

Minutes of the 6th Meeting of the Retail Consultation Forum

Bedford Hall, Dublin Castle, 15th June 2015

Chair: Clare Dunne, Assistant Secretary General, Department of Jobs, Enterprise & Innovation

Attendance: See Appendix 1

1. Opening comments

In the absence of the Minister for Business and Employment, Ged Nash, T.D., the meeting was chaired by Clare Dunne, Assistant Secretary General, Department of Jobs, Enterprise and Innovation. Ms Dunne conveyed Minister Nash's apologies and welcomed to the meeting David Fitzsimons, Chief Executive of Retail Excellence Ireland, and Glyn Roberts, Chief Executive of the Northern Ireland Independent Retail Trade Association (NIIRTA), who were attending the meeting to make a presentation on a recent joint report on Building Retail North and South.

2. Reports of previous meetings and matters arising

The report of the Forum's meeting of 11th March 2015 and of the special meeting of 27th April 2015 to discuss town centre retailing were agreed.

It was noted that, at both meetings, the importance of increased collaboration between retail bodies in order to progress important issues such as skills needs and town centre retailing had been raised, and Minister Nash would be asking the members of the Forum for updates at future meetings on the measures they had taken in these areas.

3. Developments since last meeting

The CSNA reported that they had written to the Commissioner for Energy Regulation (CER) concerning the PSO levy, which is costly for business. RGDATA supported the position of the CSNA on this matter.

A number of submissions had been made by retail representative bodies in response to a consultation process being conducted by the Department of Finance on a new EU Regulation on Intercharge Fees for card-based payments. The Department of Finance was working through the submissions received.

On the issue of the skills agenda, it was noted that Skillnets are now holding calls for proposals every six months.

A call for proposals for community-based enterprise initiatives had been launched by Enterprise Ireland. The allocation of funding for regional enterprise initiatives had been mentioned at the Forum's meeting in April.

The Low Pay Commission was due to report to the Government in July. It is expected that the recommendations of the Commission will be considered in the context of Budget 2016 as part of the Government's overall objective to make work pay.

The Living Cities tax initiative came into effect in May, following EU approval for the scheme. The initiative will be operable in Limerick, Waterford, Dublin, Cork, Galway and Kilkenny.

Dissatisfaction at the manner in which Clery's department store was closed was also raised by a number of members at the meeting.

4. Building Retail: North and South

An outline of a recently-published report on Building Retail: North and South was provide jointly by David Fitzsimons, Retail Excellence Ireland, and Glyn Roberts, Northern Ireland Independent Retail Trade Association. This is the first-ever North/South retail study. The overview of the report was followed by discussion amongst the members of the Retail Forum. The opportunity for greater collaboration on the potential of North/South retail was generally endorsed by members of the Forum. There is, nonetheless, some work yet to be done to realise this potential.

Some of the main messages which arose from the discussion were:

- There is a challenge for the industry to overcome the view that retail is a part-time occupation, and that there is a career in retail.
- Unrestricted out-of-town development in the North of Ireland has led to high levels of vacant premises in towns.
- The low number of visitors to Northern Ireland from the South poses a challenge for the North.
- There is a need to bring retail organisations, North and South, together in a collaborative effort.
- Infrastructure investment is very important, particularly in relation to maintaining and improving the rail service between Dublin and Belfast. However, the reduced budget available to the Irish Government for investment in transport infrastructure was also noted.
- Ireland has a lot to offer visitors in terms of retail. Stores in Dublin, Galway and Limerick have significant sales from visitors.
- The two retail bodies would like to see town centres promoted by Tourism Ireland and the tourism bodies North and South.

- The Department of Transport, Tourism & Sport stated that the first objective is to get people to visit Ireland and then they will spend money on retail. It was pointed out that tour operators also have a role to play in promoting town centres as shopping/visitor destinations. The Government's policy is to develop Ireland's offering around the Wild Atlantic Way, Ireland's Ancient East, and Dublin. It is intended to have a retail representative on the Implementation Group for the Government's new Tourism Policy.
- Town centres are a valuable part of the tourism offering and it is the people that visitors meet in shops that distinguishes Ireland from other tourism centres.
- The Local Authorities have a leadership role to play in creating a sense of space for tourism in town centres.
- There is potential to attract more Chinese visitors to Ireland. If a direct flight to China were to be introduced, it would open opportunities. These visitors need to travel to the North as well.
- Awareness of the VAT refund scheme for non-EU shoppers is very poor both North and South, but the situation has improved in the administration of the scheme at Dublin Airport following representations by Retail Excellence Ireland.
- NIIRTA and Retail Excellence Ireland plan to establish a North/South Retail Forum, but some further work has to be done to set up this Forum.

The Chair thanked Mr. Fitzsimons and Mr. Roberts for their presentation and input to the discussion.

5. Budget 2016

In advance of the meeting, members of the Retail Consultation Forum had been invited to submit their views on possible measures that could be included in Budget 2016 to support the recovery of jobs in the retail sector. A number of proposals were received by the Secretariat and these – and additional ideas – were discussed by the Forum.

The key suggestions made to support recovery and jobs in the Retail sector were to:

1. Ease the tax burden on Irish consumers to stimulate spending in the economy.
2. Reduce consumer taxes and excise.
3. Restore the lower rate of Employers' PRSI of 4.25% for those earning less than €356 per week.
4. Keep costs for retailers down to facilitate job creation.
5. Address Bank charges and other administrative measures.
6. Introduce fairer treatment for the self-employed in terms of PAYE/PRSI.

7. Retain the 9% VAT rate on certain goods and services.
8. Increase the ceiling for high-value goods under the Retail Export Scheme to stimulate additional spending by overseas visitors.
9. Introduce an eCommerce Tax Incentive.
10. Extend the Home Renovation Incentive (HRI) scheme.
11. Increase the level of funding for training people in employment.
12. Establish a competitive Town Centre Fund to rejuvenate town centres.
13. Extend the Living Cities initiative to towns to support town centre rejuvenation.
14. Provide Grants/Tax Relief for investment in Energy Efficiency in retail stores.
15. Introduce a White Goods scrappage scheme.
16. Continue to invest in tackling the Black Economy.
17. Reduce Capital Gains Tax.
18. Repeal Section 72 of 1994 Finance Act in relation to tobacco products.
19. Remove the Personal Allowances for importation of tobacco products.
20. Introduce a Voucher scheme for winter fuel allowance.
21. Address specific sectoral issues for Pharmacies.

There was particularly strong support amongst retail members on the Forum for increasing consumer spending power and reducing the Employer's PRSI rate. It was agreed that the Secretariat would prepare a paper for submission to the Departments of Finance and Public Expenditure & Reform, outlining the proposals of the retail members of the Forum for consideration in the context of Budget 2016.

6. Best practice initiatives by Local Authorities

The 2015 Action Plan for Jobs includes a commitment to:

“Identify best practice initiatives which are being taken by Local Authorities to support retail at a local level which could serve as exemplars for consideration by other Local Authority areas.”

– Action 325, 2015 APJ

Mr. Daniel McLoughlin, the County and City Management Association (CCMA) representative on the Forum, distributed a publication to the Forum which had been compiled by the CCMA, which sets out best practice examples on the part of Local Authorities in supporting towns and cities.

Mr. McLoughlin explained that there were hundreds of examples of initiatives being taken by Local Authorities to enhance town centres, but the publication highlights some of the best initiatives. The document had been distributed within the Local Authority system and can be used to generate a conversation on the replication of measures that work well.

The Forum held a general discussion around the document and on how a “Town Centre First” approach can be retained. Some of the main points raised were:

- A key issue is how to get people to travel into towns; shoppers want easy access and availability of parking.
- It is important to create a good atmosphere in towns.
- There is a need to have different offerings available to shoppers – it should not be a case of town centres competing with out-of-town outlets, but, rather, providing a different experience in each instance.
- The Town Team concept has been tested in a number of towns and there are some lessons to be taken from different approaches which have been adopted.

7. Key topics for next meeting

An updated Work Programme for 2015 was circulated at the April meeting of the Forum. It was noted that it was envisaged that the next meeting of the Forum would focus on eCommerce, an update on developments arising from the discussion in March on the Oireachtas Committee report on town centres, and an update on the skills agenda for Retail sector.

Members also asked that the issue of the impact of methadone clinics on town centre retailing be kept on the Work Programme for a future meeting, and that indemnity costs due to the “compensation culture” should also be discussed at a future meeting.

8. AOB

SEPA Business-to-Business

The issue of SEPA Business-to-Business scheme was raised by members of the Forum. SEPA was introduced in 2014 as part of an EU-wide direct debit payment service. It includes consumer protection provisions which allow personal customers to claim an automatic refund of their last 8 weeks’ direct debits on a “no questions asked” basis.

There is no mandatory Business-to-Business (B2B) SEPA scheme in Ireland, but a temporary provision was agreed with the European authorities up to 2016 which effectively waives in B2B transactions the automatic refund provision which is available to personal customers. From 2016, when the waiver system ceases, businesses are concerned that they could be exposed to a significant risk of direct debit transactions being recalled on a no-questions-asked basis. This issue impacts not just on retail, but on many other businesses.

Some members of the Retail Consultation Forum had been advocating for a B2B system which would have the effect of formalising the current temporary arrangement which omits the automatic refund provisions to businesses. Such as scheme is operational in most Eurozone countries, but requires a technology solution to be developed and applied by the banks in Ireland.

The importance of this issue was noted by the Forum and it was agreed that it should be considered further at the next meeting.

Lobbying Act

An update was provided by the Department of Jobs, Enterprise and Innovation, on the situation of the Retail Consultation Forum under the Lobbying Act which was due to come into force on 1 September. A question on this had been raised at the last meeting of the Forum in April.

The Department advised that it had looked into the matter and had been advised that the initial view of the Department of Public Expenditure and Reform was that the Forum would be covered by an exemption that applies to groups which have been established to help inform policy development. Groups exempted from the Lobbying Act are subject to a Transparency Code which is being finalised by the Department of Public Expenditure and Reform.

Appendix 1
Retail Consultation Forum meeting, 15th June 2015
Attendance List

Clare Dunne	Dept, of Jobs, Enterprise and Innovation (Chair)
William Parnell	Dept, of Jobs, Enterprise and Innovation (Acting Secretary)
Seán Murphy	Retail Excellence Ireland
Jim Curran	Irish Pharmacy Union
Thomas Burke	Retail Ireland
Annemarie Harte	Hardware Association
Ian Talbot	Chambers Ireland
Linda Barry	SFA
Vincent Jennings	Convenience Stores & Newsagents Association
Mark Fielding	ISME
Tara Buckley	RGDATA
Helen O'Donnell	Dolmen Catering
Keith Rogers	ECCO Ireland
Rebecca Birchall	Fishers of Newtownmountkennedy
Edel Clancy	Musgraves
Eoin Fitzpatrick	Fitzpatrick's Wholesale
Denise Tully	D/Finance
John Murray	DIT (representing John Jameson)
Brendan Buggy	Dept. Environment, Community & Local Government
Dr. Stephen Brennan	Dept. Communications, Energy & Natural Resources
Ray O'Leary	Dept. Transport, Tourism & Sport
Catiriona Bracken	Dept. Social Protection
Phil O'Flaherty	Dept. Education & Skills
Fenton Howell	Dept. Health
Daniel McLoughlin	CCMA
Deirdre Grant	Special Advisor to Minister Nash
Jennifer Billings	Dept, of Jobs, Enterprise and Innovation
Katrina Flynn	Dept, of Jobs, Enterprise and Innovation
David Fitzsimons	Retail Excellence Ireland (Guest presenter)
Glyn Roberts	Northern Ireland Independent Retail Trade Association (Guest presenter)

Apologies: Minister Ged Nash, Aidan Condon, Ray Heran, Conor Whelan, Colin Fee, Helen Blake.