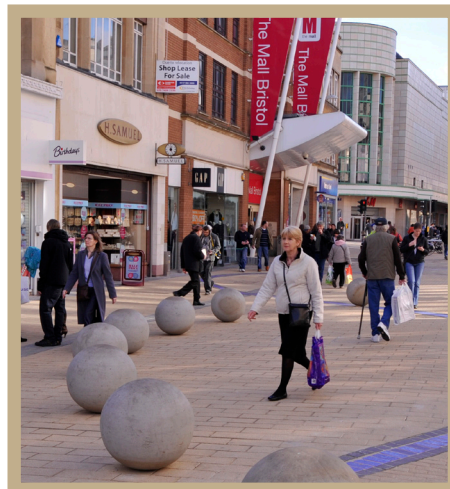


# Retail: Delivering Sustainable Recovery

Retailing is at the heart of our towns, cities and neighbourhoods and is vital to the health of UK plc. **One in every eight households has someone who works in retail** and with 60 billion visits by consumers every year, retail plays a unique role in listening to and leading our communities.

Retailing is not only the engine of the economy, its health is a visible barometer of the economic climate. The British Retail Consortium, as the authoritative voice of the industry, believes that, with support, help and commitment from local politicians and national government, **the retail sector can help the UK emerge from the downturn equipped for the challenges ahead.**



## WHAT RETAIL DELIVERS

Retail is an excellent employer, committed to developing the skills of its workforce, providing flexible working opportunities and bringing the long term unemployed back to work. **Over 40% of the adult population have worked in the retail sector.**

Retail is a competitive business which offers consumers choice, value and innovation. **Retailers have kept prices low and driven down inflation, in the face of multiple rising costs.** UK households spend less of their income on food than the EU average.

Retail has led the environmental agenda through cutting emissions, reducing waste and helping change consumer behaviour. Over the past three years, leading retailers collectively reduced carbon emissions from stores by 17% and transport emissions from deliveries to store by 12% on a like for like basis.

**Successful retailers respond to changing consumer demands quickly and efficiently.** This has driven the introduction of healthy food ranges, eco products and high-end technology goods, as well as a commitment to affordability and quality.

Over recent years retail-led regeneration has helped to transform city centres and high streets, bringing employment opportunities, key services and long term investment to local people and communities.

Retail breaks boundaries. The sector's continuous desire to innovate has led to the diversity of the current shopping experience, with the internet, high street locations and wider developments offering the customer convenience, flexibility and unparalleled choice.

## MAINTAINING RETAIL'S VALUE

The British Retail Consortium believes that by focusing on the priorities identified overleaf, the UK Government can help the retail sector to continue to prosper, benefiting the wider economy as well as every constituency in the UK.

### MAINTAINING EMPLOYMENT

The retail workforce is one of the UK's most diverse. It comprises:

- 62% women
- 13% disabled workers in line with the UK population
- 12% ethnic minority workers in proportions reflective of local populations

Nearly one in five retail staff is aged under 21 and the sector offers that vital first job to many school-leavers. The sector is also committed to developing its workforce. In 2008, at least 63% of total staff received training.

**To protect retail jobs, the UK Government should:**

- Cancel the one per cent increase in employees' and employers' National Insurance contributions now planned for 2011
- Guarantee that any future increases in the National Minimum Wage do not exceed average wage movements
- Ensure employment legislation is flexible, proportionate and outcome-focused, avoiding further EU-driven burdens



### REDUCING COSTS

While every business incurs costs, the retail sector faces disproportionate burdens due to the complex and customer facing operations they run. Retailers already bear 25% of the total business rate bill - £5.5 billion in 2007/08. The loss of Empty Property Rate Relief, an unrepresentative inflation rise in 2009, and the double hit of the 2010 revaluation and introduction of Business Rate Supplements could add substantial further burdens.

Retail is traditionally a low margin sector. The introduction of the Carbon Reduction Commitment in 2010 will potentially remove over £300m of working capital from retail businesses, 75% (by value) of which fall within the scheme.

**To reduce costs and protect retail jobs, the UK Government should:**

- Limit any rises in business rates in 2010-15 resulting from Revaluation 2010 so that sectors providing essential services, and businesses in hardest hit regions, can afford the increases without shedding jobs
- Suspend the introduction of Business Rate Supplements which unfairly penalise retailers
- Reinstate in full Empty Property Rate Relief
- Revise the funding mechanism of the Carbon Reduction Commitment to keep capital within businesses
- Minimise trading costs, especially for small retailers, by ensuring Trade Credit Insurance markets work effectively



### DEVELOPING A COMPETITIVE FRAMEWORK

Retailing is a global industry. Products are imported from around the world for the benefit of UK consumers and, in addition, many well known UK retail brands are achieving great successes in both Europe and further afield. Free and fair trade and recognition of the benefits of market competition are all vital if UK retailers are to continue to thrive and offer their customers the best choice and value.

Likewise, the sector is reliant on an efficient regulatory framework at all levels of government. Rigid or inconsistent bureaucracy adds significantly to costs without delivering proportionate consumer benefits. In the current economic climate, every regulatory burden must be fully justified.

#### **To reduce the pressures on business, the UK Government should:**

- Continue to champion the benefits of free trade and resist all forms of protectionism
- Ensure the UK has an effective presence in Europe in order to shape Single Market legislation
- Support competition and innovation by insisting regulation is proportionate, evidence-based, and all enforcement is both consistent and targeted
- Ensure all forms of legislation are implemented in business friendly ways, with workable lead in times and recognition of complex operations.

### MAINTAINING SUSTAINABLE GROWTH

Retail has been a key driver of sustainable growth for the UK economy. By reducing these costs and burdens on retailers, this growth can continue, providing future job opportunities and services in our communities.

Almost 3 million people work in retail in the UK

The retail sector generates almost 8% of the Gross Domestic Product of the UK

Retail sales account for one tenth of the UK economy

9% of all VAT-registered businesses in the UK are retailers, with the total number currently at 197,990

There are almost 300,000 retail outlets in the UK

UK retail sales were £287 billion in 2008

More than a third of consumer spending goes through shops

### CONTACT THE BRC

The British Retail Consortium (BRC) is the lead trade association for the UK retail sector and the authoritative voice of the industry to policy makers and the media. We represent retailing in all its forms in every UK location and work on the full range of issues affecting the sector.

Retail is one of the UK's success stories, but currently faces a challenging trading and regulatory environment. Our aim is to bring about policy and regulatory changes that will ensure retailers can maintain their outstanding record on job creation, consumer choice and product innovation.

The BRC would be delighted to meet you to discuss further the importance of the retail sector and the issues highlighted in this document. To arrange a meeting, or for further information, please do not hesitate to contact us:

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### OUR POLICY WORK

The BRC engages in a wide number of policy areas of essential importance to the vitality of retail. The following key publications are available to download from [www.brc.org.uk](http://www.brc.org.uk).

#### A Better Retailing Climate

BRC members have signed up to ambitious targets to reduce carbon emissions, cut waste and help customers, staff and suppliers reduce their environmental impacts and vulnerabilities.



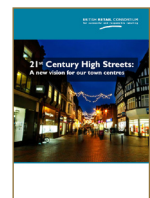
#### British Retailing: A Commitment to Health

This comprehensive report details the work our food retailing members have taken forward on the full range of health and nutrition issues, including food labelling, reformulation, the provision of information in catering establishments and portion sizes.



#### 21st Century High Streets: A New Vision for UK Town Centres

The UK's high streets have faced a challenging time with changing shopping habits and the growth of other forms of retailing. This strategy sets out what we believe needs to be done to help them thrive.



#### Planning Best Practice Guidance

The planning process is hugely important to retail and this guidance demonstrates our view on what works and helps businesses deliver growth, benefits communities and regenerates deprived neighbourhoods.

