

# Retail Quarter

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## Tobacco and Smoking Products – How New Rules on the Manufacture, Presentation and Sale of Tobacco Products, E-Cigarettes and Herbal Cigarettes Will Affect Retailers

New UK regulations governing tobacco products and e-cigarettes came into effect on 20 May 2016. Retailers will not be able to sell non-compliant products after the relevant transitional periods (for most products, 20 May 2017, although, the prohibition on menthol cigarettes will not apply until 2020). The government has produced Guidance for retailers on e-cigarette changes.

When sourcing new supplies of tobacco products, e-cigarettes or refill containers, ask your supplier(s) to confirm the product complies, particularly where stock is unlikely to be sold before the deadline. Ensuring old stock is sold first will be important, so proper implementation of stock rotation is key. Retailers should ensure they are familiar with the [Guidance](#) and communicate to all stores in relation to stock control, particularly in the run up to 20 May 2017.

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## CVAs on the High Street Following the Collapse of BHS and Austin Reed

The administrations of BHS and Austin Reed have been well publicised. Both had agreed CVAs before ending up in administration, prompting us to analyse the success rate of the CVA. Between 2009 and 2016, CVAs were entered into by JJB Sports plc, Focus Do It All, Discover Leisure, Blacks, Fitness First, Travelodge, Mamas and Papas, Austin Reed and BHS. Out of these nine companies, only three continue to trade (Fitness First, Travelodge and Mamas and Papas). It may be that whilst a CVA can provide a retailer with a breathing space, it is not always able to guarantee a solution in today's challenging market.

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## Supply Chain Auditing

The global growing trend toward accountability and public scrutiny of businesses is hitting the retail sector in particular.

Recognising and accepting the needs and advantages of better embracing and policing a supply chain will likely avoid negative publicity, brand/value damage and may even give a competitive advantage. Supply chain audits are great for verifying supplier policies but recent reports show they are often less effective at verifying actual practices and detecting problems.

Further details can be found [here](#).

To discuss the challenges and complexities in supply chain audits and how they might be effectively managed, please contact:

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## Get to Grips with Right to Work Checks

Getting to grips with right to work checks can save businesses from having to pay huge fines and avoid reputational damage. Businesses that employ staff without carrying out proper document checks face civil penalties of up to £20,000 per employee working illegally. HR and those with responsibility for recruitment should have a thorough understanding of their right-to-work obligations, including the monitoring of visa expiry dates and appropriate follow-up checks. Responding on time to a Home Office Information Request can reduce a penalty by £5,000 and avoid revocation of a sponsor licence. It is also worth seeking specialist advice as the Home Office sometimes issues penalties incorrectly and the employer may not be aware that it has a legitimate defence.

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