

# Rural Retailer

The Journal of the Rural Shops Alliance



**Post Office Local:  
the likely impact**

- **Localism Bill: what it could mean for village shops**
- **The impact of a shop on local house prices**
- **CitizenCard - relaunch opportunity**



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and news...

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Cover photo:  
Combining a  
convenience  
store with a  
forecourt makes  
sense in rural  
areas

### RuralRetailer

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# Its not all about price



I recently witnessed a rather surreal customer transaction...

It was in a Marks & Spencers food hall – I hasten to add that I was checking out the competition, not buying. All of the manned cash taking points were closed, so all customers had to use the self-service checkouts – itself a black mark. As usual with these “convenient” facilities, a customer at one of them was getting told off by the machine for some crime, such as an unrecognised item in the bagging area or trying to use a credit card with a speck of dust on the magnetic strip. The harassed member of staff, who was covering a whole bank of these things, came over. She was efficient – no question. But the transaction ended up as a member of staff talking into her mobile phone sorting out the depersonalised checkout for a customer who was also talking into her mobile phone – not a word or even proper eye contact was exchanged the entire time.

This highlights an area where village shops can really offer something of value to customers – a real person behind the counter. We recently carried out some market research in a sample of small village shops, asking respondents to rate them on a number of factors. The two areas where all of the shops involved scored the highest were “providing efficient service” and “providing friendly service.” It was clear from the comments that customers really value the personal touch of local shops. It was no real surprise that this is a factor – we all know that anyway – but it was the very high importance placed on it that did come as some surprise.

This is good. Personal service is something that the owners of smaller shops can deliver. But it is a two-edged sword. Some customers can be very unfair. They hold grudges. I met a customer recently who had boycotted another business for 45 years because of some slight, despite it having no doubt passed through several changes of ownership in that time. Because they know the owners of a small shop, they take more personally any perceived lapses in service. They have lower expectations of a supermarket checkout operator and because it is so impersonal, they are less likely to hold a long-term grudge. Sometimes life is not fair. Even when you are feeling really rough, customers still expect you to remember their name and greet them with a cheery smile. They even expect your newly joined staff member to do so as well. And they reserve the right to be grumpy back.

Amidst all the talk of price and value in the current economic climate, truly personal service remains something that smaller rural retailers can provide in spades. It is impossible to put a price on, but it certainly brings customers through the door.



## Our Partners...



Costcutter

DIAGEO  
GREAT BRITAIN



BOOKER CITIZENCARD

## Retail Services Team



Is a national organisation of independent shopfitting companies, all of whom offer a complete survey, design and installation service



Provides free expert help and advice on electricity costs. They have a free bill checking service, and can negotiate to find the best fixed term contracts



NFU Mutual has been part of the rural community for 100 years, providing expert advice and a personal, friendly and local service.

The co-operative  
bank

Offers a service specially for high cash turnover businesses that offers low fees and convenient banking via your local post office



Is the largest independent direct supplier of cards in the UK. They offer a full range of cards with a great service



Runs a wide range of training courses in first aid, health and safety, fire safety and media awareness. Carries out fire risk assessments and can produce company safety policies and procedures



An EPOS System designed for the needs of Convenience Stores and Newsagents, that Gives Control, Saves Time and Boosts Profits.

Bluefin

A one-stop-shop for insurance needs for rural retailers. Design insurance packages that best protect their property, business, staff, stock and customers at competitive premiums.

To obtain further information on any of these companies, please fill in the details opposite:

# Your Action Checklist for this issue...

**1. CITIZEN CARD** e-mail [info@ruralshops.org.uk](mailto:info@ruralshops.org.uk) or send back form to sign up for exclusive RSA Citizen Card deal



**SEE  
PAGE 6**

**2. SHOP INSURANCE** Compare cost of RSA Bluefin insurance deal for rural retailers with your current cover. File leaflet with your current insurance details OR return it straight away if your renewal date is close.



**SEE  
LEAFLET**

**3. LOCALISM BILL** Read what it means for you and consider responding to consultation



**SEE  
PAGE 13**

**4. LEGAL BITS AND BOBS** Consider whether changes in legislation will affect your business and plan your response



**SEE  
PAGE 24**

**5. POSTER** Take centrefold poster out and display prominently in shop. Contact RSA if you want more copies



**SEE  
CENTREFOLD**

**6. EPOS** Consider whether the time has come to invest in an EPoS system



**SEE  
PAGE 21**



**TO OBTAIN FURTHER  
INFORMATION** on any of these companies

Name:  Tel:

Business Name:

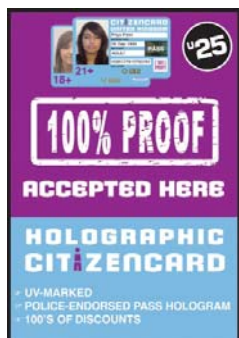
Business Address:

E-mail (where applicable):

Please send me details of the following company(ies) (please write in the box below):

Send to: To: The Rural Shops Alliance, Egdon Hall, Lynch Lane, Weymouth, Dorset, DT4 9DN  
Fax: 01305 772949 e-mail : [info@ruralshops.org.uk](mailto:info@ruralshops.org.uk)

# Retailers: Be part of the



CitizenCard is a secure card providing the bearer with proof of both their identity and their age. It is only issued after rigorous checks, making it a trusted identity document.

The RSA fully endorses this programme and believes that all rural retailers should support it:

- Socially responsible – supporting your community
- Help prevent under-age sales in a highly visible way
- As an RSA member, earn some useful commission without a “hard sell”



## THE NEW CITIZENCARD – COMMISSION FOR THE RETAILER

As a CitizenCard Ambassador, RSA members will earn £1.50+VAT commission for each of their forms that generates an application. Promote them to your customers and their families, but also more widely in the community, for example via schools, libraries, GP surgeries etc. So 100 applications via the shop would, for example, earn £150+VAT in commission; 500 applications via the local secondary school earn £750+VAT in commission.

## BENEFITS FOR ALL YOUR CUSTOMERS – NOT JUST YOUNG PEOPLE

This CitizenCard is an ideal proof of age and ID card. It is issued only after the applicant's identity and age have been checked rigorously

- It enables eligible young people to buy age-related products, enter licensed premises etc. “Young people are rightly concerned about taking their passport with them on a night out, due to the risk of theft or loss, and they require a reliable document... I am keen to reassure retailers that accepting a PASS hologram card which carries the bearer's image and acceptable date of birth is due diligence and can be accepted with confidence”, Home Office Minister James Brokenshire
- The new CitizenCards will be acceptable proof of identity for other purposes, e.g. for internal flights in the UK. For a lot of people who do not have a driving licence or passport, especially the elderly, this card will meet a very real need for secure

# CITIZENCARD Relaunch

photographic I.D. The oldest holder of the previous CitizenCard is 103 years old!

- The new card offers discounts from literally hundreds of companies, including big names such as M&S, Alton Towers and Virgin

## HOW THE SCHEME WORKS

1. The RSA member contacts RSA Head Office to sign up as a CitizenCard Ambassador.
2. CitizenCard will post you a pack with details of the scheme, 100 application forms, a sample card, a UV Torch (reveals the UV marks on the sample card – and can also be used to read UV on driving licences, banknotes, etc) and a window vinyl

More application forms and a poster intended for schools are available on request.

3. The participating RSA member puts their unique 4-digit code onto each form, ensuring that commission is paid to them.
4. You can then offer application forms to your customers, explaining the benefits of the card to customers of all ages
5. You are also given an RSA discount code to enable family, friends and staff who apply for a card online to obtain a 50% discount (£7.50 instead of the standard £15 cost).
6. CitizenCard will keep a tally of the forms coming in and send you your commission quarterly.

We would hope that all rural retailers will sign up to this scheme – it really does seem to offer great benefits with no downside. To become a CitizenCard Ambassador:



E-mail your details to [info@ruralshops.org.uk](mailto:info@ruralshops.org.uk)  
OR Complete the form below and post it to us:

Please enroll me as a CitizenCard Ambassador:

Name:	<input type="text"/>
Shop:	<input type="text"/>
Address:	<input type="text"/>
	<input type="text"/>
	<input type="text"/>
	<input type="text"/>
Postcode:	<input type="text"/>
Telephone Number:	<input type="text"/>
E-mail:	<input type="text"/>

Post to: Rural Shops Alliance, Egdon Hall, Lynch Lane, Weymouth, Dorset, DT4 9DN

The Fighting Cocks pub & village shop...

# Real Ales & Sno

Since taking over the run-down Fighting Cocks pub in the picturesque hamlet of Stottesdon near Bridgnorth in Shropshire 13 years ago, landlady Sandra Jefferies' passion for local, high quality food and excellent ales has turned its fortunes around.

*The alley through to the shop is on the right*

The pub now has a growing national reputation and several top awards under its belt along with mentions in the Good Pub Guide, Guardian Food Weekly and Alistair Sawday's 'Special Places'.

Sandra's home-cooked pub food is made using only the finest locally sourced ingredients – and customers were soon asking where they could buy the fabulous cheeses and local meats she was using.



# Snoggable Garlic

Sandra Jeffries

"We started taking orders for meat, fruit and veg, local cheeses, smoked salmon and free range chickens," recalls Sandra. "Customers even wanted to take home the pies we made for our pub menu! I soon realised the next step would be to open our own shop."

Despite the fact that a survey conducted by the local Parish Council suggested a shop might not receive enough support from the community, Sandra put that down to the way the questionnaire was worded, and went ahead with her ambitious plans anyway.

With lots of advice from the Rural Shops Alliance's own expert Ken Parsons, she successfully bid for funding from the Countryside Agency six years ago, invested her own money and time, and converted a stone outbuilding next to the pub into the shop – the only one in Stottesdon.

"My confidence was rewarded because the shop has done very well," says Sandra. "I am absolutely passionate about good quality, locally-sourced food and we are surrounded by wonderful suppliers so we are spoiled for choice in terms of stock."

"We have some of the very best fruit and veg, cheeses, fish and meat produced by local farmers and suppliers, so we're getting the best quality produce with the lowest food miles. People really appreciate the quality. The only downside is that small producers often can't afford to deliver."



But the shop's success story took a bit of a knock from the growth of supermarket home deliveries, and older supporters of the shop died or moved away.

"The business has gone through peaks and troughs, but we're always thinking of new ways to tempt customers into the shop. In the recent



*Not your usual snack shop range!*

# The Fighting Cocks continued...

*The shop itself really is very small*



harsh weather, although the main road was clear, people couldn't get out of their drives or down their farm tracks, so we did well. But we're having to do more ourselves, because we can't afford to pay staff and that takes its toll on energy levels!" says Sandra.

Business has picked up recently, boosted by a new range of ready prepared 'cook at home' meals including red Thai pork curry and chunky chilli. "We try to provide what people want, and what they can't get elsewhere; not just the fresh produce but ready prepared meals too – keeping it local and of the best quality.

"We thought people might be wanting to count the pennies and started stocking ribeye steaks – but we found that the t-bones and fillets were flying out of the door instead. So people still want to buy the best quality - one customer did a price comparison with Asda



*Local products feature strongly*

*A full range*

and overall we came out cheaper and better quality!"

Sandra realises that to keep the profile of her business high and to continuously attract new customers, she may have to consider more active marketing, encouraging people who have moved to the community to discover what's on offer. "It's sometimes easy to forget that people move out but new people move in, and you have to keep promoting what you do to a completely new audience."

The shop also sells basic groceries including the Ecover range, newspapers and sweets. During the summer and autumn, surplus produce from local gardeners is sold to raise funds for the local church.

But there's one product Sandra still hankers after: fresh baked bread. "I would love to be

able to bake our own artisan bread but I don't have the money to build bread ovens and I can't find an artisan baker locally who can deliver daily.

"It's a shame but I have to accept that I've been here 13 years, turned the fortunes of Stottesdon's only pub around, opened its only shop and kept it going, and I only have so many hours in the day!"

■ For more information, see:  
[www.dinewithus.co.uk/fighting-cocks](http://www.dinewithus.co.uk/fighting-cocks)

### The RSA View

The Fighting Cocks – now there's a traditional pub name with no compromise to political correctness! Sandra certainly does not use the excuse of lack of space to compromise on her range, particularly of local foods, or to compromise on quality. The layout of the building is not ideal, with the kitchen squarely between the bar and the shop, so there are few chances for one member of staff to cover both serving points – there are fewer cost savings from running two businesses than you might expect.

There seem quite a lot of projects around at the moment to combine pub and shop into one business. Sometimes it works, sometimes it doesn't. Pubs demand late nights, whereas shops selling newspapers usually demand an early start, limiting staff savings. Sometimes what appears to be a marriage made in heaven can turn out to be putting two basket case businesses together to produce one even bigger basket case. Each case needs looking at on its merits and the key is often quality of management. Here the Fighting Cocks wins its spurs – two businesses created by providing a quality offer with friendly service.



*The way through to the shop*

# Don't let insurance fraud trip you up

**By David George, Branch Director at Bluefin Insurance**

Mr John Maxwell-Jones of Burgess Stores in Kent, saved over £400 by switching to the Rural Shops Alliance policy arranged by Bluefin.

Why not see if you could reduce your premium too?

Simply return the form enclosed in this edition of Rural Retailer, email [rsa@bluefin.co.uk](mailto:rsa@bluefin.co.uk), visit [www.bluefingroup.co.uk/rsa](http://www.bluefingroup.co.uk/rsa) or call 0800 904 7009 to find out more and get a quote.

Many retailers have invested in CCTV, mainly to combat shoplifting and other robberies. But did you know that CCTV footage can also be invaluable when dealing with health and safety related insurance claims?

One of the biggest problems facing insurers today is the increase in public and employer's liability claims – particularly slips and trips. "No win, no fee" law firms are very active advertising on daytime television and in certain types of publication. Even a minor accident can result in a payout of several thousand pounds and a more serious injury can reach £50,000 or £100,000. If such a claim occurs in your shop, you would not be surprised to find premiums going up!

Some of these claims have been found to be false or greatly exaggerated, but the problem is proving it. If there is no evidence as to what happened, you're left taking someone's word for it because some medical problems, like back injuries, are notoriously difficult to quantify.

This is where the CCTV comes into its own. If a customer or employee tells you that they fell in your shop on a certain date and you can access CCTV footage of that date covering the incident, there will be



little room for doubt as to what actually happened, whether you are liable and the potential severity of the alleged injury.

Modern digital systems allow crystal clear images to be captured and several months' worth of footage to be held on hard disc for easy retrieval. So if you have got digital CCTV already, bear this in mind when thinking about the positioning of your cameras and have some aimed at any areas where you think slips or trips might occur. If you haven't already got digital CCTV, maybe it is time to think about it, not only to prevent theft, but also to keep your insurance costs as low as possible.

■ David George is Branch Director at Bluefin in Welshpool – the insurance broker that runs the exclusive insurance scheme for RSA members.

## The Localism Bill: Community Right to Buy

*"Communities have the right to save, run and own buildings and other under-used assets for social purposes when they could do that job best"*

Greg Clark, Minister for Decentralisation

The Localism Bill is currently passing through its various parliamentary stages and is likely to become law. There is currently a consultation seeking views on one particular aspect of this huge bill, the introduction of a community right to buy assets of community value. The proposal is that this would cover land or a building that "furthers the social, economic, or environmental wellbeing or interests of the local community". The proposed implementation date is April 2012.

The concept is as follows:

1. Community organisations (basically local incorporated groups not able to distribute profits), Neighbourhood Plans or parish councils identify land or buildings of community value. This could include, for example, a local shop, post office or pub.
2. The local authority (district council or unitary authority) decides whether to list the asset. The owner of the asset is likely to be able to appeal against the listing.
3. The asset is added to a List of Assets of Community Value. At present, the local authority has discretion as to what types of assets can go on the list – it will not be tightly defined in the legislation. It is the actual asset – the land or building – not the service carried out from it, which is listed.
4. If the owner decides to sell the asset (except to a community group, to which he can sell a listed asset

at any time), they inform the local authority and a moratorium period starts. During this period they cannot sell the asset.

5. If a community group expresses interest in buying the asset, they are given a period of time – currently suggested at 6 months – to prepare a business plan and seek finance to make an offer.
6. At the end of the period the owner can sell the asset to whomever they choose.
7. The asset owner can reclaim some costs resulting from the delay, e.g. cost of maintaining an empty building.

This is a VERY brief summary of the proposals. For full details you do need to read the consultation document

### The RSA View

This legislation is based on the Scottish Community Right to Buy Scheme, intended to help rural communities to acquire land, e.g. for crofters to buy the land they farm from their landlord. The scope of this proposed English and Welsh legislation is far wider. This legislation applies to urban areas as well as to rural, so in theory a small community group could delay the sale of a huge shopping precinct by using it. Similarly, in a rural area, a parish community group has nothing to lose by getting the local shop listed, "just in case".

In the context of village shops, this legislation could delay the sale of a commercial shop to allow a community to put together a bid to buy it. Unfortunately this runs counter to the way most small retail businesses are actually sold. Both staff and customers



are unsettled by knowing their shop is up for sale and so such transfers are kept confidential for as long as possible.

The proposed moratorium period of six months is too short for most communities to get their act together – two years is a more normal timeframe to get a community shop off the ground. However, it is long enough to kill many commercial sales – few prospective buyers are willing to hang around for 6 months waiting to possibly acquire a village shop, when there are hundreds of others on the market.

The net effect of the proposals is to interfere significantly with the normal workings of the marketplace. In some cases it may help a community group buy a shop that would otherwise close. In others, it could damage the on-going business, dissuade commercial buyers and ultimately contribute to a shop closing, instead of being sold as a going concern. The legislation will adversely affect the selling prices of shops on the List compared with those that can be sold without this constraint; both commercial and community prospective purchasers will feel able to offer less for a Listed asset.

We think there is a need to define community group quite tightly. The school PTA could ask for the local pub to be listed, the pub skittles group could ask to be considered as a potential purchaser of the village green, whilst the village green association could lodge an interest in the school buildings. And things change. For example, a community group could be very keen to preserve the children's playground and so get it listed, but by the time it comes onto the market 5 years hence, their own children have outgrown it and they are no longer interested.

There is also a potential problem insofar as the listing refers to a physical asset – such as a building – whereas the value to the community might be the activity carried out there. So, potentially, the community could end up buying the building in which the post office is housed, whilst the actual business of running the post office transfers to another site. Large companies with deep pockets could bid for

numerous buildings up and down the country, happily waiting for the 6-month moratoria to take effect – whilst an individual buyer could not wait that long. The legislation could paradoxically help remote large companies at the expense of local people.

We could go on – we suspect this could be a charter for smart lawyers to earn fat fees in a lot of ways nobody has yet thought through.

## Conclusion

We understand the Big Society thinking behind this proposal and respect it. It clearly attempts to balance the rights of asset owners whilst empowering local communities. However, like so many ideas, the devil is in the detail and the legislation could end up having the opposite effect. Nobody – least of all the government – actually knows.

**The RSA will obviously make a submission to the consultation. We would urge our members to make your voice heard on this issue and respond to the consultation as well – if this legislation goes wrong then it could radically affect your pension pot! We would particularly like to hear from community shop groups – would this legislation have helped or hindered you when you were setting your shop up?**

■ The Consultation document can be found at: <http://www.communities.gov.uk/documents/localgovernment/pdf/1835775.pdf>

*This document has 66 pages. For those of you who want to skip to the chase, we suggest you read Sections 1.17 to 1.29 starting on page 19. Page 61 Annex A has a summary of the consultation questions, all 46 of them.*

*If you do respond, you do not need to express views on all of them!*

*If you need a paper copy, this can be obtained from: Community Right to Buy Consultation Team, Dept for Communities & Local Government, 5/A3 Eland House, Bressenden Place, London SW1E 5DU*



# FAIR

# Without it we would not be here



[www.ruralshops.org.uk](http://www.ruralshops.org.uk)

Frank you

for you

Frank you



# The Future of the Post Office Network

In the last edition of Rural Retailer, we highlighted the plans from the Department for Business, Innovation and Skills (BIS) for the future of the Post Office Ltd. (POL) network, together with an interview on the topic with the minister responsible, Ed Davey. Given some of the more recent debates and hot air on the subject, we thought it would be worthwhile spelling out clearly what these plans are.

By the end of the current Parliament in 2014, the published plan is:

- To retain 4000 main post offices in town centres
- To eradicate the losses currently generated by the approx. 370 of them that are still Crown Offices.
- Convert about 2,000 smaller sub post offices to the PO Local model
- Expand on-line and implement a wider range of IT improvements
- Reduce the government subsidy to POL substantially, ultimately leaving only a residual level for POs in remote rural areas where there is a valuable social purpose

Overall the network must become “financially stable” – seen as a necessary precursor to any change in the ownership of the company, including possible mutualisation. BIS envisage that postal services will remain a mainstay of the Post Office but growth will come from two areas, being the “front office” of government and extended provision of financial services.

Ed Davey is completely sincere in not wanting PO closures and he is equally sincere in telling the network

to live without major long-term subsidy. He sees the Local format as an important part of squaring that circle.

## Post Office Local

The official line from POL is that Local is still a trial, but it would seem inconceivable that it will not be rolled out. Hence we assume that a significant number of rural sub post offices probably face the prospect of conversion to the PO Local format, mostly after 2014. This concept has the following key aspects:

- Open plan PO counter adjacent to the shop counter
- PO opens the same hours as the hosting shop
- PO product range cut back somewhat, basically to products that are paperless
- Remuneration to the sub postmaster of Transactional Payments only – there is no Core Tier Payment. (Sub postmasters are paid a fee per transaction only, with no fixed “retainer” payment).
- Where possible, the shop provides the physical cash for the Post Office

Where it is a new opening or the alternative was to lose the post office, the Local format has been well received by customers, particularly the extended hours.

## Implications for rural Post Offices

It is worth pointing out that the RSA considers a rural settlement to have a maximum population of about 3,000 people, whilst POL treats all settlements below 10,000 as rural.

Currently, POL is making outlets move to a Local contract whenever possible, although they do emphasise

that they do look at the individual location before going down that route. So when a sub post office closes, and is then re-opened, then it will usually be on a Local contract. Where it is a commercial transfer, it will remain as a sub post office.

The logic of the plans from BIS is impeccable – except for one key aspect - thousands of existing small post offices could be expected to operate the outlet for the Transactional Payments only. In real rural examples visited by the RSA, this might typically mean moving from remuneration of, say, £10,000 per annum to about £3,000 or less. Few truly rural sub post offices, where

the Core Tier payment is a major part of their remuneration, will see the arrival of PO Local as good news. Conversely, Partnered Outreach outlets converting to PO Local will see their income rise.

There will be a compensation scheme to take into account the loss of income if a sub post office is told to become a PO Local – although like everybody else we have heard the rumours, we do not know how much this might be.

### Outcomes

For the vast majority of rural post offices, these plans, if implemented, would seriously impact on their viability and hence the market value of the business. A rural Post Office Local is likely to cost at least as much in staff hours (if properly calculated) as it generates in income. The benefit to the business increasingly comes in terms of increased footfall for the shop – the same logic as having a PayPoint or Payzone terminal.

Some businesses may make staffing savings by having the two counters side-by-side, some may benefit from releasing extra space to their retail offer, but conversely many shops will face extra staffing costs from longer PO opening hours.

Prospective buyers of sub post offices already need to look carefully at the long-term income streams they can expect from it and to do their business planning carefully. Some marginal post offices will be less attractive to prospective buyers and will ultimately close as a result. Similarly some sub postmasters, faced with a 70% decline in post office income, will resign. This may not be the intention but it will surely be the outcome. We very much hope that that BIS will fully consider the implications of their plans before rolling them out.



*Under PO Local, the post office would be open the same hours as the shop*

■ The BIS document outlining their plans can be found at:  
<http://www.bis.gov.uk/assets/biscore/business-sectors/docs/s/10-1260-securing-the-post-office-network.pdf>

# EPOS – One shop's experience

When Dean and Tracy Foster took over the Village Stores at Yattendon in Berkshire a couple of years ago, it was their first venture into retailing. Dean's existing shelving installation business was suffering during the recession and they decided to take the plunge into something new. The previous owners were retiring, the shop needed modernisation, the Post Office had survived the closure programme, and taking everything into account this seemed an excellent opportunity to build up a new business.

Since then a number of key changes have been made, new food lines have been trialled and introduced, and although it has been hard work, the shop is thriving again, with an average turnover now exceeding £5,000 per week, with about an equal balance between local customers and passing trade.

One of the big decisions Dean and Tracy took after their first year was to replace the prehistoric till they had inherited, together with an archaic paper-based system of managing newspaper accounts. After considering various options and taking advice from another shopkeeper, an Electronic Point of Sales (EPOS) system was acquired from Reposs, a company whose new partnership with the RSA was announced in the last edition of Rural Retailer. It is still relatively early days and neither Dean nor Tracy would pretend that they are yet



using the system to its full potential, but it is already making a positive impact on their business. Dean reports that the all-important support for their system works well – a phone call to the Reposs helpline number is rapidly returned to resolve any queries. Tracy and Gloria, the shop's only full time assistant, picked up the new processes quickly, so such calls are now much less frequent than at the start.

The EPOS system has provided much more organisation in the paperwork, immediately triggering an initially unforeseen benefit of savings in bookkeeping and accountancy costs. More importantly, it has given Dean and Tracy much greater awareness of stock levels and

## EPOS continued...



sales trends in their business, enabling them to manage it more tightly.

A key benefit in the current period of rapid price changes is the ability an EPoS system provides to manage this aspect of the business – both by drawing attention to purchase and sale prices for individual lines and through accurate price labelling. As Dean explains, “The previous system was all over the place, we were not fully aware of cost price changes. A lot of invoice prices were changing each

week, but with our controls then, we often did not really notice”.

Rural Retailer spoke to Richard Holder from Reposs, who confirmed that the Fosters’ experience was typical. The company’s Core EPoS is now helping hundreds of retailers throughout the UK, including small rural shops, to control their margins and increase their profits. In January, it was crucial to many shopkeepers in helping to ease the work involved in the recent change in the VAT rates.



In Richard’s experience, there are substantial benefits to investing in a Reposs EPoS system, and typically shopkeepers can expect an increase in profits of at least 3% when taking better stock control into the equation. Although it is still early days at Yattendon, and the full financial benefits of the system cannot yet be measured, nevertheless the Fosters are very pleased with their acquisition of EPoS, seeing it as a sound decision to help develop the shop into a modern, professionally run business.

Yattendon Stores is supplied by Booker delivered wholesale, as well as by a number of small niche suppliers, including a local micro-brewery just a hundred yards away. Tracy

keeps all the records and orders on a laptop computer, another innovation, and had no problem telling Rural Retailer that the shop now stocks 2453 different lines.

For the future, Dean and Tracy are planning to bring their 31 hour-a-week Post Office out to the front into a shared counter with the shop. They will then reconfigure the space freed up to accommodate a small coffee area inside the building, which will complement the existing summer facility provided in the back garden.

For Dean and Tracy, their new lifestyle has been hard work, but they have no regrets and the revitalised and modernised shop in the centre of this attractive village is now in much better shape to serve the local population and its passing trade long into the future.

■ For more information on Reposs systems see [www.reposs.com](http://www.reposs.com) or contact them on 0845 0945 200 or at [info@reposs.com](mailto:info@reposs.com).

### The RSA View

At the RSA we are in favour of anything that helps rural shopkeepers save their valuable time and manage their businesses more professionally. We do know some super-retailers who do have all aspects of their shop in their head, but for most people, EpoS provides the systems and information needed to stay in control. For very small businesses – say below £2,000 turnover a week – the investment is probably not worthwhile (although we do know a couple of community-run shops making a real success of EpoS at low turnovers), but for most businesses, we would almost say that EPoS is a basic tool for the job – why would you want to run a shop without it? But where companies in the EPoS industry can let their customers down is in the areas of training and support – anybody considering buying a system should be absolutely certain that their supplier will provide this crucial backup before signing up.



## Flexible working

The right to request flexible working will be extended to parents of children under 18 years from 6th April 2011 – somewhat bizarre given that “children” of 16 are allowed to get married and become parents themselves! A government consultation is being launched shortly looking at how to extend flexible working to all employees.

## Default retirement age (DRA)

The current situation, laid out in the Employment Equality (Age) Regulations, which came into force on 1st October 2006, allow employers to require staff to retire at 65 without having to justify their decision, provided they have given the required 6 months statutory notification of compulsory retirement date and listen to any representations made by affected employees.

From the 6th April 2011 there will be an important change. Employers will not be able to use the current procedure to require compulsory retirement. Between 6th April and 1st October 2011, only people who were notified before 6th April and whose retirement date is before 1st October can be compulsorily retired using the DRA. From 1 October 2011 no employee can be compulsorily retired by an employer because they have reached the age of 65 unless that retirement can be objectively justified.

It is quite common for the DRA to be used as a civilised way to remove an older

employee who is no longer performing as well as they used to do. This will no longer be possible. Where an employee is performing poorly and their performance cannot be improved, you have the option of dismissing them on the grounds of capability. This can be a sad and undignified way to end a person's working life and needs to be handled “to the book” to avoid possible legal repercussions.

The proposed changes will have far reaching implications for the way many businesses work and employers who fail to make the necessary changes to approaches to employee retirement may face claims of unfair dismissal and discrimination.

Acas suggest that these are the key things to remember:

- Workers will retire when they are ready to, enforced retirement will only be possible if it is objectively justified
- You must avoid discriminating against all workers on the grounds of age
- This legislation will be applicable to all employers and all company sizes and sectors
- These changes do not affect an employee's state pension age and entitlements, which may well be separate from the age at which they retire.
- Guidance for employers on workforce management without a fixed retirement age is available on the Business Link website at: [www.businesslink.gov.uk/bdotg/action/detail?itemId=1082251113&type=RESOURCES](http://www.businesslink.gov.uk/bdotg/action/detail?itemId=1082251113&type=RESOURCES)
- Acas have guidance on the retirement process and the removal of the DRA in a useful booklet, at: [www.acas.org.uk/CHHttpHandler.aspx?id=2976&p=0](http://www.acas.org.uk/CHHttpHandler.aspx?id=2976&p=0)



## Government Information Websites

The Government intends to close most of its information websites by the end of March 2011 and to then provide a single online government information service for businesses of all sizes within each country of the UK. These are as follows:

- Business Link in England.
- NIBusinessinfo in N. Ireland.
- Business Gateway in Scotland.
- Flexible Support for Business (FS4B) in Wales.

## Identity Documents Act 2010

The ill-conceived Identity Cards Act 2006 has now been repealed and the whole scheme cancelled. This means you cannot accept the national identity cards that were issued as evidence of identity or as proof of age for the purchase of age-restricted ranges.

## Pensions

Under the Pensions Act 2008 there is a duty imposed on all employers to automatically enroll all eligible workers into a qualifying workplace pension scheme (unless they are already in such a scheme)

The Department for Works & Pensions (DWP) has recently confirmed that all UK employers will have to offer a pension scheme from 2012 to all eligible workers between the ages of 22 and State Pension Age. If they do not offer their own scheme they will have to use the new National Employment Savings Trust (NEST)

There will be a 12-week exemption period before an employee has to be automatically enrolled. Enrolment is not compulsory for anyone earning below the £7500 PAYE threshold.

## Risk Assessments

Carrying out a risk assessment is a legal requirement for all employers. It is good practice for all businesses to record the findings in writing - if you employ five or more people you must record the significant findings of the assessment. But this is not difficult and you do not need to buy external advice to help you with it. You know your business better than anyone else.

The Health & Safety Executive has launched a quick and easy online tool to help small retailers assess the hazards in their shop. The aim is to remove the mystery of risk assessments and enable retailers to identify and then minimise the key risks in their premises. It is said that the whole process should take as little as 20 minutes and will be evidence of compliance if a Local Authority inspector calls.

The tool will take you through the hazards (or issues) likely to be present in most low-risk shops and will encourage you to think about how these could affect your employees and members of the public:

- Slips and trips
- Handling and moving stock
- Working at height
- Shop equipment
- Well-being of workers
- Threat of robbery and violence
- Fire
- Food preparation

■ The site is: [www.hse.gov.uk/consult/condocs/risk-assessment/shop.htm](http://www.hse.gov.uk/consult/condocs/risk-assessment/shop.htm)

## Training – Management skills

ACAS has launched a free online resource to improve skills in managing people. “Top tips for better management” can be found at [www.acas.org.uk/toptips](http://www.acas.org.uk/toptips)

## Training - Sale of Goods Act (SOGA)

The OFT has launched a new online resource - [www.of.gov.uk/saleofgoodsact](http://www.of.gov.uk/saleofgoodsact) - to help staff comply with the law when customers buy or return goods. This is a free online resource for retailers and the materials can either be used as they are or incorporated into existing staff training programmes.

## A tiny example of a big effect...

# The impact of a supermarket

At the RSA, we have consistently tried to point out that there is a downside to the headlines on supermarket openings. The problem is that it is very easy for a supermarket to say we are going to create X number of jobs (even if most are part time and low paid), whereas the jobs that are destroyed are spread over a wide geographical area and over a long time period.

Here is a tiny case study that may help to illustrate what happens.

Ilton is a village in Somerset, about eight minute's drive from Ilminster, a market town that dates back to the minster's foundation in the 9th century.

Stan and Polly Church-Morrell took over the local shop and post office in 2003. Taking advice from the Countryside Agency's retail consultant, they invested heavily in the business. With the help of a government-funded grant, they more than doubled the size of the shop through a large extension. The result was a modern and attractive village shop. The impact was very positive, sales in 2005 being up 22% on the previous year.

However, November 2007 was a key turning point in the fortunes of the store, when a controversial Tesco store opened in Ilminster. This supermarket, just off the high street, is huge in comparison with the town it serves. It must have more m<sup>2</sup> of sales area than the rest of the town put together.

Sales for Ilton Stores in 2008 declined by 20% compared with 2007, with a further 11% reduction in sales in 2009 compared with 2008. A key factor in this was the Tesco opening. Indeed, we would guess that the Tesco business model for their new store implicitly assumed such figures and that at some point Ilton Stores would close. If so, they were right. Although there were other possible factors, this was the killer.

A full time member of staff left and was not replaced, leaving Stan himself working punishing hours to fill the gap. Shop opening hours had to be reduced. Attempts to sell the business elicited no takers. Trying to interest



*The extension has different colour roof tiles*



*Tesco and the minster co-exist*

# opening on one village shop

the village in setting up a community shop, encouraged by the district and parish councils, failed.

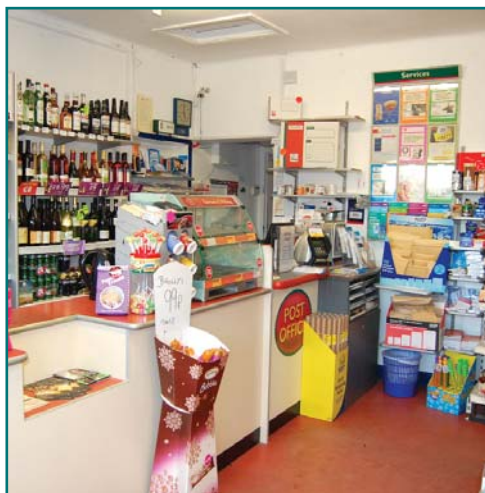
Stan sums it up; “It is a bittersweet time for us, having spent a vast amount of time, effort and money in building up a village shop and Post Office that we were very proud of.

Unfortunately due to competition and domination by the superstores, coupled with the downturn in the economic climate, we had to free ourselves from a burden that would ultimately have led us to financial hardship, in a business that demands your attention twenty four seven, fifty two weeks a year”.

The new shop extension, built with such high hopes a few years ago, has now been demolished. At the time of writing, Post Office Ltd. are still trying to find a home for the post office

This closure, with the overall loss of 3 full-time and 2 part-time jobs, occurred over 3 years after the Tesco opened. Others job losses around Ilminster may have preceded it, others will come afterwards. Nobody will be keeping count.

And Ilminster is just one of dozens of towns where this is happening.



*A very acceptable offer*



*The Tesco store in Ilminster with massive carpark*



*The shop being demolished*

# A rural shop boosts house prices... Myth or reality?

For sale: desirable three-bedroom period cottage with conservatory and 60-foot garden in rural location - £500,000. With village shop - an extra £5,000.

Although you wouldn't see that advert in an estate agents' window, this perceived added value is something many people think that agents build into their pricing mix.

While the biggest attraction for most rural dwellers is a decent primary school, along with healthcare, and reasonable commute time, estate agents acknowledge that houses in a village with a shop can attract higher offers.

FindaProperty.com reports that its research has found a post office can add 3-6% to local house prices, although the property website adds that this needs to go hand-in-hand with other major drivers such as good transport links and desirable – or at least affordable – property for sale. Says its property analyst Nigel Lewis: “If an area is not in demand then a post office won't make much difference to local house prices - but it can be a decisive factor in pushing them up if there is demand.”

A £5,000 premium is about right, according to the National Association of Estate Agents, whose spokesman Melvin Williams, runs an estate agents in Anglesey, Wales. Says Williams: “We also know anecdotally that when there's a Waitrose nearby, house prices go up by 5%. Having a good local shop in a village is a real benefit – it definitely helps sell houses and people always moan when a shop closes.”

Other estate agents report that young buyers often want to be part of a community – which is usually indicated by a shop - while older house-buyers like to be able to walk to get their groceries.

Indeed, about one-third of the potential buyers on the books at Strutt & Parker's Cirencester branch want to be able to walk to a shop. Manager Sam Trounson reports that a rural village with a decent shop is an attraction;



# Costs house or reality?



plenty of people who want to move out of London are frightened by a lack of amenities, he says. "In terms of price it almost doesn't matter to the right buyer; it makes no difference if [a property is cheaper] because they want a local shop."

This is backed up by Paul Mather, who runs Sherston Post Office Stores near Cirencester. He agrees that people want to live in a thriving village and what makes a thriving village is a mixture of things: good school, doctor's surgery, a pub and a shop. "A good shop gives a community the feel-good factor," he says.

A good shop means happy villagers and a desirable village - and you can't put a price on that. But of course, if you're too close to a shop or a pub then there's the issue of possible parking problems, noise and traffic.

And there is also a darker side to the story: the number of people accepted as homeless in rural areas has rocketed by 25% in the past year to 7,600 - as demand for affordable homes stands at record levels, according to new figures from the National Housing Federation. And about 750,000 people are on waiting lists for an affordable home in rural England, where the average price of a home is over £40,000 more than in towns and cities despite lower wages, according to the Commission for Rural Communities.

Sherston, with its des res image, is a case in point, reports Mather. "Property is expensive here and that can be a barrier for business - the village butcher retired recently and no-one was willing to buy the business because the property cost so much."

## The RSA View

At the RSA we are asked several times a year whether there is any evidence whether the folk wisdom, that a shop in a village boosts house prices, is true. It is one of those things that everybody "knows" but nobody can prove. This is not really surprising - pricing houses is as much "smoke and mirrors" as it is science. It is very clear that a shop is an important factor for a lot of people buying in villages, a fact that must feed into higher house prices. We reckon the £5,000 seems, if anything, conservative - but even at that level, in a village of 400 houses the presence of the shop adds a cool £2,000,000 to its total value. This could be a good figure to quote the next time a customer complains that an item is 5p more expensive locally than at the supermarket!

How it worked for one village...

# The way Parish Councils

Rural shops are a key part of the social fabric of their communities. Every parish plan we have ever seen has shown that local residents do appreciate this fact. Parish councils are the most local tier of government. Some are great at supporting their local shop, some are actually negative.

## PROMOTION OF WELL-BEING

Parish councils can have a lot more power than most people think. Their ability to provide local wash houses, mortuaries and public monuments may be quaint relics of the past, but more recent legislation has given many of them new powers to assist village shops that are worth knowing about. The Local Government Act 2000 introduced the concept of “promotion of well-being”. This provides the power to do anything which an authority considers is likely to promote the economic, social or environmental well-being of their area.

Under the Act, the local authority can, amongst other powers, incur expenditure, give financial assistance to any person or provide staff, goods, services or accommodation to them. The Act makes it pretty clear that supporting a local shop can be covered as “promoting well-

being” of the community. However, not all parish councils are eligible to apply this part of the 2000 Local Government Act.

The snappily titled Parish Councils (Power to Promote Well-being) (Prescribed Conditions) Order 2008 lays down the conditions they need to meet for them to be eligible to exercise the power to promote well-being under the 2000 Act. These are quite technical, but the clerk to any parish council should be able to tell you whether it is eligible to exercise power of wellbeing.

Parish councils are rightly cautious about using these powers. In the context of village shops, their use has been confined in most cases to providing limited support if a shop is closing, particularly if there is the possibility of a community-owned shop being set up to replace it. However, support can be extended to commercial shops, as the case below demonstrates. However, it is fair to say that this type of support must have the community behind it – they will be the ones paying a raised precept for years to come to fund it. Parish councillors wanting to be re-elected are rightly loath to push precepts up too high without a very clear mandate of support from their community. Parish councils can borrow money for capital projects. Their normal source is the Public Works Loan Board. This body, set up in 1793, the same year as the start of the French Revolution, lends to parish and town councils (in England) and community councils (in Wales).

At the RSA we have consistently argued that modest but well-directed grants can be very cost-effective in keeping a commercial shop, pub or post office alive, at a fraction of the cost and effort often expended on setting up alternatives.



*Parish councils do more than maintain monuments*

# can help Village Shops

We hope that the ethos of the Big Society will encourage parish councils to adopt more flexible approaches to supporting village shops.

## BISHAMPTON STORES AND POST OFFICE

One parish council that has made full use of these powers is Bishampton and Throgmorton Parish Council in Worcestershire. In November 2009, after 13 years in post, Steve Osbourne gave the parish council a year's notice that he would be giving up the local shop and post office. This long notice period gave the council a chance to do something about it. A Village Shop Working Party was set up and they soon ascertained that there was sufficient support in the parish to buy the shop premises from its owner. The initial plan was to buy the shop and the flat above it, selling the flat on to reduce the overall debt. In the event, it was decided to rent the flat to the shopkeeper at a commercial rent, whilst the shop below was leased to him at a peppercorn rent for an initial 3 years. This was done exactly as described above, with the Council using its Powers of Wellbeing and obtaining a loan.

One reason that the shop business cannot now sustain a commercial rent is that the post office has now been converted from a full sub post office to a PO Local, delivering a dramatically reduced income. Nevertheless, no less than 27 people expressed interest in taking over the lease, with Tony Dorrance, an experienced shopkeeper, emerging as the successful applicant.

Parish council chairman Don Cheetham - who had said that the services were "in some way like the soul of the village" - was the Post Office's first customer. As he formally reopened it, he commented, "The village seems to be a

community again, rather than just a group of houses. People are meeting and talking with each other, it's fantastic. It really has brought the village together."

Bishampton resident and parish councillor Rodney Hodgkins who has been instrumental in helping to bring the Post Office service back to the village, added: "I'm delighted to have it back. Together with the village pub reopening it's like the whole spirit of the village has been lifted." The RSA had known Steve Osbourne for most of the time he served Bishampton residents and we wish him and his family well for the future. We hope that the community is aware of just how lucky they are to have had such a dynamic parish council to ensure that they retain their shop and post office. We now hope they understand that they need to really support Tony to make the shop a viable business without the benefit of a full sub post office income.

■ Details of the Power of well-being can be found at: [www.communities.gov.uk/documents/localgovernment/pdf/1148897.pdf](http://www.communities.gov.uk/documents/localgovernment/pdf/1148897.pdf)



*The shop at Bishampton is a large purpose built unit, with a flat above*

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