

Cross-Party Group on Independent Convenience Stores

The Scottish Parliament, Committee Room 1
6pm, Tuesday 20th February 2024
Minute

Present

MSPs

Gordon Macdonald MSP
John Mason MSP
Murdo Fraser MSP

Invited Guests

Anne-Laure Farrar, The Knowledge Bank (Speaker)
Kimberly Guthrie, Scotland's Towns Partnership (Speaker)
Dr Maria Rybaczewska, University of Stirling (Speaker)
Alison Dyet, Muller
Angus Macowan, Muller
Carol Saunders, The Knowledge Bank
Charnjit Singh, Independent Retailer
Dario Bylieieua, Revo Utilities
George Maglaras, Sterling University
Gurdev Singh, Independent Retailer
Jaspall Singh, Independent Retailer
Jaspreet Singh, Independent Retailer
Lakhvir Singh, Independent Retailer
Laura Dunn, UKI-Gatwick
Moria Dean, DUSA
Pran Palli, Independent Retailer
Stephen Thomson, Discovery Retail
Sukhdev Singh, Independent Retailer
Tajinder Bhuller, Independent Retailer
Tarseem Kumar, Independent Retailer

Non-MSP Group Members

Dan Brown, Lothian Stores Ltd (Speaker)

Luke McGarty, Scottish Grocers' Federation (CPG Secretary)
Aidan Smith, Scottish Grocers' Federation
Craig Stracha, Scotmid
James Harper, OneOOne Retail
Jamie Mackie, Scottish Grocers' Federation
Karen Scott, Scotmid
Margaret Anne Clarke, Scotmid
Martin Devlin, PGMA
Dr Pete Cheema OBE, Scottish Grocers' Federation

Apologies

Gordon Macdonald MSP (Convener) noted that apologies had been received from Daniel Johnson MSP (Deputy Convener), Jackie Ballie MSP and Sarah Boyack MSP.

Welcome and Introductions

Gordon Macdonald MSP (Convener) welcomed attendees to the meeting.

Approval of Minutes and Action Points

Gordon Macdonald MSP (Convener) asked for the approval of the previous minutes of the meeting of 14th November 2023. These were approved.

Topic: The Scottish Economy, Retail and Small Business Conditions

An overview of the health of the economy in relation to the retail and convenience sector, including a forecast/outlook for the short to mid-term.

Dr Maria Rybaczewska, Research fellow, Stirling Management School, University of Stirling – Raised the question of whether the current circumstances and challenges facing retail are signs of a 'sun rise' or 'sun set' for Scottish Retail. Noting that economic growth has been more resilient than expected in 2023. Although forecast remains subdued for 2024. The SGF Scottish Local Shop Report outlines a stable period, in general, for the convenience sector across Scotland and the UK. However, the overall figures show that while there are some challenges for the convenience sector there are also opportunities.

Kimberly Guthrie, Chief Officer, Scotland's Towns Partnership – Highlighted that putting localism first has led to great success across a range of sectors and communities in Scotland. Highlighting several regions, predominantly in rural areas, where this has led to success. Driving a town centre first agenda enables sustainable and economic growth that cyclically benefits the local community. There is significant opportunity to improving town centres, to promote community living. Coworking also has a potential to reimagine unused spaces in town centres. The Scotland Loves Local project, for example, enables communities to support their local businesses and promote local produce, driving local economic growth.

Anne-Laure Farrar, UK Market Insight Manager, The Knowledge Bank – Introduced The Knowledge Bank, established by Scotland Food & Drink. Highlighting that consumers are focused on cutting spending across key areas, such as eating out, energy expenditure and food shopping. As a result, retailers are focused on encouraging customer loyalty while trying to keep costs low. Findings show that, while price remains key, Scottish provenance is more important than in the past. Supporting the local economy. Likewise, more people now recognise their town or region as a more important community than their nation, Scotland, or the UK. Noting that consumers highly value their local convenience store and access to local retail.

Dan Brown, Managing Director, Lothian Stores Ltd – Outlined the good work that is being done by Pinkies Farm convenience store, Musselburgh. Highlighting that they play a key role in in their local community. Noting a significant boost to local employment; raising thousands of pounds for local causes, including foodbanks; and supporting local producers. However, there are challenges for the sector and small businesses. In order to remain viable, while absorbing the additional costs for customers where possible, stores are now forced to make difficult decisions, about staff costs for example. On top of other challenges such as robust competition from supermarkets, retail crime and over regulation from government. Retail Crime is now impacting not just livelihoods, but health, safety, and wellbeing. Also noting that retailers are consistently at the brunt of new regulations on items such as restrictions on food and alcohol promotion, waste/recycling management and the deposit return scheme.

Questions and Answers

Following the four presentations there was general discussion and questions from a range of those present. Some of the points made were:

- Concerns were raised regarding the 'hollowing out' of town centres and how to improve the process of supporting redevelopment. A reduction in VAT, giving the community a voice and promoting town living/growth were cited a

potential improvement. A lack of rates relief and infrastructure was also cited as potential blockers.

- While consumers desire to shop locally, it is not always the case that translates into action to do so. However, it is proven to be the case that promoting local produce does improve sales. For example, the success of the SGF Go Local program illustrates that promoting local produce can be beneficial for attracting and keeping new customers, while advancing good quality local products.
- Noting the significant increase in retail crime, the situation has now reached a level where retailers are taking action, such as a national day of awareness. Noting that the Protection of Workers (Retail and Age-restricted Goods and Services) (Scotland) Act 2021, established with the support of SGF, has been successful in logging 10,000 cases, with 3,500 referred to the Crown Office and Procurator Fiscal Service. Although, the backlog in cases has been noted as a major concern.
- One area where there could be an improvement would be to help independent retailers become more aware of the impact of value over volume of sales.
- It was suggested that the Scottish Government and Local Authorities should do more to create an environment for business, encouraging inward investment.
- Suggestions to improve economic growth in Scottish communities include:
 - Promoting Scottish province as a significant multiplier.
 - Understanding the shopper and their wishes is a key to economic growth.
 - Reducing the rate of new regulation would likely to promote economic growth.
 - Better understanding of everyday functions and awareness of the economy and the relationship between retailers and their communities.
 - More of a wholistic view of place, working together across sectors to local communities toward shared aims.

Gordon Macdonald MSP (Convener) thanked all the speakers for their presentations and attendees for their participation.

Action Points

There were no action points from the meeting.

Any Other Business

Gordon Macdonald MSP (Convener) confirmed that there was no other business.

Date of Next Meeting

Gordon Macdonald MSP (Convener) confirmed that the next Cross Party Group meeting would take place at 6pm on Tuesday 4th June 2024. The meeting will be held in the Scottish Parliament.