



ACS Submission: The Last Mile

ACS (the Association of Convenience Stores) welcomes the opportunity to respond to the Department for Transport's call for evidence on The Last Mile. ACS represents 33,500 local shops across the UK including the Co-Op, One Stop, SPAR UK and thousands of independent convenience retailers. There are 49,918 convenience stores across the UK, employing over 370,000 people¹. For more information about ACS, see Annex A.

Convenience stores trade across all locations, including main high streets and city centres (12%), larger shopping parades with up to 10 businesses close by (10%), small parades with up to 5 businesses (37%) and isolated locations with no other businesses nearby (41%)². Convenience retailers' business are based on trading from locations close to where people live, so they are quick, convenient and easy to access and therefore an essential part of the last mile solution for consumers.

Convenience stores are arguably the main last mile solution for consumers. 78% of customer travel less than a mile to their local shop, with 56% walking to the store³. We believe that convenience stores, particularly those that trade on smaller local parades will be increasingly relevant in terms of last mile solutions. This could be in terms of customers travelling short distances to store or retailers delivering goods and service to customers. We encourage the Department for Transport to consider the role that local shops can play in delivering goods more sustainably as part of their call for evidence and future policy deliberations.

Role for Local Shops in The Last Mile

Convenience retailers' business model requires them to trade from locations that are close to where people live to support consumers that are increasingly time poor and want to shop little, often and local. Convenience stores have traditionally focused on grocery products but in recent years, have expanded into a range of services that are relevant to consumer needs for example, bill payments, post offices and recycling services.

There has also been expansion into parcel services and click and collect points, with 29% of convenience stores offering these services⁴. These services can help improve logistical efficiency in the last mile of deliveries, for example, instead of several deliveries being made to several addresses – they are made to one central point, the local shop. Local shops also provide their own delivery services as part of their offer to their local community with 21% of convenience stores offering home news delivery and 16% offering local grocery delivery⁵.

¹ ACS Local Shop Report 2017

² ACS Local Shop Report 2017

³ ACS Local Shop Report 2017

⁴ ACS Local Shop Report 2017

⁵ ACS Local Shop Report 2017

The retail market is changing significantly and there are likely to be many innovations in the delivery of goods to consumers at home. Convenience retailers will undoubtedly have a role to play in this either as local distribution centre to homes which use e-bikes and other equipment or as a collection point where consumer can travel a short distance to collect their shopping or parcels.

Neighbourhood Last Mile Delivery - Infrastructure and Support

The government should consider the role of local shops and their potential future role in last mile solutions. Development of new services and deliveries often require new capital investment and the government should consider how it can support facilitate this. For example, where the government wants to expand the electric vehicle charging network it has provided match funding for industry.

We have also argued extensively for both local and national governments to consider how they can incentivise investment through the business rates system. For example, local authorities could use their discretionary rate relief powers to offer discounts to stores that offer last mile solutions. We are also calling on the government to exempt certain investment from business rates, for example, where stores offer free to use ATMs, electric vehicle charging points and crime prevention equipment. The same principle can be applied in relation to last mile solution infrastructure and services.

For more information about this submission, please contact Julie Byers, ACS Public Affairs Manager by emailing Julie.Byers@acs.org.uk or call 01252 515001.

ABOUT ACS

The Association of Convenience Stores lobbies on behalf of around 50,000 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 22,397 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 14,659 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 12,862 stores that are owned by multiple and co-operative retailers. These businesses include the Co-Operative, regional co-operative societies, McColl's, Conviviality Retail 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 2017, the total value of sales in the convenience sector was £38bn.

The average spend in a typical convenience store transaction is £6.28.



There are 49,918 convenience stores in mainland UK. 74% of stores are operated by independent retailers, either unaffiliated or as part of a symbol group.



The convenience sector provides flexible employment for around 370,000 people.

24% of independent/symbol stores employ family members only.



20% of shop owners work more than 70 hours per week, while 19% take no holiday throughout the year.

72% 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.

79% of independent/symbol retailers have engaged in some form of community activity over the last year.



Between August 2016 and May 2017, the convenience sector invested over £858m 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 1200 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 1200 independent and symbol retailers which is combined with responses from multiple businesses representing over 3,000 stores.

ACS LOCAL SHOP REPORT

Annual survey of over 2400 independent, symbol and forecourt retailers combined with responses from multiple businesses representing 6,291 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.