

ACS Submission: Technical Consultation on The Non-Domestic Rating (Small Business Relief) (Wales) (Amendment) Order 2019

1. ACS (the Association of Convenience Stores) welcomes the opportunity to submit evidence on the Non-Domestic Rating (Small Business Relief) (Wales) (Amendment) Order 2019 and the provision of free-to-use (FTU) ATMs and access to cash in Wales. ACS (the Association of Convenience Stores) represents 3,000 local shops in Wales including Co-op, BP, McColls and thousands of independent retailers trading under brands such as Spar, Nisa and Costcutter.
2. Bank branch closures and the associated withdrawal of ATMs have increased the role that ATM operators and convenience stores play in providing consumers with access to cash. ACS' Welsh Local Shop Report 2019 shows that half (48%) of stores provide a FTU ATM¹. ACS' Local Shop Report also demonstrates how the sector remains predominantly small-business led: 71% of shops are operated by independent retailers and 87% of independents are single-site operators². ATMs may not be small businesses themselves, but a significant proportion of ATMs in Wales are provided by these small businesses. We believe this draft Order would therefore unfairly exclude these small businesses from rates relief based on the technical treatment of 'hole in the wall' ATMs as separate hereditaments.
3. Moreover, the Welsh Government should act on the Economy, Infrastructure and Skills Committee's recent recommendation to 'strengthen and support the existing free-to-use ATM network' to protect nationwide access to cash as a vital banking service for communities³. Across the UK over 250 free-to-use (FTU) ATMs are now being forced to convert to pay-to-use models per month⁴. We recognise shifts in consumer preferences on payment methods; two-thirds (68%) of retailers do not handle more cash in their business than they did five years ago⁵. However, retailers are billed £4,000 on average for hosting an ATM, separately to rates payable for the shop⁶. This has a clear adverse impact on their commercial viability.

¹ ACS Welsh Local Shop Report 2019

² ACS Local Shop Report 2019

³ National Assembly for Wales: Economy, Infrastructure and Skills Committee. [Access to Banking](#) October 2019.

⁴ LINK. [Statistics and Trends](#)

⁵ ACS Voice of Local Shops Survey: May 2018

⁶ [£300m of business rates refunds held until "cash tax" decision reached](#) Retail Gazette. 21 May 2018

4. The subsequent withdrawal of ATMs in Wales is having a profound impact on access to banking services for retailers, consumers and wider high streets as social and economic hubs. The convenience sector remains cash-led with 76% of customers reporting they paid via cash⁷. Britain Thinks research commissioned by the Payment Systems Regulator has found that 83% of consumers used a FTU ATM within the past month and 67% used cash more than once in the past week⁸. Cash also provides a vital backup payment method when digital methods fail, such as after the recent Visa card failure⁹.
5. Beyond ATMs, we are concerned that the drafting of the Order could unintentionally capture new methods of accessing banking services in the future. The draft definition of an ATM; “an automated facility providing self-service access to a range of banking services” could impact innovation in future self-service banking kiosks. For example, many service providers are experimenting with kiosks, which are currently not rateable, such as Crown branches of the Post Office network. The Welsh Government needs to adopt a long-term and holistic view to ensure this legislation does not negatively impact access to financial services.
6. The ATM network is the only infrastructure system suitable for delivering nationwide access to cash and ATMs are strongly preferred by consumers due to their strategic location, privacy and security¹⁰. We believe this consultation provides a clear opportunity for the Welsh Government to support access to cash by exempting ATMs from business rates bills.

For more information on this submission, please contact Steve Dowling, ACS' Public Affairs Manager, via steve.dowling@acs.org.uk / 01252 533009.

⁷ ACS Local Shop Report 2018

⁸ Britain Thinks. [Access to cash research with consumers and small businesses](#) July 2019.

⁹ The Guardian. [Visa admits 5m payments failed over a broken switch](#) 19 June 2018

¹⁰ Britain Thinks. [Access to cash research with consumers and small businesses](#) July 2019.

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 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.



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.



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

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



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.



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.



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 and data sources, visit www.acs.org.uk