

Minutes of 8th meeting of the Retail Consultation Forum

Dublin Castle, 4 February 2016

1. Minutes and recent developments in the Retail Sector:

The meeting was chaired by Assistant Secretary Clare Dunne. Minister Nash sent his apologies. Apologies also received from Keith Rogers, Aidan Candon, Conor Whelan, Colin Fee, Ray Hernan, Helen O'Donnell, Gary McGuinn, Phil O'Flaherty, Ian Talbot (Mark O'Mahoney attended in his place), Mark Fielding (Jennifer Kenneally attended in his place) and John Jameson (John Murray attended in his place) and Paul Carroll (Caitriona Bracken attended in his place).

Attendance list is attached in appendix 1.

Minutes of the meeting of 16th October were approved. Ms. Dunne reminded Forum participants that all minutes of the Retail Consultation Forum meetings would be made available to the public on the DJEI website, in accordance with the Transparency Code of the Regulation of Lobbying Act 2015.

Forum members had a brief discussion of recent developments in the retail sector. Retail sales figures for 2015, both in value and volume terms, were very positive and results for November in particular were particularly strong, indicating a move towards early Christmas shopping. However, while the overall results indicate that the corner has been turned in the sector in terms of emerging from the recession, members noted that there continue to be significant challenges for the sector, such as a clear rural/urban divide with cities experiencing a greater recovery than towns and villages, increasing cost base pressures (insurance premiums, rents and significant wage pressure) and therefore the work of the different Working Groups set up under the Retail Consultation Forum is very timely.

Ms Dunne introduced the discussion on the work to date of each of the three Working Groups established by the Forum at the October meeting in response to the recommendations of the Report on "Policy Options to Support Business Growth and Job Creation and Retention in Town and Village Centres" by the Joint Oireachtas Committee on Jobs, Enterprise and Innovation. It is hoped that final recommendations will be presented by two of the Groups - Retail and Reducing Energy Costs and Retail and the Digital Economy- by mid-year with the Retail and Town Centre Revival Working Group presenting recommendations in the autumn.

2. Update on Retail and Reducing Energy Costs Working Group

Vincent Jennings from the CSNA, Chair of the Working Group, presented a first progress report to the Forum. A number of barriers for businesses had been identified which the group agreed to address, as follows: the methodology of calculating the PSO levy; financing for energy efficient investments; switching provider/cost comparison; and communication/awareness around consumption and efficiency issues.

PSO levy: members of the Working Group had made the case that the current methodology for calculating the PSO levy leads to a significant difference in levy charges for medium sized businesses on either side of the KVA threshold. DJEI met with DCENR and the CER to discuss the issue. The process for calculating the PSO levy is laid out annually in the PSO Decision Paper and the charging mechanism is laid out in legislation. Any change would require full public consultation and legislative change. If a persuasive case was made by a number of interested parties, it might be considered.

While DJEI understands the difficulties that the PSO levy methodology presents for medium sized retailers, it was agreed at the Forum that this was an issue that would best be pursued with DCENR by retail representative bodies working collaboratively as an interest group.

Energy efficiency: A key outcome work of the group to date has been an agreement to develop an evaluated pilot training programme to help retailers reduce energy costs through increased efficiency, combining elements of Energy MAP training (developed by SEAI and Musgraves) and material brought to the group by SEAI and Green Business. CSNA and SFA will identify members to participate in the pilot. It is hoped that such a pilot would then be mainstreamed and the support of Forum members would be pivotal in ensuring buy-in and participation by their members.

Financing for energy efficient investments: members of the group met with financial providers and there are positive signs that a number of financial institutions are opening up access to finance for energy efficient investment for their customers.

Switching provider/cost comparison: comparative/switching websites currently only exist for domestic customers. DJEI met with the CER as the CER manages a rigorous accreditation process for the comparative websites. The CER would be open to providing an accreditation process for a business comparative website, however, no business proposal has been put to them by external providers.

The Forum felt that there was a need for a switching/comparative facility to be put in place for business customers. Essentially, business customers deserve to be treated as energy consumers in the same manner as domestic customers. The Group will pursue this issue with existing domestic switching providers.

3. Update on Retail and the Digital Economy Working Group

Stephen Brennan from DCENR, Chair of the Working Group, provided an update to the Forum. Three broad areas have been identified by the Group for pursuing: data collection, case studies, training provision and access to relevant information.

Data collection:

It is clear that there are significant difficulties in obtaining reliable data on online retail sales. Most bodies use CSO retail sales index as a key source of information. Other sources were central bank credit card statistics, Visa card releases, Google barometer and surveys of members. However, no data currently identifies the

proportion of overall retail sales that is online. Nor does any data differentiate between domestic and international online sales.

D/CENR has commissioned Indecon to carry out an in-depth study into the digital economy. The study should be published by March but early indications are that the digital economy represents a greater proportion of GDP than previously thought and that some areas of retail online sales are far greater than expected. The study will make recommendations on data sets that could be sought in future.

Forum members indicated their support for providing the CSO with greater levels of detail concerning online sales in the interest of collecting relevant information that will give a greater indication of the size and nature of the digital retail economy.

DJEI and DCENR will follow up with the CSO, Central Bank and others to identify ways in which additional sets of relevant data on the online economy can be obtained. The study by Indecon for DCENR will feed into this work.

Case studies:

Members of the Working Group are in agreement that case studies, both of success stories and the challenges faced by businesses, are a powerful tool in educating and inspiring businesses to take the step towards online trading. All members have been asked to identify case studies from within their membership, mindful of any sensitivities that there might be with regard to sharing information and to identify ways in which case studies can be messaged to retailers to reach the largest audience.

Training:

Training and upskilling both manager-owners and employees is essential in order to develop understanding of the benefits of going digital, to demystify online trading and to give retailers the tools to identify their needs in this area and to engage with confidence with providers;

Members attended an information/training session on TOVS at the Dublin City LEO office which was excellent – a short session but it certainly would help any small retailer to identify their online trading needs more clearly.

Representative bodies all provide training in different ways to their members and a suggestion has been made to bring training providers together and explore common training programmes that can be provided to a wider retail audience but there could be sensitivities around progressing this issue. Consideration could be given to putting together a “train the trainer” network.

Furthermore, DCENR could examine ways in which the TOVS might be enhanced/extended/replicated, drawing on input/ideas from members, including the consideration of a tax credit for digital investment similar to the R&D tax credit.

Access to information:

A clear difficulty for retailers who are interested in taking steps towards having an online trading presence is knowing where to find information on the steps they should take to go digital, the challenges that they might encounter along the way and what are the different options available to them.

Forum members discussed how existing tools and supports, such as the SME online tool, could be used to disseminate information to retailers that are considering online trading. One option to explore is the development of an information portal which will direct retailers to solutions depending on their requirements. However, the issue then arises about who would provide such a service.

4. Update on Retail and Town Centre Revival Working Group

Eadaoin Collins, DJEI, gave an update of the work of the Town Centre Revival Working Group which is chaired by the CEO of Donegal Local Authority, Seamus Neely. There is great engagement by all retail representative bodies, Local Authorities and the Department of Environment, Community and Local Government (D/ECLG) in the group.

There is broad agreement on the need to work in a collaborative manner to identify solutions for the revival of town centres with engagement of all key stakeholders. A preliminary draft paper was discussed at the January meeting which will form the basis for drafting a Framework for town centre revival. A key solution identified in the paper revolves around a “town team” or “town centre management partnership” type of approach.

Discussion among Forum members supported the work that has been carried out by the Group to date and confirmed the key concerns and issues to consider within the group, including:

- The need for an overall strategy/framework for town centre management, drawing on existing expertise both in Ireland and in the UK;
- The recognition of work already being carried out by key stakeholders in towns and villages across the country and the need to build on such work, such as the collaboration between Chambers and Local Authorities;
- The key role of the Local Authority both in terms of its statutory responsibilities and also as a source of funding for town centre management partnerships;
- The need to understand the changing nature of the town centre and how it can be made fit for purpose for today’s needs;
- Training requirements for Town Teams/town centre managers/partnerships need to be identified and provided;
- A clear pathway for town centre revival needs to be mapped out to guide town centre management partnerships;
- Specific elements, such as rates, could be considered by the Group;
- A sustainable funding model also needs to be identified.

The CEO of the Association of Town Centre Management in the UK has been invited to attend the next meeting of the Group on 16th February.

5. Presentation on the Integrated Licence Application Portal (ILAS)

Michelle Kearney of DJEI introduced the presentation on the ILAS with a brief background of the Portal. The aim of the Portal is to reduce red tape with the provision of a single portal for all licence applications/renewals. The LGMA is the Contracting Authority for the tender and, through the public procurement process, in July 2015 An Post and Escher were awarded the contract to design, build and operate the system for the Integrated Licence Application Portal.

An Post and Escher made a joint presentation on the Portal with a live demonstration of how the Portal works in practice. The ILAS went live in December. However, there are a limited number of licensing authorities on the system at this point in time. It is hoped that the majority of licensing will be on the Portal by the end of the year. A marketing campaign was also being considered for March to promote the Portal and encourage its use amongst retailers and other parties.

In the discussion following the presentation, Forum members provided useful feedback to An Post and Escher in relation to the presentation and issues that they had already encountered. There was general welcome for the Portal as a means to make the licensing process more streamlined and less onerous but there was recognition that a full transition to such a streamlined process might take some time and there are a number of teething issues to be addressed.

6. AOB

Public Health Alcohol Bill 2015

Retail Ireland had asked that the Public Health Alcohol Bill 2015 be included for discussion under AOB. Dr Fenton Howell of the Department of Health gave an update on the current status of the Bill which was initiated in the Seanad in December 2015 and has yet to be presented to the Dail for discussion. The Bill aims to reduce consumption to 9.1 litres of pure alcohol per capita and to reduce the harms caused by alcohol through the introduction of a number of provisions, including:

- minimum unit pricing
- health labelling of alcohol products
- the regulation of advertising and marketing of alcohol
- the regulation of sponsorship
- structural separation of alcohol products in mixed trading outlets and
- the regulation of the sale and supply of alcohol in certain circumstances

Retail Representative bodies expressed their deep concern at the impact that the proposed legislation will have on their members and also at the manner in which it has been progressed. The key points raised were the following:

- Retail bodies expressed a view of lack of engagement with industry with regard to the preparation of the legislation and little understanding of the effect of the proposed provisions on the retail sector. Representative bodies met once with the Minister at an early stage in the preparation of the legislation. (One representative body had met with D/Health that week);
- Retailers are very conscious of their responsibilities with regard to the sale of alcohol and developed a code of practice in conjunction with the Department of Justice regarding advertising, placing of products, promotions etc. There is no recognition of the good work that has already been done by retailers to combat alcohol misuse;
- Lack of evidence-based research which demonstrate that the proposed changes, in particular the segregation of the sale of alcohol products, have the desired effect of reducing alcohol misuse;
- No RIA carried out on the cost and impact of the legislation for retailers;
- Structural separation of alcohol products in mixed trading outlets will have big cost implications (both structural costs and staffing costs). Unfair treatment as off licences are not affected by this provision in the legislation;
- Labelling proposal will limit the choice to the consumer of products;
- Representative bodies called for further engagement with D/Health on the proposed legislation.

Chair welcomed the discussion of the issues at today's meeting and acknowledged the concerns of the retail representative bodies with regard to the Bill which is trying to address a serious societal and health issue. Further opportunities to influence and engage with the Minister of Health on this issue will present themselves. Chair suggested that interested parties write to the incoming Minister for Health seeking a meeting to discuss the issue. D/Health also noted the views expressed at today's meeting.

Future Meetings:

The Chair confirmed that the Department of Jobs, Enterprise and Innovation expects the Retail Consultation Forum to continue to be a priority for the next Government following the General Election. Proposed dates, subject to confirmation when a new Chair has been appointed are 8th of June, 14th of September and 16th of November 2016.

Secretary to the Retail Consultation Forum

Appendix 1: attendance at the Retail Consultation Forum meeting on 4th February 2016

Linda Barry	SFA
Rebecca Birchall	Fischers of Newtownmountkennedy
Caitriona Bracken	D/Social Protection
Stephen Brennan	DCENR
Tara Buckley	RGDATA
Thomas Burke	Retail Ireland
Edel Clancy	Musgraves
Eadaoin Collins	Dept, of Jobs, Enterprise and Innovation
Maedhbh Cronin	Dept, of Jobs, Enterprise and Innovation
Catherine Curran	Dept, of Jobs, Enterprise and Innovation (Secretary)
Jim Curran	Irish Pharmacy Union
Lynn Drumgoole	Retail Excellence Ireland
Clare Dunne	Dept, of Jobs, Enterprise and Innovation (Chair)
Eoin Fitzpatrick	Fitzpatrick's Wholesalers
Máire Flanagan	D/Taoiseach
Annemarie Harte	Hardware Association
Fenton Howell	D/Health
Vincent Jennings	CSNA
Jennifer Kenneally	ISME
Ruth McGrath	D/TTAS
Daniel McLoughlin	CCMA
John Murray	School of Retail Management, DIT
Emily Odlum	Dept, of Jobs, Enterprise and Innovation
Mark O'Mahoney	Chamber Ireland