

# Minutes of the 10<sup>th</sup> Meeting of the Retail Consultation Forum

Alexander Hotel, Dublin 2, 21st November 2016

**Chair:** Minister for Enterprise, Jobs and Innovation, Mary Mitchell O'Connor

The attendance list is at Appendix 1.

## 1. Welcome and Opening Comments

The meeting was chaired by Minister Mitchell O'Connor (MMOC). MMOC welcomed Neil McDonnell, recently appointed CEO of ISME who replaces Mark Fielding on the Forum. Apologies were received from Helen O'Donnell of Dolmen Catering, Becci Harrison of Fishers of Newtownmountkennedy, Maria Melia from the Department of Transport, Tourism and Sport and from Garry McGuinn from the Department of Housing, Planning, Community and Local Government. Ian Talbot of Chambers was represented by Mark O'Mahoney and David Fitzsimons of Retail Excellence Ireland was represented by Lynn Drumgoole.

The minutes of the meeting of 11th July were approved.

MMOC updated members on a number of recent developments.

Budget 2017:

- MMOC thanked members for their contributions to Budget 2017, a pre-Budget paper was submitted by MMOC on behalf of retail members of the Forum to Minister Noonan;
- Fair and prudent budget to strengthen the economy as we face into challenges such as Brexit;
- A number of measures that will support the retail sector:
- retention of the 9% Tourism and Hospitality VAT rate;
- extension of the Home Renovation Scheme to 2018;
- increase in the tax credit for self-employed by €400 to €950;
- extension of the Start Your Own Business tax relief;
- reduction of Capital Gains Tax from 20% to 10% for disposal of qualifying assets up to a limit of €1 million;
- €15 million for the National Broadband Plan which will support the digital economy;
- Start Your Own Business scheme extended for two years;
- And, in particular, greater disposable income with a continuation of cuts to the Universal Social Charge.

Brexit: A key concern for the retail sector is the impact that the decision by the UK to leave the EU will have on the retail sector. In recognition of this, Brexit will be a standing item on the agenda for the Retail Consultation Forum and will be discussed later in the meeting.

Cost of Insurance: Members had indicated that the increasing cost of insurance to business is a key concern for the retail sector.

Minister Murphy was unable to attend today's meeting however D/Finance provided the following update on the Costs of Insurance Working Group:

- Neither the Minister for Finance nor the Central Bank of Ireland can interfere in the provision or pricing of insurance products as these matters are of a commercial nature and the EU framework for insurance prohibits Member States from adopting rules which require insurance companies to obtain prior approval of the pricing or terms and conditions of insurance products;
- Notwithstanding this, the Minister for Finance accepts that it is possible for the State to play a role in helping to stabilise the market.
- The Cost of Insurance Working Group was established and Minister of State Murphy is the Chair of this Group. The initial focus of the Working Group is on the factors that are contributing to the cost and availability of motor insurance and identifying what short-term, medium-term and long-term measures can be introduced to help consumers and businesses.
- The Working Group is preparing a final Report and developing an action plan to enable the relevant Government Departments and Offices to commence the implementation of agreed priority actions.
- Minister Murphy is conscious of the fact that this cost of insurance problem is not confined just to motor insurance. It is likely that many of the recommendations in the report on motor insurance will have a positive impact on other non-life areas, he is very open to listening to any ideas in relation to your particular sector.
- A number of Forum members have made submissions to the Working Group. All members were encouraged to send submissions to the Working Group for consideration to [insurance@finance.gov.ie](mailto:insurance@finance.gov.ie).

DJEI agreed to seek a meeting with Minister Murphy and retail representative bodies as soon as possible.

## **1. Retail Consultation Forum Working Group updates**

### **Retail and Skills Working Group:**

Eadaoin Collins, DJEI, provided an update on the work of the group which was launched at the last meeting of the Forum. A first meeting of the Group took place on 15th November at which the following was agreed:

Terms of reference (which have been circulated to Forum members);  
Sean Carlin, manager of Retail Ireland Skillnet, offered to chair the Group;  
The findings of the Expert Group on Future Skills Needs report of 2012 remains valid;  
A survey of Forum members would be carried out to find out about current training provision and needs;

Speakers on work based learning and digital skills would be invited to next meeting.

Members of the Forum welcomed the update and made the following points:

- It is important to position retail as a career of choice, with a wide range of career opportunities and skills' needs;
- D/Education updated on apprenticeships - working with Retail Ireland on an apprenticeship;
- Importance of ensuring that all strands of skills provision - work-based learning, apprenticeships and academic - are acknowledged and taken into account;
- Digital skills for retail is a key concern: in a fast-changing environment there are different digital skills needs across the sector.

### **Retail and Digital Economy:**

Dr Stephen Brennan, DCCAE, provided an update to the Forum.

DCCAE and DJEI met with the CSO to discuss how to increase the collection of regular data on the digital economy. A number of annual surveys exist which collect a certain amount of data including the ICT Enterprise Survey, ICT Household Survey and the Annual Services Survey. The CSO urges industry to respond as completely as possible to the surveys in order to ensure the collection of sufficient reliable data. Some changes will be made to the surveys which will increase the data collected on the digital economy but changes to surveys have to follow a lengthy process and the work of the CSO and the nature of the data collected is largely dictated by Eurostat.

The TOVs has proven to be a success in the two years of implementation. DCCAE is carrying out an evaluation of the Trading Online Voucher Scheme to assess how the scale and the scope of the scheme might be extended. Further delivery mechanisms for the Scheme are also being looked at.

The Working Group has considered looking at the [gettingbusinessonline.ie](http://gettingbusinessonline.ie) website and how it might be re-activated and used as a repository of information for businesses seeking to trade online.

Much of the discussion in the group has focused on digital skills for the retail sector and this piece of work will now transfer to the Skills Working Group.

DCCAE and DJEI have received a proposal from Retail Excellence Ireland regarding a pilot e-Commerce programme for larger retailers looking at potentially exporting online which is being examined. DCCAE confirmed that if such a programme was supported, it would be open to qualifying retailers.

Members welcomed the update and made the following points:

- With the continuing increase in online sales, this is a key area of concern for the retail sector and Ireland lags well behind the UK in being able to respond to the challenge;
- Extending the scope of TOVs to larger businesses would be welcomed. DCCAE explained that there are a number of constraints which need to be considered;
- Members suggested looking at credit card data. However, there can be some difficulties in sharing this information.
- Development of a guide/leaflet would be useful in addition to case studies.

#### Retail and Town Centre Renewal:

Eadaoin Collins of DJEI gave an update on the work of the Group. Drafting of a Framework for Town Centre Renewal is at an advanced stage. The Framework will include an Action Plan for Town Centre Renewal which will provide a blueprint to key stakeholders in towns and villages indicating the key steps to undertake to revitalise their town or village. The Framework will also set out a number of recommendations by the Group to enhance collaboration and supports at a national level for town centre renewal.

DJEI updated on the €10 million Town and Village Renewal Scheme launched by Minister Humphries in September. Local Authorities were allocated €380,000 to fund renewal projects for up to 8 towns in two size categories (under 5000 and under 10,000 inhabitants) with an emphasis on local collaboration and a health check process. 172 towns and villages were awarded amounts between €17,000 and €100,000 to fund projects. A further €12 million was announced in the Budget for 2017.

Members welcomed the progress on the Framework for Town Centre Renewal and the funding streams being made available.

- However, members recommended that the funding allocated for 2017 should be done on a competitive basis to ensure that the right towns and villages received funding.
- Consideration should also be given to allowing towns of greater than 10,000 inhabitants apply for funding as it is often the case that such funding can go a long way in larger towns which also benefits nearby smaller towns and villages.
- Furthermore, in line with the findings coming from the Working Group, consideration needs to be given to funding town centre management as opposed to once-off projects.

Tara Buckley of RGDATA gave an update to the Forum on the Town Centre Health Check Pilot Programme which it is running with the Heritage Council. The first workshop session took place in September with participation by the Department of Arts, Heritage, Rural and Regional Affairs, the Department of Housing, Planning, Community and Local Government and representatives of Local Authorities, Local Traders and Local Citizenship from the ten participating towns. A second workshop is due to take place in early 2017.

The aim of the Health Check Programme is to assist towns to approach town centre planning strategically by carrying out health checks in line with best practice before preparing a plan. Each of the ten towns is at a key stage in local development planning. RGDATA outlined the content of the Programme. RGDATA hopes to get the Health Check Programme included in the National Planning Framework.

Members welcomed the update. However, concern was expressed about ensuring joined up thinking across Government Departments with different initiatives being pursued.

## **2. Retail Consultation Forum Working Group updates**

D/Taoiseach and Minister MMOC provided a comprehensive briefing on the Government's response to the results of the UK referendum to exit the EU, in terms of the structures that have been put in place by the Government, the priorities that have been identified and the decisions already taken to support the Irish economy and minimise the impact of Brexit.

### **Structures:**

Government has been preparing to respond to the UK decision to leave the EU for well over a year. Planning is intensifying now at political and official level, led by the Taoiseach.

- A Cabinet Committee on Brexit has been set up, chaired by the Taoiseach with all relevant Ministers.
- A number of Working Groups have been set up, chaired by D/Taoiseach, on key issues impacted by Brexit (Northern Ireland, Economy & Trade, Common Travel Area, etc)

DJEI is a key player in the Government wide Committee structure working to prepare for negotiations on the UK exiting the EU focussing on minimising risks and maximising opportunities across a range of policy areas.

To ensure a coordinated DJEI policy response and approach to the negotiations:

- Minister Mitchell O'Connor chairs a regular coordination meeting with the enterprise agencies' CEOs and relevant DJEI policy officers;
  - The Secretary General chairs a regular meeting of Senior Officials from across DJEI representing all areas of the Department;
  - Minister Mitchell O'Connor has met with a range of stakeholders including representatives of enterprise from indigenous and foreign-owned exporters, retailers and specific sectors.
- The Government has established Ireland's headline priorities:
    - Minimising impact on trade and the economy
    - Protecting the Northern Ireland Peace Process

- Maintaining the Common Travel Area and avoiding a return to a hard border with Northern Ireland
  - Influencing the future of the European Union
- Ireland will negotiate from a position of strength, as one of the 27 Member States firmly in and committed to the European Union.
  - The Government is keenly aware of the close ally we have in the UK in terms of negotiating policies across a broad range of areas at EU level. Contacts between the Irish and British governments are ongoing at political level.
  - Ireland also has strong allies across the other Member States of the EU and is working at Ministerial and official level to strengthen bilateral relations across all policy areas.
  - Ministers and officials are actively engaging at EU level to convey the unique impact of Brexit on Ireland.
  - The Government is fully committed to protecting the integrity of the Good Friday Agreement and its core principles as well as supporting the stable operation of its interlocking institutions.

#### **Economy:**

- In responding to Brexit, Enterprise Ireland's strategy is to sustain and grow exports to the UK but also to support their clients to diversify into new markets outside the UK.
- IDA continues to identify potential for mobile FDI in key sectors and actively pursue these opportunities including through targeted trade missions and rollout of advertising campaigns to promote Ireland's offering particularly in talent and tax.
- Additional funding was secured by DJEI in Budget 2017 to help the enterprise agencies to plan for Brexit.
- Core message is to maintain economic competitiveness, assess the immediate impact of Brexit (sterling fluctuations) on trade, in particular in relation to the border regions and seek out new opportunities for our enterprise sector.

#### **Response from retail members:**

- Impact is being felt across retail sector with growth in sales falling over the months since Brexit. Anecdotal evidence from members of representative groups of drop off in sales, in particular in border areas due to currency fluctuations or drop off of UK visitors having impact on some sectors. This is particularly worrying as the coming weeks are the busiest time of the year for retailers;
- Support for enterprise needs to go beyond Government agency clients as vast majority of SMEs fall outside the remit of the agencies;
- Competition from Northern Ireland is intensifying due to sterling depreciation and there are concerns about increases in the black economy;
- Measures need to be introduced to drive down costs for the retail sector such as reducing VAT to 21% to be on a par with the UK and reintroducing the reduced rate of employer's PRSI which was introduced for a limited period from 2011-2013;
- DJEI expressed concern over impact of sterling and perception that depreciation is not being passed on to consumers. Consumers need to understand the issues that affect pricing and see where the value is;
- Members outlined the different reasons for the differentials in price. Media focus is on finding and highlighting individual bargains to be had across the border or online.

Difficult for sector to get message out which explains differences where they exist and present the value that is to be had;

- Retail members emphasised the need to support local businesses. REI is promoting Small Business Saturday on 3rd December.

D/Taoiseach and DJEI assured members that the concerns of the retail sector would be taken into consideration in the context of Brexit preparations. There will be wide stakeholder engagement and sectoral dialogue across the country.

### **3. Retail and Cost of Energy Working Group**

Vincent Jennings, Chair of Working Group, gave a brief update. The pilot scheme developed by SEAI and Green Business in the Working Group has demonstrated considerable savings of up to 19% to date. Further information will be provided once the pilot is completed.

Credit for energy efficient investment has eased considerably with a number of banks open for business.

Response from members was to point out that business costs in many areas are increasing. Costs of insurance, energy and other utilities need to be addressed.

### **4. AOB**

#### **Public Health Alcohol Bill**

Members had asked to include this item due to their continued concerns over the impact of the measures under the Bill on the retail sector.

D/Health briefed the Forum on the objectives of the Bill which introduces measures to reduce the misuse of alcohol in Ireland. While D/Health understands the concerns that the retail sector has, the misuse of alcohol is a critical issue which impacts on all aspects of society and needs to be tackled through a number of measures.

Retail members outlined their concerns in relation to the Bill:

- support the overall objective of the Bill with regard to tackling the serious issue of alcohol misuse;
- concerned about level of engagement by D/Health with stakeholders at different stages of the legislation;
- lack of evidence that the measures to be introduced will have desired effect;
- a number of measures, in particular the structural separation, will have a negative impact on retailers especially small retailers. In its current form the Bill is unworkable.

**Logo**

MMOC presented a selection of possible logos for the Retail Consultation Forum and asked members to indicate to the Secretariat their preferred option.

**Prompt Payment Code**

DJEI briefed Forum on the Prompt Payment Code, urged members of the Forum to sign up, and asked representative bodies to encourage their own members to sign up. To date only two retailers have signed up to the Code, one being Fitzpatrick's Wholesalers who are a member of the Forum.

**Secretary to the Retail Consultation Forum**



**Appendix 1**  
**Retail Consultation Forum Meeting, 21st November 2016**  
**Attendance List**

Name	Organisation
Linda Barry	Small Firms Association
Helen Blake	Department of the Taoiseach
Caitriona Bracken	Department of Social Protection
Dr Stephen Brennan	Dept of Communications, Climate Action & Environment
Tara Buckley	RGDATA
Thomas Burke	Retail Ireland
Edel Clancy	Musgrave group
Jim Curran	Irish Pharmacy Union
Lynn Drumgoole	Retail Excellence Ireland
Eoin Fitzpatrick	Fitzpatrick Wholesalers
Annemarie Harte	Hardware Association Ireland
Vincent Jennings	CSNA
Daniel McLoughlin	South Dublin County Council
John Murray	DIT
Keith Rogers	Ecco
Conor Whelan	Eason
Mark O'Mahoney	Chambers Ireland
Phil O' Flaherty	Department of Education and Skills
Richard Guiney	Dublin Town
Feargal O'Brolchain	Department of Finance
Lynn Drumgoole	Retail Excellence Ireland
Neil McDonnell	ISME
Dr Fenton Howell	Department of Health
Kieran Grace	Department of Jobs, Enterprise and Innovation
Eadaion Collins	Department of Jobs, Enterprise and Innovation
Catherine Curran	Department of Jobs, Enterprise and Innovation
Tracey Murphy	Department of Jobs, Enterprise and Innovation
Emily Odum	Department of Jobs, Enterprise and Innovation
	Department of Jobs, Enterprise and Innovation

Apologies: Helen O'Donnell, Dolmen Catering; Becci Harrisson, Fishers of Newtownmountkennedy; Maria Melia, Dept of Transport, Tourism & Sport; and Garry McGuinn, Depart of Housing, Planning, Community & Local Government