



ACS Submission: Low Pay Commission Consultation 2021

- There are almost 47,000 convenience stores in Britain, providing 412,000 jobs in all types of communities. The average store employs 9 people, three-quarters (77%) of whom work fewer than 30 hours per week.
- The convenience sector is an exemplar for two-sided flexibility in the labour market, providing local, secure and flexible employment. As a result, 53% of store colleagues intend to remain with their employer in five years' time.
- The pandemic has not affected stores equally. Rural and neighbourhood stores have experienced increased sales and operating costs, while stores on high streets and transport hubs, reliant on passing footfall, have struggled.
- These are extraordinary times for the labour market, with existential challenges facing many businesses employing at or close to statutory minimums, shortages in some sectors notably distribution and hospitality, the ending of the furlough scheme and other business support measures, the development of Kickstart, the end of freedom of movement with the UK leaving the EU, and Covid-19 health measures slowing down recruitment.
- Retailers have rewarded colleagues for their exceptional effort during the pandemic as essential workers. 84% have introduced reward benefits, including one-off pay bonuses, vouchers and enhanced staff discounts.
- Convenience retailers have primarily responded to the £8.91 NLW rate by; taking lower profits (68%), increasing prices (48%) and automating certain processes (44%).
- Looking ahead to 2024 and the planned increase in NLW to £10.33 retailers believe this would impact their business investment plans (58%) and could have a negative impact on the number of employees in their business (63%)

Recommendations

- ACS recommends a cautious approach to future rates in this economic context. 75% of convenience retailers support an increase in the NLW in 2022 by no more than the rate of inflation.
- Given the unique set of issues in the UK labour market, the LPC should consider using its 'emergency brake' to extend the timetable for setting a NLW at two-thirds of median earnings, allowing the market to adapt to a number of significant changes.

For more information about this submission, please contact ACS Public Affairs Manager Steve Dowling via steve.dowling@acs.org.uk

Introduction & Research Overview

ACS (the Association of Convenience Stores) welcomes the opportunity to provide evidence to the Low Pay Commission (LPC) on the future of statutory minimum wage rates. The convenience sector has a unique reach into local communities, providing access to key groceries and a range of services. ACS represents over 33,500 local shops and petrol forecourt sites including One Stop, McColls, BP and thousands of independent retailers, many of which trade under brands such as Spar, Londis and Costcutter. Further information about ACS is available at Annex A.

ACS has conducted a range of primary research to inform this submission. The ACS National Living Wage Survey 2021 has collected information from 25 businesses representing 3,390 stores and employing 69,280 staff between 16th April and 16th May. Data from the survey has been weighted to be nationally representative for the UK convenience sector¹.

Data from the ACS National Living Wage Survey 2021 was collected via an online survey and was distributed both via email to ACS members and using the ACS website. The data is therefore based on a non-random sample and the sample is likely to be slightly biased towards those who have been particularly affected by the NLW.

ACS' submission also draws on the following research:

- ACS Colleague Survey 2021: Completed by 7,403 colleagues confidentially and anonymously online between 4th January and 19th February.
- ACS Local Shop Report 2020: Survey based on a random sample of 2420 independent retailers combined with data from ACS multiple members and weighted to represent the market. Secondary data sources are also used in the report.
- ACS Voice of Local Shops Survey (VOLS): Quarterly telephone survey of a random sample of 1,210 symbol and independent retailers.

Further methodology information is available on request. ACS is also organising a focus group to allow the LPC to gather case study evidence direct from convenience retailers about the impact of the NLW. The minutes of this meeting, taking place on 22nd June, will be signed-off by LPC and submitted as additional evidence.

Employment in the Convenience Sector

There are almost 47,000 convenience stores in Britain, directly providing 412,000 jobs². Employment in the sector is predominantly part-time with three-quarters (77%) of colleagues working fewer than 30 hours per week³. Two-thirds (66%) of colleagues are female and the sector employs people from a range of backgrounds, with 23% aged under 25 and 12% over 60 years old⁴. Convenience retailers provide good quality employment opportunities at the lower paid end of the labour market. Two-thirds (61%) of colleagues are satisfied with their jobs, despite the considerable strain placed on retailers and colleagues alike to meet community needs and adapt during the pandemic⁵.

¹ Data comes from ACS Local Shop Report which stipulates independents make up 72% of the market and the remaining 28% are multiple businesses (including co-operatives)

² ACS Local Shop Report 2020

³ ACS Local Shop Report 2020

⁴ ACS Local Shop Report 2020

⁵ ACS Local Shop Report 2020

Employment in the convenience sector provides genuine two-sided flexibility for both employer and employee. 64% of retailers use short-hour contracts in their business, but primarily do so to allow staff to manage their external commitments (40%), provide flexibility to respond to staffing demands (36%) and adapt to changes in staff supply (28%)⁶. This staffing model allows retailers to offer additional hours to manage peaks and troughs in demand across the year and manage unscheduled staff absences in a labour-intensive but small working environment. 79% of retailers plan working hours in collaboration with colleagues with 75% planning shifts to accommodate staff needs⁷.

The convenience sector also provides local employment opportunities. Convenience stores trade in all types of community, in rural (37%), suburban (26%) and urban (37%) locations⁸. The sector trades close to where people live, meaning convenience stores are located beyond high streets and larger shopping parades (21%), to neighbourhood parades (39%) and as isolated stores in village locations (37%)⁹. As a result, 55% of colleagues walk to work, with an average travel cost and time to get to and from work of £2 and 10 minutes¹⁰. For most colleagues, the close location of their shop and low cost of getting to work supports them to manage their external commitments and minimise financial outgoings associated with work.

The jobs provided by convenience retailers are secure. Employee turnover is low at 20%¹¹ and one-in-three (37%) colleagues have been working for their current employer for more than five years¹². 92%¹³ of convenience retail colleagues are on permanent contracts, compared to 78% in the overall labour market¹⁴. More than half (53%) of colleagues believe they will be working for their same employer in five years' time¹⁵. Convenience retailers are providing flexible and secure jobs in all types of communities.

COVID-19 & ECONOMIC OUTLOOK

Impact of Covid-19

The impact of Covid-19 on local shop operations over the past year has remained significant. Many rural and neighbourhood stores have experienced increased sales compared to before the pandemic but also an increase in operating costs. Covid-19 is proving extremely challenging for stores more reliant on passing trade on high streets, city centres or transport hubs as consumer footfall has not recovered. Footfall for w/c 24th May was down 29% compared to 2019¹⁶.

The pandemic has negatively impacted the mental health of 40% of independent retailers operating stores¹⁷. Although the first national lockdown was the most intense for the sector, retailers have had to manage increased wholesale costs due to changing product availability and huge operational changes in stores.

Economic Outlook

Figure A shows how retailers have reported sales and staff hours for the past two years. Convenience retailers are operating in a context of shrinking margins and above-inflation increases in all key business costs, impacting profit and planned investments and the level of paid staff hours. There was an uplift in

⁶ ACS National Living Wage Survey 2021

⁷ ACS National Living Wage Survey 2021

⁸ ACS Local Shop Report 2020

⁹ ACS Local Shop Report 2020

¹⁰ ACS Colleague Survey 2021

¹¹ Defined as: length of employment – less than one year. Source: ACS Local Shop Report 2020

¹² ACS Colleague Survey 2021

¹³ ACS Colleague Survey 2021

¹⁴ UK Working Lives Survey 2020

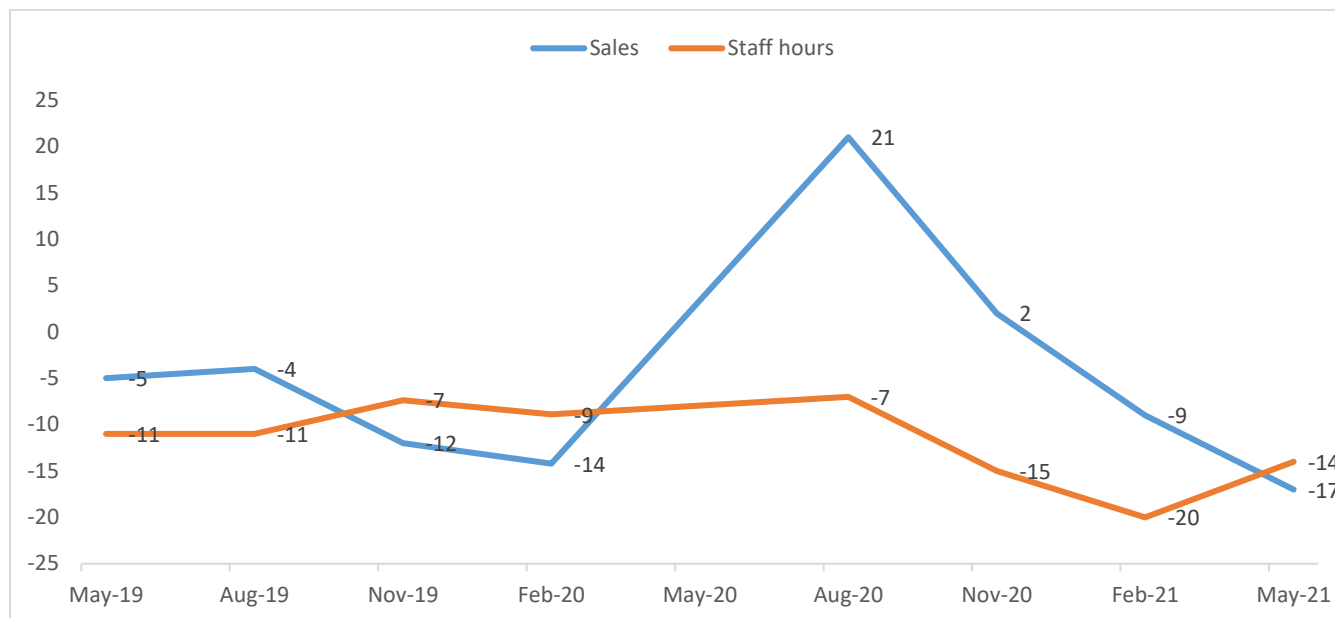
¹⁵ ACS Colleague Survey 2019

¹⁶ <https://v2.placemanagement.org/uk-footfall-daily-index/>

¹⁷ ACS Voice of Local Shops Survey: February 2021

sales and staff hours as convenience stores remained opened throughout lockdowns and became increasingly important to consumers. However, sales trends and staff hours have stabilised since August 2020. There remains a great deal of uncertainty about future consumer shopping habits and confidence impacting retailers ability to plan investments.

Figure A: ACS Investment Tracker: Business Performance Index



Reduced job security and household incomes will cause consumers to reassess their shopping priorities and increased price sensitivity. The pandemic increased basket spends (in 77% of stores) but reduced footfall (57%) as the public followed government advice to minimise social contact¹⁸. The extent to which this shopping behaviour is permanent remains unknown but will shape the economic outlook for many convenience retailers.

Effect of Government Business Interventions

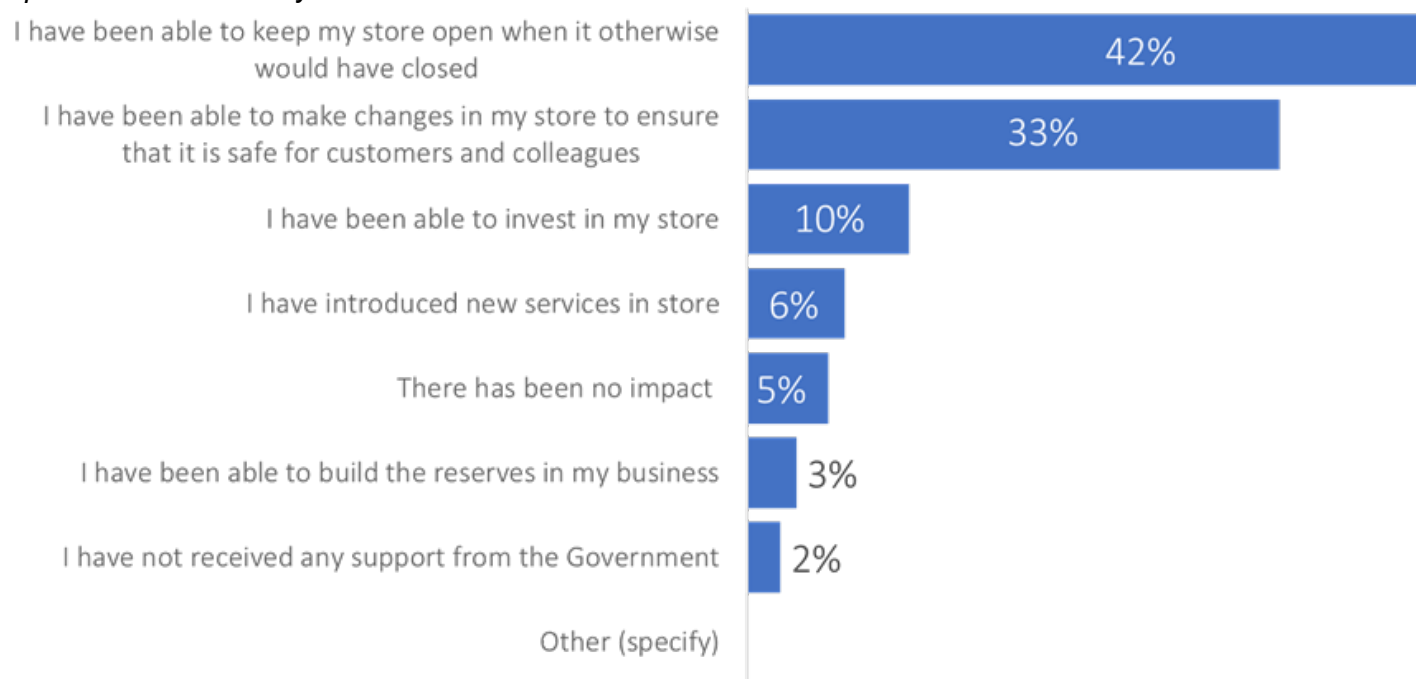
Figure B shows the main impact of government business interventions has been allowing retailers to continue trading and invest in their store operations and services¹⁹.

Figure B: ACS Voice of Local Shops Survey: August 2020: Thinking about the government's financial support for businesses during lockdown, (including the business rates holiday and/or cash grants), what

¹⁸ ACS Covid-19 Impact Survey: May 2020

¹⁹ ACS Voice of Local Shops poll Sep 2020

impact has this had on your store?



The key government support measure for retailers is the retail business rates relief. Business rates relief is relieving financial pressure on retailers, allowing them to focus time and resource on adapting to Covid-19 and make rental payments. Stores in Wales and Scotland are subject to 100% relief until April 2022, while stores in England will resume paying rates after 66% relief from 1st July.

The Small Business Grant Fund (SBGF) and Retail Grant Fund (RGF) have both now expired but improved cashflow and contributed towards retailers' financing of significant increases in operating costs. These costs mainly include increased employment costs from high absence rates due to self-isolation and shielding as well as implementing Covid-Secure procedures. 12% of retailers applied for a Covid-19 Business Interruption Loan and 11% of retailers reported taking out loan or credit facilities as a result of Covid-19²⁰.

Effect of Government Employment Interventions

We support the Government's objective for a jobs-led recovery and existing interventions have helped prevent job losses. Two-thirds (68%²¹) of convenience retailers have used the Job Retention Scheme to furlough employees with 8% of total colleagues furloughed²². Colleagues furloughed have mainly been those working in stores reliant on passing footfall that have struggled due to pandemic restrictions and unable to be redeployed to other stores. The Covid-19 Sick Pay Rebate Scheme has offset much of the rise in sick pay bills for independent retailers but retailers with 250 or more employees remain excluded.

The Kickstart Scheme has encouraged retailers to innovative with new job opportunities for young people. Some initial barriers to accessing the scheme linked to gateway requirements have now been removed but placements under the scheme must begin by the end of 2021. ACS polling in April 2021 finds that 16% of retailers participate in the scheme, 24% have applied but have not yet started placements, and 20% would be interested in offering opportunities²³. We would support an extension of the Kickstart Scheme.

²⁰ ACS Covid-19 Impact Survey: May 2020

²¹ ACS National Living Wage Survey 2021

²² ACS Covid-19 Impact Survey: May 2020

²³ ACS National Living Wage Survey 2021

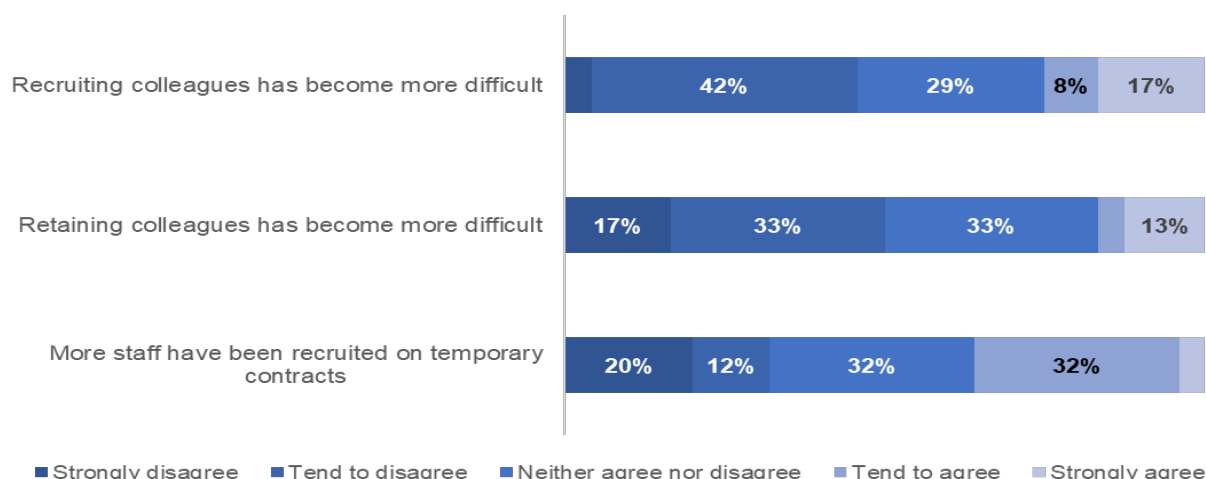
These interventions have not overturned the growing cost of non-wage employment policies. Some of these costs are directly related to wage bills, including apprenticeship levy and workplace pensions. Low demand for retail apprenticeships means retailers are struggling to recoup the costs of the levy: only 5% of colleagues are enrolled on or have completed an apprenticeship²⁴. Employer pensions costs are increasing as the rising NLW effectively reduces the working hours needed to become eligible and opt-out rates gradually decline in the sector, to 16% in 2021²⁵. Statutory sick pay costs have escalated per store despite the rebate scheme, rising to £4,280 per store for 2020/21 from £1,248 in the mostly pre-pandemic 2019/20²⁶.

State of the Labour Market, Recruitment & Retention

There is widespread recognition of the huge effort colleagues have made during the pandemic. ACS' National Living Wage Survey finds that many convenience retailers (84%) have increased staff benefits and rewards over the past year²⁷. 53% of colleagues believe they will remain with their current employer in five years time, suggesting they perceive they are valued at work²⁸.

ACS' National Living Wage Survey (see Figure C) finds that convenience retailers have a positive outlook on their ability to recruit new staff and retain existing staff. Only 25% of retailers report recruitment has become more difficult compared to 46% that believe it has remained the same. Similarly, only 17% say staff retention has become more difficult, despite the reopening of other sectors which often compete for the same labour, for example non-essential retail and hospitality.

Figure C: What Are Your Views on the Current State of the Labour Market?



Looking towards future labour market reforms, gig economy work has grown during the pandemic to facilitate online retail sales and other deliveries. The huge diversity of the nature of gig economy work and those undertaking it makes measuring its prevalence and understanding its quality difficult. Policy makers must consider the impact of changes to employment law and wage rates on incentives towards different employment business models and imbalanced competition.

BEIS has also been considering reforms to address one-sided flexibility following the Taylor Review and Good Work Plan. These should be targeted at gig economy where one-sided flexibility predominantly occurs, not jeopardise the genuine two-sided flexibility of employment in the convenience sector. Three-

²⁴ ACS Colleague Survey 2021

²⁵ ACS Colleague Survey 2021

²⁶ ACS National Living Wage Survey 2021

²⁷ ACS National Living Wage Survey 2021

²⁸ ACS Colleague Survey 2021

quarters (75%²⁹) of retailers plan shifts to accommodate staff needs on flexibility and 71%³⁰ agree the advance notice given of forthcoming shifts supports their life outside work.

Convenience stores draw colleagues from every demographic, usually focusing recruitment on people living close to the store where they work. This pool of potential colleagues is shared by among others the hospitality industry which is facing an extraordinary period of uncertainty and in currently finding it extremely hard to recruit staff. Labour market issues faced at the present time include:

- The ending of furlough scheme
- EU exit and end of freedom of movement
- Restrictions on the movement of workers due to Covid-testing and reluctance to travel
- Kickstart scheme
- Covid testing leading to advice to isolate for multiple colleagues in one site
- Increased demand for hospitality in the UK due to foreign travel restrictions

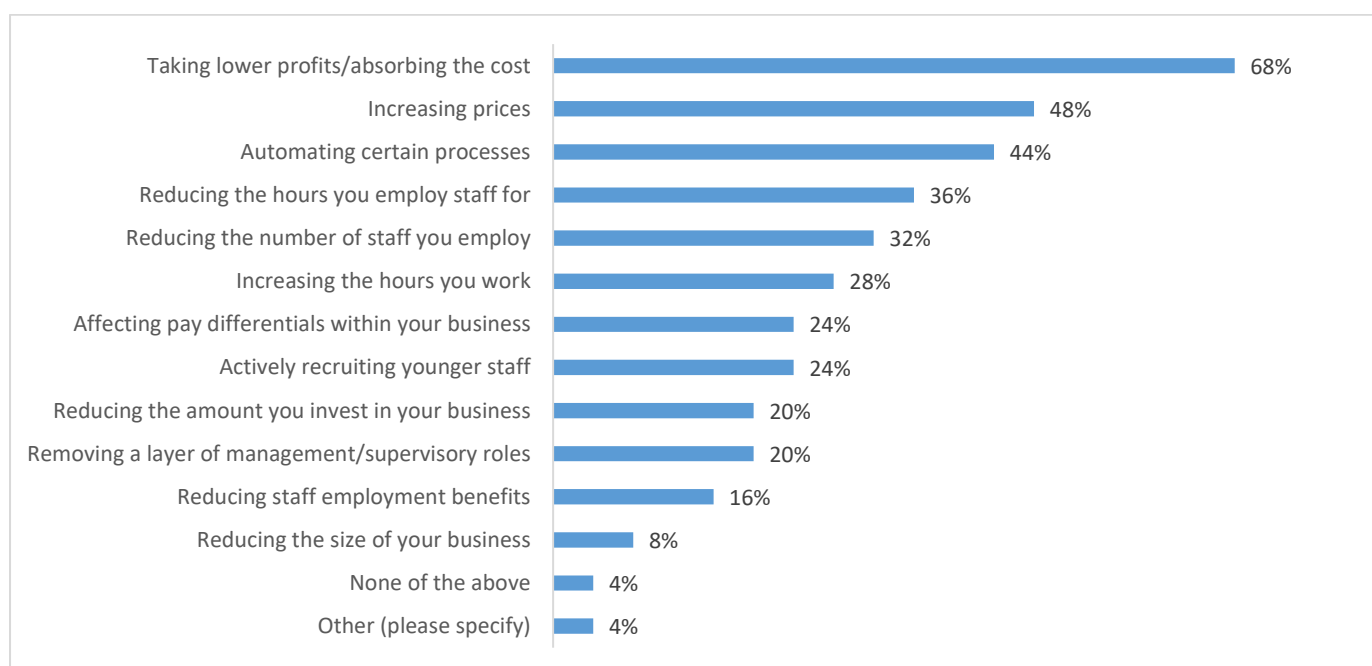
The shortages these issues are causing in some sectors may be solved as these challenges naturally ease, but this is a period of unprecedented disruption in the labour market.

THE NATIONAL LIVING WAGE

Responses to 2021 Rate

Figure D demonstrates how convenience retailers have responded to the £8.91 NLW rate since its introduction on 1st April.

Figure D: ACS National Living Wage Survey: Thinking about how you are responding to the April 2021 National Living Wage increase, which if any, of the following actions are you taking?



The primary responses to rising wage cost in this year's survey are retailers reducing business profitability and increasing prices. This contrasts with previous ACS NLW surveys where retailers had reduced employee numbers, hours and for independent retailers increased their own working hours. This change in the trend could indicate that retailers are now reaching the limit of reductions in employment levels and

²⁹ ACS National Living Wage Survey 2021

³⁰ ACS Colleague Survey 2021

productivity saving. However, it is also possible that change in trend reflects changes in business operations during the pandemic where higher staffing levels were necessary and where product prices were increasing due to increased input costs, demand and reduced supply. Further data is needed to validate the exact nature of this trend.

More retailers are now looking to automate certain processes in the business. This again could be the result of consumers valuing non-contact services during the pandemic. However, we do see growing acceptance and use of self-scan tills in the convenience sector in the longer term. These investments typically require significant up-front cost and are slow to deliver return.

Figure E shows a clear contrast between independent and multiple retailers' response to rising wage costs³¹. This data suggests independent retailers have already removed supervisory or assistant manager positions where possible and operate very flat staffing structure. Multiple retailers have adopted a strong focus this year on reviewing responsibilities by job role and staffing needs across different days and times of the week. A clear move from larger convenience retail chains has been reducing layers of management or redefining their staffing structure.

Figure E: ACS National Living Wage Survey: Thinking about how you are responding to the April 2021 National Living Wage increase, which if any, of the following actions are you taking?

Rank	Independents (33,800 stores)	Multiples (13,100 stores)
1.	Taking lower profits/absorbing the cost	Affecting pay differentials
2.	Increasing prices	Automating certain processes
3.	Reducing the hours you employ staff for	Removing a layer of management
4.	Automating certain processes	Taking lower profits/absorbing the cost
5.	Reducing the number of staff	Reducing the hours you employ staff for
6.	Increasing the hours you work	Reducing the number of staff
7.	Actively recruiting younger staff	Reducing business investments
8.	Reducing business investments	Increasing prices
9.	Reducing staff benefits	Reducing the size of your business
10.	Affecting pay differentials	Reducing staff benefits
11.	Removing a layer of management	Actively recruiting younger staff
12.	Reducing the size of your business	Increasing the hours you work

Independent retailers have in past years taken on more working hours themselves to mitigate NLW increases. This has been an approach taken by between 52% and 65% of these retailers since 2016 each year, suddenly dropping to 28% this year³². This drop is a clear reflection of retailers reaching the limit of additional working hours they can take on during the pandemic. ACS' Local Shop Report indicates that 22% of shop owners already work more than 60 hours per week and 25% take no holiday across the year³³.

One last response to highlight is the increase in staff benefits. This is due to retailers looking to reward staff for their particular hard work during the pandemic. 84% of retailers have introduced new staff benefits due to the pandemic, such as one-off pay bonuses, vouchers or enhanced staff discounts³⁴.

³¹ ACS Local Shop Report 2020

³² ACS National Living Wage Survey – 2016 - 2021

³³ ACS Local Shop Report 2020

³⁴ ACS National Living Wage Survey 2021

Setting the 2022 Rate

The 2022 NLW rate should be set according to an extended timetable for reaching two-thirds of median earnings. Three-quarters (75%) of retailers believe the NLW should increase by no more than the rate of inflation in 2022 and 46% would support a freeze in the NLW rate³⁵. The LPC should be particularly cautious when setting the NLW rate for 2022/23 given the economic context as outlined.

NLW Age Threshold

We support reducing the age threshold for the NLW to 21 as planned. Most convenience retailers do not use the youth rates which are typically viewed as unfair in a convenience retail context. 39% support fewer age-specific wage bands below the NLW compared to 13% who do not³⁶. The actual rate is far more important for convenience retailers than eligibility as entry-level shop floor colleagues are typically paid at the same rate due to the dynamics of a small workforce with employees in the same job roles.

Two-thirds (64%) of retailers report that extending the NLW to 23- and 24-year-olds has impacted their wage costs³⁷. These results could reflect the impact of extended eligibility on median earnings and so the actual NLW rate in addition to some retailers adjusting pay after previously using the NMW for these workers.

Response to 2024 target rate

The economic impact of Covid-19 has been severe and is expected to significantly impact the labour market from the end of the Job Retention Scheme scheduled for 30th September. All economic evidence on Covid-19 indicates a delicate labour market, therefore proceeding with significant above-inflation increases in the NLW could undermine a jobs-led recovery. The pandemic and its impact on the economy justifies commissioners considering the use of the emergency brake mechanism to extend the two-thirds of median earnings target beyond 2024. Maintaining the 2024 target but with a lower increase in 2022 would not be sufficient as this would require steep increases in minimum rates thereafter.

Figure F indicates how convenience retailers may respond to a £10.33 NLW rate in 2024. The three most likely responses align with what has occurred this year but with far more retailers acting across the sector to; take lower profits (76% of retailers), increase prices (74%) and automate certain processes (67%)³⁸. Proceeding with the current target to reach two-thirds of median earnings by 2024 would also dampen business investment for 58% of retailers and could have greater impacts on job numbers (63%). Two-thirds (64%) of retailers have not seen any positive impacts from the NLW policy such as reduced staff turnover or absence rates³⁹.

³⁵ ACS National Living Wage Survey 2021

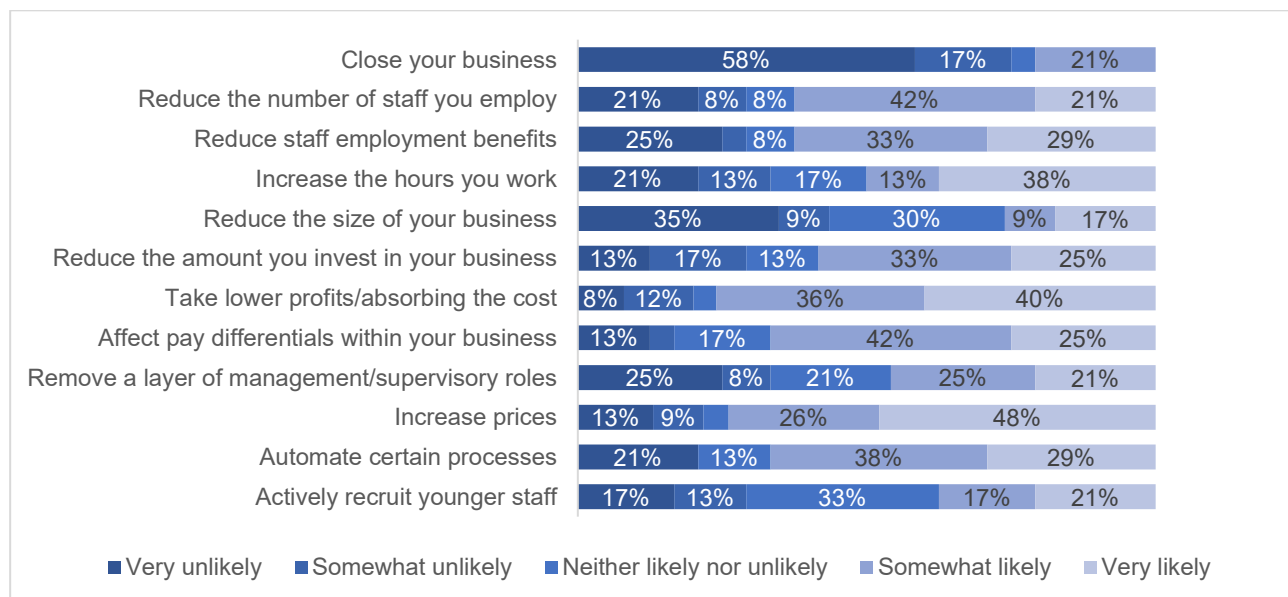
³⁶ ACS National Living Wage Survey 2021

³⁷ ACS National Living Wage Survey 2021

³⁸ ACS National Living Wage Survey 2021

³⁹ ACS National Living Wage Survey 2021

Figure F: ACS National Living Wage Survey 2021: In 2024 the National Living Wage rate is expected to rise to £10.33 for workers aged 21 and over - what effects might this have on your business?



We do not support political targets for wage rates. The LPC should be able to set all statutory minimum wage rates without reference to targets. However, we do understand the government is committed to using the NLW as a lever to 'end low pay'. Therefore, we recommend the LPC uses its emergency brake to extend the timetable for reaching two-thirds of median earnings. This would support convenience retailers and other businesses to endure the economic effects of the pandemic and retain jobs.

OTHER STATUTORY NMW RATES

We support the existing remit for all other statutory minimum wage rates to be set 'as high as possible without damaging employment prospects'. The setting of these rates for 2022 should also recognise the prevailing economic circumstances and potential impact on younger workers, by setting rates which support the employment of younger workers by convenience retailers. The apprentice rate is rarely used in the sector due to small shop floor teams and low interest in retail apprenticeships from colleagues.

FAMILY EMPLOYMENT

The live-in domestic worker exemption is not relevant to the convenience sector. However, we can share data about how independent retailers are established. ACS' Voice of Local Shops Survey finds that 43% are operated as sole traders, 29% as limited companies and 20% as partnerships⁴⁰. One-in-four (28%) of independent retailers inherited the family business and 54% employ at least one family member, with 13% employing family members alone. 21% of retailers either live or have family members living in a flat above the shop⁴¹. Sole traders are most likely to have no employees while stores run as limited companies will often have a husband/wife team running the store together as listed shareholders.

COMPLIANCE & ENFORCEMENT

Compliance

⁴⁰ ACS Voice of Local Shops Survey: August 2017

⁴¹ ACS Voice of Local Shops Survey: August 2018

Convenience retail is a highly regulated industry with people at the centre of the business model. Retailers spend a lot of time and resource to ensure compliance, therefore non-compliance levels are low. Non-compliance is overwhelmingly accidental rather than with intent. ACS' Colleague Survey finds that 60% of colleagues are confident their employment rights are respected and upheld and 72% understand those rights⁴².

Limited progress has been made since the Secretary of State's Direction on 11th February 2020 to deliver thematic guides on specific compliance issues. We understand this direction was given just prior to the pandemic but would welcome a renewed look at the NMW regulations. For example, the regulations do not recognise the Time Off in Lieu (TOIL) concept, whereby an employer gives a colleague time off work instead of payment for overtime hours previously worked. This prevents lower-paid workers from benefitting from TOIL arrangements which some colleagues prefer to additional pay and would be treated as a compliance breach.

We are also aware that HMRC enforcement officers continue to pursue retailers for letting flats above shops to employees after being advertised on the open market. One-in-four (25%) independent convenience retailers have a space above their shop which they rent out for residential use⁴³. These flats are inevitably sometimes let out to employees who can let the property on the same basis as any other potential tenant and can derive particular benefit by reducing their travel time to work.

We are aware that payments made by an employee to rent a property above a convenience store are being considered by HMRC as a deduction for NMW calculation purposes. This is regardless of whether payments are made to a separate management company and despite it not being compulsory for an employee to live in the property. This enforcement approach encourages retailers to prevent employees from living above the shop even when available on an advertised commercial basis. We do not believe this follows the spirit of the regulations that deductions cannot be made "for the employer's own use and benefit".

Enforcement

We support the move towards a single enforcement body (SEB) for labour market regulations. A SEB could be a powerful tool to improve understanding and compliance, dependent on how it is established to practically function. The SEB should form a clear, single Government contact point for retailers of all sizes and work with trade bodies to consult on strategy and effectively communicate resources to business. A priority for any new body must be to renew and embed a partnership approach with employers, a sizeable proportion of whom perceive they have been unfairly penalised for technical breaches in recent years.

Moving towards a SEB will provide an opportunity to revamp the naming and shaming scheme to produce one list across all labour market regulations which distinguishes between the nature of breaches. The use of 'naming and shaming' as a deterrent should only apply for higher harm breaches to become proportionate and reduce the size of a named list that could otherwise be far larger within a single body with a wider enforcement remit and therefore carry less reputational risk for employers. Deterrence must be focused on unscrupulous employers who are knowingly or seriously failing to comply with the regulations.

Proposals to introduce joint responsibility for labour market compliance across supply chains require further and detailed consultation. Introducing joint responsibility would be hugely burdensome on convenience retailers and could unfairly penalise retailers for labour market breaches occurring in businesses with which they have no direct relationship. Joint responsibility would require retailers to audit the HR processes of

⁴² ACS Colleague Survey 2021

⁴³ ACS Voice of Local Shops Survey: August 2018

their entire supply chain, despite complex supply chains within the sector, limited auditing experience and minimal time and resource to complete such activities.

For more information about this submission, please contact ACS Public Affairs Manager Steve Dowling via steve.dowling@acs.org.uk

Annex A

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.



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



In 2020, the total value of sales in the convenience sector was £44.7bn.

The average spend in a typical convenience store transaction is £7.46.



There are 46,955 convenience stores in mainland UK. 72% of stores are operated by independent retailers, either unaffiliated or as part of a symbol group.



The convenience sector provides flexible employment for around 412,000 people.

13% of independent/symbol stores employ family members only.



22% of shop owners work more than 60 hours per week, while 24% take no holiday throughout the year.

72% of business owners are first time investors in the sector.



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.

80% of independent/symbol retailers have engaged in some form of community activity over the last year.



Between August 2019 and May 2020, the convenience sector invested over £585m 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 6,700 stores. The Local Shop Report also draws on data from Lumina Intelligence, 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 and data sources, visit www.acs.org.uk