

Retail Sector Council – 24 May 2023
Meeting Note

1. Attendees

Co-Chairs: Minister Kevin Hollinrake MP, Co-Chair
Richard Pennycook, Co-Chair

Attendees: James Lowman (Association of Convenience Stores)
Victoria Robertshaw (Keelham Farm Shop)
Dave McCarthy (HSBC)
Helen Dickinson (British Retail Consortium)
Sebastian James (Boots)

Apologies: Nick Read (Post Office) Alex Baldock (Dixons Carphone), Ian Filby (Joules), John Boumphrey (Amazon), Paddy Lillis (USDAW), Simon Roberts (Sainsbury's), Andrew Goodacre (Bira), Nick Beighton (Matches Fashion)

Officials: Carl Creswell (DBT), Charles McCall (DBT), Tom Ironside (British Retail Consortium), Stephen Bethel (British Retail Consortium)

Guests: David Middlemiss (Director of the Sustainability Taskforce, CMA), Sandrine Delarue (Competition Law sustainability guidance lead, CMA), Mike Coates (CMA's consumer enforcement team).

2. Summary of actions

Action	Owner
Action: Sector Council members to continue to provide any evidence about the impact of energy prices on their businesses.	Sector Council Members
Action: DBT to provide an update on the issue of VAT on goods donated to charities when it becomes available.	DBT
Action: Retail Council members to consider future engagement/discussion with the CMA in respect of the guidance on collaborative working related to their sustainability work.	Sector Council Members
Action: Retailers who have issues on which they are seeking advice in relation to collaboration on environmental matters are able to contact the CMA.	Sector Council Members
Action: Sector Council members to consider appropriate events and opportunities to promote the findings of the first paper.	Sector Council Members

Action: Sector Council to consider and confirm final priorities.	Sector Council
Action: Sector Council members to indicate if they would like to lead an emerging strand and to confirm they will provide resource to the developing sherpa group.	Sector Council Members
Action: If Sector Council confirms sustainability a key area of focus, BRC to lead	BRC
Action: Sector Council members are encouraged to make representations if they have evidence in relation to tax free shopping for tourists.	Sector Council Members
Action: Sector Council to consider whether additional members should be brought in from internationally based businesses.	Sector Council Members

3. Note of Discussion

a) Welcome and recap of last meeting/actions update

Richard Pennycook and the Minister welcomed attendees to the meeting. Richard Pennycook noted that the meeting was in two parts – the first being the business as usual agenda and the second being the environment and the competition implications for collaboration in that space.

The Minister noted that the Retail Strategy was being discussed later in the meeting and welcomed the extensive work that had gone into the development of the first document. He also updated the meeting that OFGEM is publishing its report on energy prices in the summer. He asked Sector Council members to continue to provide any evidence about the impact of energy prices on their businesses. He also noted that officials continued to look at the issue of VAT on goods donated to charities and he would provide an update as soon as one became available.

Action: Sector Council members to continue to provide any evidence about the impact of energy prices on their businesses.

Action: DBT to provide an update on the issue of VAT on goods donated to charities when it becomes available.

b) CMA presentation: Update on CMA sustainability work

The Minister welcomed CMA representatives to the meeting. The CMA noted that it had made a public commitment to promoting environmental sustainability and helping to accelerate the transition to a net zero economy and there are three ways in which it aimed to achieve this:

1. By ensuring that markets for sustainable products or services develop in competitive ways.
2. By helping consumers make informed choices about the climate impact of the goods and services they use.
3. Supporting businesses to adopt sustainable practices and technologies, including through legitimate cooperation

The CMA then provided an overview of the work it had been doing in this area, including through the development of the Green Claims Code and its draft guidance on environmental sustainability agreements.

Richard Pennycook noted the relevance of the CMA's work to the activities of the Sector Council. The Sector Council will soon be seeking to work collaboratively on environmental issues and in doing so it will be vital to ensure that that work avoids unintentionally coming into conflict with competition law. Clarity is essential as the work of the industry moves forward. In that regard the CMA's open door policy on advice is very much welcomed. The CMA noted that it is already making this approach available to interested companies.

Action: Retail Council members to consider future engagement/discussion with the CMA in respect of the guidance on collaborative working related to their sustainability work.

The situation in Scotland with recycling schemes was highlighted by the Sector Council as an area in which earlier industry collaboration would have enabled a more effective outcome.

More generally, it was noted that the BRC had been engaging extensively with the CMA on development of the Green Claims Code and on environmental sustainability agreements and the purpose. The focus of the CMA's work was welcomed and the ability to request informal advice on environmental sustainability agreements was identified as being particularly positive. The CMA was asked about the timing of publication of the final guidance on environmental sustainability agreements. The CMA clarified that they aim to finalise the guidance around the end of summer, but confirmed they are accepting requests for informal advice already. The importance of bringing marketing and legal functions together to discuss the Green Claims Code and how to ensure all parties feel comfortable with requirements in this space was also highlighted, and it was noted that a meeting between the CMA and BRC members has been scheduled for September.

Action: Retailers who have issues on which they are seeking advice in relation to collaboration on environmental matters are able to contact the CMA.

c) RSC work discussion:

The discussion focused on the three areas to take forward the Future of Retailing project – sign off for the first report, priorities for the second report and the sherpa group.

Future of Retailing report sign off: Dave McCarthy noted that Sector Council members' comments had been incorporated into the final draft in as far as it was possible to do so. Final data will be added to the document in the coming days. Sector Council members proposed that this report could be circulated to a limited group once finalised, comprising government officials, large consultancies and key retailers and retail associations. This would have the benefit of promoting the work of the Sector Council, obtaining feedback and providing a bridge to the next paper which will specify recommendations.

The potential to use association events or conferences to promote the findings of the first paper was highlighted. Also the potential for a role for the APPG was also highlighted.

Action: Sector Council members to consider appropriate events and opportunities to promote the findings of the first paper.

Agreement on priority areas: Members noted the relevance of the eight areas highlighted but considered that it is essential to narrow the focus to ensure effective delivery of the next phase of the project. Richard Pennycook suggested that, arising from the fundamental reform of Business Rates work, the Sector Council could consider solutions to suggest where the Exchequer shortfall could be made up. From a sustainability perspective, there was support for identifying a small number of specific issues to focus attention on rather than high level activity. Members also highlighted automation and skills as an area in which the Sector Council could concentrate its activities. Employee flexibility was also discussed as a possible area for focus, noting that measures to support childcare were likely to be of limited value to many retail employees. From an employment perspective, good work and progression were highlighted as potential areas for focus.

The Sector Council will consider and confirm the final set of priorities.

Action: Sector Council to consider and confirm final priorities.

Sherpa Group: Sector Council members were asked to indicate if they had particular strands on which they wanted to lead or provide resource. The BRC offered to lead activity on the environmental strand if that is identified as a priority.

Action: If Sector Council confirms sustainability a key area of focus, BRC to lead

d) AOB

Richard Pennycook asked whether the Sector Council should undertake activity in relation to reinstating tax free shopping for tourists. In the discussion that followed it was agreed that Sector Council members should consider making representations to Treasury if they felt they had specific issues that they wanted to raise. The value of widening the Sector Council membership to include more internationally based businesses was also highlighted.

Action: Sector Council members are encouraged to make representations if they have evidence in relation to tax free shopping for tourists.

Action: Sector Council to consider whether additional members should be brought in from internationally based businesses.

Dates for forthcoming meetings - 2023:

- **26 September 14:00-15:30**
- **13 December 10:00-11:30**