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THEFT, ABUSE & VIOLENCE STILL WIDESPREAD IN RETAIL

The Scottish Grocers' Federation has published its 2022 Crime Report, highlighting the substantial impact of crime on store owners and staff across Scotland. Our study reveals that 100% of respondents experienced some level of theft, abuse or violence in the previous year.

Shoplifting offences reached staggering levels in 2021, with almost all operators facing theft on a daily basis. The most common trigger for aggression and abuse continues to be the enforcement of age restrictions and challenging customers for proof of age. While 95% of retailers also reported experiencing some form of Hate Crime, monthly. SGF figures, produced in the report, show that the annual cost of store crime for survey participants totalled £2.3 million.

Similar figures collated by Police Scotland reveal the level of recorded retail crime for the year since launch of the Protection of Workers Act 2021. With the total number of reported crimes reaching 3,099, to date. Detection rates remain high at 61.3%*, while threatening abuse and assault make up the majority of reported cases, at 1,750 and 1,333 respectively.



SGF Chief Executive, Dr. Pete Cheema OBE said: "Retailers and staff provide an essential community service, and it is completely unacceptable that they are forced to turn up to work and face threatening abuse or violence.

"We have taken great strides with the introduction of the Protection of Workers Act, which came in to force last August. Our report shows, however, that 100% of retailers are regularly affected by crime, seriously impacting the wellbeing of both workers and their families. Every incident is one too many.

"The evidence is clear that in-store crime remains shockingly high and until there is significant improvement to the figures we are seeing, the SGF will be calling for a zero-tolerance approach."

The Scottish Grocers' Federation Crime Report provides a snapshot of retail crime across Scotland in 2022 and is available to download

at: www.sgfs Scot.co.uk/publications/the-scottish-crime-report-2022

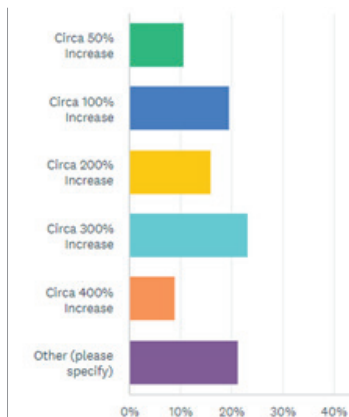
*The number detected was 1900 (61.3% of total) - (the term "detected" indicates an accused person was identified).

ENERGY COST CRISIS – SGF FINDINGS

Many businesses are struggling to cope with rising energy bills and the possibility of energy prices quadrupling over the coming months may mean producers and retailers will have to pass those costs on to customers. Over the course of September, SGF ran a 'two-minute survey' to assess the impact on our members.

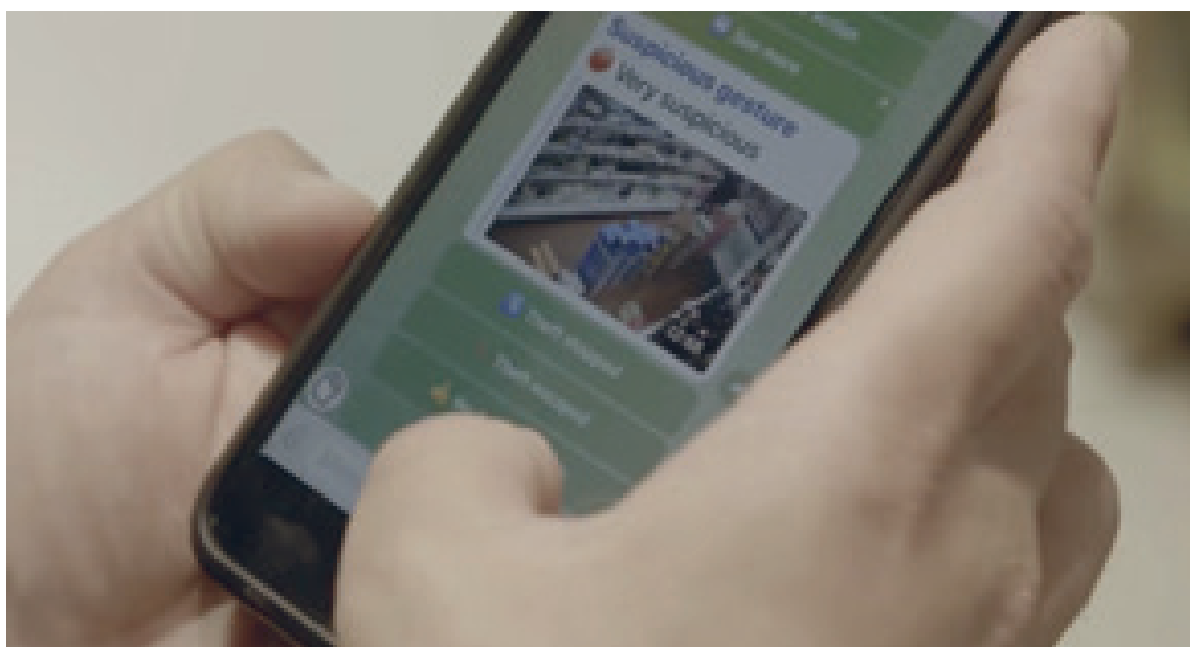
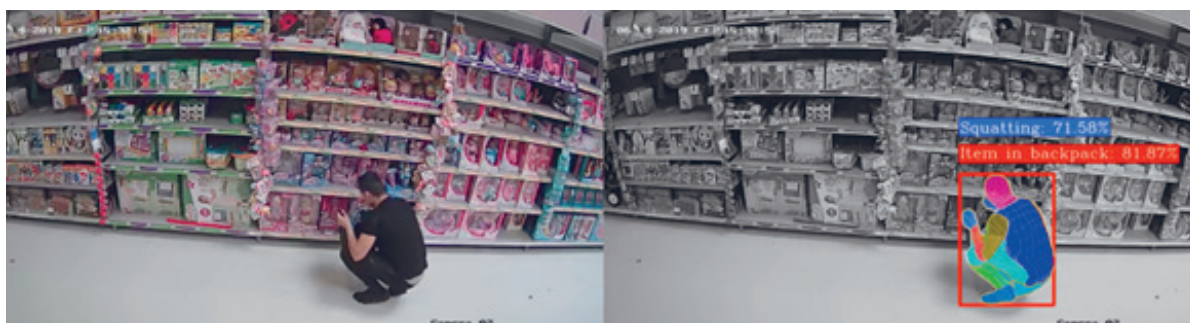
At the time of writing, our findings show that retailers are experiencing a wide spectrum of energy cost increases, ranging from 50% to as high as 800%. In addition, 100% of respondents are concerned about the increases, with 78% worried that it could put their business at risk. Some have also said it may affect the number of people they employ or produce they stock, meaning fewer chilled and frozen items available in store.

The information gathered provides important evidence which SGF can use to convince ministers that more need to be done to support retailers with spiralling energy costs.



Question: If you have had to renew your energy contract, what level of increase have you experienced?

Detecting shoplifting, automatically, in real-time, thanks to Artificial Intelligence



A convenience store in London has cut shoplifting losses by 90% by applying Artificial Intelligence (AI) technology to help tackle theft, using cameras that can tell what people are putting in their pockets.

Andy and Siva, owners of a convenience store in East London, had been hoping for such technology for a long time and their dream has now become a reality. They had been losing up to £1,000 a week as consumers helped themselves to products without paying for them, but, in a matter of weeks, they have managed to stop dozens of shoplifters, including returning customers, and now their losses are less than £100 per week.

Amberstone Security has partnered with Veesion, a Paris-based Artificial Intelligence company that built the first algorithm able to continuously analyse existing camera streams and to recognise ten distinct gestures associated with shoplifting, anything from unusual browsing patterns to someone concealing items in their handbag, backpack, or pockets, etc. Retailers then receive a short video clip of suspicious activity via an app that can be downloaded on any kind of device, so they can take action and deal with the

suspected shoplifter.

Amberstone Security, with more than 10 years' security expertise, has successfully deployed Veesion technology in dozens of stores across the UK, saving many thousands of pounds on inventory shrinkage, which costs billions to all types of retailers every year and has soared in the last three years because of the pandemic and inflation.

The great thing about Artificial Intelligence is that it learns what needs to be reported and what is normal shopping activity and over time, thanks to the processed videos, adapts to new shoplifting techniques and scenarios.

Grocery stores are not the only ones suffering from shoplifting and Amberstone Security is now exploring different retail verticals such as cosmetics, electronics, DIY, clothing and even Duty-Free shops.

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 For further information please
 contact Amberstone at
enquiries@amberstone.co.uk or
 visit www.amberstone.co.uk



FIRST MINISTER'S PROGRAMME FOR GOVERNMENT, 2022-23

The Scottish Government has launched its Programme for Government which sets out its priorities through to the end of the Parliamentary year. Stating that the 'immediate and overriding priority' is to ensure households, businesses and public services are protected from the worst impacts of the cost crisis.

The First Minister has promised to work with Scottish businesses and the UK Government on measures such as protection from energy price rises for SMEs and a VAT reduction on business energy bills. In addition to support in handling business debt, including the extension of the Coronavirus Business Interruption Loan Scheme and other

loans.

The government reaffirmed its commitment to the Real Living Wage and the broader Fair Work agenda.

Relevant Bills introduced in this session will include the Public Health (Restriction of Promotions) Bill, adding new provisions for the restriction food and drink promotions to protect public health. The Circular Economy Bill will see the launch of the Deposit Return Scheme on 16 August 2023. Meanwhile the Independence Referendum Bill is awaiting the findings of the UK Supreme Court.

The full Programme for Government can be viewed at: www.gov.scot/programme-for-government/

PM ANNOUNCES NEW MINISTERIAL TEAM



In September 2022, the Prime Minister Liz Truss appointed her new Cabinet, making significant changes to ministerial teams across several departments. Key appointments affecting the retail sector in Scotland include:

- The Rt Hon Kwasi Kwarteng MP as Chancellor of the Exchequer
- The Rt Hon Alister Jack MP has been re-appointed as Secretary of State for Scotland
- The Rt Hon Jacob Rees-Mogg MP as Secretary of State for Business, Energy and Industrial Strategy

The full list of ministerial appointments to Liz Truss' new government can be viewed at: www.gov.uk/government/news/ministerial-appointments-september-2022

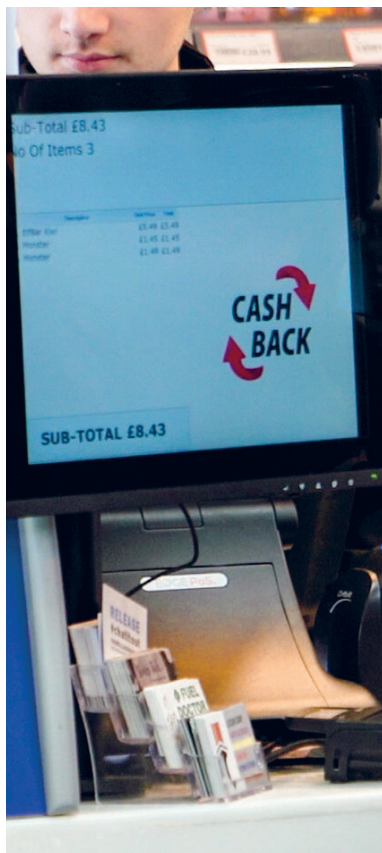
Meanwhile, you can find guidance on the breakdown of UK Government departments and ministerial responsibilities here: www.gov.uk/government/publications/government-ministers-and-responsibilities

TAKE CONTROL OF YOUR EPOS

Henderson Technology, the leading EPOS supplier, works with a large number of independent convenience and forecourt retailers in Scotland, offering a number of bespoke technology solutions so owners can focus on making their businesses more profitable while providing shoppers with an excellent in-store experience.

The most important retail technology innovations for convenience and forecourt retailers in recent years have been the introduction of Self-Checkouts, Electronic Shelf Edge Labels – all of which are available from Henderson Technology with EDGEPoS.

Being able to transform the customer experience, save employee hours and increase profits is essential to maintaining a competitive edge. At the



same time an investment into EDGEPoS can help retailers combat rising costs.

EDGEPoS is a live system, which means that all updates are instant and automatic. Self-populating PLUs make for speedier transaction, with the top 15 PLUs automatically populating on the till based on the up-to-date sales going through that till.

Advanced Age Checking is built into system, allowing the cashier to refuse a sale, and all data is recorded on the back office, giving instant access through the reports for local authority spot checks.

EDGEPoS also allows retailers to offer their own deals and promotions. Articles can be included in as many promotions as required, and promotions can even be set to run at certain times which commence automatically on the till and conclude at the designated time that it is pre-set. This caters for lunch-time deals, weekend deals, breakfast deals, etc. instore.

Instore coupons can also be set up as required at each store which can be

used to create customer loyalty and return visits, allowing the retailer to compete with local multiple competition. A 2pence per litre of fuel or £1 off next £10 grocery spend are extremely popular across EDGEPoS retailers.

One retailer to install the EDGEPoS system onsite is Manpreet Bawa from Burnpark Service Station in Kilmarnock.

He said: "We are delighted with the functionality of EDGEPoS. It has some brilliant features that I haven't seen on any other system. For example, it allows us to refund a fuel transaction instantly right back onto the existing pump it came from. A simple refund function and it appears back on the till.

"Henderson Technology has reduced the cost when it comes to wet stock management. We used to have to do it every day. Now we do it once or twice a week and the fuel stock is always perfect to within a litre.

"It has been great working with Henderson Technology. They listen to retailers and work with us to make sure our needs are met," he added.

For more information, visit www.henderson.technology
Email sales@henderson.technology
Telephone 028 9094 1900



EDGEPoS[®]
By Retailers, For Retailers

SCOTLAND'S SINGLE-USE PLASTIC BAN

Scotland's single-use plastic ban became exempt from the UK Internal Market Act from 12 August 2022, allowing the ban to be fully effective. The single-use plastic items listed in the regulations are now fully banned in Scotland unless an exemption applies (e.g., single-use plastic straws).

The kind items which are fully banned are:

- 1) Cutlery (forks, knives, spoons, chopsticks and other similar utensils);
- 2) Plates;
- 3) Beverage stirrers;
- 4) Food containers made of expanded polystyrene; and
- 5) Cups and lids made of expanded polystyrene.

The complete list of banned items however (including exemptions and exclusions to the rules) can be viewed at: www.zerowastescotland.org.uk/single-use-plastics/regulations.

You can also read the Environmental Protection (Single-use Plastic Products) (Scotland) Regulations 2021 (commonly referred to as the single-use plastic regulations) at: www.legislation.gov.uk/ssi/2021/410/contents/made.

Now that the ban has become completely effective, it is now unlawful to make and supply commercially the items which are in scope, regardless of whether they are produced or first imported into another part of the UK. Supply would also include businesses making donations or gifts of items.



TAX-CUTTING MINI BUDGET AND SUPPORT FOR BUSINESS

In September, the Chancellor unveiled a series of measures aimed at improving growth while supporting businesses & households with rising energy costs and the cost-of-living crisis.

The government's Energy Bill Relief Scheme will provide a discount on wholesale gas and electricity prices for all UK businesses. Prices will be fixed at 21.1p per kilowatt hours (kWh) for electricity and 7.5p per kWh for gas. The savings will begin to appear in November's bills (backdated to October) and will be applied automatically. A three-month review will identify "vulnerable" organisations that need further support after March 2023.

VAT-free shopping for overseas visitors is also to be introduced. Meanwhile, the proposed rise in corporation tax which was due to increase from 19% to 25% in April 2023 has been cancelled.

The planned increases in duty rates for beer, cider, wine, and spirits will all be cancelled. Announcing an 18-month transitional measure for wine duty and an extension to draught relief to cover smaller kegs of 20 litres and above, "to help smaller breweries". In addition, the 1.25 percentage point rise in National Insurance contributions, paid since April, will also be reversed from 6th November.

The UK Government also plans to deliver Investment Zones in Scotland, Wales and Northern Ireland and intends to work in partnership with the devolved administrations and local partners to achieve this.

For measures that are not UK-wide funding for the devolved administrations will be determined through the normal operation of the Barnett formula and Block Grant Adjustments.

View the details of the mini budget on the HM Treasury website at: www.gov.uk/government/organisations/hm-treasury



SGF CALL ON GOVERNMENT TO SUPPORT RETAIL



In this incredibly challenging trading environment, inflationary pressures and soaring energy costs threaten the sustainability and business survival of convenience retailers. Scottish Grocers' Federation has written to both the UK and Scottish Governments, calling on ministers to take action and consider a range of alternative measures to support retail.

The energy cost crisis, rising interest rates, the cost-of-living crisis, staff shortages, rising supply chain costs and the cost of sourcing products are all adding to the difficulties faced by our sector. Then there is the never-ending list of new legislation which the retail sector must prepare for, which also brings its own costs, such as the Scottish Deposit Return Scheme which is scheduled to be introduced in August 2023.

Of course, retailers are not alone in this as their loyal customers are faced with their own cost of living crisis and the inflationary pressures on food and non-alcoholic beverage prices exacerbate this further. Household budgets are in effect reduced by inflationary pressures across the board and so customers have tough decisions to make - heat or eat.

Retailers are presented with Hobson's Choice, keep prices down while seeing their costs soar and so jeopardise their ongoing ability to trade and invest in their business, or put prices up and risk customers looking elsewhere. Nobody benefits.

Additional restrictions proposed in the current Scottish Government consultation on restricting promotions of food and drink high in fat, sugar, or salt may make it more difficult for retailers to offer additional value and benefits to customers in the longer term. Promotions are an important tool for convenience retailers to demonstrate that they are delivering value for customers during these very challenging times, and they will continue to do so, so as to help their customers while at the same time allowing them to generate sales.

Ministers in both the UK Government and the Scottish Government have said they recognise the immense challenges faced by convenience retail, now we need to see targeted measures and meaningful action.

HIGH FAT, SALT & SUGAR – A BUSINESS SURVEY

The Scottish Government are presently conducting a Business and Regulatory Impact Assessment (BRIA) on the proposals set out in the Food and Drink High in Fat, Sugar or Salt consultation. The survey will help government assess potential impacts of the proposals on businesses.

This is a key issue for many retailers and SGF will make the case through the HFSS consultation to ensure that the proposed changes are targeted correctly and are both practical and viable for our members. We would encourage you to share your views by completing the BRIA survey which is live until 31st October. You can access the survey here: <https://consult.gov.scot/population-health/fdc233a2/>



A TRIBUTE TO HER MAJESTY THE QUEEN



The nation was deeply saddened last month, by the loss of Queen Elizabeth II who passed away on 8th September 2022.

On behalf of members and everyone at the Scottish Grocers' Federation, Dr Pete Cheema OBE sent a letter of condolence to His Majesty The King and the Royal Family.

In a statement at the time, Dr Pete Cheema OBE marked the incredible impact that Her Majesty The Queen has had on the lives of people in the UK and around the world. He said: "Scottish Grocers' Federation is saddened to hear that Her Majesty The Queen has passed away. Both SGF and our members convey our deepest condolences. The many decades of dedication and service by Queen Elizabeth II are a very special legacy which will live on."

Alongside our members and everyone running and working in local shops around Scotland, SGF wishes His Majesty The King and the Royal family our best wishes at this difficult time.

You can read Dr Pete Cheema OBE's statement here: www.sgfs Scot.co.uk/latest-news/sgf-statement-her-majesty-the-queen

NOTES FROM THE PRESIDENT

As my term as President is now coming to an end, I'm immensely proud, looking back over the last two years and thinking about how much our industry has overcome - and all the SGF as an organisation has achieved.

Covid 19 was an unprecedented event that impacted our lives more than any of us could have imagined. We all had to adapt overnight and continued to do so throughout the entirety of the pandemic. Retailers became the glue that held our communities together, not only ensuring everyone had access to the essentials, but also supporting their communities through methods such as setting up free deliveries, handing out free support kits and making generous donations to those who needed it most.

The Scottish Grocers Federation has continued to work hard for its members throughout. The passing of the Protection of Shopworkers Bill was a major achievement for our industry, with SGF being instrumental throughout the whole process; the Go Local programme was created and has been a huge success, providing retailers a key point of difference within their stores and a great opportunity for local producers to grow their presence; a comprehensive guide to Natasha's Law was created to ensure retailers remained compliant; and countless hours and sleepless nights were contributed to the ever



snowballing Deposit Return Scheme.

Pete and the entire SGF team have done a fantastic job over the last few years and have been incredibly supportive of me within my role. The challenges continue however, and the next few years are not going to be easy.

Geopolitical instability is shaking the world, supply chain disruptions, labour shortages and volatile fuel and energy prices continue to present major challenges, and the cost-of-living crisis continues to put the Nation under increasing pressure.

In the face of all this uncertainty, it is important to remember how resilient and adaptive we can be as an industry, and I am certain that the Scottish Grocers Federation will continue to grow and support its members through these challenges.

As I pass on the Presidential reigns, I would like to congratulate our incoming President, Craig Brown and incoming Vice President, Graham Watson on their appointments. Both Craig and Graham have been hugely supportive over the last few years and are both experts within our industry. I have no doubt they will have a positive influence throughout their term, and I wish them the very best in their new appointments.

Dan

SGF WELCOME NEW TEAM MEMBERS AND APPOINT NEW PUBLIC AFFAIRS LEAD



**Luke McGarty,
Head of Policy &
Public Affairs**



**Linsey Hunter,
Events &
Marketing
Co-ordinator**



**Lena Robertson,
Receptionist and
Admin Support**



**Jamie Mackie,
Policy &
Public Affairs
Officer**

Chief Executive, Dr Pete Cheema OBE, has welcomed three new staff members to the Scottish Grocers' Federation team and formally announced the promotion of Luke McGarty to the role of Head of Policy & Public Affairs.

Linsey Hunter will take on the role of Events & Marketing Co-ordinator for SGF, providing an essential service for members and helping to grow the reach of the organisation. Lena Robertson has joined the team as Receptionist and Admin Support, supporting the work of the entire SGF team.

Luke McGarty, who has worked for the organisation over the past five years, will take on the lead role in public affairs during a crucial time for SGF members and the retail sector. He will be replaced as Policy & Public Affairs Officer by Jamie Mackie who has a background working with MSPs in the Scottish Parliament.

Dr Pete Cheema said: "It is a challenging time for many retailers and shop workers, and more than ever we need strong representation at all levels of government and society. So, I can say wholeheartedly that Lena, Linsey and Jamie are very welcome additions to our team, and I am very much looking forward to working with them over the coming months and years.

"Luke has done an exceptional job for us, and I'm delighted to announce that he is taking on the role as head of our public affairs unit. No organisation is worth anything without its key people and we will continue to work tirelessly behind the scenes to ensure that the viability and success of the Scottish convenience trade continues."

SGF's annual conference took place on the 6th and 7th of October and provided an ideal opportunity for members to meet and get to know the new staff and the entire SGF team.