

**MINUTES**  
**19th Meeting of the Retail Forum**  
**Via videoconference**  
**14<sup>th</sup> July 2020**  
**11am – 1pm**

**Chair:** Damien English TD, Minister for Business, Employment and Retail.

Attendance and apologies at Appendix 1.

## **1. Welcome and Opening Comments**

The Chairperson welcomed those in attendance and said he was looking forward to working with the Retail Forum over the coming months to address the pressing issues in the Retail sector. The Chairperson introduced the agenda and thanked Forum members for their submissions regarding the July Jobs Stimulus package.

The Chairperson welcomed the Tánaiste and Minister for Enterprise, Trade and Employment Leo Varadkar, TD. to address the Forum. The Tánaiste said that this is an important sector which is why, for the first time there is a Minister with Retail in their title. He thanked retailers and their staff for their hard work during the COVID-19 pandemic. The Tánaiste asked members for their observations and ideas in relation to issues such as the Temporary Wage Subsidy Scheme (TWSS), Commercial rates, the Restart Grant and the Credit Guarantee Scheme. The Tánaiste stressed that, while hopeful of progress on an agreement regarding Brexit over the coming months, businesses still need to prepare for the eventuality of a hard Brexit. The Tánaiste advised the attendees that regretfully he would not be able to stay for the entirety of the discussion as he had to attend urgent Government business.

The Minutes of the Retail Forum meeting of 30 January 2020 were approved.

<b>Action</b>
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Minutes of the meeting of 30 January will be placed on <a href="http://dbei.gov.ie">dbei.gov.ie</a> .
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<b><i>(Minutes uploaded to the website)</i></b>
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## **2. Stimulus Package**

The Minister invited the attendees for their views in relation to the July Jobs Stimulus package and a tour de table was chaired by the Minister.

In the course of their respective contributions, the attendees wished both the Tánaiste and the Minister well in their new roles, with many welcoming the fact that there is now a Minister for Retail.

As part of their general observations about the sector, a number of the attendees said that certain categories of retail are more challenged than others e.g. clothing/fashion shops (occasion wear) and shops with seasonal stock, which having been closed for 12 – 16 weeks, has resulted in accumulated losses for these retailers.

It was remarked that not all retailers will recover and there would likely be more store closures as shopping is moving from experiential to online. In addition, it was noted that COVID-19 has been a catalyst for change in consumer behaviour which in turn is having a knock-on effect for the business models of many retailers. It was suggested that footfall in Dublin City Centre

is down by c.51% compared with pre-COVID time and that c.80% of shops have reopened; and of those that remain closed many are foreign owned.

The criticality of 'burden-sharing' was emphasised, particularly in relation to commercial rents – for e.g. if a retailer's turnover is down 50%, businesses can't meet 100% of overheads e.g. rents.

It was remarked that Health and Safety consideration is a huge factor for retail businesses.

The importance of supports for businesses, such as the Temporary Wage Subsidy Scheme, was noted as being necessary to prevent job losses. It was also stressed that no additional costs should be placed on the sector, and that all relief is welcomed.

A number of themes emerged in the contributions and suggestions made during the tour de table as follows:

### **Temporary Wage Subsidy Scheme (TWSS)**

- that the scheme should be extended so as to avoid a 'cliff edge' conclusion of the scheme
- that the 75% turnover requirement should be revised upwards to 95%
- that new hires should be included under the scheme

### **Commercial Rates**

- that commercial rates exemption should be extended (to at least 1 year)
- that valuations / revaluations be stood down during the crisis
- that rates and Local Property Tax should be moved to a site value tax model because (it was contended) that the current commercial rates model penalises small shops in town centres

### **VAT**

- that there should be a reduction in VAT: 23% reduced to 15%, and 13.5% reduced to 9% so as to assist retailers with their margins
- that a reduction in VAT would be linked to tax warehousing

### **PSO**

- that it is important that increases to the PSO levy do not come into effect

### **Tax Warehousing Scheme**

- Concern was expressed about companies building up liabilities under the tax warehousing scheme, and the suggestion was made that these liabilities be written off

### **Commercial Rents**

- that there is a need for 'burden sharing' and that an arbitration process would be helpful in this regard
- suggested that there was a need for an extended 'write-off' scheme or rent waiver for commercial rents
- that whatever is being considered for the private rental sector should also be considered for commercial rents

### **Business Costs**

- that insurance is the third biggest cost for businesses and is a key issue for the retail sector and needs to be addressed
- that the deposit return scheme for bottles and cans is expensive for businesses and is ultimately wasteful
- that auto enrolment for pensions needs to be stood down

### **Restart Grant and Trading Online Vouchers**

- that there have been some problems experienced in processing applications and it was suggested that if they are to be expanded, then the challenges encountered need to be addressed

### **Microfinance Ireland**

- MFI are considered accessible packages, however there is a need for more funding to be made available

### **COVID-19 Online Retail scheme**

- that the support under this scheme was welcome and that the scheme should be extended, along with a lowering of the threshold for eligibility

### **Shop Local/Spending**

- that there is a need for incentives to encourage people to shop local – for e.g. a tax free voucher (€2,000), employee benefit voucher 'injection of liquidity' to encourage consumers to spend
- that there is a need for a shop local campaign
- it was contended that although 70-80% of Dubliners said they would reengage with retailers in the city, this has not happened. Reduction in office workers in the city centre is a big loss re footfall. People need to feel safe.

### **Town Centre Regeneration**

- that a focus on town centre regeneration and town 'health checks' is required – vacancy rates were already high before COVID-19
- that instead of regeneration of town centres, maybe this is really about a 'repurposing' of towns, and what is really required is a focus on the purpose of individual towns, and to understand whether this is primarily cultural, residential or commercial etc.
- that the Town Centre First Policy is a welcome element in the Programme for Government and there is a need to focus on action. People are more aware than ever of the importance of shopping local, and this provides an opportunity for town centre regeneration
- that the Town Centre First Policy should be combined with the Night Time Economy Task Force
- that the 'living over shop' scheme has not worked and could be reviewed

### **Skills and Training**

- that the Retail Ireland Skillnet apprenticeship programme has been very successful. Training has now moved online due to the impact of Covid-19. Over 100 students started apprenticeships in 2020, with a further 100 enrolled to start in September. Courses are offered out of Galway and Dublin. Courses have been widely supported by retailers large and small.
- Retail Ireland Skillnet will publish a report in the coming days called *Retail Technology and Future Skills Report*. For the Report, Retail Ireland Skillnet spoke to 100 retailers both large and small over an 18-month period.

### **Business supports**

- that many retailers find **loan finance rates** to be too high and a 0% rate on loans should be considered
- that a **24-month survival plan** is needed
- that a **Tax write-off and rejuvenation programme** is needed
- Suggested **examinership** should possibly be an option for businesses who are struggling but who could in the future be viable again

- that there should be supports for businesses where **redundancy** as a last resort is the only option
- TU Dublin has 500 students up to Masters level many with degrees in digitalisation (level 8 programmes) and proposed that **students are available to undertake projects to support small retailers** re digitalisation and upskilling).
- NI introduced a specific **£20m package for pharmacies** to remain open
- The **Home Renovation Incentive Scheme** was noted, this is an incentive to retrofit second hand houses, but that further training/upskilling for the construction industry is needed in this area.

### 3. Covid-19 Online Retail Scheme Update

The Minister called on Mr Stephen Hughes, Head of Consumer, Enterprise Ireland (EI), to update the Forum on the Covid-19 Online Retail Scheme.

On 2 July 2020 the Tánaiste and Minister for Enterprise, Trade and Employment, Leo Varadkar TD, announced the successful applicants approved for funding through the Covid-19 Online Retail Scheme, which is administered by Enterprise Ireland. 183 retailers were approved for €6.6m in funding as part of the scheme.

There was a very strong demand for the scheme and EI received 1,300 enquiries. With guidance and feedback some unsuccessful applicants will be better placed to apply under the scheme's second call, which is due to open in the coming weeks.

Mr. Hughes said that retailers will require an omni presence in future – in town centres and also some other way such as online.

The Minister thanked Mr Hughes for his contribution and congratulated him in his forthcoming retirement from Enterprise Ireland.

### 4. Brexit Update

The Minister called on Ms. Anne Coleman Dunne, Department of Business, Enterprise and Innovation to update the Forum on Brexit.

Ms Coleman Dunne advised that there has been limited progress in negotiations. The critical time will be at the October Summit. In the meantime, businesses need to continue to prepare for a potential hard Brexit.

Supports for businesses that were repurposed in response to Covid-19 are still available. Government Departments are ramping up preparedness supports.

The messaging hasn't changed regarding Brexit. Forum members were encouraged to examine their supply chains, familiarise themselves with changes to customs procedures, and product certification.

Ms. Coleman Dunne referred to the communication from the European Commission published on 9<sup>th</sup> July *Getting ready for changes - Communication on readiness at the end of the transition period between the European Union and the United Kingdom*.

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\* The final number of retailers awarded funding under Call 1 of this Scheme was 185 retailers <https://dbei.gov.ie/en/What-We-Do/Business-Sectoral-Initiatives/Retail-Sector/COVID-19-Online-Retail-Scheme/>

This communication is to help national authorities, businesses and citizens prepare for the inevitable changes that will arise at the end of the transition period.

Ms Coleman Dunne said the communication will be circulated to Forum members via the Secretariat to the Retail Forum.

A question was raised regarding the Brexit Omnibus Bill and the impact of VAT and liabilities companies could face on trading with a third country from January 2021. Ms. Coleman Dunne said she will bring this issue to the attention of colleagues in Revenue/D/Finance. The Minister thanked Ms Coleman Dunne for her contribution and advised the Forum that he intended to have a further Forum meeting with a specific Brexit focus, which will take place within the next two to three weeks.

**Action**

Information on the European Commission's Communication on Brexit to be issued to Retail Forum members (*Information issued to members 15/7/2020*)

**5. AOB and Date of Next Meeting**

**AOB**

There were two items raised under AOB:

- if there could be some flexibility in relation to the 10.30am opening time, in particular for shops located in rural areas as there is less of a demand on public transport in these locations; and
- if the wearing of face masks in shops becomes mandatory that clarity would be required about enforcement.

The Minister advised that he will raise both issues with the relevant Departments.

***Date of Next Meeting***

The Minister advised that he would be convening a dedicated meeting of the Retail Forum to focus on Brexit preparedness in about 2-3 weeks time.

**Action**

The Secretariat to revert to Forum members with notification of the date of the next meeting. A Brexit Grocery Retail and Distribution stakeholder meeting chaired by Minister English was held on the 30 July and Retail Forum members as well as Grocery Retail and Distribution stakeholders were invited to participate.

**Appendix 1 – Attendance List  
Kildare Street**

<b>Chairperson</b>		
Damien English TD	Minister of State for Business, Employment and Retail Retail Ireland	
<b>In attendance</b>		
Leo Varadkar TD	Tánaiste and Minister for Enterprise, Trade and Employment	

<b>Retailers and Representative Bodies (via webex videoconferencing)</b>		
Arnold Dillon	Director	Retail Ireland
Duncan Graham	Managing Director	Retail Excellence
Tara Buckley	Director General	RGDATA
Vincent Jennings	Chief Executive	CSNA
Neil McDonnell	Chief Executive	ISME
Jim Curran	Director of Communication & Strategy	Irish Pharmacy Union
Martin Markey	CEO	Hardware Association of Ireland
Elizabeth Bowen	Senior Executive	Small Firms Association
James Kiernan	Director of Relationship Management	Chambers Ireland
Keith Rogers	Head of Retail	Ecco Ireland
Edel Clancy	Director of Communications & Corporate Affairs	Musgrave Group
Richard Guiney	CEO	Dublin Town (BID)
Rebecca Harrison	Director	Fishers of Newtownmountkennedy
Sean Carlin	Network Manager	Retail Ireland Skillnet
<b>Public Sector &amp; Academic Bodies</b>		
John Jameson	Head of the School of Retail & Services Management	TU Dublin
Damian O'Reilly	Senior Lecturer - Retail Management	TU Dublin
Pamela Malone		Department of the Taoiseach
Michael Bruton		Department of the Taoiseach
<b>Department of Business, Enterprise and Innovation (D/BEI)</b>		
Declan Hughes	Assistant Secretary	D/BEI (attended Department Offices, Kildare Street)
Céline McHugh	Principal Officer	D/BEI (attended Department Offices, Kildare Street)
<b>Presenters</b>		
Anne Coleman Dunne	Principal Officer, Brexit Unit	D/BEI
Stephen Hughes		Enterprise Ireland
<b>Apologies:</b>		
Michael Quinn		Waterford County Council