

# SGF

Scottish Grocers Federation

## A History: 1993–2018



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£5.2 billion per annum  
to the Scottish economy  
and directly employs  
over 41,000 people”**

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# Foreword



It is remarkable to think that the Scottish Grocers' Federation has reached such a pivotal moment in its history. There has, of course, been momentous change in our trade - much of it for the greater good of the industry. Other developments, however, have been more challenging.

But here we are in 2018 - 100 years after the SGF was established. Not only are our members surviving, they are thriving, often in difficult circumstances depending on which way the political wind blows. Our sector has always been resilient - that's one thing that hasn't changed over the last 100 years.

The economy, of course, plays its part. When times are tough consumers shop differently and their priorities change. The same can be said for our members - although the savvy independent retailer will always look for opportunities, even in a financial downturn.

Legislation too, even when it is well intentioned, can grind us down and hold us back. It can add to our members' burden, and prove costly and inefficient. That's why one of the SGF's most successful strategies in recent years has been to get closer to the politicians and decision-makers at a local, national and UK level.

Technology, meanwhile, has been our friend and allows retailers to work in partnership with wholesalers and suppliers in order to gain valuable insight into consumer shopping levels. It will play an increasingly important role in our sector going forward.

We don't know what the future holds for our sector but it is clear that our members need a trade association with clout - one that speaks for the industry with an authoritative voice and can reach out to the policymakers who are shaping our society.

Convenience stores are very much part of that society. The SGF represents 5,286 retailers in town, cities, rural and island communities across the country, representing symbol groups, the Co-ops, convenience multiples and those who choose to use their local cash & carry.

Together, we are stronger. Our industry is worth £5.2 billion per annum to the Scottish economy and directly employs over 41,000 people. That makes us important - and that's why a strong SGF must be at the very heart of our sector, advising, nurturing and communicating.

Here's to the next 100 years!

*Pete Cheema, Chief Executive*



As a robust and very active trade association the Scottish Grocers' Federation (SGF) has witnessed considerable change and progress over the years. The SGF may, at times, have been overly rooted in tradition and there is nothing wrong with that because we remain extremely proud of our history. But what is important is that the Federation has always moved with the times, embraced change and been open to new ideas – and that is why we are still going strong in 2018.

## A New Era

This particular chapter starts in 1993. It was a pivotal point in our history and one which kick-started a period of change. It was, of course, our 75th anniversary and during this landmark year we staged a number of special events – some already detailed in the late Archie Alexander's book covering our history from 1968 to 1993.



*Lawrie Dewar MBE*

But it was also around this time that we moved from being a very traditional trade association to one viewed as much more progressive.

The role of a trade association is to promote best practice among its membership, help member companies become more competitive, influence Government and

decision-makers, and act as a co-ordinated voice for a particular industry or business sector. In the case of the SGF, our role extends to the provision of products and services – many of them free of charge thanks to our relationships with suppliers and other service providers – and making our voice heard via the pages of the trade press and wider consumer/business press.

*By Lawrie Dewar MBE*

We hope you enjoy this step back in time as we remind you of some of the challenges we have faced, our successes and – crucially – some of the people who have made a big contribution to the independent retail sector in Scotland. Our industry revolves around people and we have certainly seen our fair share of many colourful – and often controversial – characters. The last 25 years have been anything but dull!

## 1993

IN 1993, we had an excellent double act steering the SGF with chief executive Lawrie Dewar and Bill Adye from Drummorie, near Stranraer – the most southerly village in Scotland – as President. Bill and his wife, Tina, were outstanding figureheads for the SGF, attending industry events across the UK on our behalf and always throwing themselves into the task in hand with typical enthusiasm.

All of these events – at that time and now – provide opportunities for members to meet up in a social environment but, crucially, also talk about business. Today we call it networking and while we still hold our traditional golf and other social events, our most important event of the year is, without doubt, our Annual Conference. Over the years the SGF had used venues around the

country but, in 1993, and with the support of our suppliers, we decided to hold our conference at one of Scotland's most prestigious resorts, Turnberry.

It was our 75th anniversary year and that largely drove our desire to go upmarket and make our conference more memorable. But it also marked a significant turning point for the SGF. This would be a conference that was more professional with an improved business programme and big-name speakers. It would send out the message that we were upping our game. Our suppliers bought into our vision and it was a major success.

**A survey this year, to which a number of members contributed, showed that two-thirds of independent stores had sales areas of between 1,000–2,000sqft with the average gross profit 18.1% and average net profit 3.2%. These results confirmed that many retailers were finding trading tough – the multiples were on the march and their big, shiny, out-of-town stores were taking business away from town centres and local stores. So it was more important than ever that we forged stronger relationships with suppliers.**



*Retailers on the Boston Study Tour included the then Vice-President Scott Landsburgh and President Bill Adye, pictured with their wives Jacqui and Tina*

### Study Tour: Boston

The SGF mantra has always been to look to others for inspiration and our study tour in October that year – a special one to mark our 75th anniversary – took us to Boston. Again, this sent out the message that we were a serious trade association with a professional approach to helping our members grow their businesses and become more profitable by learning from others and taking onboard best practice from other retailers.

Supported by Lionel Cashin, the larger-than-life UK trade relations manager at Mars who was a long-time supporter of the SGF and is an honorary member of the

Federation in recognition of that support, the group spent time in Boston and Cape Cod visiting stores. Supplier Ocean Spray kindly hosted a tour of the famous Massachusetts cranberry bogs. But delegates also enjoyed a busy social programme which included shopping, golf, a whale-watching boat trip and drinks in the Bell & Finch pub, made famous by the TV programme *Cheers*.

### Membership

With the SGF experiencing a higher profile and working hard to provide members with the services and events they told us they wanted, it became easier to attract new blood and two exceptional new members –



George Penny Jr shows Lindsay Hutter of NACS – the US trade association for convenience stores – round his store in Crieff

among many others – were Penny’s of Crieff in Perthshire and the Glasgow-based Peckham’s chain.

Penny’s, run by father-and-son team George Snr and George Jnr, had recently won the UK Independent Grocer of the Year award and had also built their own shopping centre in Crieff. Not only did this create an outstanding store for local people, it revitalised the town and the local economy. This entrepreneurial approach was to be commended and would inspire other SGF members in the coming years.

Both of these businesses were excellent examples of independent retailers with ambitious and progressive policies on developing niche and different markets,

bringing with them new ideas and examples of best practice that the wider membership could learn from. As SGF members are only too well aware, no two retailers are the same and the Federation – and wider independent retail sector – is the richer for it.

#### **IFGA**

This year there was strong representation from Scottish retailers at the IFGA Conference at Weybridge in Surrey where the SGF was represented by Bill Adye, Jim McGuire, Eddie Thompson, Scott Landsburgh and Lawrie Dewar. The Federation, keen to be involved in international affairs and, in particular, with Europe, always attended these events in order to learn about the challenges facing retailers in other countries.

#### **Wages Councils**

It was in 1993 that Wages Councils were abolished and, as they had proved to be a stabilising influence on wage rates throughout the UK, the SGF’s National Executive agreed to provide an advisory service to be available from early in 1994 when Wages Council rates are normally published.

#### **IGD**

The Institute of Grocery Distribution (IGD) held a seminar in Glasgow at which the late Sir Alistair Grant, then Safeway chief

executive, and Dr John Beaumont, IGD chief executive, gave the main contributions. (The SGF office had provided secretarial back-up to the IGD in Scotland for a number of years.)

#### **Guide to Retailing**

With legislation changing in many different areas to the extent that it was overwhelming some retailers the SGF decided to produce a *Guide to Retailing* which would be available to each member to keep in their office and refer to should they require information on a whole range of subjects ranging from shop practice and legal requirements to accounting matters or staff matters. This project was overseen by Dougie Edgar, chairman of Scottish Grocery Trade Management Services Ltd, and was well received by members as an invaluable business tool. We also held a workshop entitled *Strategies of the 90s* at Heriot-Watt University in Edinburgh, chaired by retail industry expert Graham Meare.

#### **A Successful Year**

This was a hugely successful year for the SGF with an unprecedented number of events, initiatives and successes, and increased collaboration with our English, Irish and European counterparts. Our final big event was the 75th Anniversary Dinner in the Hospitality Inn, Glasgow – yet another highlight of a busy and important year for us.

# 1994

AS we moved into 1994 we were in a very strong position and looking forward to building on the many successes of the previous year. If the SGF was expecting things to be quieter after our 75th anniversary, we were wrong. Pricing issues and discounting were already very much in the spotlight with Bill Adye using the January issue of our monthly *Fingerpost* newsletter to highlight the problems of competing with very low retail prices for alcohol over the festive period.

But there were other pricing issues. The multiples were selling a standard 800g loaf of bread at 20p, causing real concerns for independents selling bread at between 40p and 50p per loaf. Perhaps the proposal by the then National Association of Master Bakers to invite all interested independent organisations to get together to discuss what action to take would provide some help for beleaguered bakers and grocers.

### Networking

January, usually one of the coldest months of the year, saw the SGF attend the British Independent Grocers' Association's winter conference in Madeira. Apart from unpredictable weather causing flight problems and forcing delegates to endure a two-day stop in Portugal due to difficulties landing at Funchal - an airport notorious for

tricky landings - this was a successful, enjoyable and useful networking event.

### IGD

The IGD returned to Glasgow for another seminar in early 1994 with the much-admired Sir Alistair Grant giving his view on the impact of discounting on the independent sector - that independents could continue to be successful if they were able to adapt to the changing marketplace. He alluded to the importance of having a clear vision of your market niche with good financial controls and, of course, as had been proved in the past, a need for highly trained and motivated staff.

### Legislation

This year also saw a guide on manual handling issued while the SGF became involved in the production of an industry guide on good hygiene practice. A framework directive on food law was also now under discussion.

From April 1994, state redundancy reimbursement would be abolished in general, but it was estimated that most independent members with a turnover of less than £2.5 million per annum would still qualify for reimbursement.

With legislation on metrication imminent, members continued to have to cope with a raft of new and amended legislation pouring out of Europe and also from the UK Government.

## Bootlegging

**Cross-border shopping in the off-licence trade cost businesses £500 million in turnover in 1993, figures revealed. So big had the problem become that the Environmental Health Department in Glasgow was no longer able to cope with the levels of contraband liquor seized and subsequently disposed of. Alternative storage arrangements were having to be made and this was among the points discussed at a meeting of the British Retail Consortium (BRC) at which the SGF was represented.**

Maternity rights for staff came into place in October 1994 with a right to 14 weeks' maternity leave regardless of length of service, and the facility to return to work after 29 weeks from the week in which the birth took place. It is now automatically unfair to dismiss a woman on pregnancy or maternity-related grounds.



Scott Landsburgh

### Scott Landsburgh becomes President

Scott Landsburgh, an accountant who owned one of the busiest Spar stores in the Dundee area, became our new President at the Annual Conference in June and chose *Crime, Competition and Poverty* as his theme.

In a hard-hitting address to delegates, he pointed out the need for everyone to be aware of their responsibilities due to the increasing incidence of crime, the arrival of cut-throat European discounters and the damaging effects of a low-wage economy. These major issues would require retailers' continual vigilance, he warned.

Looking ahead, Scott predicted that there was no room for complacency in an independent sector that had already seen many retailers' market share heavily eroded by the multiples and unrealistic rents in several areas threatening perfectly viable businesses. It wasn't all doom and gloom, however, as Scott reminded retailers that there would always be an opportunity to compete. Retailers, he added, should also draw heavily on the resources provided by the SGF - and the support of wholesalers and suppliers.



Dundee's Eddie Thompson and SGF chief executive Lawrie Dewar celebrate a significant change in Scottish licensing legislation

## SGF's successful campaign to change Sunday licensing laws

The Scottish Retailers' Licensing Law Reform Group had been formed at the beginning of 1993 with Scott Landsburgh from Dundee appointed chairman and Lawrie Dewar its secretary. This group was set up to encourage the Government to make changes in the law to allow the sale of alcohol in off-licences on Sundays. Our campaign became a national one with the multiples, wholesalers, cash and carries, co-operatives and most independents getting behind it.

At that time, most independent stores were open on Sundays yet anyone wishing to buy alcohol had to go to the pub, leaving stores to block off their drinks sections. Surveys showed that there was public support and, despite dissent from some groups on religious grounds and opposition from the alcohol groups, this was a big victory for the SGF with stores eventually allowed to sell alcohol on a Sunday, from 12.30pm to 10pm, from December 1994.

### Operation Shopkeep

Scott Landsburgh, speaking at his first conference in 1994, featured crime as a key component in his inaugural speech as President and this took centre stage when a campaign to reduce crime was launched by the then Minister of Home Affairs, Sir James Douglas Hamilton, at Stirling Castle. The campaign was named *Operation Shopkeep* and Sir James issued the stark message that the survival of many small shops across Scotland – a vital part of community life and the fabric of society – was threatened by increasing crime.

With shop crime the most serious problem facing independent retailers, Scott called on the SGF membership to support this hard-hitting campaign which included a workbook for retailers, a liaison officer to strengthen links between shopkeepers and local crime prevention officers, a helpline, and workshops in 26 areas across the country which would be supported by the National Executive and SGF office.

This would be the biggest single series of meetings for several years and reports from many members of attacks at gunpoint and with knives clearly indicated the need for strong action.

### Tesco Buys Wm Low

Discussions on the impact of the multiples were rarely off the National Executive's agenda and the takeover of Dundee-based

grocery stalwart William Low by Tesco saw the last Scottish-based multiple come under English ownership. Understandably, there were grave concerns about the effect Tesco's arrival would have not just on the independent sector but the wider retail marketplace.

### Study Tour: Italy

Italy was the destination for another successful study tour, this time to Sirmione in beautiful Lake Garda. A group of around 30 members and staff participated in store visits, wine tasting, a visit to a Parma ham plant and trips to Verona, Bardolino, Venice and Garda.



President Scott Landsburgh took a strong stance against retail crime with the *Operation Shopkeep* initiative





Retail consultant Graham Meare

### Business Development

The SGF has always taken the view that it has a responsibility to lead the way in terms of business development - and this year saw the launch of a forward-thinking programme for three retailers to encourage others to take business development to a greater level. Graham Meare of Graham Meare Associates, a recognised industry expert, carried out the programme and at the end some very substantial increases in sales and profitability had been achieved. The results were published in *Fingerpost*.

### The Real McKay

During 1994, a groundbreaking development in Penicuik was unveiled by retailer Ian McKay. Ian built what was, to the best of our knowledge, one of the largest-ever independent food stores in Scotland. The project took 24 weeks from the first cut of turf to opening, and Ian proudly unveiled the 'Real McKay' while still being the

'Old McKay' as far as customer service was concerned. This newbuild store, with a full range of fresh foods, bakery, Mexican and Italian foods and a homebrew section, also incorporated services including a post office, garden centre and tearoom.

### Farewell to Jack Suttie

In 1994, we said goodbye to Jack Suttie, our President in 1966-67 and honorary treasurer of the SGF Benevolent Fund. Jack was skip of the winning team in our curling competition that year, sponsored by Nestlé. Sadly, he died the next day. Jack made a huge contribution to the SGF over many years and would be sadly missed.

## National Lottery

**One very significant development soon came along with the high-profile launch of the National Lottery. The first draw, televised live from a store in Bearsden, near Glasgow, took place on November 19, 1994 and the lottery went on to provide an excellent opportunity for retailers to add an exciting, new service to their business and increase customer footfall by offering another reason to shop locally.**

# 1995

SCOTT Landsburgh wasted no time in making his voice heard as we moved into 1995. His comments on the changes in trading patterns resonated with many independents, particularly the fact that the days when shops were queued out the week prior to Christmas and New Year had gone. Looking back at 1994, he described it as a 'difficult year' but urged the sector to remain positive.

In his speech to the Annual Conference, based on the theme *Serving the Community*, Scott urged retailers to always listen to their customers, and get involved in the local community where they live and work. Continuing to develop successful partnerships with wholesalers and suppliers was also crucial, he said.

### Meeting the Prime Minister

We talk a lot today about our lobbying and public affairs work but walking the corridors of power has always been an important function of the SGF - it is by no means a new development. Indeed, in 1995, we had the opportunity to meet the Prime Minister, John Major, at a dinner in Glasgow and were able to discuss various aspects of licensing matters.



Chief executive Lawrie Dewar meets with Prime Minister John Major in 1995

### Image

In addition to the need in 1995 to represent our members on a whole range of issues such as identity cards, food safety regulations, metrication and various employment

regulation developments, this was the year we decided to make some changes to our own brand identity – something that all organisations need to address from time to time.

Image and how we present ourselves to the trade in general and to those outside the SGF – including the Government and decision-makers – came under the microscope at a meeting of the National Executive which discussed the structure of the Federation and its associate companies, and how best to look to the future through our premises, products, staff and assets.

A decision was taken to update our image. Lambert Munro of Forres, one of our most vocal members at the time, played a major role in developing a new logo which retained our longstanding identity as the Scottish Grocers' Federation but incorporated the concept that we were no longer grocers but food retailers and, in many cases, convenience food retailers.

### Working with the Trade Press

As a progressive trade association we had nurtured relationships with key journalists and took this opportunity to further build on our excellent relationship with the trade press by inviting Karen Peattie, editor of *Scottish Grocer*, to write a regular column for *Fingerpost*.

Karen, a former weekly newspaper journalist from Fife, had been appointed editor of *Scottish Grocer* at the end of 1988. Her arrival on the scene was a breath of fresh air. She had no prior knowledge of our sector other than that of a consumer but was a quick learner and travelled around the country to meet our members, featuring many of them in the pages of the magazine.

Under Karen's stewardship *Scottish Grocer* had also started publishing our annual Yearbook. *Scottish Grocer's*



SLR celebrated its 100th edition in 2011 with Greenock's Billy Kay on the cover

owner, Peebles Media, continued to produce an excellent publication for us until 2015 when we decided to partner with *Scottish Local Retailer (SLR)* to publish what we now call our Handbook and organise our events programme.

It is important to credit the trade press for its continuous support over many years. We have always enjoyed a good relationship with key editors and, by 1993, the SGF had an excellent profile across the UK.

Tony Hurren, editor of *Convenience Store* from its launch in 1985 until he retired in 2002, was a big supporter as was Chris Church, northern editor of weekly grocery 'bible' *The Grocer* from 1985 to 1997. *Independent Grocer* – now *Independent Retail News* – was another title keen to explore the industry north of the Border.

We said a sad goodbye to Karen Peattie when she stepped down from *Scottish Grocer* in early 2001 to pursue a career as a freelance journalist but she remains a robust supporter of the SGF and the wider independent retail sector, contributing to *SLR* and the business press, and judging numerous retail and food and drink competitions. Indeed, she has edited this commemorative publication.

# 1996

THE President's New Year message contained forecasts including a Labour government implementation of a minimum wage, an increase in interest rates and a slowdown of growth in the economy. Scott Landsburgh, now into his final months steering the ship, pointed out that employer National Insurance contributions would rise by 1%. However, he concluded by reiterating that training and customer service would continue to help independents compete and prosper amid increased multiple convenience store trading.

### Operation Shopkeep

Scott presided over the scheduled *Operation Shopkeep* workshops with the first kicking off in Dundee, attended by 100 delegates. A further 58 attended the Perth workshop. Retailers at both were reminded that all incidences of violence against staff must be reported to the Health and Safety Executive.

### Designer Drinks

Not long before Scott completed his two-year stint as President the licensing board in Kirkcaldy asked retailers in its area to remove new drinks – dubbed alcopops by the consumer press – which had an alcoholic and soft drink base. The licensing board also requested that retailers remove all similar types of drinks which it felt were

being marketed specifically to appeal to young people. The SGF resisted this but many retailers complied with the request temporarily due to the possible impact on the renewal of their licence.

The SGF, however, persuaded the Scottish Office licensing department that this was not the way ahead and Kirkcaldy backed down. It was a prime example of independent retailers needing an organisation like the SGF to speak on their behalf and argue their case. As the voice of the industry we supported their position by providing information on a range of initiatives which were taking place in co-operation with the British Retail Consortium (BRC) although it was clear, that under Section 139 of the Licensing Scotland Act 1976, the legitimacy of the request by the Kirkcaldy licensing board to remove certain drinks from the shelves could have been legally challenged.

### BSE

Meanwhile, the British beef scare posed a major problem for fresh beef retailers. It had a huge impact on our exports to Europe and other countries, and also on independent butchers across the UK. Consumers were – quite rightly – concerned that Creutzfeldt-Jakob disease in cattle bred for beef although rare, especially in Scotland, was suspected of transferring through the food chain to consumers and was considered a very serious issue.



*David Sands becomes the SGF's youngest-ever President*

Sadly, thousands of cattle and sheep were slaughtered, and either buried in deep pits or burned. Only from 2002-03 did British beef get a clean bill of health by some European countries. However, communities and local economies had already suffered with Dumfries & Galloway, Grampian and Strathclyde the hardest hit with SGF members in many rural communities among those to experience a slump in business.

### David Sands – our Youngest President

April 1996 saw the dawning of a new area for the SGF when David Sands became the youngest-ever SGF President. Kinross-based David was the fifth generation of the Sands family to run the David Sands retail business. In his first speech as President – this year at Crieff Hydro – he focused on opportunities and threats, and quoted his grandfather David Sands, who was President in 1954. He had also seen great opportunities for

progress, even if long hours, limited holidays and low profit margins didn't make the grocery trade an easy one at that time.

David agreed with his predecessor Scott Landsburgh that crime was the current major problem for independents and noted that 500 retailers had attended *Operation Shopkeep* workshops so far. With his own business also a victim of crime, David relayed his frustration with courts failing to deal adequately with those committing crimes and the cost to his business of multiple appearances in court because the accused didn't turn up, or hearings were postponed for various technical or legal reasons.

National and local planning policies also came under fire with David saying they were failing to arrest the development of very large stores which continued unabated to the detriment of all smaller stores. There was a failure on the part of local authorities to realise the real benefits of local stores, he said.

Another area of concern, said David, was the 'entrapment policy' regarding the sales of alcohol and other age-related products which was based on the principle that the end justifies the means, and took no cognisance of the difficulties in monitoring sales to young people in the absence of any proof of age card. The Conservative government had said it intended to introduce a voluntary ID card sometime in 1997, based on the driver's licence with the new photo card.

## NACS

This year's keynote conference address was given by Lindsay Hutton, vice-president of the National Association of Convenience Stores of the United States (NACS). The business seminar was chaired by Peter Garvin, joint managing director of Nisa-Today's, the biggest UK buying consortium for independents at that time. Following Lindsay's visit to Scotland, a number of SGF members attended NACS' event in Las Vegas in June.

## Study Tour: Dublin

SGF members continued their travels although not quite so far away this time with 20 participating in a study tour to Dublin where they updated their knowledge with a series of store visits, sampled Irish whiskey and, of course, enjoyed a few pints of the 'black stuff' - Guinness. It was during this visit to Dublin that it was announced that SGF chief executive Lawrie Dewar had been awarded the MBE (Member of the Order of the British Empire) in the Queen's Birthday Honours List. This was a very proud moment both for Lawrie and the SGF.

## SGF on the Move

In October, we completed our move to new premises at 222-224 Queensferry Road, Edinburgh - still our home today. More space was required to meet the needs of our developing organisation and, in



particular, the needs of Support Training, the training arm of the SGF. Members were invited to visit and make use of the extensive facilities available with our modern, high-quality offices a clear indication of our enhanced profile and ongoing development.

## Cross-Border Shopping

David Sands, now well ensconced as President, raised his concerns about cross-border shopping which was fast becoming a significant problem and had also been highlighted by previous presidents. Figures revealed that more than one in eight bottles of spirits consumed in the UK was now purchased by cross-border shoppers and more than one-quarter of all wine drunk in Britain was bought in Calais.

## Honorary Membership

This year saw the SGF award honorary membership to two stalwarts of the Federation - Walter McCubbin of Girvan and John Patterson of Newton Stewart.

# 1997

EACH New Year brings its own challenges and difficulties and, of course opportunities. Our President, David Sands, wasted no time in unveiling his wish list for the year:

- A new national identity card
- A realistic minimum wage if Labour was to win the next General Election
- A clearer explanation of the proposed packaging wage regulations
- The cause of the recent E.Coli 0157 outbreak to be identified, and research and action taken to prevent any future occurrence

## Legislation

In our January newsletter - now called *Retail News* - members were reminded about regulations on the employment of children and illegal working. New frozen food regulations also came into effect in this month with recommended temperature controls for high risk foods and foods normally kept under refrigeration. Updated 'Use By' guidance notes were issued for foods which have a short product shelflife and a risk of causing food poisoning if consumed after the advised 'Use By' date.

## The Internet

For most independent retailers, 1997 was probably the year when the internet became of real interest with Bill Gates predicting that

one-third of all food sales would be carried out online by 2005. Internet ordering and delivery was set to become part of the future and how independent retailers reacted to it may be significant to the development of their businesses, it was suggested.

## Packaging Waste Regulations

The SGF was heavily involved in trying to reduce the impact of these regulations on members. They were laid before Parliament on January 29 although the enforcement date was still to be established. The SGF successfully lobbied that only businesses with an annual turnover of over £5 million, or those which handle over 50 tonnes of packaging per annum, would be obligated to comply. For the independent sector it was good news, and meant the vast majority of SGF members would have no obligation at the present time if they ran businesses under the specified turnover and tonnage limits.

## Licensing

An apparently innocent request from a new member - 'When do I need a licence?' - led the SGF to update and provide information on current major laws and regulations covering retail premises. Some 19 pieces of major legislation, not including codes of practice which all retailers should be aware of - were listed in *Retail News*. Again, this highlighted the important role the SGF plays in advising members of their obligations and keeping them informed of current legislation and any key changes.

## Devolution

There was a general feeling among the SGF membership that there was a genuine commitment by the Labour government to push for Scottish devolution, and it also seemed likely that the Conservative Party would find it difficult to avoid taking some sort of action on this. The British Retail Consortium (BRC), which represented 90% of retailers in Great Britain, set up a working group on Scottish devolution to look at how it would affect retailing in Scotland.

Eddie Thompson, a member of the BRC via his Dundee-based business Morning Noon & Night who also represented the SGF on the BRC, was appointed chairman of the group with Lawrie Dewar as secretary. The working group considered the four main areas – taxation, subsidiarity, land property and planning – plus other issues for retailers in Scotland such as competition policy, standards and regulations.

Later in the year, as the SGF continued on its path to influence Government, we met with the Minister for Home Affairs, Henry McLeish. Two main areas were discussed: devolution and crime.

## Self-Assessment

April 1997 saw the issue of the new-style tax return, based on self-assessment introduced from April 1996. This was the most fundamental change to personal taxation since the introduction of PAYE 50 years previously. It was clearly an attempt to shift

## Annual Conference

**Another year, another Annual Conference and the good and the great of the independent trade in Scotland converged at Peebles Hydro in April. President David Sands, in his keynote speech, highlighted the National Minimum Wage, devolution, and the Government and society's approach to retailers and the problem of crime.**

**Never known for holding back his opinions, David alluded to the current trend to blame retailers for 'all the ills of society'. The average retailer, he said, had to contend with 18 criminal incidences per year – the issue was clearly striking a chord with SGF members as 800 retailers had attended the Operation Shopkeep workshops.**

the burden to ensure greater participation in the process by the individual taxpayer. Taxpayers became responsible for making the return and many required help from their accountant, such was the complexity of the new form. There was, of course, a stiff regime of penalties and surcharges if the timetable for filing and making payments was not adhered to.

## Business Development Programme

This groundbreaking programme under the auspices of Graham Meare continued to flourish with a number of members taking part. Up until this point the SGF had not provided details of the retailers' success which showed dramatic and very laudable results in terms of increased turnover and profitability.

After refurbishment, one retailer saw weekly sales rise from £4,603 to £10,713 – an increase of 133% over a period of six months. Another increased weekly sales from £7,964 to £13,527 – an increase of 70%. This did not happen without a lot of hard work by the owners, staff and Graham Meare, as well as sponsoring suppliers Baxters of Speyside, Britvic Soft Drinks and Kimberly-Clark.

## International Relations

As part of our strategy to keep up-to-date with best practice in other countries, Jim McGuire and Lawrie Dewar attended the meeting of EFFRO, the European Federation of Food Retailers' Organisations, in Brussels in April. Among the topics discussed at this meeting were trading hours and arrangements for the single currency which was being mooted by the European Commission at that time.

In November, David Sands attended the IFGA conference in Berlin and spoke to delegates on convenience trading. It was clear, he said, that there were major

## Low Pay Commission

**Tony Blair's 'New Labour' government, elected in May 1997, had made it clear that it intended to introduce a National Minimum Wage and had now formed the Low Pay Commission to seek and collate views on wage levels and how it should operate. Lawrie Dewar was appointed a member of the Commission. This was a personal appointment and independent of his role as SGF chief executive, stemming from his long involvement in retail as an employer and on Wages Councils.**

differences in opening hours between some countries and the UK, with many still preoccupied with price.

Meanwhile, the current arrangements for the single currency meant that rates would be fixed by January 1, 1999, coins would be introduced from January 2, 2002 and, from July 2002, the national currency of the participating countries would be replaced by the Euro. The UK was not participating until some key elements were present.

## Minimum Wage

A meeting was held with Ian McCartney MP, Shadow Employment spokesman, and SGF

representatives Eddie Thompson, now our Vice-President, and Lawrie Dewar who presented a paper on the minimum wage. McCartney commented that in the event of a Labour government they would set up a Low Pay Commission, and added it was likely that this body's members would be drawn from all sections of industry and commerce. However, the qualities of these individuals would be more important than their position or representation in that particular sector.

McCartney pledged that there would be no sectoral or regional rates, and there would be a reduction for 16 to 18-year-olds for training purposes. The SGF emphasised that if rates were too high, jobs profitability and investment would all be affected. A further meeting was held when McCartney became the new Labour government Employment Minister and the minimum wage legislation was passed.

### **Alcopops**

A meeting between Lambert Munro, National Executive member and chairman of *Operation Shopkeep*, and George Howarth, Parliamentary Under-Secretary, was held in June with John Morris of the British Retail Consortium (BRC) and other retail representatives attending. Concerns around so-called alcopops, under-age drinking, and the connection between crime and alcohol were discussed.



*Networking remains one of the benefits of SGF membership*

Lambert stated that the Government was clearly under pressure from groups which deal with the effects of alcohol abuse, especially where young people are concerned, and that the new Labour government had rightly identified this problem as a priority area for action. George Howarth was hopeful that the industry itself would come up with solutions to the problems of under-age drinking and alcohol-related crime rather than resort to changes to legislation. While Lambert also pointed out that identity cards would give retailers important support, Howarth was adamant there would be no funding provided by the Treasury for the introduction of a Government ID card scheme within this Parliamentary term.

### **Foods Standards Agency**

With recent problems surrounding BSE and the E.Coli 0157 outbreak in Wishaw still fresh in people's minds, it was understandable that a feeling of uncertainty in relation to food safety had crept in. Professor Philip James, then director of the Rowett Research Institute in Aberdeen, produced a report on the proposed function and structure of a Food Standards Agency (FSA) to replace food safety assessment, currently controlled by the Ministry of Agriculture Fisheries and Food (MAFF).

The SGF gave its full support to this report and welcomed its emphasis on the need to approach food safety from a consumer's perspective. This new agency would report to Health Ministers rather than MAFF.

### **National Lottery**

In July, President David Sands pointed to the success of the National Lottery and supported the continued success of its operator, Camelot, which had created the most successful lottery in the world, raising millions for good causes in the process. Many independent retailers, he said, had benefited and also witnessed sales increases with people buying lottery tickets also making other purchases which they would not otherwise have done.

A substantial submission was sent to the Low Pay Commission outlining the SGF's views on the National Minimum Wage.

The key points were:

- coverage and how many staff would be affected by this
- impact - the level at which the minimum wage would be set;
- differentials - the reduction of differentials between levels of pay and how this would affect recruitment;
- young people - we believe the future of young people should be safeguarded and that they should not be disadvantaged by a National Minimum Wage applied at 18 years of age which would dramatically reduce their opportunities for employment.

### **Scottish Parliament**

The UK Government proposed establishing a Scottish Parliament but there was concern about the tax-raising powers which would follow and how that would affect businesses.

President David Sands pointed out the need for rating reform in Scotland and suggested that rural locations which provide an invaluable service to their communities should have a reduction in rates, and that this should be subsidised by a tax on out-of-town car parks for large stores. There was now reasonable proof, he said, that in many locations smaller stores were actually subsidising the large superstores because of their disproportionate rates burden.



Karen Peattie introduces the inaugural Scottish Grocer Awards in 1997

### Services

Members continued to develop various customer services such as pay-as-you-go power cards, National Lottery, payment of gas and electricity bills, and ATMs. The National Executive, however, stressed that all of these added-value services had to be economic services and pay their way. The approach by many utilities was to assume that they are doing the retailer a favour by increasing traffic flow. But it was important for retailers to take a range of issues into account such as additional queuing at the till blocking full access to the store for other customers and lower handling costs for utilities such as Scottish Power but not necessarily providing a net benefit to the retailer.

### Awards

Awards in business are nothing new but around this time there were a number of excellent initiatives, one of which was a *Scottish Enterprise* award to SGF Vice-President Eddie Thompson's Morning Noon

& Night in recognition of being the second-top company formed in Scotland in the last 10 years.

The 1997 *Retail Industry Awards* took place at Grosvenor House in London's Park Lane, with Nicholas Kelly of Kelly of Cults awarded the prestigious Independent Retailer of the Year title. Nick was the fourth generation of his family to run the business which started as an Edwardian tea room and grew to become one of Scotland's leading independent stores.

The *Wiseman Neighbourhood Shop of the Year Awards* were also held this year with the overall title going jointly to Edinburgh retail stalwart Franco Margiotta's store in Ashley Terrace and Spar Montrose. These awards, the brainchild of Wiseman's sales and marketing director Sandy Wilkie, a long-time friend of the SGF, ran for many years with the new St Andrews Bay hotel in Fife a favourite venue and the latter events taking place at Cameron House on Loch Lomond.

Of course, the *Scottish Grocer Awards* - still going strong today and in their first year in 1997 - attracted hundreds of entries from retailers all over the country, including a large number of SGF members. These awards, driven by Karen Peattie, editor of *Scottish Grocer*, attracted big-name presenters with former Rangers footballer Ally McCoist presenting in 1997. The Retailer of the Year went to Jim Botterill, the Lanarkshire-based Spar retailer.

## 1998

PRESIDENT David Sands had a lot to get off his chest as we moved into 1998, immediately calling on urgent action to help deal with under-age sales, an issue of considerable concern for many SGF members. Indeed, 10 years from now the Kinross-based Sands business would be the first in Scotland to introduce a voluntary 'Challenge 25' policy in relation to age-restricted sales from January 2008 as an effective means of helping the company prevent sales of alcohol and other products to under-age teenagers, and also safeguard staff.

### Legislation

This was a year that saw yet more legislation come into force. It started positively with the introduction of a 50% exemption for certain village stores starting from April 1. Although this exemption was welcomed it could only help if targets and disciplines created a satisfactory return on the correct allocation of space to the range of products stocked.

European legislation continued to creep in with the EC Working Time Directive coming into force on October 1. It covered the limitation of the working week (48 hours), the number of hours in any 24 hours (eight) for night workers and the entitlement for all workers to have at least 24 hours off in any seven days. Young workers would require to have two days off in any seven-day period.

### Training

Support Training, our training division, had established a reputation for delivering practical courses to independent retailers, working with leading chains such as Botterills. Support Training also received European funding to promote practical ways and opportunities to improve SGF members' skills.

The SGF Learn 2000 Project, funded by the European Social Fund, was organised through the SGF in conjunction with Support Training and an important aspect of this project was establishing learning centres - one was set up within the SGF offices in Edinburgh.

### Eddie Thompson becomes President

The whirlwind that was Eddie Thompson took over as President, speaking of his plans to further enhance the reputation and status of the SGF and the independent trade, not only in Scotland but in the UK. He set out a number of objectives for the next two years including his involvement - and the SGF's support - in the Scottish Retail Consortium (SRC) which would be launched in 1999 and enable us to play a key role in matters relating to the new Scottish Parliament.

The Annual Conference was held at Peebles Hydro, adopting *Success Through Innovation* as a theme that would be developed over the next year.



Dundee's Eddie Thompson makes his inaugural presentation as President at the 1998 conference

High-profile speakers included the award-winning Aberdeen retailer Nicholas Kelly, Ann Robinson, chief executive of the British Retail Consortium (BRC), Scottish Industry Minister Brian Wilson and the much-admired Alan Leighton, then chief executive of Asda.

### Ongoing Development

In August, a strategy meeting to discuss the future development of the SGF took place with wide-ranging discussions concluding with a set of clear objectives, a timescale to achieve them and how best to put together the resources of premises, people and equipment to carry them through. Various suppliers and trade representatives were invited to attend and offer their input.

### Meetings, Functions and Events

Every president has a hectic schedule and Eddie Thompson was no exception, attending numerous events, including:

- BRC main board meeting in London
- Institute of Grocery Distribution Convention in London
- BRC annual dinner with the guest speaker Gordon Brown, the Chancellor of the Exchequer
- Centre of Public Policy Conference regarding the future Scottish Parliament

A meeting of the International Federation of Grocers' Associations took place in Germany with Jim McGuire and Scott Landsburgh representing the SGF. The focus of this meeting was preparation for the European Monetary Union (EMU) and the Euro. While the UK had decided not to join the EMU there would nevertheless be economic, political and legal changes in EMU countries which would likely have an impact on the way the UK conducts business.

Reports suggested that many nations were trying to come to terms with the new European law which extended opening hours in a number of countries and the general trend in mainland Europe seemed to be, in trade terms, for more big stores. Medium-sized stores were in decline but neighbourhood stores were stable. Delegates visited a number of stores in Frankfurt - a leading financial centre - and noted growth in the petrol station forecourt sector.

### Study Tour: Germany

This year's study tour saw members travel to Germany where they visited various parts of the Frankfurt area, including Koblenz and

Mosel. As well as store visits the study tour included a visit to Asbach Brandy and the Binding Brewery.

### Trade Relations

In keeping with the SGF's desire to forge closer working relationships with other trade associations, David Sands and Lawrie Dewar held a meeting with the Scottish Licensed Trade Association to discuss a number of issues surrounding publicity on current and future legislation regarding identity cards and underage drinking. A meeting was also held with the Scottish Wholesale Association to explore ways of working closer together on relevant issues.



Long-time SGF supporter Lionel Cashin, left, with Convenience Store editor Tony Hurren, right and Kalpesh Solanki, now managing editor of AMG, enjoyed the SGF's annual fishing trip



# 1999

THIS was another key year for the SGF and at the Annual Conference at Peebles in May, Eddie Thompson, in his second year as President, provided food for thought by highlighting the crucial role of retailing to the Scottish economy. In his keynote address he revealed that 11% of the working population – some 220,000 people – worked in the retail trade.

The conference, themed *Scotland, A New Opportunity*, saw the business seminar ably chaired by Lionel Cashin of Mars Confectionery with the theme very much chiming with wider discussions in the business world on change and opportunity following the formation of the new Scottish Parliament earlier in May.

### National Minimum Wage

The National Minimum Wage recommended by the Low Pay Commission was implemented from April 1999. The SGF had been proactive in making recommendations on wage rate levels since the Wages Council ceased in 1993 and it was clear that this early foresight – largely driven by Lawrie Dewar – had been influential. The National Minimum Wage for people 22 years of age and over was set at £3.60 while the SGF's recommended £3.72 rate allowed members to adjust their own wage rates without any undue increase.

### Successes

Indeed, the SGF had recorded a number of significant achievements, including:

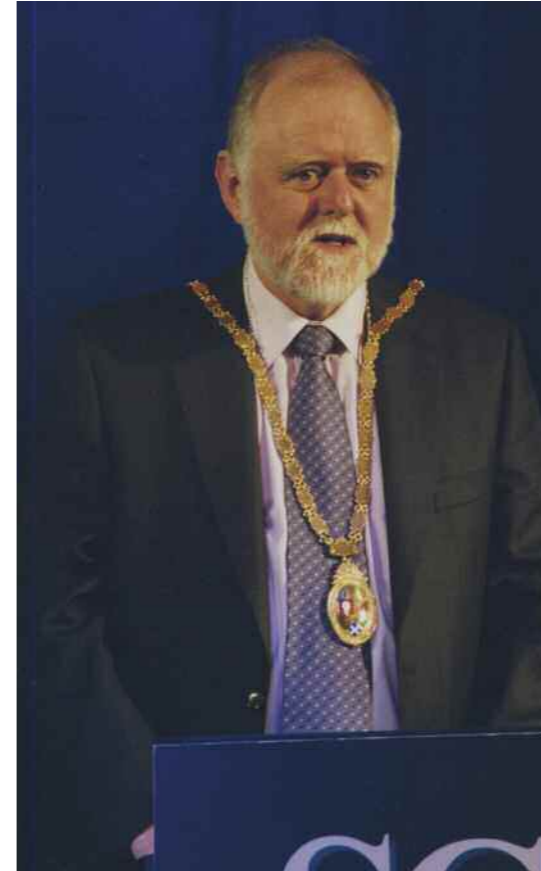
- Representation on the Low Pay Commission
- Establishing links with the Camelot main board regarding the National Lottery
- Reducing the impact of crime on SGF members as a result of continuing to work with/collaborate with all relevant agencies
- Achieving higher minimum entry levels for packaging waste charges
- Expanding SGF membership through partnerships with Scotland's Spar franchise holder CJ Lang of Dundee and Aberdeen-based Abernethy Foods (Mace)
- The appointment of the current President, Eddie Thompson, as the first chairman of the Scottish Retail Consortium (SRC)

### European Representation

Tom Wilson of Stirling and Dundee's Scott Landsburgh were appointed to the Committee of Commerce and Distribution, a European committee meeting regularly to discuss matters affecting the retail trade across Europe.

### Planning

Biggar's Hamish Stewart and SGF chief executive Lawrie Dewar had a meeting with the Scottish Executive to discuss current planning problems and how they were



Hamish Stewart

impacting on SGF members. Although the discussion was under Chatham House rules the SGF was able to make important points about the potential impact of additional superstores on certain shopping areas and the implications of large developments in small towns.

## The Scottish Parliament

From the SGF's point of view, the new Scottish Parliament meant there was now an excellent opportunity to get closer to key decision-makers without having to travel to Westminster so often. It was widely agreed that this historic change would bring government closer to the people and encourage greater involvement by the SGF. In addition, the SGF pledged to work towards securing better value for businesses as well as reducing the bureaucracy involved in running a small business.

At the same time, it would be crucial to adopt a positive attitude and constructive approach to dealing with Scotland's new MSPs. The fact that rural and peripheral areas were over-represented in the Scottish Parliament to counter-balance large populations in the central belt presented a further opportunity to promote the independent retail sector – and encourage MSPs to take more interest in the often critical role that independent businesses play in local economies.

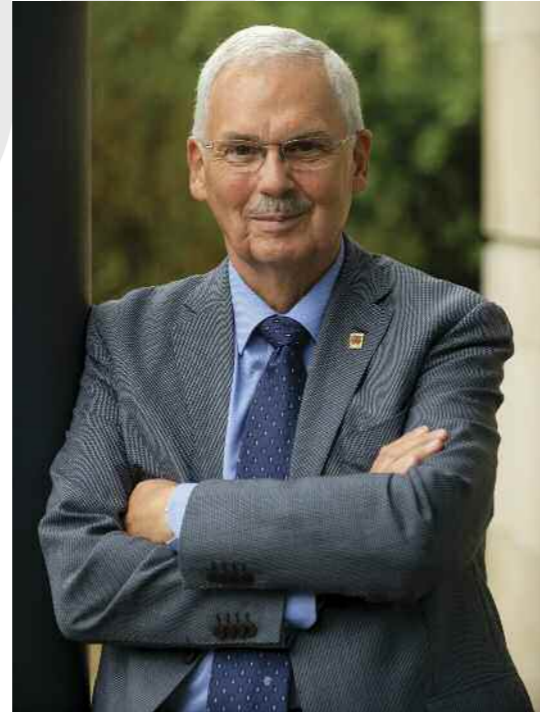
# 2000

FEARS of the so-called 'millennium bug' were unfounded. Computers didn't crash, aircraft didn't fall out of the sky and life continued as normal. In fact, the switchover from 1999 to 2000 went like clockwork. As the new millennium got under way, the SGF was in a strong position and had the opportunity to deal directly with the Scottish Parliament on a whole range of matters devolved from the UK Government.

### Annual Conference

At the Annual Conference, held at the prestigious Gleneagles Hotel in February this year, new President Dougie Edgar from New Cumnock chose *Invest Today - Profit Tomorrow* as his theme. It reflected the need for continued improvements in store standards and he would go on to reveal that after major investment in his own store sales had gone up by 78.5 %, there was a better working environment for staff and a more pleasing shopping experience for customers.

But investment wasn't always easy, he pointed out. Dougie highlighted the discrimination in planning legislation which often hindered investment along with increasing administrative burdens on independent retailers. In addition, the effect of retail crime was enormous with the estimated cost to Scotland's businesses in 1999 reaching £700 million.



*Dougie Edgar of New Cumnock was SGF President for the second time*

Stirling's Pete Cheema also made his first major speech to conference at Gleneagles, having been the first Asian retailer to be invited onto the National Executive. Pete would go on to be President of the SGF from 2006-08 and, in 2015, he would take on the role of chief executive. In addition, the SGF pledged to work towards securing better value for businesses as well reducing the bureaucracy involved in running a small business.



*Lawrie and Nancy Dewar proudly show off the chief executive's MBE*

### Farewell to Lawrie Dewar MBE

In December, President Dougie Edgar paid tribute to departing chief executive Lawrie Dewar for his dedication and endeavour over the past 20 years during which he helped grow and develop the SGF, and also enhance its profile. Supported by the National Executive and staff, Lawrie left the trade organisation in a strong position with net assets of £1.2 million and a staff of 50. Former President and Spar retailer Scott Landsburgh, a long-term supporter of the SGF, was appointed chief executive.

### Property Revaluation

In April 2000, it had been agreed with the Scottish Executive that to reduce the impact on businesses a transitional relief scheme would limit the increases in rates for the first year to not more than 5% for small businesses and a maximum of 7.5% for large businesses. The SGF would provide various services through agreed chartered surveyors to help members with appeals on revaluations. Part of the 2000 approach by the assessors was to rate ATM cash machines – this would be in addition to the normal property rating, and was opposed by both the banks and retailers.

### Training

The SGF's training arm, Support Training, met with continued success and was now covering the whole of Scotland plus a large part of Northern England. In Orkney, where Support Training had been operating since 1982, it achieved Investors in People status and offered a range of government schemes including vocational qualifications at all levels plus hospitality industry qualifications such as Welcome Host. The organisation was also offering computer training and agency facilities to help local businesses in Orkney to find temporary workers.

### Meetings

The SGF gave evidence to the Scottish Milk Enquiry which was looking at whether there was a monopoly situation in the supply of milk to middle-ground retailers. It was

eventually established that there was a monopoly but that it was not against the public interest.

Meetings with Scottish Power and Scottish Gas on the pricing of energy were also attended by the SGF, as were meetings with the Scottish Environmental Protection Agency (SEPA) regarding the implication of packaging and waste regulations.

### Bootlegging

The SGF supported an early day motion on bootlegging by writing to all Scottish MPs and encouraging members to write to their own MPs. The motion called for early action on this very serious problem which was affecting not only the health of young people but was also a serious law and order issue which had put many retailers out of business.

### Collaboration

President Dougie Edgar and chief executive Lawrie Dewar represented the SGF at the annual conferences organised by the Association of Convenience Stores and the Scottish Wholesale Association. Learning from others and developing relationships in the trade was a long-established SGF tradition and included the annual SGF lunch for members and suppliers.

### Food Standards Agency

The Food Standards Agency was launched in April 2000 and very quickly produced a raft of new regulations on food safety. Retailers expressed their views and opposed

many of these regulations which resulted in a further 72 pages of amendments and consultation documents.

### Rules & Regulations

The Convention of Scottish Local Authorities (Cosla) issued an enforcement concordat designed to ensure that there is greater consistency and transparency in the way local authorities enforce regulations. An example of inconsistency in the past had been the various ways in which the Licensing (Scotland) Act 1976 had been enforced in different areas.

Members were reminded that new metric weights and measures regulations came into force on January 1, 2000. All products sold by weight now had to be displayed, weighed and sold in metric units.

The Data Protection Act 1998 became law on March 1, 2000 and applied to retailers not just regarding information stored on behalf of employees but also to the right of access and the camera controlled television in store.

Trade union recognition became law on June 6, 2000 resulting in employers with 21 or more employees having to recognise trade unions. Recognition is based on a simple majority of employees voting, with at least 40% taking part.

### Fuel Increases

Some retailers were affected by the blockage of garages and fuel depots which brought

the country to its knees for a few days. This was caused mainly by road transport trade unions objecting to the increases in fuel tax by the Westminster government. The Climate Change Levy would come into force in April 2001, causing energy prices to go up – electricity by 10% and gas by 15%.

### Europe

The SGF had long felt that the IFGA (International Federation of Grocers' Associations) should be represented in Brussels and that IFGA headquarters should be in a European Community country. This was agreed and the IFGA appointed a representative in Brussels with Patricia Hoogstraaten of Dutch retail trade group Vakcentrum in the Netherlands appointed IFGA general secretary. The SGF was fully supportive of moving the group's headquarters from Berne in Switzerland to Vakcentrum, based in Woerden.

### PayPoint

The UK's leading branded national network for collecting household payments over the counter, PayPoint, was at this stage used by over two million people every week. SGF members were encouraged to embrace as many added-value services as possible in order to give consumers another reason to come into their stores. However, while services represented a way to build customer loyalty, the commission rates of PayPoint, for example, did not pay for the cost of the service.

# 2001

SERVICE was the watchword for 2001 and the theme for the annual conference at Gleneagles was *Success through Service* at which the President, Dougie Edgar, spoke of the importance of store development as a key element of service. But he also drew attention to the ever-growing problem of bootlegging, retail crime, issues surrounding age-related sales and red tape.

New chief executive Scott Landsburgh set out a series of objectives including development of membership in all categories, increasing income from PGMA (Scotland) while offering additional services to members, making further progress with Support Training through increased government grants and expanding all types of commercial training which now accounted for 25% of Support Training's income.

Scott highlighted that bureaucratic processes plus the authorities' lack of real understanding of the small retail sector would continue to have an impact when it came to dealing with the problems. Only four people had been prosecuted for bootlegging since 1996, for example, yet the loss to the UK Government in 2000 was estimated to be around £3 billion.

A delegation from SGF did a whistle-stop tour of both Dover and Calais and found that greater interest in detection and

prosecution had substantially reduced the smuggling of tobacco and cigarettes. So there was light at the end of the tunnel.

## New Staff & Members

Jim Amabile joined SGF as the membership development officer in February 2001 and took over as managing director of PGMA (Scotland) Ltd when Sarah Jeffrey retired in June 2001 after many dedicated years with the company. A welcome addition to membership of SGF was the Scottish Co-op which had some 170 stores throughout Scotland.

## Foot & Mouth Disease

The foot and mouth disease crisis created problems for SGF members in foot and mouth exclusion zone areas. Significant reduction in tourism was reported in these areas and prominent members such as Bill Adye of Drummore and Hamish Stewart of Biggar were examples of those who felt that current financial arrangements to help farmers were not being extended to retailers who were also badly affected.

## SRC

The Scottish Retail Consortium (SRC) and SGF continued to collaborate on key issues including assistance for small businesses on rates relief, crime statistics and agreeing on various items to put to candidates for the General Election in June 2001 at which Labour were returned to power and had promised a reduction in red tape.



SGF President Dougie Edgar, Jim Botterill and Tom Kuzio of PepsiCo present Gary Lineker - the face of Walkers Crisps - with £1500 for Leukaemia Research. The ex-footballer's son was diagnosed with the condition when he was a baby

A package of rate relief which benefited some 70% of businesses had been announced by the Scottish Executive.

## Food Standards Agency

The Foods Standards Agency announced its five-year plan and the document it published showed that the average household was spending about £3000 per annum on food, approximately 16% of their income after tax. This ranged from 30% of income in the poorest households to only 11% in the most wealthy.

## Operation Shopkeep

*Operation Shopkeep*, first set up in 1996, was relaunched in September 2001. The campaign's chairman Hamish Stewart and President Dougie Edgar both spoke at the

event along with two retailers who were victims of crime. SGF guidelines for controlling crime in convenience stores were available and a training manual had been prepared by Support Training. The sale of age-related products had always carried particular problems for retailers and to help members an advice booklet on due diligence was been produced.

## Retail First

The convenience store sector saw the launch of the first convenience store bank in Scotland at leading member Botterills in Inverkeithing, Fife. The service, a partnership between Spar and Bank of Scotland, meant that for the first time in Scotland, customers could shop and bank in their local store.

## 9/11

Terrorism was clearly a significant and worrying problem at this time and it was impossible not to be appalled by the events of September 11, 2001, when thousands of people lost their lives in New York. National Executive member Pete Cheema of Stirling spoke for many when he expressed his sorrow on behalf of the SGF and the Asian community, and applauded MPs, MSPs and the police for the reassurances given to the Muslim community.

## IFGA & NACS

Chief executive Scott Landsburgh attended the IFGA conference in Vienna and, with President Dougie Edgar, the US National Association of Convenience Stores (NACS) global summit in Las Vegas in October. The NACS Congress was an impressive and informative event, and the National Executive agreed that at least two representatives should participate every two years.

During the study tour to Las Vegas visits were made to a number of stores all less than two years old with an average turnover of £15,000 excluding fuel which is a significant portion of total sales. The verdict? Our stores compared favourably and had higher non-fuel average turnover.

At the IFGA conference, Scott brought the other eight European countries up to date on current crime problems in Scotland.

IFGA food safety issues were also discussed along with changes in IFGA rules due to the need to comply with Belgian law. Scott also spoke on the problem of predatory pricing and reported on the Scottish position on the harmonisation of duty rates on alcohol and tobacco, plus the plans for chip-and-pin facilities which were designed to reduce debt and credit card fraud.

## National Lottery

This would again be operated by Camelot and the SGF was represented by Eddie Thompson at the Neighbourhood Lottery Alliance meeting where it was reported that independent retailers would continue to have a 60% share of the lottery market. Camelot's *Operation Child* programme, designed to stamp out illegal purchases by children under 16, included a 'three strikes and you're out' policy for errant retailers. However, retailers had real concerns as to how they could confirm the age of a young person purchasing a lottery ticket.

## SGF Structure

The SGF National Executive carried out a review of the company structure. It was agreed that Scottish Grocery Trade Management Services Ltd and the Central Loan Fund Ltd should be incorporated into the recently set up SGF (Holdings) Ltd, the holding company for SGF Services Ltd, Support Training Ltd and PGMA (Scotland) Ltd.

# 2002

A RECORD 420 delegates attended the Annual Conference at St Andrews Bay Hotel in Fife when Jim Botterill received the presidential chain of office from outgoing President Dougie Edgar. The new President outlined his plans for the Federation for the next two years - these included relaunching the SGF helpline and also a new marketing and educational initiative on underage drinking and age-related purchasing.

## Scottish Parliament

The current concentration on MSPs' pay - a proposed rise of nearly 14% - and the ongoing increasing cost of the new Parliament building had to a large extent obscured the fact that since the opening of the Scottish Parliament in 1999, 30 pieces of legislation had been passed.

## Post Offices

The much-maligned change of name of The Post Office to Consignia was an abject failure and the name reverted to The Post Office within a year. But the organisation was determined to change and traditional twice-a-day deliveries were stopped as part of plans to save £350 million.

The Scottish Executive, meanwhile, established a fund to help the regeneration and renewal of Post Offices in the most

deprived areas of Scotland. President Jim Botterill and chief executive Scott Landsburgh attended a meeting to co-ordinate action to achieve higher margins in utility payments which had been eroded in recent years.

Members continued to appeal against rates on ATMs with little success and the advice from the SGF was that when members took on a new ATM or renewed contracts a condition should be that the banks pay the rates on both external and internal cash machines.



Jim Botterill

### Joint Trade Association Forum

A new Joint Trade Association Forum (JTAF) formed by the SGF and its counterparts in England, Northern Ireland and Southern Ireland was designed to formalise the long-held good relations and exchange of information which had up until now been conducted on an informal basis. Many problems were common to all countries and crime legislation, age-related sales, proof of age cards and European legislation were all important areas of mutual concern and interest.

### Centenary for Kelly of Cults

Nicholas Kelly of Kelly of Cults near Aberdeen celebrated the centenary of his business with a fun day for customers and staff. With all the difficulties associated with independent retailing, Kelly's was congratulated on achieving this landmark and the SGF sent its best wishes to the Kelly family and their staff.

### Mergers/Takeovers

The battle in the convenience store market intensified when Tesco, Britain's largest supermarket group, bought T&S Stores for £530 million. The development took Tesco's share of the UK's £20 billion convenience market to 5% and came two days after Britain's largest convenience store operator, Alldays, was snapped up by the Co-operative for £131 million. Alldays had 100 stores in Scotland at the time of the announcement in October 2002.

## Crime

**President Jim Botterill was very much at the forefront of activity on reducing crime in retail stores. Armed robbery and knife attacks had become more frequent and recent figures on prosecution showed an increase in cases marked 'no proceedings' from 4,214 in 1998/99 to 8,409 in 2001/02.**

The Young People's Minister, Cathie Jamieson, announced investment of £3.3 million over the next three years to help combat youth crime. Meanwhile, the SGF continued to push for 'no proof, no sale' cards but the Government was slow to react with the attitude of some MSPs appearing to be that some retailers intentionally sold to under-18s.

In an exchange of letters, Scott Landsburgh pointed out that the vast majority of retailers are law-abiding and could display evidence of good practice. A proof of age card, he said, would make a significant difference in identifying youngsters who deliberately falsify their age. The SGF was convinced that a compulsory card should be introduced in Scotland in line with the National Proof of Age Standards (PASS) scheme.

The SGF's quarterly crime survey provided essential data as a basis for continuing action against crime. The first survey showed a loss of over £4 million pounds to the independent retailers surveyed - it also revealed that these retailers had spent over £650,000 on crime prevention.

### SGF Retail Manifesto

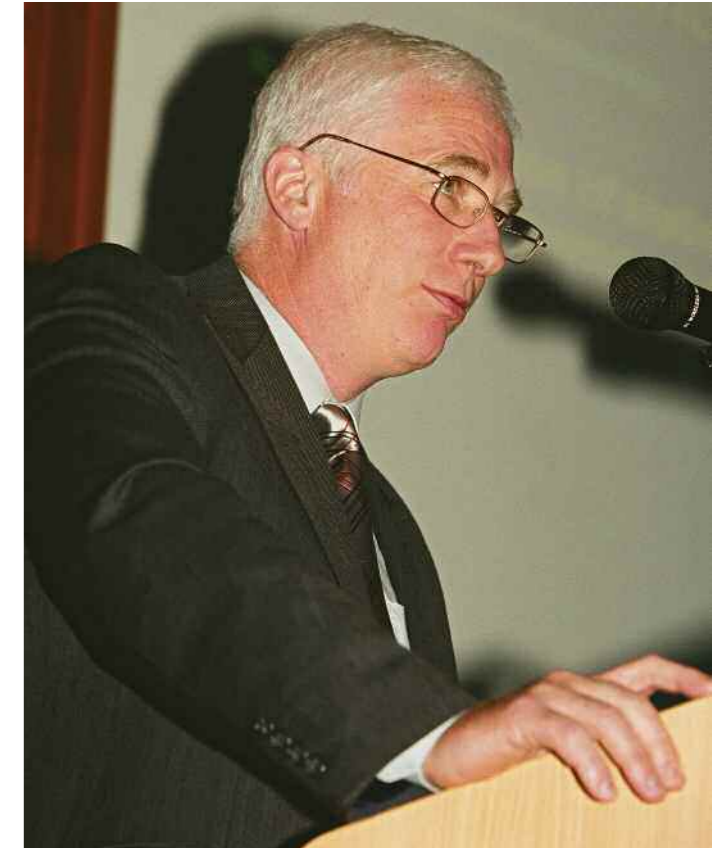
In light of the forthcoming Scottish Parliament elections the SGF launched its first retail manifesto. The manifesto gave an overview of the Scottish convenience store industry, background to the SGF, its mission goals and a wide range of key topics/issues.

### Newspaper Distribution

A recent report from the Office of Fair Trading on newspaper distribution confirmed that retailers could now sub-retail between themselves within the wholesale territories. This would help to reduce current high carriage charges where there might be a possible problem of collection, division and allocation of the papers.

### Healthy Eating

According to the Scottish Government, most Scots were failing to eat a healthy diet. A campaign to improve our eating habits was launched and the Government agreed to work with all sectors of the food industry and the media to improve consumption of fresh fruit and vegetables, and reduce our high-fat diet. The SGF would go on to launch a groundbreaking healthy eating initiative.



Chief executive Scott Landsburgh addresses the conference at St Andrews

# 2003

THIS year's conference theme - *Reach for the Future* - struck a chord with retailers and the wider industry and although the event will forever be remembered for President Jim Botterill and chief executive Scott Landsburgh opening the business seminar with their rendition of the movie *Men in Black* it was its hard-hitting content that made it such a success.

With Justice Minister Jim Wallace QC MSP in attendance, Scott took the opportunity to highlight the alarming



Guests enjoy the gala dinner at Fairmont St Andrews

figures in the SGF's most recent crime survey. The minister responded by stating that Anti-Social Behaviour Orders (Asbos) were working but not as well as he had hoped. The SGF said the current approach to Asbos failed to tackle the problems in local shopping areas and concentrated on local authority housing.

Chief executive Scott Landsburgh took the opportunity to highlight the alarming figures in the SGF's most recent crime survey

But on a plus note the minister accepted the need for a 'no proof, no sale' message as the SGF continued to fight for compulsory proof of age cards.

#### New Fascia

The SGF's buying arm PGMA (Scotland) launched *2C - convenience in your community*, a fascia trading group backed by the buying power of Nisa-Today's. All members of the group were required to meet various criteria and the benefits included low annual fees and excellent purchasing costs as well as flexible pricing and promotional activity.

#### Scottish Parliament

The Scottish Parliament elections, on May 1, 2003, resulted in a coalition being formed by Labour and the Liberal Democrats. The SGF had found that access to Scottish MSPs and ministers had helped to achieve some notable successes.

#### Retail News

*Retail News*, the new name for the official journal of the SGF, continued to provide helpful advice on a range of matters with regular articles from lawyers, accountants and the Scottish Retail Consortium. The SRC, which had rented space in the SGF offices, had now moved nearer to the Scottish Parliament.

#### The Nicholson Committee

Scott Landsburgh and Pete Cheema, SGF Vice-President, were appointed to a new off-licence review committee - set up by the Justice Minister Cathie Jamieson - which was a recommendation of the Nicholson Committee, established to review Scottish licensing law as it applied to on and off-sales of alcohol in Scotland.

# 2004

THE year began with a report by the Office of Fair Trading (OFT) which reported that two years on from its introduction, the Supermarket Code to bring about changes in the buying behaviour of the large supermarkets was 'not working effectively'.

In addition, there was anecdotal evidence that suppliers feared making complaints under the code in case it impacted on their business. A full compliance audit would now be undertaken by the OFT on the relationship between supermarkets and suppliers which was to focus on areas such as lump-sum payments as a condition of supply, marketing bonuses and discounts.

## Annual Conference

The 66th President, Hamish Stewart, was installed and in his address commented on the new Anti-Social Behaviour Orders (Asbos), the findings of the SGF Annual Crime Survey, and the proposal on sanctions and interim suspension of a licence to sell alcohol. He also confirmed the SGF's opposition to a proposed plastic bag tax.

## Healthy Living Neighbourhood Shop Initiative

Robert Wiseman Dairies first mooted the programme, calling it the Wise Food Project with its sales and marketing director, Sandy Wilkie, leading initial informal discussions

with a group of leading c-store operators: Botterills Convenience Stores; CJ Lang & Son; David Sands; Eddie Thompson's Morning Noon & Night; and Mace franchise holder Aberness.

Gillian Kynoch, the Scottish Executive's food and health co-ordinator, had been invited to join in the discussions and saw the potential for local retailers to play a key role in spreading the healthy eating message, particularly in neighbourhoods with low levels of car ownership and limited public transport facilities.



Gillian Kynoch launches the Healthy Living Neighbourhood Shop Initiative

## Healthy Living Neighbourhood Shop Initiative

**The 2004 conference will be best remembered for the launch of the Wise Food project – the forerunner to the SGF Healthy Living Programme.**

The official launch of the *Healthy Living Neighbourhood Shop Initiative* by Gillian Kynoch took place at the conference at St Andrews with the five original supporters – with around 180 stores between them at the time – all supporting the campaign.

From April to October, a six-month pilot study, the first phase of the initiative, set out to evaluate the potential of the convenience store sector to successfully and profitably promote the Executive's *healthyliving* brand and healthier food choices, with a view to helping inform and educate.

The total cost of Phase 1 was £20,000, of which 50% was contributed by the Executive and the other 50% being provided by the participating retailers. All of these stores acknowledged that the growing demand for a healthier lifestyle among the Scottish population – and their customers – presented considerable scope to develop this area of their businesses.

Retailers experimented with healthy meal deals and incentives such as offering a free piece of fruit with non-sugar drinks; price promoting fruit and vegetables; siting healthy eating options near checkout areas; displaying fruit at checkouts instead of snacks or confectionery; and giving a free piece of fruit to customers spending £2. Phase 2 of the initiative would be launched in March 2005.

## SGF Scholarship

A new SGF Scholarship Award was launched, asking for opinions and solutions to the consumer challenges facing the Scottish convenience sector. The prize was an all-expenses trip to the NACS exhibition in Las Vegas in October 2004 with the winners later announced as Zara Hussain and Richard Ettles who were part of a group of 24 people from the SGF who travelled to the convention.

## Packaging Regulations

In the January issue of *Retail News*, members were made aware of their responsibilities under the Packaging Waste Regulations 1997. It was noted that in terms of compliance there were two main qualifying criteria:

- Turnover of £2 million per annum or more, or handling 50 tonnes or more of packaging per annum

SGF retailers affected by the regulations were given the option to join a compliance scheme and various companies were offering an initial free consultation.



However, a group of companies offering a compliance scheme expressed their opposition to government proposals for increased controls and called for the current system to be retained.

### Retail Consolidation

Consolidation within the wider retail marketplace continued. Bradford-based Wm Morrison agreed a takeover of Safeway with the merger uniting two food retail giants with combined sales of £13 billion. Morrisons would now have 552 stores in the UK after the disposal of 52 stores as agreed with the regulatory authorities.

### Crime Monitor

Crime was – and still is – never far away from a retailer’s door. It may be children stealing sweets or a full-blown assault on owners or staff. This second report, based on 2003 research, revealed:

- The increasing cost of fighting crime prevention – up by 66%
- The increasing threat to staff of abuse, violence and threatening behaviour up 500% – not forgetting burglary, graffiti and loitering with intent
- Theft up from £825,000 to £1,268,000 – plus 50%
- Young people and drug and drink abusers see retailers as an easy target
- Retailers are disillusioned by the lack of substantial deterrents posed by the

Judiciary and this is confirmed by a 50% reduction in prosecution

- This results in more of our members no longer seeking prosecutions and fewer reporting crime to the authorities. Police advise us to report *Every Crime Every Time*. The SGF continued to lobby the Scottish Parliament executive to introduce legislation that will make a difference.

### Support Training

Support Training, the SGF’s training arm, celebrated its 25th year in 2004. A special conference to thank staff for their loyal support over the years was held at St Andrews Bay.

### Planning

Development of new large stores continued to impact on SGF members with smaller towns now becoming the main target for the major multiples. The SGF continued to support its members in order to retain a proper balance of service for local consumers.

### Familiar Names Disappear

Consolidation in the Scottish convenience sector saw both Sokolowski Convenience Stores (13) and Morning Noon & Night (50) acquired by another SGF member, Scotmid. Falkirk-based Argee’s outlets were bought by Dundee-based Spar wholesaler, CJ Lang.

Credit: @ Adam Elder



Scottish Parliament Building.

### Industry Accolade for Scott Landsburgh

SGF chief executive Scott Landsburgh received the Industry Achievement Award at the Scottish Grocer Awards while a number of SGF members received awards for high store standards.

### National Minimum Wage

A delegation from the SGF, including Scott Landsburgh, Jim Botterill and David Sands, met members of the Low Pay Commission in November. They recommended that the National Minimum Wage be linked to RPI with a maximum of 1% and that there be a

review of the National Minimum Wage in line with the fiscal year.

### Scottish Parliament Building

This was also the year that the new Scottish Parliament building at Holyrood was officially opened by HM The Queen. Designed by Spanish architect Enric Miralles, the building is now an iconic Scottish landmark and one regularly frequented by the SGF’s head of policy and public affairs, Dr John Lee. MSPs held their first debate in the new building in October 2004.

# 2005

THIS year's conference returned to St Andrews Bay Hotel - now renamed Fairmont St Andrews - with President Hamish Stewart asking those in attendance to embrace a 'Fresh Approach'.

### OBE for Eddie Thompson

Past-president Eddie Thompson was awarded the OBE for services to the grocery trade. Eddie was one of our most high-profile presidents, steering the SGF from 1998-2000. He also sat on the board of the British Retail Consortium (BRC), chaired the Scottish Retail Consortium (SRC) and was a board member of the Confederation of British Industry (CBI).



Eddie Thompson with Derek Abbott, who headed up the Mace symbol group

### Collaboration

President Hamish Stewart, in the June issue of *Retail News*, spoke about the importance of the SGF's relationship with other trade bodies such as the Scottish Wholesale Association and the Association of Convenience Stores (ACS). He also referred to the regular get-together with the two Irish grocery trade associations and, of course, the SGF's links with the International Federation of Grocers' Associations (IFGA).

Learning from each other and working together was crucial, he said, and it was also important to forge good relations with suppliers as this helped create mutual success. The SGF's annual dinner for suppliers - our corporate members - was an essential part of this.



John Drummond

### New Chief Executive

John Drummond, previously with the Morning Noon & Night business, joined the SGF as its new chief executive. Bringing with him a wealth of knowledge - 35 years in the independent retail and wholesale sectors in Scotland - he hit the ground running and was ready to take on the challenges of developing the SGF as it sought to continue its task of representing and advising members in all areas of business.

### SGF Constitution

At an extraordinary General Meeting on August 31, 2005, the new SGF Constitution & Rules were approved - these reflected the changes in our industry and in our membership.

### Scott Landsburgh Bows Out

Scott Landsburgh decided to stand down as chief executive having taken the SGF forward over the last five years and consolidated its place as a key representative body and an organisation that was both robust and effective in helping members achieve a strong position in the convenience store market. Scott's background in the trade as a retailer and the fact he was also a qualified accountant had helped the SGF achieve a number of major successes and lay strong foundations for the future. Membership had also increased due to a number of large convenience store groups joining the SGF.

### Legislation

The Office of Fair Trading (OFT) was considering a market survey of the convenience store sector. It was also reviewing the legality of the monopoly system of magazine distribution. The UK Government, meanwhile, revealed plans to establish a central regulator for trading standards to better control the policing of big companies.

### Department of Trade and Industry

A new code of practice on guidelines to help retailers supply clear in-store and online prices was launched. Advice was given to traders on how to avoid misleading

prices on the internet and during sale periods. It also clarified that comparison with previous prices must be on a genuine retail price, and explanations should be easily identifiable and legible to consumers.

### **Growth of Convenience**

A recent Institute of Grocery Distribution report on the convenience sector forecast an increase of 50% to £31 billion by 2010. Scotland's share at this time was around £3 billion and SGF members were urged to think about future opportunities for further growth.

### **Study Tour: Dublin**

Study tours have always been popular with SGF members and a key strand of the trade association's thirst for knowledge and desire to learn from best practice in other countries. Dublin was this year's destination and 35 delegates arrived in the southern Ireland capital from various Scottish airports, piling into four minibuses to start their latest learning journey. The tour provided plenty of food for thought with theft-proof gravity feed cigarettes dispensers, hot food centres for students and upmarket food-to-go operations inspiring retailers to look at ways of developing their own businesses.

The tour included a presentation by Tara Buckley, chief executive of Ireland's trade association RGDATA in which she discussed major issues facing her country's independent retailers. At the time, Irish

independents had a market share of around 45%, compared with Scottish independents' share of around of 8%.

### **Technology**

Keeping up with new technology was a key element in achieving lower costs and improved efficiency for many SGF members. A prime example of this could be found on the outskirts of Kinross where David Sands had opened a new purpose-built warehouse and head office. The business had incorporated an Epos-based stock control system with a voice-activated picking system to process orders for its 20 stores.

### **ATMs**

Citizens Advice called for banks and ATM operators to improve signage on fee-charging machines and to retain the number of free cash machines in deprived areas at a time when one in three now charged a fee. The Royal Bank of Scotland and Halifax Bank of Scotland both agreed to install an additional 400 free machines. Furthermore, a recent him! Convenience Tracking Programme survey showed that stores with a cash machine had an average shopper spend that is two-thirds higher than at other stores.

### **Legislation**

It was announced that age discrimination in employment would be illegal from October 1, 2006. With some exceptions, employers

would no longer be able to use age-related criteria in recruitment selection and promotion, and would require to be flexible regarding the retirement age.

The digital age crept ever further into the business world with PAYE returns from medium-sized companies (employing 50-249 people) now required to be filed online. Non-compliance would mean a penalty of £600.

### **End of an Era**

The SGF paid tribute to the efforts of past-President Eddie Thompson and outgoing chief executive Scott Landsburgh at a dinner at Norton House Hotel. Eddie was congratulated on his recent OBE award and Scott was thanked for his major contribution during his five years as chief executive.

### **New Faces**

The National Executive welcomed five new members to the National Executive: John Brodie, CEO, Scotmid; Ken MacKenzie, CEO, Scottish Co-op; Chris McKendrick, Somerfield; Abdul Majid, Bellshill; and John Murray of Good 2 Go, a nine-store chain in the north of Scotland.

### **Botterills**

Botterills' Springboig store won Wiseman's Neighbourhood Shop of the Year and director Nanette Botterill received a career recognition award. Botterills was also gearing up to celebrate its 50th anniversary in 2006.

### **Chip and Pin**

Technology continued to play a key role in retailing and at the start of 2005 more than three-quarters of cardholders had a chip and pin card with most businesses now using the new, more secure payment system with over 70% of all UK tills chip and pin-enabled.

### **Minister Visits David Sands**

Minister for Health Andy Kerr MSP, along with Christine May MSP and Gillian Kynoch of the Scottish Executive, visited the David Sands store in Kennoway which was participating in a pilot scheme for the *Healthy Living Neighbourhood Shop Initiative*. The minister was delighted that the pilot had proved successful and said it demonstrated the enormous contribution that convenience stores could make towards eating more healthily. Some 300 stores were now wanting to take part in the next phase of the initiative.

### **Scottish Parliament**

The SGF continued to represent members at both national and local government level. There were meetings with Tavish Scott, Deputy Minister for Finance as well as discussions with representatives of the Scottish Executive on the Licensing (Scotland) Act and the current difficulties with Anti-Social Behaviour Orders (Asbos). It was the SGF's view that these frank and full discussions were invaluable in shaping legislation and, in the case of Asbos, adjusting the process when it was not working.

# 2006

THE SGF returned to St Andrews for its Annual Conference for the fifth year running with 450 in attendance. New President Pete Cheema's first duty was to present Eddie Thompson and Scott Landsburgh with honorary membership before getting down to business.

A number of major issues came under the microscope, including the review of the Licensing (Scotland) Act and areas such as trading hours, fees and promotions as well as the lack of consistency in the interpretation of planning laws. It was also noted that the SGF's most recent Retail Crime Survey revealed an increase in the number of crimes against independent retailers.

#### Public Affairs

For the first time, the SGF appointed a public affairs adviser to improve links with the Scottish Executive and Scottish Parliament, MSPs and government ministers. The SGF also appointed a dedicated recruitment officer.

#### Smoking Ban

From 6am on Sunday, March 26 it became illegal to smoke in all enclosed public places and business premises in Scotland, including offices, shops, bars and restaurants. Business vehicles were also included.

#### Grocery Market Investigation

As part of the Competition Commission's market investigation into the supply of groceries in the UK, a group of SGF representatives gave evidence on unfair buying power, predatory pricing, below-cost selling and other unfair trading practices. The SGF representatives included David Walker, chief executive of CJ Lang & Son, Græme Knowles of G&G Knowles, Aberdeen and the SGF's chief executive, John Drummond.



*Fairmont St Andrews - venue for the SGF conference for several years*

## Healthy Living Neighbourhood Shop Initiative

**Now generally referred to as the SGF Healthy Living Programme, this hugely successful government-funded initiative had moved into Phase 3 and with such a high level of interest from members there were fears that the allocated budget may run out. The original five participants continued to show good growth in the sale of fruit and vegetables with branded in-store stands helping to interest consumers.**

#### Bank of England

The SGF's John Drummond met with a Scottish-based representative of the Bank of England at the bank's request. Subjects discussed included increasing energy costs, a margin squeeze on service facilities, investment by discount retailers, the major multiples entering the convenience store sector and the impact of the National Minimum Wage.

#### KeyStore

President Pete Cheema welcomed 120 KeyStore retailers as members of the SGF citing the SGF's training arm, Support Training, as one reason for KeyStore fascia owner JW Filshill deciding to join forces with the trade association. Glasgow-based Filshill was also attracted to the SGF by its growing stature as a lobbying organisation with its sales director Ian McDonald sitting on the SGF board until his retirement in 2017.

#### Test Purchasing

A recent test purchasing pilot in Fife resulted in three shops having their alcohol licences suspended following double failure when tested. President Pete Cheema urged members to ensure that all staff were correctly trained in the sale of alcohol as the scheme was soon to be rolled out across Scotland. Although the vast majority of SGF members had met and passed the test purchase criteria, the mantra remained: 'Be Responsible Retailers'.

#### Rural Post Offices

John Drummond and Pete Cheema attended a meeting to hear the concerns felt by communities on the future of rural Post Offices. In the last three years, 368 Post Offices had closed, including two-thirds of rural Post Offices in Scotland.

# 2007

PRESIDENT Pete Cheema chose *Alive and Kicking* for the theme of this year's Annual Conference, opening the business session by reflecting on the goals he had set a year ago. Membership of the SGF had increased substantially but not as much as he would have liked. But he noted how the Scottish Executive and Parliament were more aware of SGF and the benefits of consulting the leading trade organisation on a broad spectrum of issues.

With regards to the new Scottish licensing laws for alcohol, Pete encouraged members to use the *Challenge 21* approach to identify those who might be underage. It was quite simple, he said. If anyone looks under 21, adopt a 'no ID, no sale' policy.

The President's other objectives for the year included government proposals to change the way tobacco is displayed, retail crime, competition, Post Offices, Healthy Living and the Environment.

### Retail Crime

This was - and remains - an ongoing hot topic. Crime continued to be a major headache for retailers and the SGF's 2006 Retail Crime Survey, based on responses from 1,000 retailers, revealed:

- 5,099 threats of violence to staff
- 263 incidents of physical violence

- 334 racist incidents
- 14,776 incidents of staff thefts valued at £622,000, ranging from £5 to £30,000
- 137 burglaries were reported with stock lost at £148,000 and repairs nearly £200,000
- 28 robberies took place costing £15,000
- Credit and debit card fraud increased by 54% from 2005 for chip and pin

A large investment by stores to prevent crime had resulted in a small reduction in some areas but not in others. It also emerged that retailers were reluctant to report customers while recent proposals for a lighter touch to be adopted for sentencing sent out the wrong message. With neither the government nor police willing to give a high priority to theft, fraud and break-ins, many retailers would be forced to increase prices to cover the cost of crime.

### Support Training

It had become clear to the National Executive that membership fees could not sustain the SGF in the longer term so it was vital that other ways of increasing income should be explored.

Support Training Ltd became the successor to the Scottish Grocery Trade Training Association in the late 1980s and it had proved to be a beneficial service for SGF members and also other retailers, even some multiples. It also provided a source of income which helped support the other services which the SGF provided for members.



Left: Pete and Kay Cheema at the conference  
Above: David Sands won several awards in 2007, including two at the Convenience Tracking Programme (CTP) Awards in London

However, changes in the economic climate, the recession and subsequently less investment in training made Support Training a less viable entity. Losses were appearing on the balance sheet and the situation was likely to get worse. A thorough investigation into its future viability led the National Executive to make a decision in August 2007 to sell Support Training on the basis that future losses were not sustainable and could threaten the viability of the SGF itself.

Training has always been a major strand of services to members and it was hoped that in the future a new training company would be established.

### Licensing (Scotland) Act 2005

It was confirmed that the Licensing (Scotland) Act 2005 would be implemented in full by September 2009. The SGF wasted no time in

organising a series of licensing road shows throughout Scotland, producing the *SGF Licensing Guide - Comprehensive Guide for Retailers* plus a safe drinking leaflet for consumers, *Be Healthy Drink Safely*.

### Holyrood Manifesto

The SGF invited MSPs to attend the launch of its manifesto ahead of the Scottish Parliament elections in May 2007. Key areas covered in the manifesto were retail crime, healthy living, planning issues and the 100% Proof Campaign for a universal proof of age card to reduce the problems faced by retailers selling age-related products such as alcohol and tobacco. The Scottish Parliament elections saw the SNP become the new minority Government, coming to various arrangements with other parties.

### Collaboration

As part of the desire to have more influence at both Holyrood and Westminster an agreement between the SGF and Association of Convenience Stores (ACS) was arranged. The SGF and ACS would now work together on a formal basis for the mutual benefit of both trade associations.

### Community Shop

The SGF's monthly magazine for members changed its name from *Retail News* to *Community Shop* to reflect the fact that most members now saw themselves at the heart of their community, providing a responsible approach to retailing.

## 2008

CARNOUSTIE'S Colin Landsburgh, the newly-appointed SGF President, chose *Seize the Day* as the theme of the 2008 conference and welcomed retail and industry experts who informed delegates on the latest issues, thinking and trends affecting the convenience store sector.

He urged fellow retailers to be proud of the services they offer to their local communities and stressed the need for the sector to take risks, otherwise there would be little progress. Colin pointed out that the role of the independent retailer was to ensure stores are well stocked and provide good service with a smile as well as being at the heart of the local community.

### Scottish Grocer Awards

Awards help retailers improve store standards and it was gratifying to see the SGF well represented at the Scottish Grocer Awards in March when 14 of the 16 categories were won by SGF members. The prestigious Industry Achievement Award was won by David Sands, Kinross.

### Grocery Code of Practice

The recent inquiry into price discrimination by the Competition Commission proposed an independent ombudsman for the grocery sector and an extension of the current Code of Practice. Most of the



Colin Landsburgh

industry – apart from the supermarkets – were disappointed at the weakness of the Commission's findings. The inquiry found that differentials in price between the 'Big Four' and the rest had gone from 13% in 2000 to 16% at the present time. The SGF's view was that an independent regulator would not make much progress unless it was 'given teeth' which seemed unlikely.

### Lobbying & Legislation

Part of the burden for retailers is the amount of red tape and bureaucracy involved in the day-to-day running of their business, plus the impact of ever-burgeoning legislation. The SGF noted that having a Scottish Parliament had made a huge difference in its ability to make its voice heard and influence draft bills to help reduce or remove the effects of unworkable or simply unnecessary aspects of proposed legislation.

## 2009

THIS was always going to be a difficult year for retailers, largely due to the swathes of legislation coming in, most notably the Licensing (Scotland) Act. The Tobacco and Primary Medical Services (Scotland) Bill, aimed specifically at reducing the attractiveness and availability of tobacco to under-18s, would not come into force until 2010, giving retailers time to prepare.

Not so widely discussed was legislation surrounding employment law. Statutory holiday entitlement increased from 24 to 28 days per annum for those working a five-day week and there were increased fines for non-compliance with National Minimum Wage rates. Retailers also had to take on board increases in statutory maternity, paternity and adoption pay along with increases in statutory sick pay.

All of this meant that SGF staff, ably led by chief executive John Drummond and supported by President Colin Landsburgh and the National Executive, were kept on their toes. The SGF was building a strong relationship with government at both national and local level to ensure that new and amended legislation was workable and did not impose unfair burdens or costs on the members.

### Community Store Campaigner

The launch of the SGF's *Community Store Campaigner* initiative was specifically designed to allow SGF members to get more involved with their community and engage more effectively with their local MSP, MP and councillors. Members were encouraged to invite local politicians into their stores in order to discuss with them the challenges they faced and, crucially, highlight the role they play in local communities the length and breadth of Scotland.



John Drummond

### Alcohol Awareness Week

This joint initiative between the Scottish Government and the alcohol industry saw hundreds of independent stores get involved to promote responsible drinking by displaying posters, leaflets and other point of sale (POS) materials. Seventy MSPs visited convenience stores in their constituencies.

### Tobacco and Primary Services (Scotland) Bill

Chief executive John Drummond attended a smoking conference at Holyrood where he outlined the reasons for the retail sector's opposition to the Bill. Some 18 MSPs attended a Parliamentary Reception and retailers had the opportunity to discuss the important role smaller shops play in the community.

### Annual Conference

This year's conference returned to St Andrews with the theme *Community First* focusing on how the retail industry is vital to the continued vibrancy of local communities. It was chaired by Brian Taylor, BBC Scotland's political editor.

Colin Landsburgh, in his second year as President, welcomed delegates to the high-profile event which included an information seminar where experts outlined details of controversial but important changes to legislation. The proposed ban on the display of tobacco products, the current inconsistencies in the implementation of the Licensing (Scotland) Act by various licensing boards and the often heavy-handed approach to retailers on minor breaches of the law were discussed.

The Saturday seminar was chaired by Antony Begley, editor of *Scottish Local Retailer* magazine.



Antony Begley

## 2010

THE second decade of the new millennium had only just begun when the new coalition government of Conservatives and LibDems produced their first Budget. Standard VAT currently at 17.5% was raised to 20% from January 2011, resulting in an increase in VAT goods and services of around 14% with VAT on energy staying at 5%. Reductions in corporation tax of 1% and in small business rates were welcomed.

For the SGF, one of the biggest successes to date of our lobbying activity was the rejection of a proposal to ban alcohol sales to people under 21. However, the legal challenge led by Imperial Tobacco against a cigarettes and tobacco display ban in shops failed. For small retailers in Scotland, the legislation would come into force on April 6, 2015 and there were widespread fears that illicit underground tobacco trade would spike.

### Annual Conference

The new President Græme Knowles opened this year's conference at St Andrews entitled *The Winning Formula* and spoke of the passion and commitment required to succeed in business. He praised the role of SGF in influencing legislation and encouraged members to take advantage of new opportunities. Once again, a good mix of business and social activities resulted in yet another successful event.

### SGF Healthy Living Programme

Public Health Minister Shona Robison announced an investment of £679,000 in the *SGF Healthy Living Programme* over the next three years. This investment would enable more stores to get involved in the programme - now in Phase 4 - and enable local authorities to expand the range of products as well as create a Gold Standard for stores which improve the promotion of healthier products.

### Lobbying

Meanwhile, the Low Pay Commission announced increases in the National Minimum Wage with workers aged 21 and over rising to £5.93 and sliding down to £2.50 per hour for apprentices.



Græme Knowles

# 2011

LIVING in Scotland means we're used to changeable weather conditions but no-one was prepared for the coldest December and January since 1914 when much of the north of Scotland was cut off. Stock was unable to be delivered, roads were blocked and inaccessible, salt and grit were in serious short supply all over the country and train services were cancelled. We were given a list by the Scottish Government regarding priorities to the convenience sector.

President Græme Knowles, speaking in *Community Shop*, reminded us how the weather can often affect small retailers, particularly but not exclusively those in remote parts of the country. During this period, temperatures of -20°C were common but Altnaharra, near Lairg in Sutherland, recorded -22.3°C on January 8, 2011.

### Manifesto

Once again, the SGF launched a manifesto ahead of the upcoming Scottish Parliament elections. The manifesto set out the key policy concerns for local shops and highlighted a number of areas for action, including: retail crime and assaults on workers; the need for tougher prosecution and sentencing; irresponsible selling of below-cost alcohol; the amount of business regulation; and, on a positive note, continued support for the *Healthy Living Programme*.

### Road Shows

New obligations on members to meet the impact of recent legislation on their business practices saw the SGF organise and hold a series of well-attended information road shows throughout Scotland at locations from Inverness to Dumfries. President Graham Knowles and chief executive John Drummond led these events.

### Scottish Parliament Elections

The Scottish Parliament elections took place in May with the SNP winning an overall majority. For the SGF, the expectation was that this could present challenges in those areas which affect members, especially those selling cigarettes and tobacco in the present economic climate with pressure on household budgets.



*Pete Cheema didn't become an MSP but is now SGF chief executive*

## Membership

Membership retention and development remained a key objective of the National Executive and store numbers grew as the SGF welcomed hundreds of new stores including Spar, Nisa, Costcutter, Premier and McColl's. For corporate members – suppliers and other non-retail members – a new three-tier system was established with Gold, Silver and Bronze options. The SGF invited interested suppliers to attend a meeting which included a tour of the Scottish Parliament.

### Pete Cheema runs for Parliament

Known for his strong interest in politics, former President Pete Cheema stood for Labour in North Perthshire, leading the party to third position for the very first time in its history in this constituency. The lessons and relationships that he formed with Labour colleagues and his fellow election candidates John Swinney and Murdo Fraser would later become invaluable in his position as chief executive of the SGF.



*Spar is a mainstay of the convenience store sector in Scotland*



# 2012

## 2012

ROBERT Sider, chief executive of the Clydebank Co-operative Society, took over as the new President and immediately pointed to how the restructured SGF was making a difference. An increased emphasis on lobbying at the Scottish Parliament and with local authorities was clearly having a beneficial knock-on effect for key projects such as the high-profile *SGF Healthy Living Programme*.

Chief executive John Drummond stressed that lobbying would continue to be one of the main functions of the SGF as part of its role to represent the views of members to policy decision-makers in the Scottish Government.



John Drummond

### Conference & Events

At the annual SGF Networking Event it was announced that there would be no family-style two-day conference in 2013. Instead, there would be a one-day business conference in Edinburgh, designed to allow more members to attend without having to spend two or three days away from their business. It was also revealed that the *SGF Retail Excellence Awards* would be launched in October 2013.

### Minimum Unit Pricing on Alcohol

The Alcohol (Minimum Pricing) (Scotland) Act 2012 was passed in June 2012 but although the controversial policy was approved by MSPs at Holyrood it has been tied up in a succession of court challenges amid claims it breaches European law with the Scotch Whisky Association leading the legal challenge.

# 2013

## 2013

WHILE the weekend Annual Conference had stood the test of time well with attendance typically exceeding the 400 mark, the National Executive took the decision that a different format would better suit the modern convenience store operator and encourage more retailers to attend.

Placing greater emphasis on the business content of the conference and losing the 'family' element meant that the event could

take place over the course of just one day, minimising disruption to members' businesses and allowing them to plan around their absence from their stores more easily.

The first new-style event took place in October. Chaired by journalist and TV/radio presenter Kaye Adams, the event at the prestigious Prestonfield House hotel in Edinburgh attracted a raft of high-quality speakers and a *Call Kaye* session – mirroring the presenter's *Kaye Adams Programme* on BBC Radio Scotland – encouraged lively debate of key issues affecting the retail trade.



Kaye Adams chairs the 2013 Annual Conference

Another strand of the conference was the presentation of the newly-introduced *SGF Retail Excellence Awards* which had attracted entries from retailers throughout Scotland in eight different categories. SGF President Robert Sider and Kaye Adams presented the main awards and every outstanding entry received a certificate of achievement. Robert spoke of the fresh talent emerging in the Scottish independent retail sector. He said this created opportunities and optimism to help SGF members rise to future challenges.

### Fabric of Society

In an article in *Community Shop*, Robert highlighted the contribution the convenience store sector had made in providing jobs in Scotland – currently over 40,000 in around 5,500 stores. Shipbuilding and manufacturing were both known for their proud tradition of contributing to the economy, he said, but the convenience story also had a long history and great record of service to consumers over the years.

For example, his own business, Clydebank Co-op, had been operating for 130 years, Scotmid 150 years, David Sands was almost 200 years old when the business was sold to the Co-operative in 2011, Kelly of Cults was 100 years, Spar retailer and delivered wholesaler CJ Lang & Son was still going strong after 95 years, Botterills had notched up over half a century and a host of others could boast decades of service to the consumer.

### SLR's New Store

While the trade press are knowledgeable about the sector there's nothing quite like owning your own store to find out what it's really like running your own retail business. *SLR* magazine did just that when it opened Woodlands Store in Falkirk with editor Antony Begley – who would go on to join the SGF National Executive in January 2018 – admitting it was a 'madcap idea'.

"We thought why don't we buy a store so that we have the perfect place to try new concepts, test out ideas and figure out if the advice that's being offered by the major manufacturers actually stacks up in a real retail environment," he explained. "Why would we want to run our own store? Well, what better way to understand the challenges that retailers face than by becoming retailers ourselves."

The local MSP Michael Matheson, Minister for Public Health, was invited along to the store where he discussed the vital role convenience stores play at local level, the success of the *SGF Healthy Living Programme* in which 1,300 stores were now participating, public health matters and the removal of confectionery products from checkouts.

### Deposit Return Scheme

A trip to Sweden inspired Environment Secretary Richard Lochhead to consider a deposit return scheme (DRS) for Scotland.



Deposit return machines in Sweden

The MSP for Moray was impressed with the schemes there that created an incentive for consumers to return their drinks containers to retailers or specific collection points, supposedly encouraging them to recycle more and limit the number of containers going to landfill.

It was the Environment Secretary's view that the introduction of a scheme could help tackle the problem of plastic bottles and cans littering Scotland's communities. The Swedish system, introduced for cans in 1984 and extended to plastic bottles in 1994, added a small deposit to the cost of drinks which was refunded when the container was returned.

### Collaboration

As part of its strategy to collaborate with other trade associations where relevant and appropriate, the SGF joined forces with the Scottish Wholesale Association to produce a new trade guide for independent retailers and wholesalers selling tobacco.

Designed to help the industry fully comply with the new changes to tobacco display requirements included in the Tobacco and Primary Medical Services (Scotland) Act 2010 and acknowledged by the Scottish Government, the *Fingertip Guide to the New Tobacco Display Laws* was published in partnership with leading tobacco companies JTI, Imperial Tobacco and British American Tobacco.

# 2014

ILLICIT trading continued to be a major problem in Scotland and the SGF joined forces with the Scottish Wholesale Association and Scottish Anti-Illicit Trade Group (SAITG) to highlight the escalating economic and community costs of the illicit trade in counterfeit goods at a *Parliamentary Reception* at Holyrood in January.

Hosted by Jenny Marra, the Dundee-based MSP for North East Scotland and attended by MSPs including Kenny MacAskill, the Cabinet Secretary for Justice, the well-attended reception highlighted the ongoing joint initiative between both business and law-enforcement organisations in tackling the illicit trade that costs the economy billions of pounds a year and blights communities across Scotland.

Wholesalers, independent retailers and high-profile individuals from enforcement organisations with an interest in stamping out illicit trade also attended the reception which heard presentations from SWA President Asim Sarwar, John Drummond, chief executive of the SGF and Police Inspector Alan Dron, chair of the Scottish Anti-Illicit Trade Group.

John Drummond told the reception: "Responsible retailing is at the heart of Scotland's communities. The convenience store sector in Scotland provides over

40,000 jobs. It is at the apex of supply chains, providing routes to market for our manufacturers and wholesalers, and it increasingly supports genuinely local producers.

"All of this is threatened by illicit trade. Responsible retailers are already feeling the impact of this criminal activity and we believe that now is the time to join forces and pool our resources to effectively combat the illicit trade across Scotland. By bringing the key agencies together and by concentrating our efforts we believe that the battle can be won."

### Licensing Boards

Retailers, while accepting the role of Licensing Boards in renewing and approving new or amended licences, were finding it difficult to understand why large multiples had licences granted where there was clearly saturation or overprovision. This meant the viability of current licensed stores was undermined and although retailers accept that competition goes hand in hand with running a business there has to be a level playing field.

### Legislation

The Waste (Scotland) Regulations - Resource Efficient Scotland came into force on January 1, 2014 with all waste required to be recycled and businesses not complying risking a fine. In addition, most food businesses would also be required to recycle food waste.



Abdul Majid

## Abdul Majid becomes President

Bellshill's Abdul Majid stepped into the President's shoes and was proud to represent a large number of Asian retailers who had given a great service to the Scottish convenience trade over many years. Of course, Pete Cheema had already blazed a trail in this respect as President in 2006-08.

Abdul moved very quickly to arrange a meeting with the then First Minister Alex Salmond to discuss the Living Wage - at that time £7.65 per hour - plus other key issues including proposals to remove all confectionery from the till point to help combat Scotland's growing problem with obesity.

He also discussed with the First Minister the aggressive expansion of the large multiples in the convenience sector as well as the threat to sales of the Scottish Government's policy on minimum unit pricing on alcohol.

### Study Tour: Edinburgh

This year's study tour took place in Edinburgh and the surrounding area. Delegates visited nine stores and the SGF Gold Members participating were impressed by the way local stores had adapted to serve their communities.

### Parliamentary Debate

Politically, the SGF's profile was enhanced when the SNP's Gordon MacDonald, MSP for Edinburgh Pentlands, sponsored the first-ever debate on convenience stores in the Scottish Parliament in August.

He expressed concern at the impact and expansion of the 'Big Four' supermarkets as well as discounters such as Aldi and Lidl while the Minister for Enterprise, Fergus Ewing MSP, 'pledged' to work with convenience store retailers on the issues identified as creating a barrier to success.

### Independence Referendum

This, of course, was a very significant year for all Scots. Not only was it the 700th anniversary of the Battle of Bannockburn but it was the year when Scots would have the opportunity to vote on whether or not they wanted to live in an independent Scotland. The referendum was held on September 18.

While it was the SGF's duty to take a neutral stance it also had a responsibility to inform members on key issues and hosted a debate led by Blair Jenkins, chief executive of the Yes campaign and Jackson Carlaw, a senior Conservative MSP who represented the Better Together campaign. The SGF also organised a referendum event chaired by Gary Robertson, the BBC presenter.

The result of the referendum was a clear victory for the No vote with 55% against independence and 45% in

favour of an independent Scotland. But the result also meant that the whole political landscape had changed. The SNP gained around 100,000 new members in the months following the referendum the vote while the Smith Commission was set up by the UK Government to oversee the process to take forward the devolution commitments on further powers for the Scottish Parliament.



Professor Leigh Sparks of the University of Stirling

### First Minister Addresses Conference

The SGF's clout as a high-profile trade association saw Scotland's First Minister Alex Salmond MSP accept an invitation to give the keynote address at the October conference at Hampden Park in Glasgow. He recognised that convenience stores would play a vital part in Scotland's economic future.

Local multiplier effect research by Professor Leigh Sparks of the University of Stirling had shown that the average convenience store invests between £250,000 and £440,000 in the local economy each year with the profile

of the sector further enhanced when the Scottish Parliament debated the motion *The Contribution by Convenience Stores to the Economy*.

### Deposit Return Scheme

With Environment Secretary Richard Lochhead's desire to see the introduction of a deposit return scheme (DRS), the SGF joined other trade associations and companies operating across the drinks and food packaging supply chain as members of a new group - the Packaging Recycling Group Scotland - set up to work closely with the Scottish Government to help boost recycling, reduce waste and support the new Scottish anti-littering strategy.

# 2015

THIS would be another big year – and one of considerable change – for the SGF as chief executive John Drummond announced his decision to retire in April after leading the organisation for nearly 10 years.

SGF President Abdul Majid led the tributes to John, stating that he had given the SGF the credibility and integrity to become a highly-effective political engagement organisation. Said Abdul: “Key policy and decision-makers view SGF as being an organisation that they can do business with. He has taken us to a new level and transformed our ability to advocate on behalf of our members.”

The SGF wasted no time in announcing well-known Spar retailer Pete Cheema as the new chief executive. Pete had been a member of the National Executive for 16 years and, of course, served as President from 2006-08. He would go on to guide the Federation through considerable change, tapping into his vast experience as both a retailer and businessman and taking the SGF into unprecedented territory by changing the Constitution five times and truly bringing the trade association into the 21st century.

### Scottish Parliament Exhibition

Over a three-day period in early January, the SGF and SLR teamed up to host an exhibition in the Scottish Parliament, highlighting the role that local convenience

stores play in their communities, both in terms of engagement and from an economic perspective.

More than 80 MSPs stopped by the exhibition and the feeling was that there was a genuine desire to stand up for small local stores in the face of increasingly aggressive moves by supermarkets and the discounters. First Minister Nicola Sturgeon also dropped by the stand on numerous occasions, as did her predecessor Alex Salmond and Scottish Labour leader Jim Murphy.



Abdul Majid with Alex Salmond



Patrick Harvie with Abdul Majid

The event, sponsored by Gordon MacDonald, the SNP MSP for Edinburgh Pentlands, who had also sponsored the first-ever debate on convenience stores in the Scottish Parliament in August 2014, was well supported by SGF members with President Abdul Majid, Vice-President Dennis Williams and Saleem Sadiq of Spar Renfrew in attendance.

This event's success led the SGF to explore the creation of a Scottish Parliament Cross-Party Group on Convenience Stores.

### Political Involvement

Later in the year, as a direct result of the exhibition in the Scottish Parliament, SGF past-President Græme Knowles hosted an

official visit by Public Health Minister Maureen Watt MSP to his Nisa store in Aberdeen, explaining how the SGF Healthy Living Programme was being implemented.

Meanwhile, Saleem Sadiq of Spar Renfrew welcomed Minister for Transport Derek Mackay MSP at his award-winning store while Finance Minister and Deputy First Minister John Swinney MSP agreed to meet the SGF to discuss key issues including the impact of a living wage and combating the illicit trade in alcohol and tobacco.

### General Election

The remarkable success of the SNP at the General Election in May when 50 SNP MPs were elected alongside one Labour MP and one Conservative MP created opportunities for the SGF to present its case in a number of areas. An infographic was sent to all Scottish MPs with information on the number of convenience stores in Scotland and the number of jobs they provided.

### First Minister Address Conference

*Opportunity Knocks* was the theme of the Annual Conference, this year a two-day event – another first for the SGF – in October. The business seminar took place at Gogarburn, the global headquarters of the Royal Bank of Scotland, now a corporate member of the SGF, with First Minister Nicola Sturgeon the keynote speaker.



Nicola Sturgeon with SGF staff

Organised in partnership with *55 North/SLR magazine*, the event began with a Gold Members' dinner on the Wednesday evening followed by a well-attended suppliers' exhibition on Thursday morning attended by 100 retailers – the result of a lot of hard work by SGF staff.

Antony Begley, publisher of *SLR*, chaired a Thursday afternoon seminar featuring a series of 10-minute presentations. Other speakers were from Zero Waste Scotland and the *SGF Healthy Living Programme* while retail expert Professor Leigh Sparks of the University of Stirling and Leicester retailer Raj Aggarwal also gave presentations. Breakout sessions allowed retailers to discuss how various companies could help them to improve their businesses.

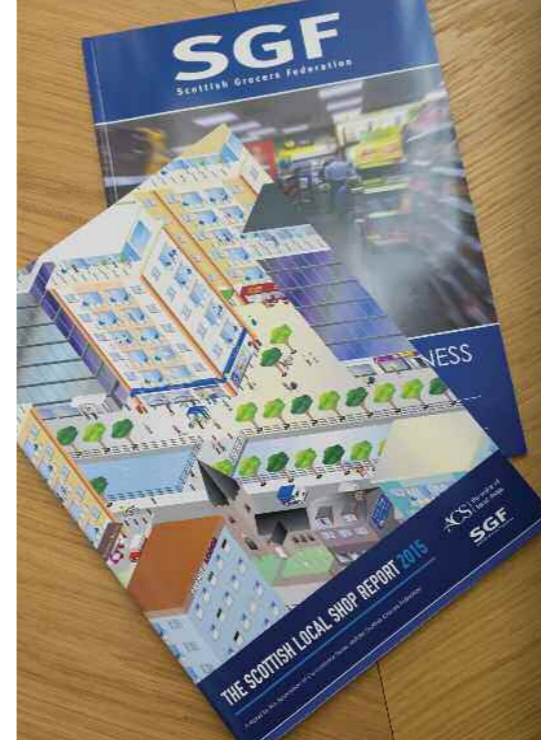
Day two of the conference was chaired by Sandy Wilkie of Müller Wiseman and included presentations from RBS chief economist Stephen Boyle, Ed Sibley from him! and the SGF's John Lee. Chief executive Pete Cheema updated delegates on a wide range of SGF issues.

Nicola Sturgeon, Scotland's First Minister, thanked local retailers for the work they carry out on a daily basis, and encouraged everyone to work with the Scottish Government for mutual benefit. She said that the basic principles of serving consumers and local communities remained at the heart of what local shops did, and what makes them special.

#### Planning for the Future

President Abdul Majid, addressing the conference, highlighted substantial progress made by the SGF as it forged ahead with plans to strengthen the organisation. These included working much more closely with Corporate members in order to provide them with value for money for their investment in the SGF.

Abdul also revealed that the National Executive was looking to make changes to the SGF's Constitution and tap into the expertise of Executive members, using their unrivalled knowledge and experience to help members be more successful and profitable, and also create platforms to enable the SGF to contribute to debates on the wider industry.



The Scottish Local Shop Report

#### Study Tour to Musselburgh

This year's event saw an innovative twist on the traditional SGF Study Tour when a large group of some of the industry's leading lights visited Musselburgh in East Lothian. The delegates travelled in 'undercover' mode to check out the town's many discounters and learn from the fastest-growing sector in grocery.

#### New SGF Website

As part of an overall review led by Pete Cheema, the SGF website was updated with a fresh design that was easier to navigate and compatible with mobile phones and tablets. A members' only area was also created.

## Local Shop Report

Other big news at the conference was the launch of the first-ever **Scottish Local Shop Report**. The data in the report would be used to drive home the importance of the independent convenience store sector to key policy and decision-makers in the run-up to the Scottish election in 2016.

Recognising the growing importance of the views of the SGF, the Scottish Parliament congratulated the Federation on the launch of the report and welcomed its findings. It revealed that there were **5,602 convenience stores in Scotland, with the country accounting for more convenience stores per head of population than the rest of the UK. The report, developed in partnership with the ACS, confirmed that the local shops sector in Scotland provided 44,000 jobs. Between 2014 and 2015, turnover in the sector increased by 5%: in Scotland, this resulted in one new store opening every week.**

# 2016

THE SGF kicked off 2016 in style with the parliamentary launch in January of the *Scottish Local Shop Report* at Holyrood. Leaders of the main political parties and former First Minister Alex Salmond attended the event at the Scottish Parliament where 30 MSPs were presented with their own copy of the report.

The report, which had already been welcomed during a debate in the Chamber as a significant resource for MSPs in understanding the importance and impact of the independent convenience store sector in Scotland, had attracted widespread coverage in the trade and wider business press when it was first launched at the 2015 Annual Conference.

Scottish Labour leader Kezia Dugdale and Scottish Conservative leader Ruth Davidson were both present to discuss the findings of the report with key SGF retailers while Alex Salmond agreed to arrange a meeting between the SGF and the SNP parliamentary group at Westminster to discuss the impact of reserved issues on the convenience store sector in Scotland.

The Holyrood launch event formed part of a campaign of political engagement by the SGF in the run-up to the Scottish Parliament election in May and coincided with a rallying call by chief executive Pete Cheema

to every candidate standing to 'visit their local store and get behind the counter to get to grips with the real issues facing our industry'.

## Creating an SGF for the Future

In the same way that major companies overhaul their strategies and the way they operate, it had become apparent for some time that there was a need to restructure the SGF to make it more relevant to its members in a world where collaboration, connectivity and community were on track to become increasingly important in business.



Ruth Davidson with her copy of the report

Since taking up the post of chief executive in 2015, Pete Cheema had been quietly working away behind the scenes to put new procedures in place and, in partnership with the National Executive, he had adapted its structure – including the Constitution – to work more effectively for members. This included changes to the SGF Board, PGMA (Scotland) and the *SGF Healthy Living Programme*.

The new strategy also included incorporating CLAN – communication, lobbying, advice and networking – at the core of everything the SGF does and stands for.

Collaboration – with members, suppliers, trade associations and other stakeholders – was another key facet. A memorandum of understanding with the Association of Convenience Stores (ACS) was introduced – 10 years after the last one when Pete was president in 2006, his longstanding relationship with ACS chief executive James Lowman instrumental in strengthening the links between the two groups.

Meanwhile, research was playing an increasingly important role in SGF policy with our influential *Scottish Local Shop Report* – produced in partnership with the ACS – and annual crime survey both contributing to the formation of the Scottish Parliament Cross Party Group on Independent Convenience Stores. This influential group was a major breakthrough in the SGF's political engagement work.

## Proposed Deposit Return Scheme

With the proposed deposit return scheme (DRS) still very much a concern for SGF members, environment agency Zero Waste Scotland (ZWS) asked for evidence on the feasibility of implementing a scheme in Scotland.

Pete Cheema led a joint response from the SGF and Association of Convenience Stores, voicing serious concerns about a DRS and pointing out the challenges retailers would face in terms of bureaucracy, physically storing and processing the anticipated high levels of returns envisaged, and the increased cost for consumers. The response also expressed concern that a DRS would throw into reverse the considerable progress Scotland had made in implementing kerbside recycling services.

In the summer, Pete and John Lee travelled to Sweden to assess the systems in place there. Figures showed that DRS recycling levels in Sweden were 78%. However, figures collated in Scotland would go to reveal that kerbside recycling accounted for 74% in 2017. It is worth noting that DRS has been used in Sweden for nearly 20 years!

## First Dinner for Gold Members

President Abdul Majid welcomed suppliers to the SGF's first-ever Gold Members' Dinner. This successful and enjoyable event provided an excellent opportunity for suppliers to network with National Executive members in a relaxed environment.

## Policy & Public Affairs

With the SGF continuing to adopt an increasingly high profile at the Scottish Parliament, the SGF highlighted three key areas of focus:

- Policy and legislation
- Informing and influencing
- Creating effective partnerships

The strategy was designed to enable the SGF to invest resources in areas requiring ongoing development and solutions in a business environment heavily influenced by national and local government legislation, regulations and ever-changing policies.

## SGF Benevolent Fund

President Abdul Majid reminded members that the SGF Benevolent Fund continued to provide financial help to those in need, including members' staff and others associated with the trade. The Grocery Aid helpline was now operated in partnership with the SGF, providing a 24-hour service seven days a week to those in need of help and support.

## Retail Crime Seminar

The *SGF Retail Crime Report*, launched at the inaugural SGF Retail Crime Seminar in February, revealed that in 2015, 92% of convenience store retailers experienced some form of shop theft – almost one-quarter on a daily basis.



SGF chief executive Pete Cheema with Assistant Chief Constable Kate Thomson at the launch of the 2016 Scottish Crime Report

Published in partnership with the Scottish Business Resilience Centre, the report also contained a comprehensive guide to increasing security and preventing crime in-store. This crime survey also showed that most of the threatening and abusive incidents towards staff were triggered either by a refusal of a sale or requests for ID.

The seminar highlighted the case of retailer Mohammed Jawed who was subjected to a violent attack in his Glasgow store, leading the SGF to issue a call for the Scottish Government to bring forward legislation to give shop workers the same legal protection as emergency workers. The SGF revealed that this would be a key part of its manifesto for the forthcoming Scottish Parliament election.

Keynote speaker at this event was Assistant Chief Constable Kate Thomson of Police Scotland, who launched the Standards Charter for Safer Business, developed by the SGF and the Scottish Business Resilience Centre and endorsed by Police Scotland.

It provides a step-by-step checklist for ensuring businesses reduce the opportunities for a crime to occur. A key theme of the seminar was the importance of partnership working to deal with and reduce in-store crime.

Paul Wheelhouse MSP, the Minister for Community Safety, requested that copies of the report and Charter be sent to him in advance of a meeting with the SGF to discuss how new legislation can be developed.

## Proxy Purchasing

This contentious issue remained a major problem for retailers who sell alcohol and Dr John Lee, the SGF's head of policy and public affairs, highlighted the success of the *You're Asking For It* campaign in North Lanarkshire. The campaign, focused on the Wishaw and Motherwell areas, had led to significant reductions in crime and anti-social behaviour. John, chairman of the campaign group, described it as an excellent example of Police Scotland and SGF working in partnership.

## Study Tour: Scottish Borders

The 2016 SGF Study Tour took place in the Borders for the first time with a delegation of over 50 retailers, wholesalers and suppliers travelling to Galashiels on the new Borders Railway to see how it is helping to open up the area for inward investment and tourism. Supported by Abellio ScotRail, the event



2016 Study Tour

heard presentations from Sandy Bell, executive member for economic development on Scottish Borders Council, retailers Richard Garrie and Angus Towers of Tweed Bank Stores in Galashiels, Hawick Spar retailer Kathryn McCusker, and Annika Meiklejohn of the local Tempest Brewery in Kelso.

Phil Prentice, CEO of Scotland's Towns Partnership, also spoke, highlighting the number of high-quality and niche producers throughout the region who are working with dedicated retailers to help keep alive the commercial heart of Borders towns and villages. SGF chief executive Pete Cheema rounded off the day, reiterating the great opportunities for economic development presented by the Borders Railway.



This was a hugely successful study tour and marked a significant change of format from previous events which many participants felt were akin to 'guided bus tours'. By introducing a much more structured event with carefully focused elements, delegates were able to digest more of the content and take on board the points raised that were of specific interest to them.



The Scottish Parliament Cross Party Group on Independent Convenience Stores meets at Holyrood

## Scottish Parliament Cross Party Group on Independent Convenience Stores

**Around 50 retail representatives gathered for the first meeting of the Scottish Parliament Cross Party Group on Independent Convenience Stores. This was a historic and significant occasion for both the SGF and wider industry and a major step forward in enabling retailers to meet regularly and engage with MSPs to voice their views on the issues of the day affecting stores the length and breadth of Scotland.**

**SNP MSP Gordon MacDonal, a key player in establishing and championing the group, was elected convener with the SGF's head of policy and public affairs, John Lee, appointed secretary. John described the group as a 'unique platform for bringing everyone in our sector together' and said it had the potential to set the agenda on key issues that would affect SGF members and the wider convenience trade.**

## SGF Slams Sugar Tax

The SGF expressed strong disappointment at the UK Chancellor's announcement in the Budget that a sugar tax was to be levied on the soft drinks industry in a bid to curb the country's obesity. The levy, to be introduced in April 2018, would have serious implications for independent retailers, the SGF warned.

Chief executive Pete Cheema said the Chancellor 'completely ignores the efforts taken by the soft drinks industry to reformulate their products, promote low or no-calorie alternatives and the commitment not to advertise high sugar soft drinks to under-16s'. He said retailers were concerned that the measure would most likely pass on the cost to consumers despite the Chancellor suggesting last year that the obesity problem would be best tackled in other ways.

## Annual Conference

This year's Annual Conference - themed *Thrive in an Era of Change* - returned to the Royal Bank of Scotland's Gogarburn conference centre with Bellshill's Abdul Majid handing over the chain of office to new President Dennis Williams of Premier Broadway, Edinburgh - an independent retailer with 30-plus years' experience in business.

In his first address as President, Dennis outlined some of the big issues facing

members including: banking charges, commission rates and the National Minimum Wage. A key focus, he said, would be to bring retailers, symbol groups and suppliers together to harness collective strength and he pledged to visit as many members stores as possible during his time in office.

Other speakers included chief executive Pete Cheema, head of policy and public affairs John Lee, RBS economics adviser Marcus Wright and Fergus Ewing, Cabinet Secretary for the Rural Economy and Connectivity who praised the SGF's efforts in a number of areas including the *SGF Healthy Living Programme*.

## SGF Exhibition at Holyrood

For the second year running the SGF staged an exhibition at the Scottish Parliament in order to engage with MSPs and highlight the importance of the independent convenience store sector. The SGF also launched its 2016 Scottish Local Shop Report, presenting copies to First Minister Nicola Sturgeon and the opposition party leaders Ruth Davidson, Kezia Dugdale and Patrick Harvie.

The event received excellent coverage in the press and on social media channels including Twitter, with MSPs tweeting and retweeting posts about the new report and also the importance of supporting local shops - another key reason for holding the exhibition at Holyrood. The First Minister follows the SGF on Twitter.

## SGF Visits 10 Downing Street

Chief executive Pete Cheema and John Lee, head of policy and public affairs, travelled to London for a meeting with Lord Andrew Dunlop, the Under-Secretary of State for Scotland at 10 Downing Street as a follow-up to his keynote address at the SGF's Success in Scotland summit in March.

A key topic for discussion was the increasing involvement of companies like Amazon in providing online grocery shopping with the SGF concerned that these companies often receive tax advantages which could give them a competitive edge and put more pressure on independent retailers in an already competitive UK grocery retail market. Lord Dunlop instructed officials to send the SGF a paper outlining the steps the UK Government was currently taking to ensure a level playing field on tax and invited comments.

The Under-Secretary of State also stressed that the UK Government recognised the importance of the independent convenience store sector



Lord Dunlop, Pete Cheema and John Lee

and said the Scotland Office was committed to strengthening its relations with the SGF and its members. Scotland Office officials also pledged to work with the Cabinet Office to secure the attendance of a Cabinet Minister at the SGF's Annual Conference.

This important visit – the day before the Brexit vote – ended with a tour of 10 Downing Street and chance encounter with Larry, the Downing Street cat.

## 2017

THE SGF started off the year with a healthy increase to both its Retailer and Corporate membership with new members including symbol group franchise One Stop. Chief executive Pete Cheema reiterated the need for the industry to be united and work together in view of all the changes taking place.

### An Evolving Marketplace

Nothing ever stands still and the retail industry is known for its resilience in the face of change. In 2017, there was more change than most of us could possibly have imagined – even the most seasoned retailers and industry player in our midst. Some of the highlights were:

- Booker and Tesco got the green light from the Competition and Markets Authority (CMA) for their £3.7bn merger – Booker CEO Charles Wilson would go on to be named Tesco UK CEO in February 2018. In July, Tesco had axed 1,200 at its head office.
- Over 75% of Nisa's members elected in favour of a £137.5m takeover bid from the Co-op
- Palmer & Harvey, which supplied 90,000 grocery and convenience stores including Costcutter, Tesco and Sainsbury's, collapsed into administration, sending shockwaves throughout the industry

- McColl's struck a deal with Morrisons which would see the supermarket become sole supplier to the convenience store and newsagents' chain – and resurrect the Safeway brand
- Aldi revealed ambitious plans to quadruple store numbers across the UK

### Healthy Living Programme

There was a boost for the SGF Healthy Living Programme in the form of recognition from the Scottish Parliament for past-President Abdul Majid's work in promoting the scheme and providing a full range of healthy foods to local schools in his area and, of course, his customers.



First Minister Nicola Sturgeon shows her support for the Healthy Living Campaign with Bellshill's Abdul Majid and programme director Ross Kerr

## SGF Mini Summit

The SGF's Mini Summit at the end of April attracted a high-profile line-up of speakers, including Charles Wilson, CEO of Booker and Keith Brown, Cabinet Secretary for Economy, Jobs and Fair Work. This year's summit focused on technology – an area which will continue to be crucial for retailers in responding to changing shopping patterns and customer behaviour.



SGF chief executive with Booker's Charles Wilson, now CEO of Tesco UK

The programme itself, sponsored by the Scottish Government, continued to grow from strength to strength during 2017 with an uplift in the number of healthy eating days in convenience stores where pupils from local primary schools visit. Indeed, almost 3,000 children attended these excellent events during the year with retailers benefiting from increased footfall and stores getting closer to their communities.

### Adapting to Change

A report by the Institute of Grocery Distribution (IGD) examining how the 'post-millennials' – those born between 1992-1999 – will shape the future of shopping in the food and grocery industry predicted that they will have more spending power and influence. Key factors in meeting their needs will be time and convenience, according to the report, so the industry must be prepared to respond to this age group's different approach to preparing meals or lose out.

Meanwhile, a report in *The Grocer* revealed that the impacts of Brexit were hitting with the cost of bread, beans and beer all seeing price hikes and shoppers set to abandon brands that passed on the inevitable inflationary impact of the UK's planned exit from the EU. Later research by the leading trade magazine showed that key grocery lines could rise 30% with a zero tariff deal post-Brexit.

## Plain Packaging and ECigs

New plain packaging rules for tobacco came into force on May 20 and the SGF published *A Guide to New Regulations: Nicotine Vapour Product and Tobacco Compliance in Scotland* to guide retailers through the new legislation. Legislation on the sale of ECigs also came into force on April 1 which means that young people under 18 years old cannot buy these products and must have permission to sell tobacco and cigarettes papers.

This was produced in conjunction with the Scottish Government – the first time that a compliance guide of this kind has been produced with the full support and endorsement of the Scottish Government.

### Launch of AWRS

April 1 marked the launch of an online service that will allow those who purchase alcohol for onward sale to check that their UK wholesaler is approved under the Alcohol Wholesale Registration Scheme (AWRS). This service, welcomed by the industry, lets retailers and other trade buyers check a wholesaler's unique reference number (URN) against the HMRC register of approved wholesalers.

The scheme was brought in to stop illegal alcohol, where duty has not been paid, entering the supply chain. Trade buyers who buy from UK wholesalers which have not been approved by HMRC risk having their stock seized, fines or even a criminal conviction.

### Top Award for SGF

It's always good to be recognised for achieving outstanding results and the SGF, in a UK-wide competition, was named Best Food and Drink Trade Association by leading industry publication *Trade Monthly Magazine*. Its 2017 Food & Drink Awards raised a glass to the SGF whose staff had demonstrated how innovative thinking and tireless effort could lead to huge success.

### Planning Gateway

A long-time supporter of helping members navigate their way round local planning applications, the SGF took a major step forward in enabling its retail members to easily access information on planning applications and local development plans. The new Planning Gateway, available on the SGF website, provides members with a direct link to every local authority planning portal in Scotland with additional links to every local development plan.

Each local development plan shows where retail development can be sited within each new enterprise, business and housing zone. Planning issues are vital in enabling members to assess the level of competition.

### SGF Meets with RBS

SGF chief executive Pete Cheema and Dr John Lee, head of policy and public affairs, met with RBS in London to discuss how the bank's proposed plans for further branch closures would impact on business and



Pauline Mullen, PA to the chief executive and Pete Cheema with the award



Dr John Lee, SGF head of policy and public affairs

## SGF Strengthens Partnership with STP

**SGF chief executive Pete Cheema was appointed to the board of directors of Scotland's Town Partnership (STP), an organisation which represents and promotes the diversity of Scotland's towns and places, and supports those organisations and groups that have an interest in, or ownership of them. There are almost 500 towns in Scotland.**

**The two organisations went on to join forces to deliver the SGF Study Tour in September, looking at business investment in Scotland's towns.**

investigate alternative banking options for SGF members. SGF also invited RBS to join the Scottish Parliament Cross Party Group Sub-Group on Convenience Stores and Communities.

### 99 Not Out!

With the SGF fast approaching its centenary, *99 Not Out!* was an apt theme for the 2017 Annual Conference with President Dennis Williams at the helm. Taking place once again at RBS Gogarburn, the conference attracted a stellar line-up of speakers,

retailers, suppliers and guests with Fergus Ewing MSP, Cabinet Secretary for the Rural Economy and Connectivity and legendary Scottish entrepreneur Sir Tom Farmer among those addressing delegates.

The Cabinet Secretary announced a new £250,000 capital investment programme to support small independent grocers introduce Food to Go stations within their stores meaning that the Scottish Government-backed fund will provide small grants covering 50% of the cost of refitting the store, new equipment and displays as part of efforts to support small businesses.

He said: "Food to Go is fast becoming a growth market for many retailers but introducing the offer comes at an additional cost which can present a challenge to small independent grocers who are already operating on tight margins.



Cabinet Secretary Fergus Ewing addresses the conference at RBS Gogarburn

“This competitive fund will provide some much-needed support to those who want to diversify and expand their offer to consumers. It will also provide a great opportunity to further showcase the best of Scottish produce and encourage a shift towards healthier options.”

It was confirmed that the investment programme will be administered by the SGF with applications opening early in 2018.

### Honorary Members

A number of Honorary Member awards were made at the 2017 conference, including long-time supporter Sandy Wilkie of Wiseman’s (now Müller UK & Ireland). Sandy is pictured with SGF chief executive Pete Cheema and President Dennis Williams. Other recipients were:

- Tom Wilson, President, 1980/81 and 1986/87
- Ian McDonald, JW Filshill
- Alan McCaffer, PepsiCo
- Bep Dhaliwal, Mars Chocolate

As in previous years Honorary Members were presented with a certificate authenticating their membership. This year, however, in addition to the certificate they also received a special blazer, recognising their place in the SGF’s illustrious history.

### SGF Long Service Awards

The conference also saw a number of long-serving staff presented with a gift to recognise their continued contribution to



*Sandy Wilkie (top), Tom Wilson (centre) and Ian McDonald (above) receive their SGF Honorary Memberships from chief executive Pete Cheema and President Dennis Williams*

the Federation. Pauline Mullen, Jim Amabile, Margaret Bain, Margaret Haig, Linda Edington and Marion Smith were all recognised for their support.

### Minimum Unit Pricing

After much debate and deliberation, the Scottish Government announced that it would introduce minimum pricing (MUP) for alcohol on May 1, 2018 with the move designed to raise the cost of the strongest, cheapest alcohol and the price expected to be set at 50p per unit. Health Secretary Shona Robison said the measure was needed to tackle the problems caused by cheap, high-strength alcohol.

The Scottish Parliament had passed the legislation five years earlier but a legal challenge by the Scotch Whisky Association had delayed its implementation until November 2017 when the Supreme Court ruled that it did not breach EU law.

It was later confirmed by the Scottish Government that the SGF would produce a guide for retailers to help manage the change to MUP. This also proved significant in cementing the working relationship between the SGF and the Scottish Government – going a long way in highlighting the fact that the trade association was now seen as a trusted brand by the key players within the Government and the Parliament.

### Communications and Technology

SGF moved further into the 21st century by upgrading its communication systems. Not only did we introduce the SGF App, available on all mobile devices and offering

updates on our policies and events, but we also increased our presence through Facebook, Twitter and LinkedIn.

### Protection of Shopkeepers

One of SGF’s biggest achievements in 2017 was undoubtedly in relation to its work on retail crime. Working with Daniel Johnson MSP, we have taken forward legislation to the Scottish Parliament to give shop workers the same legal protection from assault and abuse that emergency workers currently have. A public consultation was launched in November, and this was the first time that the SGF had sponsored legislation in the Scottish Parliament – a testament to the reach and influence of the organisation with key policymakers.

### Deposit Return Scheme

Another significant piece of legislation being proposed by the Scottish Government is the deposit return scheme. This will have an impact on all stores across the country as they will be expected to offer a scheme to allow consumers to return drinks containers to stores for recycling. The SGF has worked directly with Zero Waste Scotland and the Scottish Government to explore the most efficient solution for the convenience sector.

### Proxy Purchasing

In association with Police Scotland, the SGF was involved in producing a training video for members in handling attempts of proxy



The 2017 SGF Study Tour saw members visit Inverclyde

purchasing in stores. This video would be launched at the SGF Crime Seminar in February 2018 and feature chief executive Pete Cheema and Dr John Lee, policy and public affairs adviser.

### Staffing

The workload of the Federation grew dramatically throughout the year, allowing us to increase our staff. We welcomed an events and communications assistant to the SGF along with a policy and public affairs assistant.

### Study Tour to Inverclyde

All roads led to Inverclyde in the west of Scotland for the SGF's 2017 Study Tour. Working alongside host Riverside Inverclyde, participants had the opportunity to see some of the recent regeneration of the area and its three towns: Greenock, Gourock and Port Glasgow.

The group included retailers, wholesalers and suppliers with *SLR* editor Antony Begley and Phil Prentice of Scotland's Towns Partnership also taking part in a packed itinerary comprising presentations, site visits, a walking tour and a guided bus trip.

Riverside Inverclyde's chief executive Fiona Maguire welcomed delegates as they disembarked at Gourock station - an entirely rebuilt transport hub that has kick-started a raft of knock-on investment in the area. Delegates later moved on to Greenock for a tour of Golden Casket, producer of confectionery brands Millions and Buchanan's, and one of the largest employers in the region.

Speakers included Græme Galbraith, manager at James Watt Dock Marina and Martin McAdam, chief executive of the yet-to-be-built Ardgowan Distillery in Inverkip.

## 2018

IT'S our centenary year and January got off to a busy start with Edinburgh Southern MSP Daniel Johnson publishing his consultation proposals for a Members' Bill that will create new offences around assault and abuse of workers who are involved in the sale of age restricted items like alcohol and tobacco.



Daniel Johnson MSP

Johnson, the Scottish Labour Party frontbench spokesperson on Justice, has worked closely with the SGF on his Bill designed to protect shop workers. STV interviewed SGF chief executive Pete Cheema on the subject, further raising awareness of the issue. SGF members were encouraged to respond to Johnson's *Protection of Retail Workers Consultation* which closes on April 20.

### SGF-Scottish Government Capital Investment Programme

The new £250,000 capital investment programme to support small independent grocers introduce Food to Go stations in their stores, announced by Rural Economy Secretary Fergus Ewing at the 2017 SGF Conference, was launched on January 31 with applications accepted from March 1.

Food to Go stations offer a range of fresh hot and cold food and drink to customers and the Scottish Government-backed fund will provide small grants covering 50% of the cost of refitting the store, new equipment and displays as part of our efforts to support small businesses. The grant will be administered by SGF.

### ATM Interchange Fees

LINK, the body that co-ordinates most of the ATM network and sets rules for ATM providers, confirmed that it will reduce interchange fees by 20% over a four-year period from 25p to 20p per transaction. The first 5% reduction, from 25p to 23.75p, will take place on July 1. Fees will then reduce a further 5% on January 1, 2019. Further 5% reductions in interchange fees are expected in January 2020 and 2021.

### Cross Party Group on Independent Convenience Stores

The group's January meeting discussed *Illicit trade: Scaremongering or a real threat to businesses?* Police Scotland and HMRC gave

a joint presentation on the negative impact and effect of illicit trade on businesses, the wider economy and society. Kenny MacAskill, the new chair of the Scottish Anti-Illicit Trade Group, was the key speaker and stated: "Make no mistake: illicit trade impacts on every sector of the economy."

### **Saving Energy in Scotland**

Small businesses in Scotland could save up to £8,000 on average each year simply by making energy-efficiency improvements. Paul Wheelhouse MSP, the Minister for Business, Innovation and Energy, announced a new 30% cashback incentive scheme to help businesses tackle rising energy costs and reduce their carbon footprint.

For a limited time only, eligible small and medium-sized businesses (SMEs) applying for an interest-free, unsecured Scottish Government loan can receive 30% cashback on the value. That's up to £10,000 in cashback on completion of their energy efficiency improvements.

### **Deposit Return Scheme**

In what was a busy January the SGF met with MSPs Maurice Golden and Donald Cameron to discuss the likely implications of a deposit return scheme (DRS) for the convenience store sector in Scotland. The SGF outlined the current levels of recycling in Scotland and discussed the concerns and challenges that DRS could potentially present to members.

The SGF, in February, organised a two-day visit for representatives of TOMRA, one of Europe's leading suppliers of reverse vending machines. This provided TOMRA with the opportunity to visit a number of SGF members' convenience stores then participate in an informative Q&A session over dinner.

### **Scottish Parliament Lobbying Register**

SGF officials also met with the Scottish Parliament's Lobbying Register Team in January to discuss the Lobbying (Scotland) Act 2016 which comes into force on March 12. This will see the introduction of a Scottish Parliament Lobbying Register, designed to record regulated lobbying – lobbying which takes place face to face with MSPs, members of the Scottish Government, special advisers or the Permanent Secretary and which relates to Scottish Government or Parliamentary functions.

### **SGF Gold Members' Drinks Reception and Dinner**

SGF Gold Members had an enjoyable evening at their drinks reception at the Holiday Inn Edinburgh City West. This provided opportunities for members to network and also discuss the latest developments in the retail sector.

### **Paper £10 Banknotes**

All paper £5 and £10 notes will be withdrawn from circulation on March 1. Issuing banks will continue to accept all Scottish notes from

## **Minimum Unit Pricing for Alcohol**

**Health Secretary Shona Robison confirmed the Scottish Government will recommend that the minimum price per unit of alcohol should be set at 50p. The decision was made following analysis of the public consultation, and the recommended price will now be laid before the Scottish Parliament.**

**The MUP will be implemented on 1 May and there will be no exemption period. Retailers were advised to take this into account when purchasing stock – this was one of the issues raised in January when the SGF attended a meeting chaired by the Scottish Government at which retailers had the opportunity to discuss the implementation of MUP from a retail perspective.**

**In partnership with, and support from the Scottish Government, the SGF will also produce a smaller retailers' guide on the implementation of MUP to ensure members are fully compliant with the MUP regulations. It was agreed that this would be in both hard copy and digital formats, and on the SGF app – the guide will be ready in advance of 1 May.**

their own customers after this date. These can be either deposited into their bank account or exchanged for polymer notes.

Royal Bank of Scotland, Clydesdale and Bank of Scotland have also agreed that they will exchange their own paper £5 and £10 notes from non-customers up to the value of £250. Other banks, building societies and The Post Office may continue to accept and exchange Scottish paper notes after March 1. The withdrawal of Scottish paper notes coincides with the withdrawal of Bank of England £10 paper notes from circulation.

### **Diet and Obesity**

SGF held a round table discussion with members of the National Executive about the Scottish Government's diet and obesity consultation to help inform the SGF's official response to it. Productive discussion took place and the SGF thanked members for providing case study material demonstrating the positive work manufacturers have already ready taken to reformulate many of their products. This information formed part of the SGF's consultation response which was submitted by the January 31 deadline.

### **You're Asking For It Campaign**

Since 2015, the SGF has been heavily involved in a highly successful campaign to combat proxy purchase of alcohol. Local retailers have been at the forefront of the campaign and practical help is now being put in place to enable a national rollout.



The SGF's John Lee with Superintendent Rob Hay of Police Scotland and Councillor Jim Logue, leader of North Lanarkshire Council

Following a rollout in North Lanarkshire, partners in the *You're Asking For It* campaign have developed an online resource to support local authorities and other local partners across Scotland that hope to replicate it. This was launched at an event in Motherwell attended by representatives from 17 local authorities, police from across Scotland, retailers, alcohol producers, health workers and many more. Over 300 retail outlets supported the North Lanarkshire campaign.

#### Crime Seminar 2018

February kicked off with the SGF Crime Seminar at the National Police College at Tulliallan Castle and the launch of the *SGF Crime Report 2018*, along with the *Scottish Safer Business Guide 2018* and the highly



Retailers Lakhvir Singh, Vishal Sarna, Jaspreet Singh Khaira and Bobby Samra at 2018 Crime Seminar

innovative training video on proxy purchase produced by SGF and Police Scotland.

Pete Cheema, SGF chief executive, also highlighted the publication of the Protection of Retail Workers Consultation by Daniel Johnson MSP and urged everyone to respond to it in order to help inform a draft Bill that will ensure that retail workers received better protection from the law.

#### CMA Inquiry into Co-op/Nisa Merger

The Competition and Markets Authority (CMA) launched Phase 1 of its formal investigation into the Co-op/Nisa merger. This phase of the investigation will run until April 23, after which CMA will decide whether to refer the merger for a Phase 2 investigation. A Phase 2 investigation can last up to 24 weeks.

## The Future

The SGF has thrived and survived for 100 years and while there have been many ups and downs we have grown and developed to become a relevant trade association for our members, in tune with the needs of convenience retailers in the 21st century.

### What does the future hold?

No-one can predict what will happen but one thing is certain: the SGF will continue to represent the industry and work with the policymakers of the day to ensure that Scotland's independent retailers and convenience stores have a fighting chance amid increasing competition from the supermarkets and discounters.

#### Green Light for Tesco's Booker Takeover

Tesco's £3.7bn takeover of Booker was given the go-ahead by stakeholders with 85% of Tesco shareholders and 83% of Booker shareholders respectively voting in favour of the merger.

#### MFG Takeover of MRH

The UK's largest service station operator, MRH, was acquired by the second-biggest operator - MFG - in a £1.2bn deal. This acquisition will create the UK's number one operator by number of sites and number two by volume.

#### Scottish Ministerial Working Group on Tobacco

SGF representatives attended the latest meeting of the Ministerial Working Group where smoking prevalence and tobacco control issues were discussed.

#### Relying on Local Retailers

SGF members, always at the very heart of local communities, reminded the general public that 'shopping locally' and supporting independent retailers was crucial when the 'red alert' which brought days of snow and blizzard conditions to Scotland caused supply chain issues.

Reports emerged of convenience stores making deliveries to elderly and vulnerable people in their communities and, of course, staying open for local people who were unable to get to the supermarkets. Panic buying saw supermarkets stripped of stock while local retailers proved more resilient, many updating customers on social media when stocks of bread and milk were available.



## Past Presidents of the Scottish Grocers' Federation



1918/20 J George



1920/21 A T Dunlop



1920/21 Ex-Provost Riddle



1922/23 Ex-Provost Baxter



1923/24 T H Gilmour



1924/25 D Thompson



1925/26 J McClelland



1926/27 R Chalmers



1927/28 W Pennycook



1928/29 D Fisher



1929/30 T Wilkie



1930/32 John Thomson



1932/33 W D McGregor



1933/34 R Dempster



1934/35 James Walker



1935/36 George Gordon



1936/37 J H Stevenson



1937/39 J F Haddow



1939/40 A W Macdougall



1940/43 John Thorburn



1943/45 D K Wilson



1945/47 J S McCallum



1947/49 M Brown



1949/50 James Grant



1950/51 D Adair



1951/52 A L Darling



1952/54 J Wilson Hunter



1954/55 David Sands



1955/56 J A Grossart



1956/57 J C Adam



1957/58 James Haddow



1958/59 W McGregor



1959/60 G Hawthorn



1960/61 W F Douglas



1961/62 W A Horberry



1962/63 T Hood



1963/64 Roy MacFarlane



1964/65 Peter Henderson



1965/66 A J Holman



1966/67 Jack Suttie



1967/68 Malcolm Macleod



1968/69 John Aitken



1969/70 D Woodside



1970/71 A M Morris



1971/72 Jim McGuire



1973/74 A B Aitkenhead



1974/75 R Rogerson



1975/76 Lawrie Dewar



1976/77 John Irving



1977/78 Jim Renwick



1978/80 S F Clarke



1980/81 Tom Wilson



1981/83 John Dwyer



1983/85 Jack Wylie



1985/86 Dougie Edgar



1986/87 Tom Wilson



1987/88 Andrew Nicol



1988/90 Andrew Hood



1990/92 Sandy Gowans



1992/94 Bill Adye



1994/96 Scott Landsburgh



1996/98 David Sands



1998/00 Eddie Thompson



2000/02 Dougie Edgar



2002/04 Jim Botterill



2004/06 Hamish Stewart



2006/08 Pete Cheema



2008/10 Colin Landsburgh



2010/12 Graeme Knowles



2012/14 Robert Sider



2014/16 Abdul Majid



2016/18 Dennis Williams

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## Past Federation Secretaries/Chief Executives of the Scottish Grocers' Federation

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1918-1920

**A F B Lawrence**

Part-time Federation Secretary

1921-1930

**A E Wiltshire**

Federation Secretary

1930-1951

**H J Dryer**

Federation Secretary

1951-1953

**W B Pinkerton**

Federation Secretary

1953-1978

**Archie Alexander**

Federation Secretary

1978-1980

**Peter Bunyan**

Federation Secretary

1980-2000

**Lawrie Dewar**

Federation Secretary/Chief Executive

2000-2005

**Scott Landsburgh**

Federation Secretary/Chief Executive

2005-2015

**John Drummond**

Federation Secretary/Chief Executive

2015

**Pete Cheema**

Federation Secretary/Chief Executive

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## Honorary Members of the Scottish Grocers' Federation

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1981	<b>Tom Hood</b> President 1962-1963
1981	<b>Jack Suttie</b> President 1966-1967
1981	<b>David Woodside</b> President 1969-1970
1981	<b>Archie Alexander</b> Federation Secretary
1982	<b>Roy McFarlane</b> President 1963-1964
1982	<b>Malcolm MacLeod</b> President 1967-1968
1982	<b>John Aitken</b> President 1968-1969
1982	<b>Bruce Aitkenhead</b> President 1973-1974
1982	<b>Roger Rogerson</b> President 1974-1975
1982	<b>Stan Clarke</b> President 1978-1979
1983	<b>May Christie</b> SGF NEX
1983	<b>Ian Adam</b> President 1956-1957
1983	<b>James McGuire</b> President 1972-1973
1983	<b>James Renwick</b> President 1977-1978
1984	<b>John Irving</b> President 1976-1977
1984	<b>Willie McPhail</b>
1984	<b>BenSavage</b>
1984	<b>Geoff Walker</b>
1986	<b>Madge Alexander</b>
1987	<b>Sam Kilburn</b>
1987	<b>Archie McNicol</b> McCurrach's
1989	<b>Michael Kempton</b> Federation Accountant
1993	<b>Lionel Cashin</b> Mars UK
1996	<b>Andrew Nicol</b> President 1987-1988
1996	<b>Walter McCubbin</b> SGF NEX
1997	<b>John Paterson</b> SGF NEX
1998	<b>Sarah Jeffrey</b> MD, PGMA
1999	<b>Calum Duncan</b> SGF NEX
1999	<b>Lambert Munro</b> SGF NEX
2001	<b>Lawrie Dewar</b> President 1975-1976/Fed Sec
2001	<b>Ross Kerr</b> Walkers Crisps
2006	<b>Eddie Thompson</b> President 1998-2000
2006	<b>Scott Landsburgh</b> President 1994-1996/Fed Sec
2008	<b>Dougie Edgar</b> President 2000-2002
2012	<b>Jim Botterill</b> President 2002-2004
2012	<b>David Sands</b> President 1996-1998
2017	<b>Tom Wilson</b> President, 1980/81 and 1986/87
2017	<b>Ian McDonald</b> JW Filshill
2017	<b>Alan McCaffer</b> PepsiCo
2017	<b>Bep Dhaliwal</b> Mars Chocolate
2017	<b>Sandy Wilkie</b> Retired Milkman



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Credit: @ Adam Elder

