

## **Retail Sector Council – 18 March 2025**

### **Meeting Note**

#### **1. Attendees**

**Co-Chairs:** Minister Gareth Thomas MP, Co-Chair  
Richard Pennycook, Co-Chair

**Attendees:** Paddy Lillis (USDAW), James Lowman (ACS), Helen Dickinson (BRC), John Boumphrey (Amazon), Kari Rogers (Primark), Victoria Robertshaw (Delicious Planet), Nick Beighton (Secret Sales), Dave McCarthy (HSBC, B&M Retail), Ian Filby (Pinewood Technologies plc), Andrew Goodacre (BIRA), Tom Ironside (British Retail Consortium), Stephen Bethel (British Retail Consortium).

**Apologies:** Simon Roberts (Sainsbury's), Anthony Hemmerdinger (Boots), John Rogers (formerly Sainsbury's Argos), Peter Jelkeby (IKEA), Robbie Feather (The Very Group).

**Guests:** Emma Ormond (Primark, Delivery Group High Street Lead), David Leach (Boots, Delivery Group member), Sara Argent (Sainsbury's, Delivery Group member).

**Officials in attendance:** Rosa Estevez (DBT), Claire Gregory (DBT).

#### **2. Summary of actions**

| <b>Action</b>   | <b>Owner</b>    |
|---|-----------------|
| Council members are encouraged to engage with the Mayfield Review to share their priorities.  | Council Members |
| The BRC to engage with DWP to support people with disabilities back into work in the retail industry.                                   | BRC/DWP         |
| Council Members to share insights about what works well in managing transformation of local high streets.                               | Council Members |
| Council Members' views about priorities for small businesses are also invited, ahead of publication of the Command Paper in the summer. | Council Members |
| Delivery Group to consider the scope to model regulatory impact in a local setting.   | DBT             |
| Council members to provide data about the impact of violence and abuse impacting delivery drivers.                                      | Council Members |

#### **3. Note of Discussion**

##### **a) Welcome/Introductions**

The Minister welcomed everyone to the meeting and confirmed the agenda.

Richard Pennycook invited feedback to the Minister on the implications of the upcoming changes to employment taxes and the likely company responses. Council members observed that the NICs threshold change had hit retail particularly hard due to the widespread use of flexible part-time contracts. The consequences are likely to be exacerbated by the speed of introduction - the announcements from retailers so far have focused on the impact on jobs, with recent BRC research indicating a risk to about 10% of part time jobs in the industry. There is also expected to be an inflationary impact from the new measures, with expectations that grocery inflation could reach 5% in the coming months. Taking this together with the Employment Rights Bill and the Government's welfare reform agenda, the scope for unintended consequences seems clear.

Retailers said that this had meant that difficult decisions had to be made in relation to managing the impact of the new costs being introduced.

### **b) Update from Minister for Employment**

Alison McGovern, Minister for Employment, set out the steps that DWP are taking to restructure the approach to supporting employment. The objective is to overhaul jobcentres, using technology to enable frontline employees to focus on problem-solving. There is a clear focus on a commitment to deliver for both employers and employees, both at a national and local level. DWP research shows that only 1 in 6 companies currently use jobcentres and the ambition is to grow that proportion significantly. She noted the crucial role which retail plays in social mobility and the close alignment between the government's objectives and those of the industry.

Richard Pennycook highlighted the concerns raised by retailers in relation to the upcoming increase in the National Insurance Contributions and the impact on part-time work in the industry. The Employment Minister emphasised that the government wants to secure positive flexibility for both the employer and the employee together. However, it is important that part-time work doesn't act as an obstacle to progression.

One council member outlined the work that the industry had already undertaken to ensure progression opportunities for those in part-time work. They asked how the new initiative being led by Sir Charlie Mayfield was moving forward in the Department. Also how the work of DWP and DBT was being linked together.

On the Mayfield Review, the Employment Minister encouraged retailers to engage with the review to establish and address the challenges which exist to employing people who are unwell or have disabilities. The Minister also set out the importance of growth and the practical role which the Industrial Strategy will play in addressing the challenges facing employment in local clusters across the UK.

The BRC offered its support to facilitate further engagement on support for those with disabilities back into work/while in work.

**Action:** Council members are encouraged to engage with the Mayfield Review to share their priorities.

**Action:** The BRC to engage with DWP to support people with disabilities back into work in the retail industry.

### **c) Update from the Minister for High Streets and wider discussion on the Delivery Group**

Alex Norris, Minister for High Streets, expressed his thanks to many of the attendees for their engagement in developing government's approach to retail and high street issues. He noted

the real concern which exists in many communities about the state of their local high streets and the need for effective action to address them. He noted that the Government is taking a range of actions to support high streets. These included funding programmes promised under the last government's Levelling Up Fund to ensure that local communities weren't disadvantaged. Similarly, the Government had a final round of the Community Ownership Fund, to ensure that key properties were kept in local community use. He also noted that High Street Rental Auctions are now available to local councils to ensure that vacant properties are brought back into productive use. Finally, he noted that the government had announced its Plan for Neighbourhoods, with successful communities enabled to improve their local environments. The Minister stressed the change in strategy through a meaningful shift in power to local decision making, thereby moving away from pitching to central government for small pots of funding to longer term local investment.

Kari Rodgers and Emma Ormond of Primark provided an overview of the work that had been undertaken by the Delivery Group looking at High Streets. They welcomed the focus of MHCLG on support for High Street initiatives that would be available to all communities. They noted that there is an obvious definitional question about what a High Street is in practice. The Delivery Group is returning to the health check for high streets, produced previously, while also looking at other recent good practice advice that can be turned into an easy to use document for all involved in high streets and their management. Next, the Delivery Group will also examine the changing shape of consumer behaviour and what local people want from their local centres. Promoting case studies of effective approaches already underway in local areas will be a key focus.

In the discussion that followed, Council Members highlighted the importance of safety and security in a local setting as a factor influencing an area's economic success. They considered that any physical retail shops should be considered a high street. The shift in strategy to local decision making was strongly supported. Linked to that, resource and expertise in local authorities is an important requisite for successful management and transformation of a local high street. In addition, effectively navigating the plethora of instruments and initiatives available to local interests to support them in effective place management.

The High Streets Minister indicated that he would be very interested in engaging with the Delivery Group to develop effective approaches. He welcomed the idea of a high streets checklist, readily usable by different stakeholders. Turning to the High Street Taskforce, which has ceased operation, the Minister noted the strong work that had been undertaken to develop a repository for relevant knowledge – deciding how to ensure that this is still available and used will be an area of focus in the months ahead. The Minister expressed his support for Business Improvement Districts.

The Retail Minister invited Council Members to share views about priorities to support small businesses, ahead of publication of the strategy. He also welcomed consideration of the impact regulation has on businesses operating in a local setting.

**Action:** Council Members to share insights about what works well in managing transformation of local high streets.

**Action:** Council Members' views about priorities for small businesses are also invited.

**Action:** Delivery Group to consider the scope to model regulatory impact in a local setting.

#### **d) Update from the Home Office on retail crime**

Home Office officials provided an update on the Crime and Policing Bill and wider retail crime issues. The Bill contains a range of retail crime clauses, a combination of manifesto

commitments and related wider government priorities. A bespoke offence will be created for assaulting a retail worker and other legislation will be repealed which gave the impression of a minimum value threshold before a retail theft would be investigated.

Council members welcomed the legislation and stressed the importance of ensuring the delivery drivers are included in the definition of retail workers. Officials replied that as currently drafted, delivery drivers aren't included – this was to avoid ambiguity but it was also worth pointing out that workers whose roles aren't included are covered by other existing offences. Council members expressed concern that differing levels of protection would be offered in England compared to Scotland, where delivery drivers are protected.

Council members offered to submit some real time data about the impact of the delivery drivers issue.

**Action:** Council members to provide data about the impact of violence and abuse impacting delivery drivers.

#### **e) AOB**

The Minister thanked all Council Members for their time and contributions.

#### **4. Dates for forthcoming meetings - 2025:**

- 11 June 2025 (11:00 – 12:30) In-person meeting, The Old Admiralty Building
- 10 September 2025 (11:30 – 13:00) In-person meeting, The Old Admiralty Building
- 2 December (11:30 – 13:00) In-person meeting, The Old Admiralty Building