

Cross Party Group on Independent Convenience Stores

Notes of meeting on 23rd November 2016, the Scottish Parliament, Cmtee Rm 1

[for attendees please see Appendix A]

The meeting commenced at 6pm

The Convenor (Gordon MacDonald MSP) welcomed attendees to the meeting and noted the presence of Richard Lyle MSP. He advised that since the inaugural meeting on 20th September, the Standards and Procedures Committee has approved the establishment of the CPG.

The convenor asked the meeting to consider the minute of the meeting of 20th September. The minutes were proposed as an accurate record of the meeting by Pete Cheema and this was seconded by Abdul Majid.

Key Speaker – Keith Brown MSP, Cabinet Secretary for the Economy, Jobs and Fair Work

The Convenor then welcomed Keith Brown MSP, Cabinet Secretary for the Economy , Jobs and Fair Work and thanked the Cabinet Secretary for accepting the invitation to address the meeting to discuss the Scottish government’s approach to working with and assisting the independent convenience store sector in Scotland.

Mr Brown thanked the Convenor and began by emplacing the important role of convenience stores in communities and the wider economy. A vibrant retail sector is, he said, vital to the economy as it provided around 250,000 jobs. Independent convenience stores are often the glue that binds communities together and they provide vital services such as post offices, bill and utility payment services. Mr Brown noted that the convenience store sector in Scotland directly employs over 41,000 people.

The Cabinet Secretary advised that the Scottish government plans on business rates included an extension to the small business bonus scheme, which would take 100,000 business out of the rates system altogether – in the government’s view this would assist the independent retail sector in dealing with competition.

The Scottish government, Mr Brown advised, is committed to ensuring a system of better regulation that is consistent and proportionate – this would help to create a more favourable business environment. From April 2017 the Scottish government would have a range of new tax powers available which would help to fund services and create a stronger economy.

The Convenor thanked Mr Brown for his input and opened the floor to questions.

Linda Williams (Broadway Convenience Store) said that the introduction of the national living wage had added over £8,000 to the staff wage bill in her store and that convenience stores could not absorb the constantly increasing staff costs brought about by government legislation. Shop owners were already having to cut back on jobs.

Pete Cheema (SGF) said that national living wage was one of a number of significant costs which were having a significant cumulative impact on the convenience store sector: other costs included the expansion of workplace pensions and auto enrolment, the increases to employers NIC announced in the budget statement and the changes to statutory sick pay.

Ewan Macdonald-Russel (SRC) highlighted the apprenticeship levy as something which had impacted on larger retailers but said that in relation to policy, the Scottish economy was under-performing and what was really need was investment in businesses and in infrastructure to get the economy moving.

Colin MacLean (Scotmid) asked the how the Scottish government could be encouraged to work with the retail sector.

Anthony Begley (SLR) said that jobs in convenience stores are real jobs which benefit communities and that the cumulative impact of costs was constantly reducing margins for retailers.

[Gordon Lindhusrt MSP joined the meeting]

The Cabinet Secretary responded by saying that the apprenticeship levy was not something that the Scottish government had called for and that this had been brought forward solely by the UK government. Mr Brown recognised that many of the issues being discussed as having a cost-impact on retailers in Scotland were issues reserved to Westminster. Mr Brown said that he would ask his officials to draft a letter to his 'UK counterpart' listing the key cost pressure resulting from UK legislation and request that a meeting take place between representatives of the CPG and the relevant UK Minister and officials.

Imran Saeed (Duns News) spoke about the serious problems impacting on his business. He said that he had an unfair business rates burden which seriously impacted on his business, that banks are not supporting small retail business with appropriate lending and credit facilitates. He also identified rising staff costs as one of the major problems he faced and said that retailers themselves deserve a living wage.

John McNeil (Co-op) highlighted the vital role that Co-op stores play in supporting island and rural communities and said that increasing costs such as the apprenticeship levy are major issues for businesses in Scotland.

The Cabinet Secretary replied that in his view the national living wage had an economic as well as a moral justification – if wages increase then consumers will have more

disposable income, which will increase demand and benefit businesses. He re-iterated that the Scottish government intended to take 100,000 SMEs out of the business rates system altogether by increasing the thresholds for the SBS.

Mr Brow concluded by saying that both he and his deputy, Paul Wheelhouse, would commit to working with and supporting the work of the CPG as it moved forward.

The Convenor thanked the Cabinet Secretary for attending and said that the offers made to the group were of great value and represented a very positive step forward.

[Mr Brown left the meeting]

The CPG – Sub Groups

The convenor advised the meeting that the group secretariat would now provide an update on the work of the CPG sub groups.

John Lee (SGF) advised that there would be 3 sub groups working in tandem with the main CPG: convenience stores and the economy, retail crime and community involvement. He said that the membership of the groups was beginning to take shape and that the names of group members would be published on the CPG pages of the SGF website. The retail crime group would meet in early January 2017.

The groups would proactively try to inform the work of the Parliament in relation to retail issues.

Graham Watson (Moniaive Stores) commented that while the setting up of the CPG and the sub groups was an extremely positive development, retailers were faced with real and immediate problems which had to be address in practical ways.

John Lee acknowledged this but said that the CPG was working with the political frameworks of the Scottish Parliament and the Scottish government. He went on to say that there was a challenge for every member of the CPG to become fully involved in the work of the CPG and ensure it had a real impact.

Next Meeting

The Convenor advised that the date of the next meeting would be either the 17th or 18th January and that the date would be confirmed as soon as possible.

John Lee advised that the next meeting would feature presentations on preventing under age sales of alcohol and on supporting the work of breakfast clubs in primary schools.

The meeting concluded at approximately 7:30pm.

Appendix A

Attendees 23rd November 2017

SGF Cross Party Group Meeting 23rd November 2016

Attendees:

MSPs:

Gordon Lindhusrt

Richard Lyle

Scottish Government:

Keith Brown MSP, Cabinet Secretary for the Economy, Jobs and Fair Work

Gregg Walker, Business Directorate

Members

NAME	COMPANY
Begley, Anthony	Scottish Local Retailer
Brown, Malcom	Scotmid
Chaudhry, Yasir	United Wholesale
Cheema, Pete	SGF
Gordon, Mike	Scotmid
Lee, John	SGF
Lynagh, Edward	President SWA
Majid, Abdul	Nisa Local, Bellshill
McLean, Colin	Scotmid
McNeill, John	Scottish Co-op
McNee, John	Scottish Grocer Magazine
Sparks, Prof. Leigh	Stirling University
Williams, Dennis	Broadway Convenience Store
Williams, Linda	Broadway Convenience Store

Non Members

NAME	COMPANY
Akmal, M.	Retailer
Ali, Shahid	Retailer
Ali, Zulfiqar	Retailer
Aslam, Harris	Eros Retai
Black, Keith	Maxxiumm Uk
Craig, Wendy	Camelot
Galbraith, Rev. Neil	Glasgow, the Caring City
Ghani, Usman	Retailer
Levy, Colin	Certas Retail
Margiotta, Franco	Margiotta Ltd.
McCormick, Dennis	Retailer
McCusker, George	SPAR Hawick
McCusker, Kathryn	SPAR Hawick
Mcdonald-Russel, Ewan	Scottish Retail Consortium
McDougal, Michael	TLT Solicitors
Nanda, Sanjev	Retailer
Prentice, Phil	Scotland's Town Partnership
Ritchie, Derek	Costcutter Ellon
Saeed, Imran	Retailer
Sarwar, Naveed	Retailer
Shad, Waseem	Retailer
Shah, Sohail	Retailer
Singh, Amanpreet	Retailer
Singh, Lakhvir	Retailer
Sohi, Gurpreet	Retailer
Ul-Haq, Ehsan	Retailer
Watson, Graham	Watson's Licensed Grocers

John Lee (SGF)
 Group Secretariat
 January 2017