ACS | the voice of local shops

ACS Budget Submission 2020

Local shops have a unique reach into communities and people's everyday lives. We operate at the heart of more British communities than any other type of business, and across every type of location: villages, housing estates, neighbourhood parades, petrol forecourts and high streets. We are the hub of new housing developments and the last remaining store in locations that can sustain one outlet offering a broad range of products and services. Convenience stores often serve communities and individuals that are not as well connected to the modern economy, offering access to services through face to face interactions.

This means local shops are a vital piece of community infrastructure, enabling human interaction and connecting communities to the services and products they need. This matters most in rural and isolated communities where 69% of customers would have to travel more than two miles to access services from other businesses. That is why people consistently report that Post Offices and convenience stores have the most positive impact on their community and therefore are highly sought-after assets.

Our pitch is not for handouts, favours or subsidies. Our sector evolves with consumers and reacts to gaps left by specialists who can no longer operate an estate of physical stores. Government policy and fiscal incentives should be focused on helping local shops to change and provide the services their communities need.

So, rather than seeing their business rates increase when they invest in their stores and offering new services, they should see their rates bills reduce to reward their investment. When we offer secure, flexible, local jobs, we should not be undercut by gig economy jobs that don't provide the same value. Local shops should not be hit by regulations aimed at those new employment models.

When we stand alone in communities after other local businesses close, our colleagues should receive more help and support from the police rather than resources being diverted to larger centres. And when the black market threatens our members' sales, the Government should tackle illegal traders because they undermine important businesses as well as the Government's tax revenues.

There are **46,388** convenience stores in mainland UK

Convenience stores provide around **405,000** jobs in mainland UK

Source: ACS/HIM 2019

Over the last year convenience stores have invested » **£633m** in their businesses

Over the last year, **the convenience sector contributed**

Over **£8.8bn** in GVA and over **£7.7bn** in taxes

At the 2020 Budget the Chancellor can make a real difference for local shops, the locations they trade on and the communities they serve by:

Incentivising Investment

Local shops invested £633million in their businesses during 2019, improving the products, services and store environments for their customers. However, this investment has declined against previous years, and the Government must stimulate more investment through urgent and meaningful reform to the business rates system, enabling businesses to invest in productivity without the threat of a higher tax bill.

- Commit to funding the enhanced retail rate relief scheme for the rest of the Parliament, reducing the rates bills of independent convenience stores across the country.
- Deliver the review of the business rates system, including detailed economic modelling and analysis of the options set out in the Treasury Select Committee's *Impact of Business Rates on Business Report*.
- Adopt as the criteria against which this review will be evaluated factors which are most relevant to businesses and consumers in every type of location: does the system encourage investment and help businesses to change, does it improve access to products and services, is it fair for every type of business - large or small, physical or digital and does the system provide businesses with confidence that their bills are accurate.
- Remove through the wall free to use cash machines from the rating system to sustain access to cash.

Supporting Good Employers

Local shops employ 405,000 people across the UK, providing secure, local and flexible employment opportunities. To maintain a positive employment proposition local shops need support managing employment costs and a regulatory environment that recognises good employers.

- Local shops need help off-setting increases in the National Living Wage that will reach £10.50 by 2024 through a significant increase in the Employment Allowance and an uplift in the threshold for employer National Insurance Contributions.
- Local shops should not be subjected to burdensome employment regulations that seek to address poor employment practices in the gig economy; measures to tackle poor working practices should be implemented as a priority.

Building Stronger Communities

Crime costs local shops £246million per year, equivalent to a 7p crime tax on every transaction in their stores. 'Low level' offences such as shop theft are being ignored or screened out by police forces, but they often lead to violence and abuse against shopworkers and in turn harm to the local community. There is also pressure on local shops' ability to deliver important services like Post Office, bill payments, parcel collections and free to use cash machines, which are abundant in cities and large towns but harder to deliver in left behind or rural communities.

- More community police officers and a better funded justice system to deal with offenders that repeatedly target local shops and the shopworkers that serve the public.

- The Chancellor must act to secure the future of essential community services. Local shops cannot subsidise the delivery of these services, and if they do not, in many areas there are no other physical stores that could step in. The Chancellor should consider regulatory interventions and incentives for these businesses to maintain physical access to these services.

Excise Duty and the Illicit Trade

Local shops collect £5.9billion worth of excise duty on behalf of the Treasury from products and services we sell. Continual increases in alcohol and tobacco duty have driven consumers to black market operators that brazenly trade in left behind communities with little fear of reprisals. We want to see greater enforcement action against black market operators and a freeze in duties on alcohol and tobacco products that push consumers away from responsible retailers.

- Freeze duty levels on alcohol and tobacco products. The Chancellor must recognise that continual increases in duty rates drive consumers to the illicit trade and cause increased revenue gaps for the Exchequer.
- Provide clarity on the operation of the tobacco track and trace system and the impact that the implementation period will have on the development of UK based regulation.
- Freeze fuel duty.

Brexit

As businesses relying on complex, just-in-time supply chains and short-life product, the maintenance of frictionless supply chains between the UK, the EU and all our trading partners is of crucial importance to our members. In working with the government on guidance for our members ahead of the potential no deal Brexit on 31 October 2019, we identified a number of practical challenges which independent retailers in particular would have little scope to influence. We welcome the negotiation of a withdrawal agreement that includes a transition period to the end of 2020, but we are concerned about the potential for disruption if on 31 December 2020 we move to a relationship with the EU that includes no alignment on product standards and regulation; this would give rise to the same challenges we identified last year.

- A detailed debate on the UK's approach to regulation after leaving the EU would help business planning and allow ACS and other groups to set out clearly how the government could manage regulatory divergence to support businesses and consumers.

For more information on this submission please contact Edward.woodall@acs.org.uk or call 01252 533014.

What local shops need from the Chancellor?

Incentivising Investment

Commit to funding the enhanced retail rate relief scheme for the rest of the Parliament, reducing the rates bills of independent convenience stores across the country.

We acknowledge and welcome that the Government has already committed to extend the retail rate relief scheme from 30% to 50% to support local shops. This has been welcomed by our members; many independent retailers have been removed from paying business rates completely or had their business rates bill significantly reduced.

We urge the Chancellor to go further and seek to support local shops trading in villages, neighbourhood parades and high streets by extending retail rate relief beyond 2021. The transition that the retail sector is undergoing will be much bigger and longer than one financial year. We urge the Chancellor to extend the 50% reduction in business rates bills for premises under £51,000RV until the 2024 business rates revaluation.

Deliver the review of the business rates system, including detailed economic modelling and analysis of the options set out in the Treasury Select Committee's Impact of Business Rates on Business Report.

Reform of the business rates system is needed on many levels including to increase parity between traditional bricks and mortar retailers and online retailers. The Chancellor should look closely at the recommendation of the Housing, Communities and Local Government Select Committee High Streets 2030 Inquiry and the Treasury Select Committee's *Impact of Business Rates on Business Inquiry* that set out numerous proposals for the Treasury to review.

We support the proposal to introduce an online sales levy that supplements the existing business rates system or introducing a specific rating methodology for warehouses of online retailers which is based on the receipts and expenditure rating methodology. An online sales levy could be applied to the sale of physical goods sold online that do not interact with physical retail space. It is estimated that a 2% levy on physical goods sold online would raise £1.5billion that could be used to offset the burden of business rates on physical retail premises. The levy would include a sales threshold to exempt small online retail businesses.

Alternatively, a new rating methodology for warehouses of online retailers could be introduced. It is commonplace for the Valuation Office Agency to use a receipts and expenditure or fair and maintainable trade rating methodologies to value some premises, for example petrol forecourts, ATMs and pubs or restaurants. Applying a similar rating methodology to online warehouses would better reflect the value of these premises in the context of a changing retail market and economy.

We believe that many of the proposals for reform of the business rates system, for example Land Value Tax, have merit but the proposals for a sales or turnover tax would be detrimental to local shops and many other high street businesses. A turnover or sales tax would punish high volume, low margin business and result in a system than the existing business rates system.

Adopt as the criteria against which this review will be evaluated factors which are most relevant to businesses and consumers in every type of location:

- **does the system encourage investment and help businesses to change,**
- **does it improve access to products and services,**
- **is it fair for every type of business - large or small, physical or digital, and**
- **does the system provide businesses with confidence that their bills are accurate**

The review of the business rates system in 2014 did not result in fundamental reform because it failed to address the problem of the business rates system being fiscally neutral. We believe that the next business rates review should not be constrained by the same parameters. We have set out a criteria for HM Treasury and MHCLG to measure the success of a new or enhanced business rates system:

Does the system encourage investment and help businesses to change?

The current business rates system deters investment. When retailers invest in improving their shop, by installing; CCTV, air conditioning units or pallet racking, their business rates bills increase. This deters investment, innovation and growth. We want the UK Government to consider how the rates system can be reformed to incentivise investment. The Scottish Government is introducing a business growth accelerator, delaying increase in business rates bill on investments to allow the business to recover some of their costs.

Does it improve access to products and services?

The business rates system is putting pressure on businesses operating on local parades and high streets where communities want to access essential goods and services. The rating system should do more to acknowledge access to important services like cash machines and Post Offices. We also urge the Government to consider exempting electric vehicle charging points and associated car parking spaces from the rating list to encourage more business investment in this infrastructure.

Is it fair for every type of business - large or small, physical or digital?

The business rates system is complex with many reliefs and rating methodologies resulting in unfairness across the board. We think the system can be simplified by completely removing the smallest hereditaments from the system, focusing resources on more accurately rating larger business and better accounting for the digital economy in the tax system.

Does the system provide businesses with confidence that their bills are accurate?

There is broad consensus amongst the business community that the Check, Challenge, Appeals system is failing to deliver an efficient means for businesses to rightfully challenge their business rates bills. The smallest businesses cannot engage with the system without professional support and the largest business are having to invest heavily in additional agents to get appeals through. More transparency about the data used to inform rating assessments and better resourcing at the VOA is needed.

Remove through the wall free to use cash machines from the rating system to sustain access to cash.

We would like to see the Prime Minister deliver on his Conservative Party leadership campaign pledge to scrap business rates on free to use cash machines. Free to use cash machines should be exempted from business rates to support the viability of the free to use cash machine network. The Payment Systems Regulator should reverse the cuts by big banks to interchange fees that enable cash machines operators and local shops to deliver access to cash to local communities. The cut to interchange fees and application of business rates to through the wall cash machines is accelerating the decline in access to cash that the Access to Cash Review found that eight million people are reliant on.

Supporting Good Employers

Local shops need help off-setting increases in the National Living Wage that will reach £10.50 by 2024 through a significant increase in the Employment Allowance and an uplift in the threshold for employer National Insurance Contributions.

The Chancellor's decision to increase the National Living Wage to £10.50 by 2024 will be a significant challenge for local shops. Continual increases in statutory wage rates mean that convenience retailers must make difficult choices about their future employment strategies. Convenience retailers responded to the April 2019 NLW increase by; reducing paid working hours in their business (72%), reducing the profitability of their business (64%) and, for independent retailers, working more hours themselves (52%).

Rising employment costs are the biggest single financial issue facing convenience stores and many other retailers, leading them to make tough choices about employment decisions. The government cannot continue to make commitments that significantly increase businesses' employment costs without offering some concessions to help mitigate them. We recommend that the Chancellor delivers an increase to the Employment Allowance from £3,000 to £4,000, further cutting employment taxes that are a barrier to creating and sustaining jobs.

We also believe that the Government must take further action by raising the starting point for payment of secondary thresholds for employer National Insurance Contributions (NICs). The Employment Allowance increase only helps businesses with a single annual amount no matter what the size of the business or the number of people it employs. Increasing the payment threshold for employer NICs would result in more meaningful year on year savings for local shops as wage rates increase. The table below outlines the impact that increases in the employment allowance to £4,000 will have, as well as an extension of the thresholds for payment of employer NICs on the sectors' wage bill. The table does not account for changes in employment levels or productivity but demonstrates that wage bills continue to increase considerably even with increases to the employment allowance and employer NICs thresholds.

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	NIC Threshold - Over £166.01. Employment allowance - £3000	*NIC Threshold - Over £261.6 (NLW at £8.72)*	*NIC Threshold - Over £275.1 (NLW at £9.17)*	*NIC Threshold - Over £288.3 (NLW at £9.61)*	*NIC Threshold - Over £301.8 (NLW at £10.06)*	*NIC Threshold - Over £315 (NLW at £10.50)*
Total sector wage bill by	**£3,449,376,653**	**£3,661,782,819**	**£3,848,651,323**	**£4,035,519,827**	**£4,222,388,331**	**£4,409,256,835**
Benefit of Employment	£98,089,660	£130,786,213	£130,786,213	£130,786,213	£130,786,213	£130,786,213
Benefit of increasing the Employer NICs threshold	-	£155,112,716	£163,028,446	£170,944,175	£178,859,904	£186,775,633
Net benefit Employment Allowane and Employer NICs	**£98,089,660**	**£285,898,930**	**£293,814,659**	**£301,730,388**	**£309,646,117**	**£317,561,847**
Total wage bill - net benefits	**£3,351,286,993**	**£3,375,883,889**	**£3,554,836,664**	**£3,733,789,439**	**£3,912,742,213**	**£4,091,694,988**

The increase in the starting thresholds for employer NICs makes a greater impact on the sector's wage bill as it increases in parallel with wage rates. We believe that savings from employer NICs would enable many local shops to continue their investment in stores and colleagues to deliver essential services to local communities.

Convenience retailers are driving greater productivity in their businesses to reduce their operating costs, but the existing business model is already lean. Retailers are driving efficiencies through automating back office procedures and increased colleague training to enable them to deliver more, but fundamentally the biggest cost is wages. Further cuts to staffing levels will lead to a reduction in paid working hours, and an increase in lone working, and will discourage investment in services that require people to operate them in store.

In addition to action on the employment allowance and employer NICs, we believe that the Low Pay Commission should independently set wage rates based on objective economic analysis and in consultation with business groups, trade unions and economists. The Government and the Low Pay Commission must ensure close monitoring of the impact of hikes in the National Living Wage to identify, as early as possible, the inflection point where higher wage rates have a detrimental impact on the labour market and businesses. The Dube Review findings showing limited impact of past increases in the National Living Wage does not account for future changes in the labour market or economy. Future wage increases must be predicated on sustained economic growth and objective analysis of the impact on the labour market and business performance.

Local shops should not be subjected to burdensome employment regulations that seek to address poor employment practices in the gig economy; measures to tackle poor working practices should be implemented as a priority.

The Chancellor should seek to maintain a flexible labour market that benefits both employers and employees. Convenience retailers offer good local, flexible and secure employment. 69% of colleagues working in the sector are satisfied with their job and 72% state they are valued by their employer. Therefore, staff retention levels are high with 35% of colleagues working for their employer for more than five years.

We are sympathetic to the principles of the Good Work Plan currently being consulted on, but we do not agree that the Government should seek to regulate the entire labour market to address one sided flexibility present in the gig economy. Requirements to record notice periods for shifts and reimburse employees for cancelled shifts would unnecessarily load more costs on employers.

More community police officers and a better funded justice system to deal with offenders that repeatedly target local shops and the shopworkers that serve the public.

We welcome the Government's commitment to funding 20,000 more police officers and a new legislative agenda that seeks to address violent crime. The national debate on violent crime has focused on serious violence and knife crime but often misses the widespread violence and abuse against shopworkers when they are serving in communities and upholding the law. Evidence from the Home Office, police, industry and unions shows that this is a growing problem that needs to be brought under control urgently.

Shopworkers are most vulnerable when they are enforcing the law; dealing with shop thieves, enforcing age restrictions or refusing to serve intoxicated customers. We believe that shopworkers enforcing the law should benefit from additional protections from the law. This means tougher penalties for offenders that attack shopworkers in the course of their work and better use of out of court disposals to tackle the root cause of offending. We will be campaigning for these measures to be included in the Serious Violence Bill.

The Chancellor should consider allocating more funding to Police and Crime Commissioners to work with the business community to put an end to violence against shopworkers. This would be in addition to the £35million already allocated to 18 Police and Crime Commissioners to set up Violence Reduction Units. Retailers believe that 79% of offenders are repeat offenders, giving the justice system and police an effective route to intervene at the earliest stages of an offending cycle before it escalates to violence.

The Chancellor must act to secure the future of essential community services. Local shops cannot subsidise the delivery of these services, and if they do not, in many areas there are no other physical stores that could step in. The Chancellor should consider regulatory interventions and incentives for these businesses to maintain physical access to these services.

Our polling shows that consumers believe that Post Offices and convenience stores have the most positive impact on their local community. The Post Office network is becoming increasingly relevant in relation to access to financial services and cash for consumers in both rural and urban communities. The importance of the network has also been reinforced as many big banks are unashamedly retreating from high streets and refusing to properly fund the free to use ATM network that allows their customers to access their cash.

The Government must recognise that the long-term resilience of the network is reliant on overall commercial viability of businesses hosting the Post Office. Operating costs for retailers have escalated since the Network Transformation Programme; increasing employment costs such as the National Living Wage, business rates and a highly competitive grocery market means that all store products and services must justify their position.

The independent Access to Cash Review led by Natalie Ceeney set out a number of meaningful recommendations and findings for the Government to consider. Consumers are using less cash and shifting towards digital payments, but eight million people would struggle to cope in a cashless society. LINK's decision to cut the ATM interchange fee has accelerated the decline in the free to use ATM network, with 500 closing per month, often in rural locations, leaving communities without free access to cash. The free to use ATM network cannot be replaced just by the Post Office and cash back solutions.

We need action from the Payment Systems Regulator to reverse LINK's decision to cut the ATM interchange fees and review the management of the declining use of cash. Once the free to use ATM infrastructure has been lost it will be difficult to replace and will isolate consumers.

Excise Duty and the Illicit Trade

Freeze duty levels on alcohol and tobacco products. The Chancellor must recognise that continual increases in duty rates drive consumers to the illicit trade and cause increased revenue gaps for the Exchequer.

The convenience sector collects almost £5.9billion of tobacco and alcohol duties in the UK, but more needs to be done to tackle the total UK illicit alcohol and tobacco market that is worth £3.8billion. The Chancellor needs to allocate funding and dedicate more of HMRC's resources to disrupting the illicit and non-duty paid alcohol and tobacco market. We believe that HMRC also needs to review the approach to enforcement and sanctions to tackle the illicit and non-duty paid trade. We encouraged HMRC to remove retailers' ability to trade by removing their alcohol licence if they are found to be selling illicit or non-duty paid products. This is an effective but underused sanction which we know would deter businesses in our sector from engaging in the illicit alcohol and tobacco trade.

We also encourage HMRC to extend the offences of Restricted Premises Orders (RPO) and Restricted Sales Orders (RSO) to include illicit tobacco offences. Trading standards officers already have powers available to them to make provision for Restricted Premises Orders (RPO) where there has been a total of three underage sales offences at a premises in a two-year period. This prohibits a retail premises from selling tobacco products for a period of up to 12 months. However, trading standards officers do not have the power to use RPOs to sanction retailers involved in the sale of non-duty paid tobacco products. This would be a more effective way for dealing with low volume and low value illicit tobacco offences instead of fines or written or verbal warnings.

Provide clarity on the operation of the tobacco track and trace system and the impact that the UK's depart from the EU will have on the development of UK based regulation.

The implementation of the tobacco track and trace system has been complex and rushed. Our members and the wholesalers that supply them are still contending with implementing the regulations and it remains unclear what tobacco manufacturers are required to fund. We want to avoid a situation where retailers are having to invest in compliance with the EU track and trace system and then be required to comply with a new UK system eight months later at the end of the implementation period. We need clarity from HMRC about their approach to the future of the tobacco track and trace system.

Freeze fuel duty.

We welcome action in previous Budgets to maintain a freeze in the fuel duties. We urge the Government to continue to freeze fuel duties in 2020.

A detailed debate on the UK's approach to regulation after leaving the EU would help business planning and allow ACS and other groups to set out clearly how the government could manage regulatory divergence to support businesses and consumers.

We note the concerns of our suppliers, represented by the Food and Drink Federation and the Federation of Wholesale Distributors, about the potential impact of a swift move to different trading regulations with the disruption at ports that this would cause. We also note concerns among suppliers about the costs and disruption of the UK diverging from EU standards and regulations in the long-term, particularly if this includes tariffs, quotas and other features that drive up costs to retailers and consumers.

If, as suggested by the Chancellor, the UK wishes to diverge from EU regulations and create for the UK a unique regulatory regime, we would welcome clear statements at the earliest possible stage about the way this new freedom would be used to bring benefits to UK businesses which may offset some of the potential disruption and cost referred to above.

We would welcome a pragmatic, regulation-by-regulation assessment of the right approach to support businesses. A new regime on state aid, for example, could give greater scope to support UK businesses that deliver strategic or community value, possibly including convenience stores that could benefit more from rates relief and other measures.

On track and trace systems for tobacco products, continued co-operation with the same system that has been devised with the EU, and which retailers and wholesalers have already invested significant time and money in complying with, is essential in order to tackle fraud and support legitimate UK businesses. A detailed debate on the UK's approach to regulation after leaving the EU would help business planning and allow ACS and other groups to set out clearly how the government could manage regulatory divergence to support businesses and consumers.

For more information on this submission please contact Edward.woodall@acs.org.uk or call 01252 533014.

ACS Budget Submission Recommendation	Effectiveness and Value for Money	Revenue Implications for the Exchequer	Wider Macro Economic Implications	Sectoral Impacts	Admin and Compliance Costs	Legislative and Operational Requirements
Commit to funding the enhanced retail rate relief scheme for the rest of the parliament, reducing the rates bills of independent convenience stores across the country	Directly supports 33,000 independent convenience stores with a rateable value of under £51,000RV Stimulates supply side investment in property and people by reducing operating costs	£280m tax cut across the whole of the small business sector £30m saving for convenience retailers	Stimulate small business investment on high streets and local shopping parades	Reduce costs for smaller retail businesses. The relief does not support large retailers over £51,000RV or multi-site operators with smaller premises	Allocated automatically by local authorities based on rateable value of the premises Multi-site operators with small premises will have to calculate their state-aid de minimis cap	No legislation Allocated under the Localism Discretionary Relief Powers (section 47 of the Local Government Finance Act 1988)
Deliver the review of the business rates system, including detailed economic modelling and analysis of the options set out in the Treasury Select Committee's *Impact of Business Rates on Business* Report	There have been extensive reviews of the business rates system undertaken by HM Treasury and MHCLG and their respective parliamentary committees that provide a framework of the existing challenges and potential solutions	Management of the consultation process. Overall costs dependent on outcomes of the consultation	Business rates revenue accounts for £31billion of the public sector current receipts revenue The convenience sector contributes £308million to business rates receipts	Dependent on review outcomes We believe moving to a sales or turnover based tax would be detrimental to the retail sector. An online sales levy could be used to offset costs on physical retail premises	Dependent on review outcomes	Primary legislation would be required to deliver a new or reformed tax system
Local shops need help off-setting increases in the National Living Wage that will reach £10.50 by 2024 through a significant increase in the Employment Allowance and an uplift in the threshold for employer National Insurance Contributions	Employment Allowance increase to £4,000: The policy is targeted at small businesses with a Employer NICs bill below £100,000 Uplift in employer NICs threshold to £246 per week. Reducing employment costs for all employers	National Insurance Contributions account for £142billion in public sector current receipts revenue Saving to the convenience sector from Employment Allowance increase: £33million Saving to the convenience sector from Employer NICs increase: £146million	Supports employers offset rising employment costs and invest in upskilling existing workforce to improve productivity	Reduces employment costs across the economy, stimulating further jobs growth Will be most beneficial to service industry where wage costs are increasing substantially	Adjustments to PAYE system Limited admin and compliance costs.	Secondary Regulations
Freeze duty levels on alcohol and tobacco products. The Chancellor must recognise that continual increases in duty rates drive consumers to the illicit trade and cause increased revenue gaps for the Exchequer	Freeze in alcohol and tobacco duty rates will reduce growth in the tax gap	Exchequer impact from freeze in alcohol duty - £175m 2020-21 (Budget Policy Costing 2018) Excise Duty gap from alcohol and tobacco accounts for £2.7billion	Convert black markets sales to legitimate businesses and increase excise duty receipts	Main benefits are retail, pubs and hospitality	Businesses must complete usual annual update of prices Increase in HMRC enforcement resources	Secondary Regulations
Freeze fuel duty	Enabling transportation and reducing wholesale cost of goods	Exchequer impact from freeze in fuel duty - £855m 2020-21 (Budget Policy Costing 2018)	Reducing cost of transportation of goods	Whole economy	none	Secondary Regulations

ABOUT ACS

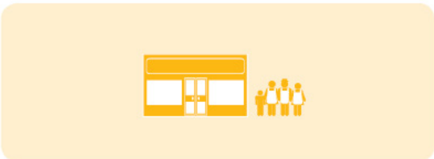
The Association of Convenience Stores lobbies on behalf of over 46,000 convenience stores across mainland UK on public policy issues that affect their businesses. ACS' membership is comprised of a diverse group of retailers, from small independent family businesses running a single store to large multiple convenience retailers running thousands of stores.

Convenience stores trade in a wide variety of locations, meeting the needs of customers from all backgrounds. These locations range from city centres and high streets, suburban areas such as estates and secondary parades, rural villages and isolated areas, as well as on petrol forecourts and at travel points such as airports and train stations.

ACS the voice of local shops

WHO WE REPRESENT

INDEPENDENT RETAILERS



ACS represents almost 19,000 independent retailers, polling them quarterly to hear their views and experiences which are used to feed in to Government policy discussions.

These stores are not affiliated to any group, and are often family businesses with low staff and property costs. Independent forecourt operators are included in this category.

SYMBOL GROUPS AND FRANCHISES

ACS represents over 14,000 retailers affiliated with symbol groups. Symbol groups like SPAR, Nisa, Costcutter, Londis, Premier and others provide independent retailers with stock agreements, wholesale deliveries, logistical support and marketing benefits.

Symbol group forecourt operators and franchise providers like One Stop are also included in this category.

MULTIPLE AND CO-OPERATIVE BUSINESSES

ACS represents over 13,000 stores that are owned by multiple and co-operative retailers. These businesses include the Co-Operative, regional co-operative societies, McColls and others.

Unlike symbol group stores, these stores are owned and run centrally by the business. Forecourt multiples and commission operated stores are included in this category.

THE CONVENIENCE SECTOR

SALES

In 2019, the total value of sales in the convenience sector was £40.3bn.

The average spend in a typical convenience store transaction is £6.38.

SHOPS

There are 46,388 convenience stores in mainland UK. 71% of stores are operated by independent retailers, either unaffiliated or as part of a symbol group.

JOBS

The convenience sector provides flexible employment for around 405,000 people.

18% of independent/symbol stores employ family members only.

ENTREPRENEURS

19% of shop owners work more than 70 hours per week, while 17% take no holiday throughout the year.

70% of business owners are first time investors in the sector.

COMMUNITIES

Convenience stores and Post Offices poll as the two services that have the most positive impact on their local area according to consumers and local councillors.

78% of independent/symbol retailers have engaged in some form of community activity over the last year.

INVESTMENT

Between August 2018 and May 2019, the convenience sector invested over £633m in stores.

The most popular form of investment in stores is refrigeration.

OUR RESEARCH

ACS polls the views and experiences of the convenience sector regularly to provide up-to-date, robust information on the pressures being faced by retailers of all sizes and ownership types. Our research includes the following regular surveys:

ACS VOICE OF LOCAL SHOPS SURVEY

Regular quarterly survey of over 1,200 retailers, split evenly between independent retailers, symbol group retailers and forecourt retailers. The survey consists of tracker questions and a number of questions that differ each time to help inform ACS' policy work.

ACS INVESTMENT TRACKER

Regular quarterly survey of over 1,200 independent and symbol retailers which is combined with responses from multiple businesses representing over 3,000 stores.

ACS LOCAL SHOP REPORT

Annual survey of around 2,400 independent, symbol and forecourt retailers combined with responses from multiple businesses representing 7,556 stores. The Local Shop Report also draws on data from HIM, IGD, Nielsen and William Reed.

BESPOKE POLLING ON POLICY ISSUES

ACS conducts bespoke polling of its members on a range of policy issues, from crime and responsible retailing to low pay and taxation. This polling is conducted with retailers from all areas of the convenience sector.

For more information please contact Edward.woodall@acs.org.uk or call 01252 533014.