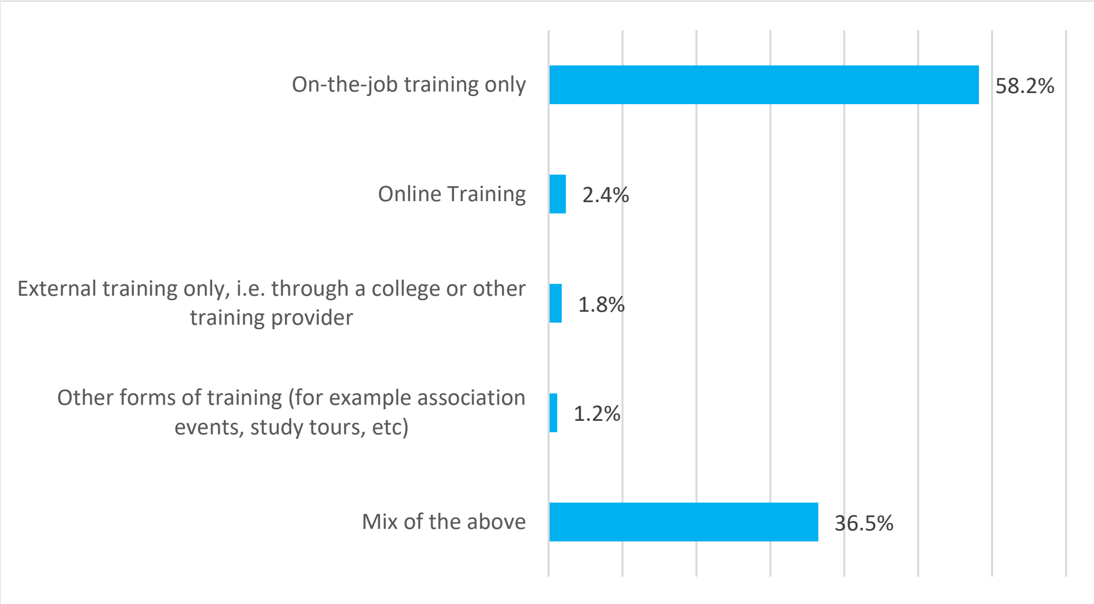
Base: 132 respondents, 1976 responses, multiple choice question

3. Training and Development

3.1 Training modes

We asked the sub-sector what they typically did when it comes to training. The use of mixed training methods is about 20% lower than the ornamental horticulture sector's average, while the exclusive use of on-the-job training is approximately 23% higher.

Figure 6: Training modes



Base 170 respondents – single choice question

3.2 Specific training needs

According to the survey, identified horticulture training needs include a specific retail horticulture course, training needs in health safety/first aid. Staff management and management skills tailored to horticulture and bookkeeping. Geographic isolation hampering access to training providers was also an issue.

<u>External Training</u>

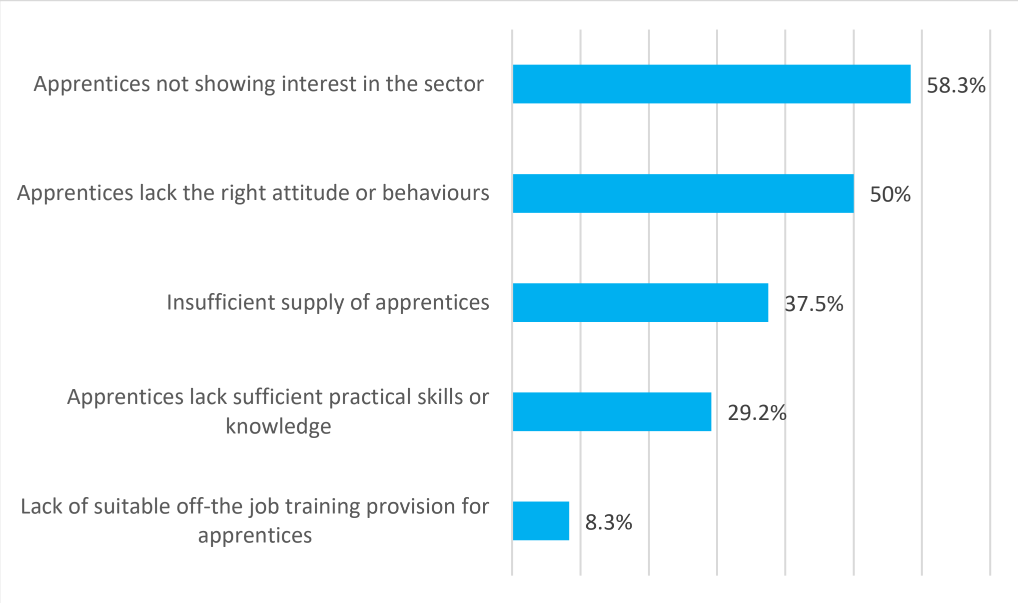
External training, as can be seen above, is not often used exclusively. When asked separately about accessing funding to help with external training, a significant majority (73%) of Garden Retail businesses said that they do not do this, while 18.5% confirmed using funding "always" or at least "sometimes". In this context, however, it should be highlighted that businesses may benefit from indirect funding for training and therefore may not need to apply for this. On the other hand, the low numbers of apprentices in the sector may be an additional reason for the relatively low use of external training related funding resources.

3.3. Apprenticeships and Trailblazers

Given the relatively low average numbers of apprentices in the Garden Retail sector (0.5), it is worth assessing relevant barriers for employers in recruiting apprentices.

Among these, a lack of the right attitude/behaviours and a lack of interest in the Garden Retail sector feature as prominent reasons for not employing apprentices.

Figure 7: Barriers to recruiting apprentices



Base: 24 respondents- multiple-choice question

4. The skills challenge

4.1 Vacancies/Hard to Fill Vacancies

Respondents were asked how many vacancies they had had in each staff category over the last three years and how many of these still remained open. The average number of vacancies associated with each firm in the Garden Retail sector over the last three years was 13.7, based on 1845 reported vacancies from 135 businesses. This represents an average vacancy rate of approximately 27% or 27 per 100 employees. In this context, however, it should be noted that not all of the reported vacancies reflect the creation of new jobs, but could also be related to staff replacements. In addition, it should be noted that of the 135 businesses reporting vacancies, 23 businesses were not able to name the staff categories of the vacancies they had reported.

By comparison, the UK national average of vacancies (as of March 2019) is 2.8 per 100 employees for the economy as a whole[3]. The sectors with the highest reported vacancy rate are information and communication (4.1 vacancies) and accommodation and food services (4.0). The vacancy rate in the Garden Retail sector is thus higher than the national average and the sectors with the highest vacancy rates[4]. The table below breaks the number of vacancies per job role and indicates the job roles, where hard to fill vacancies are most prevalent.

Table 1: Hard to fill vacancies[5]

Job Role	Past 3 years (numbers)	Remain open (numbers)	% Remaining open
Managers/Directors	21	0	0
Professional/Technical	10	0	0
Skilled trades	6	3	50
Supervisors	2	-	0
Sales/Customer service	147	3	2
General employees	1578	57	3.6
Others	2	-	0
Total	**1766**	**63**	**2**

Base: 112 respondents; 1766 responses, multiple choice question

The results provide a broad indication of which job roles are most difficult to fill at present. Leaving aside the unknowns in the "Other" category the proportion of vacancies remaining open is highest for skilled trades and general employees, though the average of vacancies (excluding "others") for general employees is high (89%), while the number of vacancies remaining open is low. By comparison, just 0.3% of vacancies (excluding "others") are for skilled trades, but of these, 50% remain open. This indicates that the sector has been able to tackle the growing need for staff in the general employees' category (potentially lower skilled and/or seasonal workers) but has faced challenges regarding recruitment in skilled trades. Nevertheless, this does not necessarily mean that the staff hired meet all the qualifications required.

[3] Office for National Statistics (2019): *Jobs and vacancies in the UK: March 2019*
[4] Office for National Statistics (2019): *Jobs and vacancies in the UK: March 2019*
[5] It should be noted that the total number of vacancies (1766) in Table 1 diverges from the 1845 overall reported vacancies. This is because not all businesses were able to clearly identify the exact job roles for each vacancy.

4.2 Skills Scoring

As a key component of the skills survey, respondents from all sub-sectors were asked to score the current level of skills for a selection of job-role groups such as managers or skilled trades on a scale from 1-10 – where one is the lowest score and ten the highest.

Respondents were asked to assess the future importance of the skill from 1-10, with “5” meaning that the importance of the skill will stay the same.

These rankings were then analysed for this report using skills scoring methods. The following diagrams and tables show the results of the skills scoring exercise. Overall, almost each group (aligned to different job role levels) of soft and technical skills is set to increase in importance, sometimes significantly. Notable exceptions are automation, which is predicted to stagnate, while the importance of digital skills is set to very slightly decrease.

The results of both exercises, that is scoring of the current importance of skills and predictions of future importance in the next 3-5 years, were entirely based on employers’ perceptions of both.

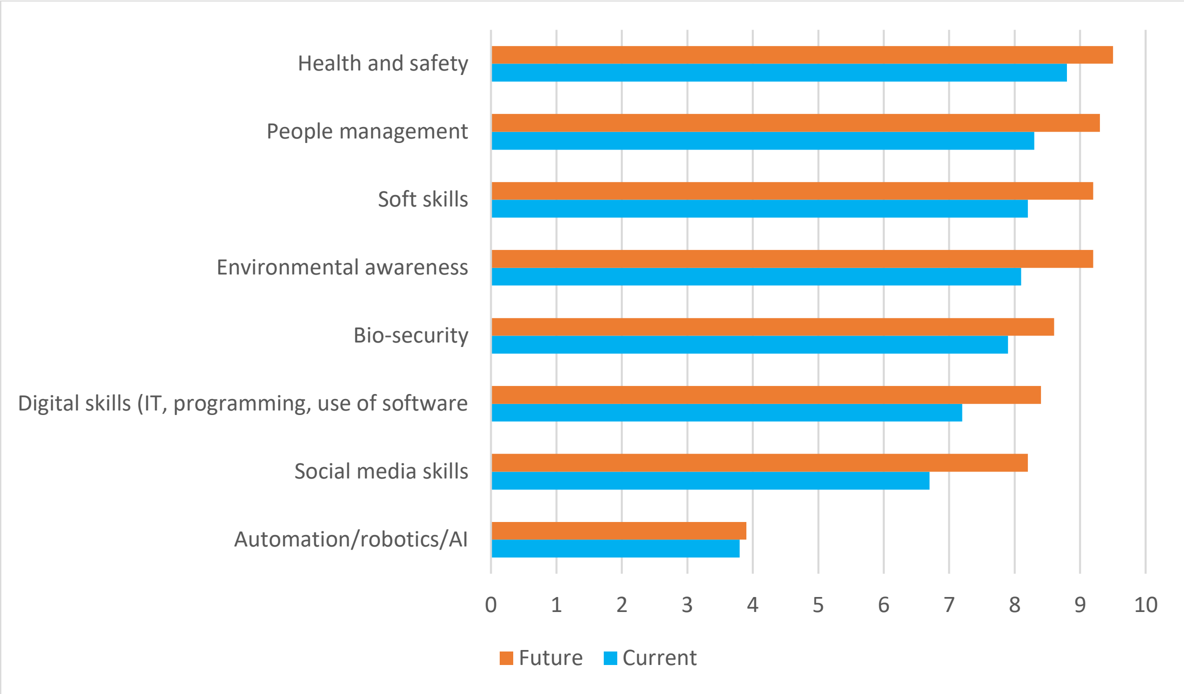
The staff categories surveyed included:

(1) Directors, managers and senior officials,
(2) Professional and technical occupations,
(3) Skilled trades and
(4) General employees

Thus, skills surveyed for scoring were not sub-divided by each ornamental horticulture sub-sector, but by staff category. Therefore, where appropriate, certain sets of skills not relevant to a particular sub-sector were removed in the following figures below (8 to 11) which show the current skill level in terms of how well these job roles perform these skills, the future equivalent importance of the skills surveyed and the change between current and future in percent terms. This is shown in the following charts for managers, professional and technical occupations, skilled trades and general employees. In this context, please note the term “general employees” was not further defined and could therefore include seasonal workers.

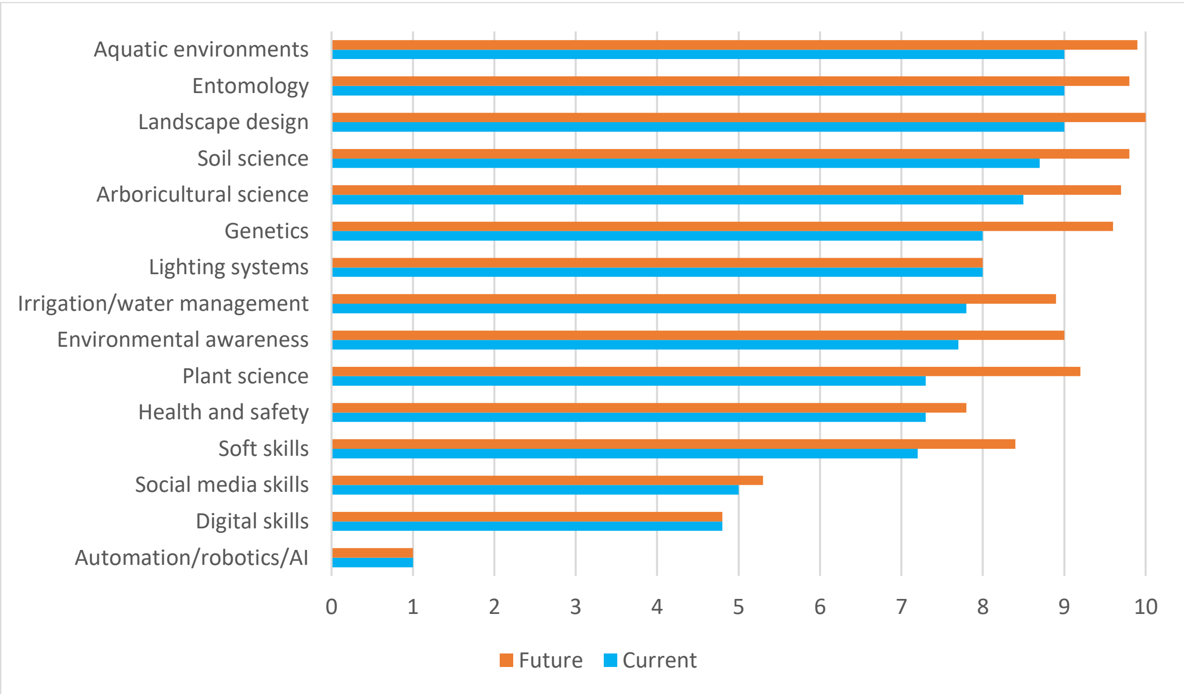
It is not possible to make a direct connection, looking at automation as an example, between the ratings chosen by employers surrounding the future importance for certain skill per occupation and the ratings for a predicted future impact on (medium-large) businesses as shown in the main report (Figure 20) in which the latter is relatively low .

Figure 8: Current and predicted future importance of managerial level skills



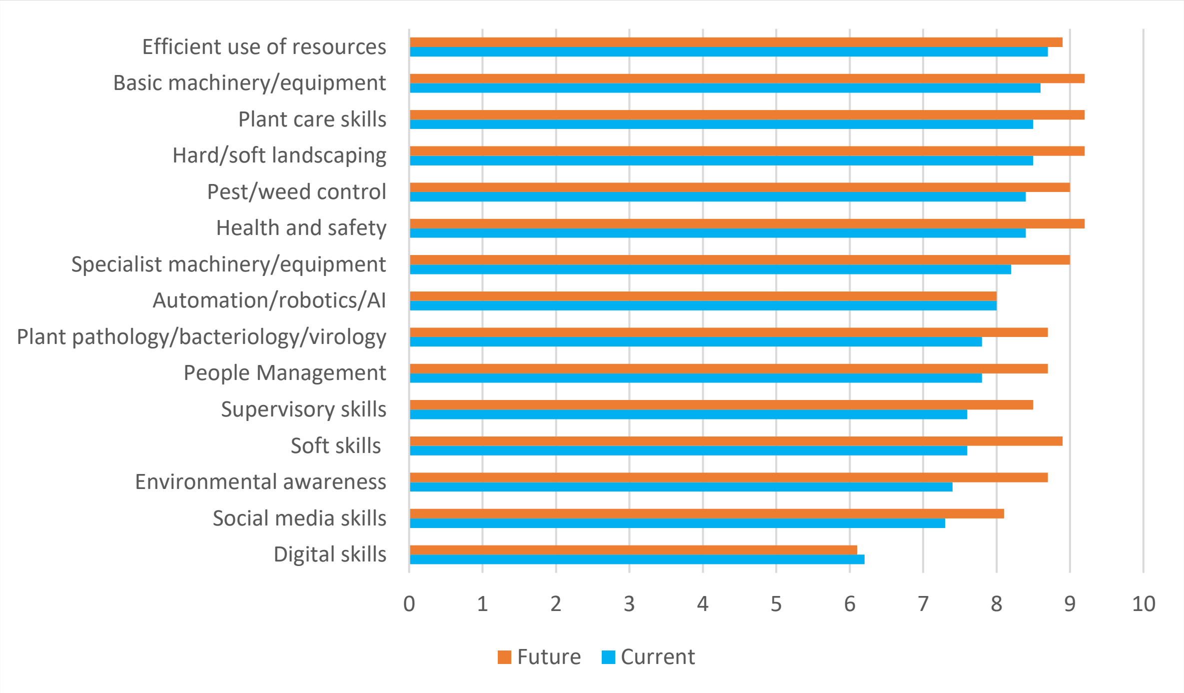
Base: 177 respondents, multiple responses, ranging from 1 to 1444

Figure 9: Current and predicted future importance of professionals and technical skills



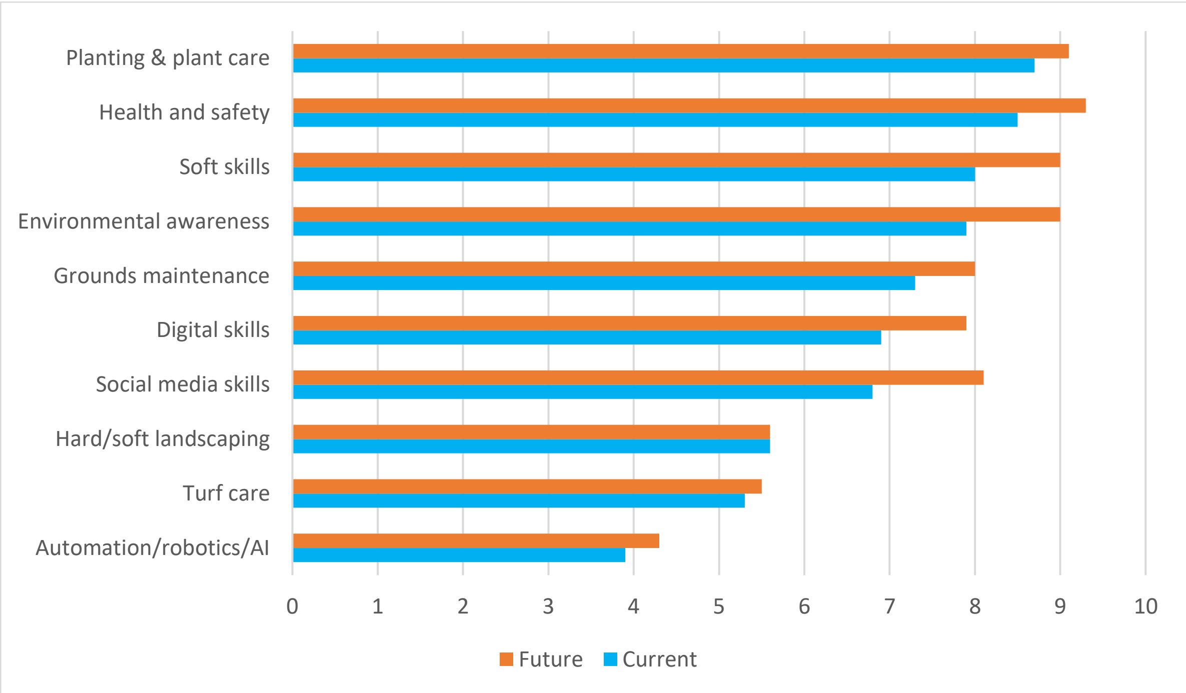
Base: 177 respondents, multiple responses, ranging from 1 to 1444

Figure 10: Current and predicted future importance of skilled trades skills



Base: 177 respondents, multiple responses, ranging from 1 to 1444

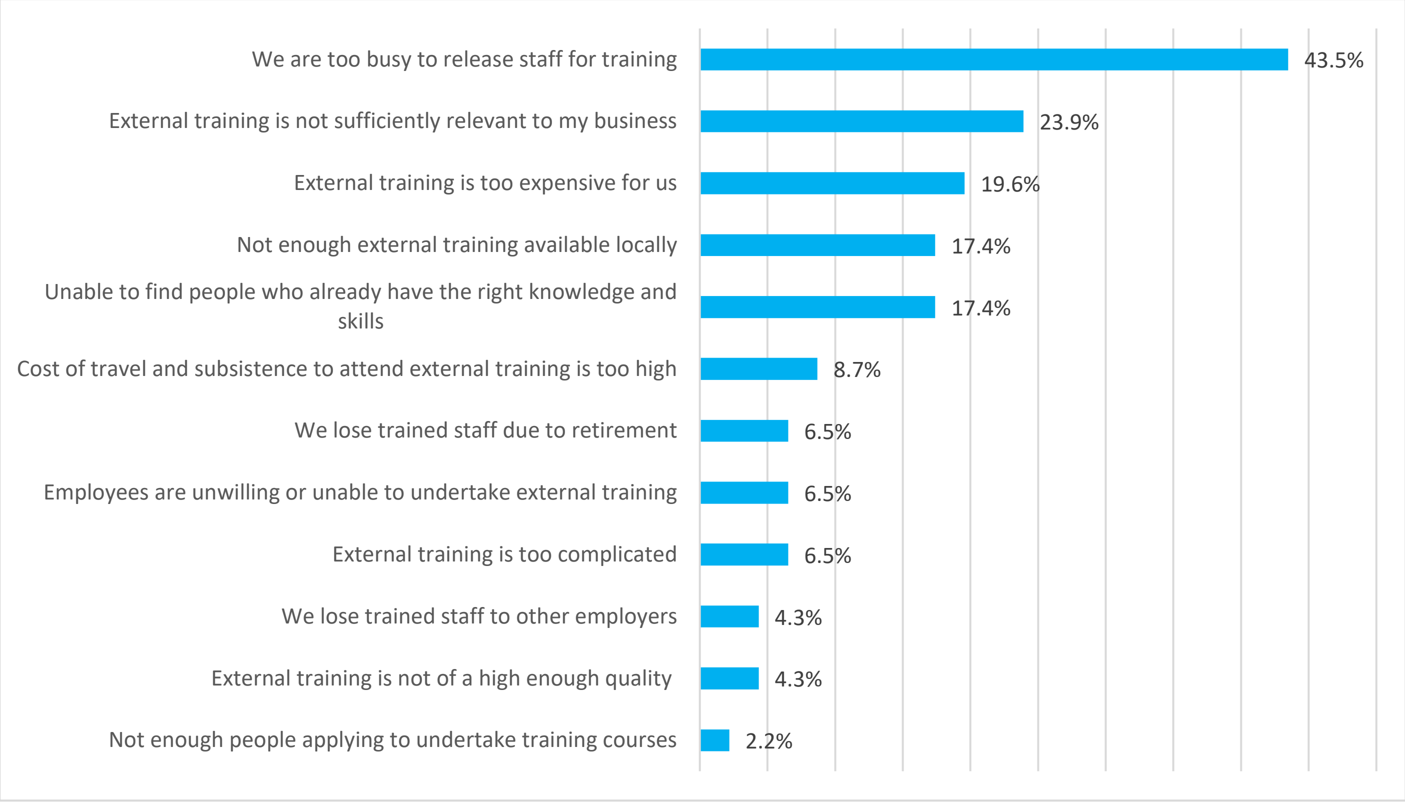
Figure 11: Current and predicted future importance of general employee skills



Base:177 respondents, multiple responses, ranging from 1 to 1444

4.3 Skills Gaps

Figure 12: Reasons for skill gaps



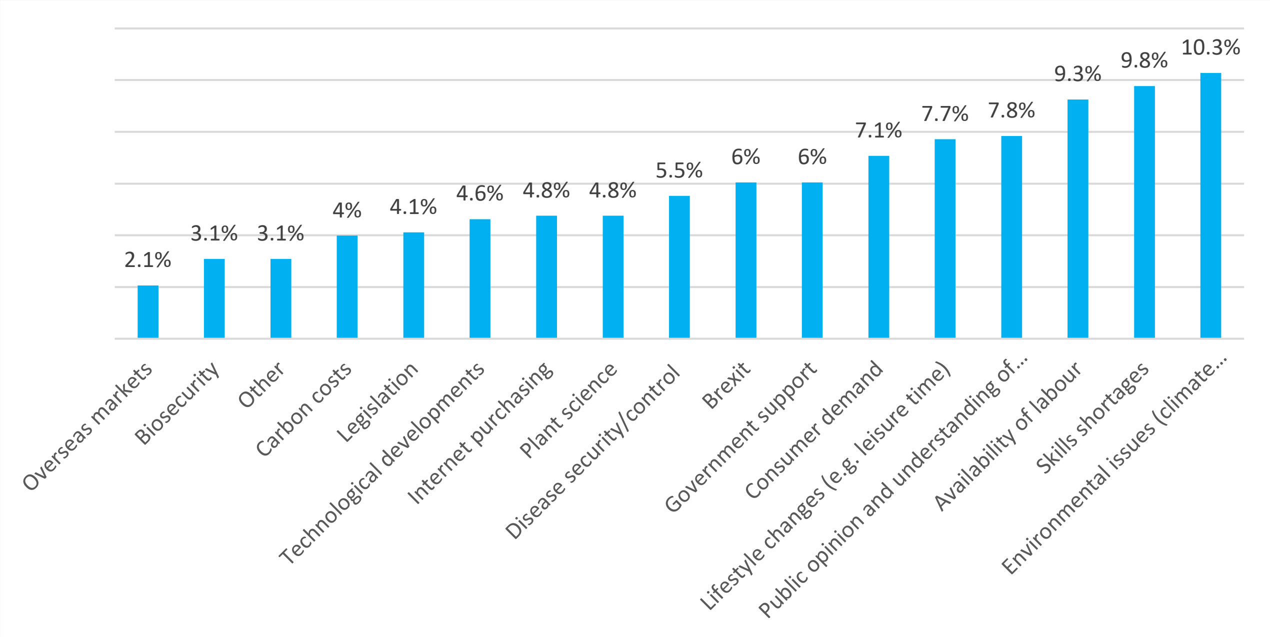
Base: 46 respondents; 74 responses, multiple choice; Respondents also had the ability to elaborate on their responses and give further information selecting the option "other". Examples of "other" include: First Aid training and a need for pruners

5. Drivers of future change

To provide information on their future outlook of the Garden Retail sector, businesses were asked to name the most important drivers of future change from their perspective.

Top of the table are Environmental issues, skills shortages and the availability of labour. The relatively high ranking of Public Opinion (fourth) and Lifestyle changes (fifth) is unique compared to the overall sector, where these rank fifth and tenth respectively.

Figure 13: Drivers of future change



Base: 169 respondents, 778 responses

6. Conclusions and additional information relating to the Garden Retail sector

According to NOMIS, the ornamental horticulture sector has over 32,000 businesses – largely as defined by the remit of the Ornamental Horticulture Roundtable Group.[6] The Oxford Economics report (2018) estimates that the wider sector supports the employment of 335,200 people. The wider sector contributes near on £12bn to UK GDP (2017), of which the Garden Retail sector contributed £1.9bn.

An important sector that has wider impacts than is immediately perceived, and as the Oxford Economics report suggests, its full/wider economic contribution extends well beyond the estimates given in their and this report.

While the number of businesses in the garden retail sector is not known from national statistics, due to the poor match between the national classifications (of, for example, the Standard Industrial Classification codes) and the sector, according to the HTA there are around 2,000 specialist garden retailers, and the sector supports the employment of 48,700 people (Oxford Economics).

Of the 177 Garden Retail businesses that participated in the survey, 77% were micro or small-sized businesses. This is lower than the wider sector's average of 85%, confirming a higher ratio of medium and large sized businesses in the sector (23% vs 15% respectively).

1. Skills and labour issues are of key concern for this sub-sector in the near to medium term. There are significant skills issues (skills gaps and shortages) which were highlighted by the sub-sector through the survey and workshops and which need to be addressed for both the sector as a whole and for this sub-sector. These skills challenges include:

   - A relatively high proportion of vacancies in skilled trades remaining open after three years (50%) (see Table 1), though it has to be emphasised that the number of related vacancies was very low
   - This is nevertheless compounded by the fact that the number of jobs in skilled trades is set to increase by nearly 2% (see figure 5)
   - In addition, the sector had a low proportion of manager vacancies over the last three years (1%). This may be an issue businesses will need to address in the near future, as the number of managers is predicted to increase by 8% in the next two years
   - An ageing full-time, part-time and trainee workforce
   - Difficulties in accessing external training including the release of staff for training, lack of availability of training and costs of external training (see figure 12)
   - A low average number of apprentices per business (0.6)
   - A low interest in apprenticeships in the sector
   - Skills shortages and availability of labour are in top three of future drivers of change

[6] although it includes silviculture which is broader than the definition focussed on here for arboriculture.

2. Twenty-two percent of businesses anticipated increases in staff numbers over the next two years. Of these, a high proportion are concentrated in a small number large and medium sized businesses. This was noted at a time when, due to there being almost full employment in the UK, there is a challenging labour pool for employers. Due to the need for skilled labour (just over 20%) of hard to fill vacancies remain open for professional/technical and skilled trades) it is important to note that the 22% (current number of businesses anticipating increased in staff numbers) could easily become much higher in the short-medium term as skills deficiencies in the sector begin to bite further.

3. The average age of workers (41.5 years) is on a par with the UK average (41.5 years). Nevertheless, there are strong perceptions among employers that the workforce is ageing (from workshop feedback and some survey open answers) and while this survey did not have questions permitting the necessary degree of disaggregation there are possible reasons why there may be a serious “ageing” problem including a low number of apprentices in the sector, the ageing of key job roles (managers, supervisors, technical staff etc.), and the effects of the physically demanding nature of work related to ornamental horticulture. There is a clear and pressing need for more detailed research into this matter.

4. While the staff turnover (vacancies only) of 27% over the last three years seems relatively moderate, this likely hides concerns experienced by businesses of a lack of skilled people. This sector may find that the point made in the main report about the growing atypical workforce structures – and flexible working, has less of an immediate impact; nonetheless there is evidence of workforce challenges

5. Most skillsets which were queried in the survey are perceived by employers as increasing in importance over the next 3-5 years. Of focus are health and safety, aquatic environments, basic machinery and equipment as well as planting and plant care.

6. The relatively low average number of apprentices in the sector and the cited perception of the low quality of apprentices in terms of behaviour and skills indicate that talent pipelines into the sector need to be improved. The survey indicates that the average number of apprentices in a business will only slightly increase from 0.5 to 0.6 over the next three years– bearing in mind margins of error. This also suggests that employers may need help with understanding the apprentice model and the benefits to their business.

7. The high use of in-house training and the lack of awareness of resources are additional indications (in addition to low apprenticeship applicant numbers) of a low take-up of “new” initiatives like Apprenticeship trailblazers.