

SUBMISSION FROM SCOTTISH GROCERS' FEDERATION

About SGF

1. The Scottish Grocers' Federation (SGF) is the trade association for the Scottish convenience store sector. It is the authoritative voice for the trade to policy makers.
2. The SGF brings together retailers throughout Scotland, from the Scottish Co-operatives, SPAR, Nisa, Costcutter, Keystore, David Sands and local independents. Our members sell a wide selection of products and services throughout local town centre, rural and community stores. According to recent statistics there are just over 5,600 convenience stores throughout Scotland, with annual sales in excess of £3.2 billion.

The importance of local shops

3. Local shops are at the centre of our daily lives, whether it be the local shop round the corner from your house, the shop at the bus stop on your way home from work or the anchor for your local high street. Everyone uses local shops and value the convenience and community identity they bring. For many, shops are not just useful but vital, allowing them to live independently and maintain a link in the wider community. Few would disagree that it is our common interest to ensure that the local shop sector is successful.

Supermarket Reaction

4. It is unsurprising and predictable for the large retailers to react angrily and with co-ordinated force against plans by the Scottish Government to impose a rates supplement on large stores. However, we are concerned the current debate relating to these regulations could obscure the crucial problems we are facing on Scotland's High Streets.

Future of the High Street

5. Our high streets are suffering, with many empty retail premises and predictions of Scottish 'ghost towns'. This is not just a problem of the recession; Scotland has had a longstanding supermarket problem.
6. Analysis recently conducted by leading retail data agency CACI¹ shows supermarket saturation in many places in Scotland compared to the rest of the UK. Badly planned out-of-town supermarkets cause the depopulation of our high streets, cost jobs and remove character and choice for Scottish consumers. Proportionately Scotland has far more out of town supermarkets than any other parts of the UK, in fact only one fifth of new retail floor space given planning permission in Scotland is in town centres.

SGF View

7. Our view is that the business rate system should incentivise retailers that choose to locate in towns. In town retailing is better for a whole range of reasons, firstly because town centres are places where a number of retailers can co-exist and compete offering genuine choice to the customer; they are better accessible through a range of transport facilities; they provide a focal point for the whole community; and an identity to the places where we live.
8. The business rate supplement scheme proposed by the Scottish Government needs significant improvement. We believe there is justification to increase the business rates of out of town supermarkets that benefit from lower overheads and abundant,

¹ <http://www.caci.co.uk/530.aspx>

often free car parking but it should not for example apply to big stores and supermarkets that are located in our town centres. Nor does it suggest any consequent redistribution of the revenue raised to incentivise the development of our towns.

9. The Scottish Government is right to be worried about the plight of in town retailing in Scotland. They should think creatively about how to redress the balance. Options they should consider include preferential business rates, rents and investments to improve amenities such as free car parking. They must also make sure that planning law strongly defends our town centres from the threat of out of town development.

Scottish Grocers' Federation
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