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SCOTTISH GOVERNMENT CONSULTATION ON VAPING

The Scottish Government published their 'Tightening rules on advertising and promoting vaping products' consultation in February which they said was aimed at reducing the visibility of them to children, young people and adult non-smokers.

Having looked at the proposals, Scottish Grocers' Federation believe the proposed move to outlaw the promotion of vaping products in Scotland's shops are unjustified and risk hampering the drive for people to quit smoking and have called for these plans to be scrapped, describing them as "bad news" for the mission to make the nation smoke-free.

SGF take the stance that the Scottish Government proposal to ban in-store promotional displays of vaping products flies in the face of expert views - shared in its own consultation on the move - that "it would be a good thing if smokers used them instead of tobacco".

SGF fears the ban would hide a proven route for smokers to quit by switching to a less harmful alternative, setting the national health improvement agenda back. While Scottish convenience stores sell both cigarettes and e-cigarettes, they are committed to playing their part in improving Scotland's health outcomes by reducing tobacco sales and replacing them with sales of vapour products.

SGF Head of Public Affairs Dr John Lee said: "The evidence base presented in the consultation document simply does not justify the measures proposed. It clearly sets out the benefits of using vaping products to stop smoking. That it then makes the contradictory suggestion that displays of them should be

banned is somewhat bewildering. The trouble is that banning the in-store promotion of vaping products will inevitably stall the drive to make Scotland smoke-free by 2034. This is clearly bad news for Scotland's public health."

SGF is advocating the responsible use of vapes as a tool to help smokers kick their habit, highlighting the benefits that they believe they can have in the document Vape To Quit which can be viewed at: www.vapetoquit.scot. SGF is encouraging all its members to respond to the consultation which closes on 28th April – see www.gov.scot/publications/tightening-rules-advertising-promoting-vaping-products-consultation-paper-2022/



PROTECTION OF WORKERS ACT – NEARLY 1400 INCIDENTS REPORTED

The Protection of Workers Act came into force in late August last year - making it an offence to threaten or abuse retail staff. From then up until 1st February 2022 the most recent figures for the PoW Act, show a total of 1396 incidents being reported to the police with them being made up of either abuse or threats (830) or common assaults (560) or serious assaults (6).

SGF Head of Policy and Public Affairs, Dr John Lee commented that: "The hard work and collective effort which was put into having this legislation in place, is paying off as the most recent statistics show. Violence, threats and abuse towards retail staff is unacceptable and those who do this now know that such behaviour will not be tolerated. While every incident is one too many, it is clear, that the Protection of Workers Act is effective, is much needed, and that store owners and their staff are unafraid to use it. Everyone has the right to feel safe at work. We will continue to play our part in getting the message out – Don't put up with it."

The Scottish Grocers' Federation (SGF) also lead the 'Don't Put Up With It' campaign, which encourages retailers to take a zero-tolerance approach by reporting all offences against them and for customers to say thank you for all that local stores do for their communities. Find out more at: www.dontputupwithit.scot/.

SHOULD I SELL MY FREEHOLD PROPERTY AND BUSINESS OR LET IT TO A TENANT? WHICH OPTION IS RIGHT?

Throughout the UK, the two most common property ownership types are freehold and leasehold. So, what's the difference and which option is right for you when considering the sale of your retail business?

Selling the freehold gives the buyer exclusive ownership of the land and property on it, along with any operating business. Subject to warranties and indemnities, you get to walk away from everything and distribute the funds as required.

Granting a new lease means you remain involved and responsible for the 'Landlords Covenants' (obligations). This is important as you cannot simply walk away. What if the tenant fails, what if the property burns down or needs repairing?

The landlord leases out the property on lease terms agreed between the parties at the outset. The RICS "Code for Leasing Business Premises" provides a helpful checklist of principal terms to negotiate before approaching the legal process of granting a lease.

Selling a business and property freehold generally results in much larger proceeds and the opportunity to start afresh. Yet becoming a landlord and selling the goodwill of the business via a new lease is also a fantastic option to consider. Capital growth through the movement in freehold property prices can be attractive, alongside retaining a steady rent from your tenant, which turns your original business into an investment. There are tax implications here so make sure to seek tax advice too.

A significant benefit of taking this route is a much larger buyer pool. A lease premium is likely to be far less than buying freehold, which is affordable to a larger number of buyers.

Unlike in England & Wales, there is no automatic to lease renewal in Scotland. However, a tenant can approach their landlord to discuss their options and agree a solution near the end of the lease.

Some leases have a right of pre-emption, giving the tenant the 'option to buy' at an agreed milestone in the lease. This usually involves a valuation of the property element (bricks and mortar) at that time. This is worth considering if you want to receive some rental income but have a longer-term view to realising full value in the future.



Ultimately, personal preference and circumstances will often determine whether you decide to sell the freehold or grant a lease. As when making any significant financial decisions, you should always seek advice from a qualified professional.

Christie & Co is regulated by the RICS, so we are well placed to provide professional advice. We can help you make the best decision and achieve the best price for your retail business, whether freehold or leasehold. Get in touch with our Scottish retail experts to find out more.

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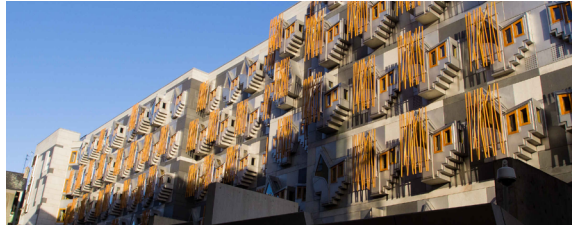
20 MINUTE NEIGHBOURHOODS – SGF PARTICIPATES IN PARLIAMENTARY ENGAGEMENT EVENT

In February, SGF were invited to participate in a stakeholder engagement event hosted by the Local Government, Housing and Communities Committee as part of their scrutiny of the new National Planning Framework 4 (NPF4) which sets out how places and environments will be planned and designed in the years ahead.

The Economy and Fair Work Committee were invited to take part in a breakout session focussing on 20 Minute Neighbourhoods and this was the session attended by SGF.

NPF4 states that “20 Minute Neighbourhoods are a method of achieving connected and compact neighbourhoods designed in such a way that all people can meet the majority of their daily needs within a reasonable walk, wheel or cycle (within approx. 800m) of their home.”

At the session SGF explained that convenience stores would be able to play an important part in 20 Minute Neighbourhoods as they were at the heart of their local communities by providing essential groceries and services which were easily accessed by customers. This had been exemplified during the pandemic when Covid restrictions had been introduced. It was also explained that c-stores provided a local multiplier effect as they provided jobs and economic prosperity for their areas and local suppliers. An example being the SGF Go Local programme which was funded by the Scottish Government and delivered in partnership with



Scotland Food & Drink.

SGF also stated that it was important that a 360 degree view of legislation was taken by government to help stores remain profitable and viable - legislation needed to be sequenced with longer lead-in times to allow retailers to absorb change as convenience stores while being small in size, operated in a highly regulated space. In addition, to help stores remain a strong community asset, traffic and road management decisions made by local authorities required to take into account the needs of stores so that they could continue to receive deliveries on time and for customers to easily travel to and access stores.

The Scottish Parliament will produce a report on NPF4 in due course. You can keep up to date by viewing the Scottish Parliament’s Local Government, Housing and Communities Committee web page at: www.parliament.scot/chamber-and-committees/committees.

NEW NATIONAL LIVING WAGE AND MINIMUM WAGE RATES FOR 2022

The new National Living Wage (NLW) and minimum wage rates for 2022 will start from 1 April 2022. The National Living Wage (for aged 23+) will increase 6.6% from £8.91 to £9.50.

The NLW and NMW rates from next April are set out in the table below:

WAGE RATE	CURRENT RATE	RATE TO APPLY FROM 1ST APRIL 2022	% INCREASE
NATIONAL LIVING WAGE (WORKERS AGED 23 AND OVER)	£8.91	£9.50	6.6
NATIONAL MINIMUM WAGE (WORKERS AGED 21 TO 22)	£8.36	£9.18	9.8
YOUTH DEVELOPMENT RATE (WORKERS AGED 18 TO 20)	£6.56	£6.83	4.1
16 – 17 YEAR OLD RATE	£4.62	£4.81	4.1
APPRENTICE RATE	£4.30	£4.81	11.9

The LPC’s Report on the National Minimum Wage (NMW) and National Living Wage) can be accessed at: www.gov.uk/government/publications/minimum-wage-rates-for-2022.

SGF recognise that these increases to the NLW and NMW will have real implications for convenience retailers who are trying run viable, sustainable businesses during these challenging times and will continue raise these concerns with government, politicians and the Low Pay Commission.

SGF GO LOCAL PROGRAMME – PHASE 3 APPROVAL



SGF were delighted to announce in February that further to the outstanding success during the first 18 months of the SGF Go Local Programme which aims to support convenience stores the length and breadth of Scotland to provide dedicated, long-term display space for locally-sourced Scottish products, that the Scottish Government had given its approval for the roll-out of phase 3.

The aim is to increase the turnover of locally and nationally produced Scottish products within the convenience store sector to mitigate lost volumes in other sectors, to aid economic recovery for Scottish manufacturers and producers and to promote a sustainable and prosperous convenience industry in Scotland.

SGF chief executive Dr Pete Cheema OBE said: “The SGF Go Local programme has been an outstanding success to date and we are delighted that in recognition of this that the

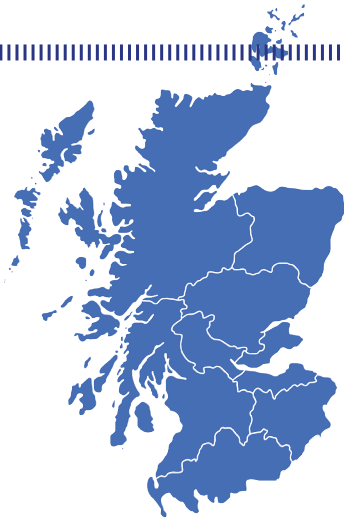
Scottish Government has given its approval for the third phase to commence.

It’s clear to see that convenience stores throughout Scotland are playing a key role in the economic recovery and in supporting local suppliers to find a new route to market. In addition, retailers are able to develop their proposition by offering their customers a high quality, locally sourced, fresh and healthier food offering. Everyone benefits.”

The SGF Go Local programme is funded by the Scottish Government and is being delivered – as with previous phases - in close partnership with Scotland Food & Drink.

The application process for phase 3 runs from 1st March 2022 and will close at midnight on the 31st May 2022 (Subject to the number of applications received, the window may be extended). Convenience retailers can find out more at:

www.sgfscot.co.uk/go-local



COVID-19 – SCOTLAND’S STRATEGIC FRAMEWORK

The Scottish Government has confirmed the details of the updated Strategic Framework to manage COVID-19 primarily through public health advice, vaccination, and treatment. It indicates that going forward, the Scottish Government intend to rely much less on legal requirements and more on people and organisations making and sustaining the adaptations to behaviours and physical environments that will improve resilience to the virus and help keep it in check.

There will be four broad response categories that reflect the assessed threat (Low / Medium or High) – those are: 1) Routine 2) Baseline protective measures 3) Targeted protective measures 4) Extensive protective measures. These categories will guide future decisions and the strategic framework states that deciding what ‘threat’ level should apply at any given time will involve both an assessment of data and the application of judgement.

Strategic Framework also explains that in order to maintain

the ability to respond effectively to the future threats that the virus may pose – within institutions, locally or nationally – Scottish Government will ensure that necessary legislation is kept up-to-date. It makes clear however that having this legislation in place does not, of course, mean that it will be deployed – but it does mean that it will be ready should it be required.

The revised strategic intent recognises that responsibility for the management of COVID-19 is shared by central and local government, wider public services, businesses, the third sector, communities and individuals.

You can read ‘Scotland’s Strategic Framework Update’ at: www.gov.scot/publications/coronavirus-covid-19-scotlands-strategic-framework-update-february-2022/.

NATIONAL INSURANCE CONTRIBUTION UPLIFT

HMRC advise that National Insurance contributions might increase when the Health and Social Care Levy comes into effect in the UK (England, Scotland, Wales and Northern Ireland) on 6 April 2022. The increase in contributions of 1.25% will be used to help fund the NHS, health and social care.

They are requesting that employers include a message for affected employees (employee Class 1, Class 1A, Class 1B and Class 4) on all payslips between 6 April 2022 and 5 April 2023, explaining the increased National Insurance contribution. The message should read; "1.25% uplift in NICs funds NHS, health & social care." It will also apply to employers in the 'Employer Class 1' category.

From April 2023, the Levy will be formally separated from National Insurance contributions and will also apply to the earnings of individuals working above State Pension age. National Insurance contribution rates will then return to 2021 to 2022 levels and receipts from the Levy will go directly for spending on health and social care.

If you require any further information please go to, GOV.UK website at: www.gov.uk/guidance/prepare-for-the-health-and-social-care-levy.



CYBER SECURITY CONCERNS



The National Cyber Security Centre (NCSC), the UK's technical authority on cyber security, have issued guidance for organisations on the steps they need to take to bolster the UK's resilience against the heightened risk of malicious cyber incidents in and around Ukraine. They know many organisations and businesses in the UK have well laid out plans and good cyber security measures in place. However due to the nature of online global networks, attacks that occur overseas could have an impact on UK institutions, services and systems. This is why organisations and businesses are being urged to take action now.

While the NCSC is not aware of any current specific threats to UK organisations in relation to events in and around Ukraine, the guidance encourages organisations

to follow actionable steps that reduce the risk of being impacted by cyber attacks, including:

- patching systems;
- improving access controls and enabling multi-factor authentication;
- implementing an effective incident response plan;
- checking that backups and restore mechanisms are working;
- ensuring that online defences are working as expected, and;
- keeping up to date with the latest threat and mitigation information.

For further information visit: www.ncsc.gov.uk/guidance/actions-to-take-when-the-cyber-threat-is-heightened where you will find the relevant advice, actions and resources.

worldpay from FIS

worldpay
from FIS

WORLDPAY HEALTH CHECK

Please fill out your details so we can allocate you a local payments expert to discuss the payment health of your business. We'll be in touch shortly!

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I'D LIKE TO ARRANGE A PAYMENTS HEALTH CHECK!

I'd like the health check in person (Worldpay visits my business)

I'd like the health check via video call

I'd like the health check over the phone

First Name*

Last Name*

Email address*

Business Name*

Industry*

Postcode*

Phone number*

Submit

Worldpay from FIS is a market leading provider of payment solutions, with a wealth of experience in the grocery sector, catering for small independents right up to large corporate clients, partnering with several fellow SGF members brands and independents alike. We're ideally placed to support you with end-to-end solutions for standalone card terminals, technical integrations, online payment gateways and everything in between. Which in simple terms means, helping you reach more customers and allowing them to pay in the way they want to pay.

Our team in Scotland are spread from the borders to the highlands and islands, offering payment solutions by folks with local knowledge and with extensive experience in the payments industry.

As locals, we are passionate about supporting local businesses and we'd like to offer you a free payments health check designed to help you identify the best path forward for your business, as well as give you pointers to position your business for growth in the future. And if you're happy, we can tailor a pricing package for your requirements.

Is this something that would be of interest? If so, you can book your meeting with us at:
<https://wfpisglobal.com/healthcheck/index.php>

MAKING TAX DIGITAL FOR VAT – APRIL 2022



Since 2019, all VAT-registered businesses with a taxable turnover above the VAT threshold (£85,000) have been required to keep their VAT business records digitally and send their VAT returns using MTD-compatible software.

From April 2022, all VAT-registered businesses will be mandated to keep digital VAT records and send returns using MTD-compatible software.

The deadlines for sending VAT returns and making payments have not changed. Businesses need to use software to keep their business records digitally. This may include dedicated record-keeping software or a combination of software packages or spreadsheets.

MTD for Income Tax Self Assessment (ITSA) will apply from April 2024 for unincorporated businesses and landlords with total business or property income above £10,000 per year. Most businesses will have 2 years to prepare and test the service voluntarily prior to its introduction.

To find out more, go to the GOV.UK website at:

www.gov.uk/vat-record-keeping/making-tax-digital-for-vat

NOTES FROM THE PRESIDENT

We are only a few months in to 2022 but it has already been busy year for SGF. Retail crime and the Protection of Workers Act was again brought to the fore when members of the SGF team were invited to appear on Channel 5's 'Shoplifters and Scammers: At war with the Law' and secured interviews on BBC Radio Scotland. SGF have also participated in a Scottish Parliament stakeholder engagement event on 20 Minute Neighbourhoods and has provided written evidence to the Call for Views from the Scottish Parliament's Economy and Fair Work Committee as part of its inquiry on town centres and retail. SGF recognises the importance of issues such as these and will continue to proactively engage with politicians and officials using our expertise and depth of experience across the policy spectrum.

While many convenience stores may be smaller in size - in terms of available sales space - they are nevertheless having to operate in a highly regulated environment. Between a growing list of age restricted products and legislation which retailers are being required to enforce and comply with, there are also future restrictions on the way which could include mandatory calorie labelling and around products high in fat sugar and salt. SGF will continue to call on government to take a 360-degree of policy and ensure that any legislation is proportionate, sequenced, and with longer lead-in times given for the retail sector to



give them a chance to absorb it.

During the pandemic the convenience sector has had to cope with the many and varied challenges that have come with it, however it has remained resilient, agile and focussed on delivering for customers and the local communities which they serve. As restrictions are ended, SGF will continue to emphasize the critical role retailers and shop workers have played and will continue to play in the economy recovery while continuing to

make the case that government must continue to do all it can to ensure that we have a trading environment that will help the sector prosper going forward.

SGF also have a range of in-person events scheduled over the course of 2022 and they provide the perfect opportunity to network, to showcase your brand and to generate business opportunities. Our next event is the SGF Mini-Summit in May (see overleaf) which will look at the important topic of 'Retail reformulation post-covid' and we would encourage you to register so that you do not miss out.

In 2022, we will continue to ensure the issues which are of importance to our members are advanced and promoted thereby ensuring a sustainable and prosperous convenience industry in Scotland.

Dan

SGF MINI SUMMIT

SGF
Scottish Grocers' Federation



RETAIL REFORMULATION POST COVID

Thursday 19th May

Macdonald Inchyra Hotel

(Grange Rd, Falkirk FK2 0YB)

9.00am - 2.30pm

**FREE ENTRY TO
INDEPENDENT
RETAILERS &
CORPORATE
MEMBERS**

TRADE EXHIBITION | BUSINESS SESSION

| NETWORKING LUNCH

**REGISTER BY SENDING
AN EMAIL TO
IRATI@SGFSCOT.CO.UK**

