

**SCOTTISH GROCERS' FEDERATION  
GENERAL ELECTION MANIFESTO 2024**

# **UK GENERAL ELECTION 2024 OUR MANIFESTO**

THE COST OF DOING BUSINESS IS SEVERELY THREATENING THE VIABILITY OF MANY SCOTTISH INDEPENDENT CONVENIENCE STORES. THE VITAL LIFELINE SERVICES AND GROCERIES THEY OFFER THEIR LOCAL COMMUNITIES ARE AT RISK OF BEING LOST UNLESS THE UK GOVERNMENT ACTS NOW.

**SGF**  
Scottish Grocers' Federation

## INDEPENDENT CONVENIENCE STORES SUPPORTING COMMUNITIES AND THE LOCAL ECONOMY

Scottish Grocers Federation is the national trade body for the independent convenience store sector and promotes responsible community retailing. Convenience stores trade across all locations in Scotland, providing provide essential goods and services within their local area. Ensuring a vibrant and successful convenience store sector is vital to our communities and to our local economies. The next UK Government will have a crucial role to play.

### THE CHALLENGE

#### MOUNTING LEGISLATIVE BURDEN

Policy and legislation from UK Government – however well intentioned – always falls hardest on smaller businesses, most of whom just don't have the capacity or resource to cope with change after change. They do not have large scale back-office functions which can reduce the impact of compliance, they do not have the financial strength to cope with the sudden increases in cashflow and they cannot pass costs onto customers as efficiently as larger retailers.

### THE SOLUTION

Support for a move towards education and public awareness over regulation and restrictions as our industry is already having to contend with an extended cost of doing business crisis and cost of living crisis for their customers.

Where regulation is required however there needs to be a joined-up, sequential and workable approach including allowing for a sufficient notice period to introducing any new legislation.

### THE CHALLENGE

#### DEPOSIT RETURN SCHEME

The UK Department for Environment, Food and Rural Affairs (DEFRA) must take note of the lessons learnt from the failed attempt to introduce a Scottish DRS in 2023 and to address with expert input from industry, all the issues that were never resolved. It is essential as part of its four-nation approach to DRS that retailer confidence is restored to ensure a successful implementation.

### THE SOLUTION

All devolved governments must successfully align for a UK-wide DRS scheme. This will require clarity around what the legislation and DMO (s) will look like, how DRS will be successfully enforced, including what resources will be made available to do this, and the timing for implementation must be clearly communicated and unambiguous.

- There must be an agreed cut-off date by which all outstanding issues have been resolved so that retailers do not, as they did in Scotland, invest significant resource only for the scheme to not go ahead as planned. This scenario must not be repeated given the significant financial investment required.
- DRS should be geared towards its successful operation for all retailer participants.
- DRS must also be cost neutral.



## THE CHALLENGE:

### UK RESTRICTIONS ON DISPOSABLE VAPES AND INTRODUCTION OF GENERATIONAL SMOKING BAN

The UK Government and Scottish Government will ban disposable vapes from 1st April 2025. In addition the UK Government intend to legislate to raise the tobacco age of sale so that no one born on or after 1st January 2009 may legally buy tobacco. Such steps may have unintended consequences such as fuelling an increase in illicit trade, the reduction of access to vapes as a cessation device, and the potential create incidents instore around tobacco sales where proof of ID will be required.

## THE SOLUTION

- A balanced approach needs to be taken on implementation and restricting products in-store. Ensuring the best outcome for both retailers and the communities they serve.
- Recognition that vaping is the most successful cessation tool, and we must ensure that vapes remain accessible to adult smokers. Also vape flavours are too critical to smoking cessation to restrict them significantly.
- There also needs to be action around import controls and certification to ensure only legal products are being supplied.
- There must be meaningful and open dialogue with industry around how a generational smoking ban will be implemented at an operational level in-store and how to deal with any other unintended consequences.

## THE CHALLENGE

### NATIONAL LIVING WAGE – DAMAGING ABOVE INFLATION INCREASES

The National Living Wage for people aged over 21 increased from 1st April 2024 to the hourly rate of £11.44 – this represents an increase of 9.8% (YoY). Joint research carried out with SGF however shows that the true cost for retail employers will be as much as £15.39 per hour, representing a jump of £1.39 from the previous year, the highest increase of at least the last eight years'. This increase will present the retail sector and in particular convenience stores with significant financial challenges. Indeed, 83% of staff in convenience stores are 25 years old or over and so are directly impacted by the NLW. The comes at a time when retailers are facing a range of cumulative cost pressures.

## THE SOLUTION

- Increases to the NLW should be based solely on underlying economic conditions and a sensitivity to the impact on different industry sectors.
- The Low Pay Commission needs to take into the account the true cost of employment when setting the NMW & NLW, those being the range of on-costs which retailers must meet when onboarding new staff and other cost increases (e.g., National Insurance, Pension enrolment, Administration and accounting costs directly related to employment (including software)). The true cost for the employer, would seem to be critical in having a sensible discussion of rates and impacts.

## THE CHALLENGE

### PROTECT FREE ACCESS TO CASH

Free and reliable access to cash is still essential for many communities particularly for those rural, remote, elderly, and deprived communities. Convenience stores being able to offer access to cash is a vital element of the key lifelines services that they offer. However, the number of free-to-use ATMs has dropped from an approximate peak of 55,000 in 2018 to approximately 37,000 in 2023, with the percentage of convenience stores providing free-to-use cash machines in Scotland declining from 55% in 2020 to 47% in 2023.

## THE SOLUTION

- The UK Government should ensure that the free-to-use ATM network is prioritised and where possible paid services should be replaced with FTU services.
- It must also prioritise and recognise the need to secure the FTU ATM network for the long-term.
- The UK Government must protect free access to cash in convenience stores, which are widely recognised as local economic multipliers and beneficial for their communities.

INDEPENDENT CONVENIENCE STORES SUPPORTING  
COMMUNITIES AND THE LOCAL ECONOMY

# 5,171 CONVENIENCE STORES

**49,000+**  
people are  
employed by the  
sector



Total value  
of sales  
(UK) is  
**£47.1bn**

Over **£10.6bn** in  
GVA and over  
**£9.1bn** in taxes  
over the last year

IN 2023,  
SCOTTISH  
CONVENIENCE  
STORES  
**INVESTED  
£62M**

### Devolved areas of concern

Retail crime at epidemic proportions and out of control

Business rates relief of 75% for retail, seen elsewhere in the UK is not available in Scotland

HFSS restrictions in Scotland may go even further than seen in England

Alcohol promotions and restrictions expected



ON AVERAGE CONVENIENCE  
STORES ARE OPEN **13.8**  
**HOURS PER DAY** (MONDAY  
TO SATURDAY)

Colleagues in the UK  
convenience sector worked a  
combined **12.1m** hours a week  
over the last year

**81%** of independent  
retailers engaged in some form  
of community activity in the  
past year