



ACS Submission: Apprenticeship Levy Consultation

ACS (the Association of Convenience Stores) welcomes the opportunity to respond to the Government's consultation on the Apprenticeship Levy. ACS represents 33,500 local shops across the country made up of large multiple retailers such as the Co-operative UK, One Stop, McColls Retail as well as small independent retailers. An overview of ACS' membership and research is available in annex A.

The convenience sector employs over 407,000 people across the United Kingdom and invests significantly in training staff. ACS' Local Shop Report 2015 shows that 35% of shops offer their staff food safety training, with 48,000 independent shops alone offering first aid training. However, take up of apprenticeships in the sector is comparatively low with only 18% of convenience retailers providing apprenticeships.

ACS has not had the opportunity to fully engage and secure feedback from our membership on the Apprenticeship Levy. We will be seeking further information from convenience retailers in the coming weeks and provide further feedback to the Department for Business, Innovation and Skills in the impact on the convenience sector.

The convenience sector is already under significant pressure from rising employment costs, with the introduction of a £7.20 national wage from April 2016 rising to £9.35 by 2020. The increased costs from the Apprenticeship Levy are likely to compound retailer's responses to increasing employment costs, such as delayed business investment and reduced staff hours. In the first quarter of 2015 convenience retailers invested £177 million in their business, but in the last three months this figure has declined to £116 million.

ACS wants to ensure that the introduction of the Apprenticeship levy is simple to implement, and does not bring additional administrative or IT complexity or cost. The system must provide convenience retailers with real control and ensure business participation in on-going decision-making and the implementation design phase prior to the introduction of the levy.

ACS is also seeking more clarity on how this will work for franchise businesses and symbol groups retailers – we would be happy to meet with Government officials to discuss this in more detail. ACS has answered the relevant consultation questions below:

Do you have any comments on the proposed mechanism for collecting the levy via PAYE?

The system for paying the levy must be as light touch as possible with minimal cost burdens for retailers.

Annex A

ACS (the Association of Convenience Stores)

ACS (the Association of Convenience) lobbies on behalf of over 50,000 convenience stores across the country on public policy issues that affect their businesses.

ACS' membership is made of a diverse group retailers from small independents retailers owning one shop to large multiple convenience retailers running thousands of stores, regional Co-operative groups and forecourt retailers.

The sector is still dominated by entrepreneurs with 75% of local shops owned and operated by small business owners.

The Convenience Sector

There are 51,524 convenience stores across mainland United Kingdom.

Convenience stores trade in all locations; rural (39%), urban (37%), Suburban (24%) and on petrol forecourts (17%).

The convenience sector provides flexible local employment for 407,000 people across mainland United Kingdom.

The sector as whole is worth £37.7 billion to the UK economy and in the first half of 2015 invested £117 million in their developing their businesses.

25% of independent retailers work more than 70 hours per week and 20% of shop owners take no annual leave.

ACS Research

To increase understanding of the convenience sector, ACS has a suite of research to understand the value of retailers to their communities and the issues that retailers face.

Local Shop Report – ACS' annual report providing an overview of the sector, its value to the economy, the jobs it provides and the makeup of entrepreneurs that run shops.

Voice of Local Shop Survey – A quarterly survey of 1,200 retailers tracking optimism, staff hours, retail crime, charitable contribution and specific policy questions.

Community Barometer – ACS report that captures the view of retailers, consumers and councillors about the services they most value in their local area.

Cost Barometer – Created in partnership with Oxford Economics this report segments different types of convenience stores to show how public policy developments affect them differently.