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

**Retail Sector Council – 22 March 2018**

1. **Attendees**

**Co-Chairs:** Andrew Griffiths, Co-Chair

 Richard Pennycook, Co-Chair

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

 Elizabeth Fagan, Senior VP & MD Boots UK & ROI (*arrived at 13.15*)

 Nick Beighton, CEO, ASOS

 John Hannett, General Secretary, USDAW

 Diane Savory, Chair, GFirst LEP

 Victoria Robertshaw, CEO, Keelham Farm Shop

 Helen Dickinson, CEO, British Retail Consortium

 James Lowman, CEO, Association of Convenience Stores

**Officials:** Rannia Leontaridi, Laura Robinson (BEIS), Tom Ironside, Stephen Bethel (BRC)

**Apologies:** Sir Charlie Mayfield, Chair, John Lewis Partnerships

 Ursula Lidbetter, CEO, Lincolnshire Cooperative

**2. Summary of Actions**

Council members agreed to be representative of their sectors and to act in a collaborative and collegiate manner. Council members would pass to the secretariat their thoughts on future priorities for consideration and to inform the development of a workplan. BEIS officials would ensure appropriate interactions between the Council and other Government Departments.

**3. Note of Discussion**

**a) Welcome and Introductions Terms of Reference**

The Council considered the importance of both online and more traditional models of retailing, alongside the importance of the industry as a leading private sector employer. The Council focussed on the importance of its role both in influencing government policy and galvanising the industry to action. The council recognised the need to focus on delivery and positive outcomes and the scope for retail to become better at collaboration and making the Council the fora for all Ministers looking to engage with the retail sector.

Council members agreed the terms of reference and undertook to be bound by the Nolan Principles of public life. Council members are not appointed to represent individual company views but represent the views of their sub-sectors. The importance of Sector Deals was also highlighted.

**b) Future of Retail**

The Sector Council received a presentation on the future of retail. Key findings included: a strong expectation that online penetration will continue to grow; this is not necessarily negative for traditional retailers as multichannel customers tend to be more satisfied with their retail experience than those that shop through a single channel; stores will remain, will have new roles in the future but there will be fewer of them; and new partnerships and acquisitions will drive new models and innovation.

The result is that a new “modular” value chain is emerging, in which there are more ways for products to reach customers. Manufacturers are able to bypass retailers both through utilising platforms and retailing direct to customers. These developments will drive real disruption – in effect intermediaries could begin to own customer relationships. This adds up to an existential threat for retailers and a major shake-up to come. Undifferentiated retailers are at most risk – those that utilise resilient/innovative business models will prosper.

**d) Discussion/Priority Setting**

The Council considered its priorities, recognising in particular the future pressures in employment, disruptions, the importance of SMEs, skills, apprenticeship levy, lifelong learning, automation, productivity technology improvements, retail’s role in tax collection and costs to business.

**Dates of Future Meetings**

11 June: BEIS, 1 Victoria Street