**NB: All meetings are conducted under the Chatham House Rule. This note is a summary of the meeting**

**Retail Sector Council – 20 June 2019**

1. **Attendees**

**Co-Chairs**: Kelly Tolhurst, Co-Chair

Richard Pennycook, Co-Chair

**Attendees**: Elizabeth Fagan, Non-Executive Director Boots UK & ROI

Ian Filby, Chair, Sofology and Joules

Sir Charlie Mayfield, Chair, John Lewis Partnership

Nick Beighton, CEO, ASOS

Helen Dickinson, CEO, British Retail Consortium

James Lowman, CEO, Association of Convenience Stores

Carl Creswell, Director Professional Business Services, Retail and Post, BEIS

Ursula Lidbetter, CEO, Lincolnshire Cooperative

**Guests**: John Park (Amazon), Rachel Fisher (Deputy Director, Regeneration and Infrastructure – Cities and Local Growth Unit)

**Officials**: Tom Ironside, Stephen Bethel, Dominic Curran (BRC)

**Apologies**: Doug Gurr, UK Country Manager, Amazon

John Hannett, USDAW

John Rogers, CEO, Sainsbury’s Argos

Diane Savory, Chair, GFirst LEP

Victoria Robertshaw, CEO, Keelham Farm Shop

Craig Watson, Deputy Director, Retail, Services and Sectors, BEIS

1. **Summary of actions**

The Cost to Business working group will start shaping recommendations with input from Council members over the coming weeks. These recommendations will be presented at the next Council meeting. As part of this, the working group will continue to build the evidence base to support recommendations and reference will be given to adverse societal impacts and the tax contribution of other industries. The Co-Chairs will meet with HMT representatives to highlight the work of the Business Costs Working Group.

The skills and lifelong learning working group will continue to develop proposals, with input from DfE and BEIS, for further discussion at the next Council meeting. The BRC will input into this work, with particular reference to a possible accreditation scheme.

The industrial strategy working group will set up a roundtable outside of London, to gather views about how best this workstream could be focussed.

1. **Note of Discussion**
2. **Welcome & introductions**

The Minister highlighted that MHCLG Minister Jake Berry now has a joint ministerial role with BEIS – this will enable closer working between departments across the high street agenda. The Minister noted the continued emphasis the Department are placing on the retail sector.

1. **Business Costs Working Group**

A draft report has been produced drawing on evidence from the group’s survey. This will continue to be developed and resulting recommendations drawn up for presentation at the next meeting.

Respondents comprise retailers who account for £100bn of turnover annually. The perspectives of smaller and independent retailers have also been sourced.

Key points identified:

* Inefficiencies in the tax system, including business rates, the time lag between the antecedent date and the next effective revaluation and the absence of property market transparency.
* Costs in grocery, food waste, and, in general retail, returns and loss were also highlighted as having a significant impact.

Members voiced the need of the sector to be enabled to respond to consumer demand for a multichannel retail offer. It is important that this doesn’t become an online vs offline debate.

Members agreed that a much broader review of business taxation is needed to ensure an effective, sustainable solution. The tax system is based on a consumer model that is 50 years old – it is necessary to get behind alternative models that are appropriate for the modern mixed economy.

Important to also understand which sections of the populace might be feeling the impact of retail transformation negatively. Valuable to identify real examples of specific towns which face particular challenges.

It was also suggested that consideration could be given to the relative tax burdens and profitability of other industries, as a point of comparison. The value of working with landlords was also referred to.

1. **Skills and Lifelong Learning Working Group**

An update on the first phase of research was provided. Three or four themes emerged – the nature of current skills requirements; future skills needs; apprenticeships and the potential for accreditation schemes aligned to the work of the industry to ensure employers have a good understanding of the skills and experience of prospective employees.

Concern was expressed that the Apprenticeship Levy is preventing businesses of all sizes in the sector from providing all of the training that it should be providing to colleagues.

The National Retraining Scheme was also discussed and DfE will be working with the Council on its development, as well as more broadly around the education landscape.

1. **Update on 2019 Q3/Q4 Workstreams**

**Employment**

The scoping paper was presented and agreed by the group. This work will consider the broader debate around the quality of work as well as retail transformation. This dovetails with the BRC’s previous work in the development of its Better Jobs initiative.

This workstream is designed to do three things: update that future forward look, establishing whether the trajectory of the industry remains the same; consider the implications of the Government’s Good Work plan for the industry; and also focus industry activity in relation to the two-way flexibility consultation taking place over the summer.

**Industrial Strategy**

Several possible avenues to develop were discussed:

* exploring the scope to promote local networks to share learnings and promote productivity improvements
* convening the sector to promote the potential for the industry to export UK retail insight internationally, assisting with the UK’s balance of payments and exploring the scope to support high street transformation.

A roundtable will be set up to establish a possible focus for this group’s work.

1. **Progress update from Cities and Local Growth Unit on the High Street**

MHCLG introduced the forward look of the Cities and Local Growth Unit. Following on from the announcement of the Future High Street Fund, a very significant number of bids have been received in the first round. In addition, DCMS is running a Heritage High Streets Fund. The BIDs Loan Fund is now in its 11th round. Significant work is being undertaken in relation to the Great British High Streets Awards. In addition, the Department is considering changes to planning and working with its Commercial Property Forum to look at ongoing challenges.

Dates for forthcoming meetings:

• Thursday 12 September 12-2pm

• Monday 9 December 11am -1pm