



SCOTTISH RETAIL CONSORTIUM

Manifesto for Retail 2007

RETAIL → The Heartbeat of the Economy
→ Central to the Community
→ Close to the Consumer

Manifesto for Retail 2007

The Scottish Retail Consortium (SRC) is the trade association for the Scottish retail sector and is the authoritative voice of the industry to policy makers and to the media. The SRC brings together the whole range of retailers across Scotland, from large multiples and department stores to independents, selling a wide selection of products through town centre, out-of-town, rural and online stores.

The SRC works with its members and stakeholders to maintain the political and industry profile of the retail sector in Scotland, through information sharing, research activity and further developing links with key sector partners, including the Scottish Executive and the Scottish Parliament.

The SRC's central aim is to ensure that the Scottish Parliament and the Scottish Executive create the right trading environment to allow for continuing investment, job creation and innovation in product and service by retailers.

→ The SRC brings
retailers together
in one united voice

Retail is the heartbeat of the Scottish Economy. Scotland's retailers are highly innovative, delivering an ever-rising standard of living for the Scottish population. The numbers speak for themselves:

- 12% of enterprises in Scotland are retailers, with 14,450 VAT registered retail businesses operating out of 25,770 outlets.
- Scottish retail sales amounted to over £21 billion in 2006.
- There are approximately 240,000 people employed within retail in Scotland, equating to 1 in 10 of the workforce.
- Retailing makes up 6.9% of Scotland's Gross Value Added (GVA), compared with 5% in the UK.
- The GVA in the Scottish retail sector has risen by 48% since 1998 to reach £4.8 billion, compared with a rise of 41% in the UK as a whole.
- 97% of retailers in Scotland employ less than 50 people. These businesses account for around 60% of GVA and employees in the retail sector.
- Retail accounts for 20% of turnover and 14% of GVA in Scottish service industries as a whole¹. This compares with 16% for turnover and 13% for GVA for UK retail in UK services as a whole.
- Over a third of consumer spending goes through shops.

¹ Excludes the financial sector and some of the public sector.

We are a sector that never stands still and is undoubtedly the most dynamic in the Scottish economy. As a sector we have the ability and talent to respond quickly to changes in consumer demands and behaviours. However we are in a period of intense structural change, in which cost structures and corporate strategies are being re-thought, resulting in:

- Continued consolidation and concentration.
- Price deflation and pressure on margins.
- Increased trading areas for large centres and stores.
- Inter-urban competition to attract customers.
- Growth of convenience as a key consumer driver with implications for product ranges, in-store layout, store sizes and locations.

Maintaining a competitive sector to drive productivity and serve our communities and customers in a sustainable way

The sector has made an extremely important contribution to economic growth in Scotland in recent years. However an ever-increasing regulatory burden and predicted slowdown in consumer spending mean retailers face tougher

trading conditions as demand weakens while costs continue to rise. Under these challenging conditions the retail sector in Scotland requires a policy and legislative framework that will:

- Encourage enterprise and growth.
- Encourage continuing innovation in the sector.
- Provide security for investment.
- Encourage competition.
- Ensure access to new retailing for all.

→ Retail priorities for 2007

Safe and prosperous towns and cities

Retail crime continues to rise year on year. Alongside the considerable financial burden of shop theft the hidden cost of crime, including assaults on staff and other forms of anti-social behaviour, is both substantial and increasing. It is this human element of crime, and not merely bottom line costs, that is a growing concern for retailers. The fact is that, although the loss to the retail industry through crime is substantial, the real price is paid by society. This is especially true of small retail businesses which continue to be targets for criminals and which are more vulnerable to violence against staff. Furthermore our major towns and cities are undergoing a renaissance with massive investment in retailing, entertainment, leisure, city living and urban renewal. Our towns and cities are once again welcoming, dynamic places. However our experiences should warn us that this can be lost and that we must continue to work hard to justify the confidence of all those who are contributing to these positive developments.

The SRC recommends:

- Retail crime should be seen as a key priority for the Scottish Executive which should commit to undertake an inquiry into the cost and impact of retail and business crime on the Scottish economy and local communities.
- That shop theft becomes a key performance indicator for police forces across Scotland.
- Any move to decriminalise shop theft should be firmly resisted as should proposals to remove or weaken custodial sentences for shop theft.
- A commitment by police forces across Scotland to increase police presence in our retail centres and dramatically improve response times to reported incidences of retail crime.
- Effective policing of markets and venues preventing the sale of stolen or illegitimate retail goods.

Efficient transport networks and retail focussed local infrastructures

Transport is vital to the success of the retail sector in Scotland. Our sector relies on an efficient transport network for the daily operation of our businesses. It allows us to access our customer base, deliver goods, and enables our employees to reach their workplaces. Delivery restrictions, charging schemes, inadequate parking provision and lack of dialogue between local public sector agencies threaten the vitality of the retail sector and jeopardise the sector's contribution to the Scottish economy.

The SRC recommends:

- Increased expenditure on transport infrastructure, especially in relation to the roads network across central Scotland.
- Relaxation of local delivery restrictions, where appropriate, allowing delivery vehicles to operate outside peak travel times so lessening congestion and reducing CO₂ emissions.
- Reasonable and accountable car park practices by local authorities who should not regard car park management as a means of raising revenue through penalty notices.
- The Scottish Executive should commit to provide additional funding towards the Business Improvement District pilot projects currently underway in Scotland.
- Local Authorities and LECs should work together to provide good practice guidance and support packages to promote retail business start-ups within their local areas.

Creating conditions for continued investment and sustainable development

There are few business sectors as important to community life as retailing. Shops are more than simply distribution points. Retailing is a vital local service and the mainstay of most town centres and rural communities across Scotland. Without shops there can be no communities. Whether in our towns and cities or in the countryside, retailers make an important contribution to the quality of people's lives. Future growth should not be hampered by additional government imposed costs.

The SRC recommends:

- A range of targeted support and funded programmes, including capital support, for smaller retailers to allow them to remain a central part of economically healthy communities.
- Consistency of enforcement activities by Scotland's 32 trading standards departments in line with the principles of the Enforcement Concordat.
- Raising of the threshold for rates relief for small businesses across Scotland.
- A centralised 'Chief' Assessor to oversee and coordinate the rating and valuation process in Scotland.
- Greater investment in the planning system to ensure that planning departments are adequately resourced to deal with the new planning regime.
- The end of unfair leasing practises by introducing legislation to abolish upward-only rent reviews and deliver greater flexibility in the commercial property market for retail occupiers.
- The provision of support, incentives and guidance for retailers to adopt environmental improvement and best practice measures, ensuring that the sector can continue to trade in a sustainable and responsible way.
- The Scottish Executive continues to work with the sector in the promotion of healthier lifestyles to consumers but resists imposing unnecessary, prescriptive regulation on the sale of food, and alcohol.

About the Scottish Retail Consortium

The SRC is based in Scotland, with the backing and support of our parent organisation, the British Retail Consortium, based in London and Brussels.

The SRC exists to make life easier for our members by:

- Campaigning to promote and protect retailers' interests.
- Advising retailers on threats to, and opportunities for, their businesses.
- Offering members a range of competitive, professional services which add value to their businesses.
- Improving the general perception of the retail industry in Scotland.

The SRC aims to achieve:

- A framework of law and regulatory guidance which is friendly, or at least neutral, to retailers.
- A competitive and more predictable structure of business costs.
- A firm and constructive relationship with governments, regulatory agencies and a range of NGOs.
- A retail industry which is regarded as a socially responsible creator of wealth and jobs and a focus of entrepreneurial talent.
- An expanding and broadly based membership.

For further information regarding the SRC please contact:

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INVESTORS IN PEOPLE

The SRC Board

The SRC Board drives the policy priorities of the SRC, and is made up from senior representatives from the following organisations:

Alliance Boots plc

Asda Stores Ltd

B&Q plc

The British Hardware Federation

The Co-operative Group

Debenhams plc

DSG international plc

John Lewis Partnership

Marks & Spencer Group plc

National Federation of Retail Newsagents (Scotland)

Scottish Grocers' Federation

Tesco plc

The Wine and Spirit Trade Association



→ Ken MacKenzie (The Co-operative Group)
Chairman
Scottish Retail Consortium



→ Jane Wood (Alliance Boots plc)
Vice Chair
Scottish Retail Consortium



→ Fiona Moriarty
Director
Scottish Retail Consortium