

BUDGET, MARCH 2005 - A REACTION FROM THE BRITISH RETAIL CONSORTIUM (BRC):

BRC Director General, Kevin Hawkins, commented:

"The BRC welcomes the Chancellor's recognition that both low inflation and low interest rates are the key to stability in the UK economy and retailers are relieved that Gordon Brown has done nothing to further weaken consumer confidence. His actions may even have a positive impact on confidence."

BRC reactions to specific issues affecting retail:

Regulatory burden on business:

"The BRC welcomes the Government's commitment to the recommendations set out by the Better Regulation Task Force and the Hampton review. The 'less is more' principle is a sensible one when it comes to unnecessary regulation."

"The BRC has campaigned hard to reduce the burden of regulation and for more consistent enforcement targeted towards rogue traders. Whilst we support the proposals, everything will depend on whether they are fully and wholeheartedly implemented. They must not be left on a shelf to gather dust."

Maternity Rights:

"The great flexibility offered and change-accommodating attitude makes the retail sector very attractive, especially to women. Flexibility is important in any workplace but it is equally important that this comes at a realistic and workable price, especially to those smaller retailers that find it more difficult to absorb additional costs."

"The differences between small and large retailers in terms of company policies can be significant and a raft of new employment legislations will always prove more of a challenge for smaller retailers."

National Minimum Wage:

"The BRC are pleased the LPC has taken our evidence into account and only recommended an increase of 4% to the NMW. Whilst this is still an above inflation increase, retailers will be relieved as the two consecutive increases of 7-8% (October 2003/4) are proving very difficult for both larger and smaller retailers to absorb in today's trading conditions."

"Retail sales growth is slow and the current economic climate is generally uncertain. Ill thought out decisions on the minimum wage hit every business hard and we are therefore concerned that the LPC has recommended an increase of 6% to £5.35 for October 2006."

"The LPC's recommendations for this October reflect the BRC's concern about the continued impact of the NMW on pay differentials and the Chairman of the Commission has admitted that they do not yet have enough data from the ONS which would enable them to make a final assessment. We therefore urge the Commission to review the recommendation for October 2006 as and when further data is available and in the light of the state of the economy later this year."

Commercial Leases (announcement yesterday)

"The BRC has always said that its preferred outcome was an effective voluntary code, which delivers much-needed flexibility in commercial leases. The Government has now told the property industry to get its act together and make the present Code work.

"We particularly welcome the Government's commitment to review the law on assignment and sub-letting and to retain the option to legislate on upward only rent reviews in the future.

In the meantime, the property industry's performance will be under close scrutiny"

The BRC will of course support any practical initiative, which will promote awareness of the Code, particularly on the part of smaller retailers.