

## **SUBMISSION FROM SCOTTISH RETAIL CONSORTIUM (SRC)**

### **INTRODUCTION**

1. The Scottish Retail Consortium's (SRC) purpose is to make a positive difference to the retail industry and the customers it serves, today and in the future.
2. Retail is an exciting, dynamic and diverse industry which is going through a period of profound change. Technology is transforming how people shop; costs are increasing; and growth in consumer spending is slow.
3. The SRC is committed to ensuring the industry thrives through this period of transformation. We tell the story of retail, work with our members to drive positive change and use our expertise and influence to create an economic and policy environment that enables retail businesses to thrive and consumers to benefit. Our membership here in Scotland and across the UK comprises businesses delivering £180bn of retail sales and employing over one and half million employees.
4. In addition to publishing leading indicators on Scottish retail market conditions, our policy positions are informed by our membership and determined by the SRC's Board.
5. SRC welcomes the opportunity to contribute views to this inquiry, and the following relates largely to the third question ('priorities and challenges') posed by the Committee.

### **GENERAL COMMENTS**

6. Retailers have a relentless focus on removing frictions for their customers and making it as easy and simple as possible for them to shop and to transact. This is evidenced by the significant investment retailers have put in across their businesses over recent years, which includes: online retailing capability, self-service tills and contactless payment methods.
7. That focus on consumers is the lens through which the SRC and the retail industry tends to look when considering broad issues such as the future of the UK's internal market, the UK's future economic relationships with the EU and other countries, and the repatriation of powers from Brussels following Brexit. Our locus on these issues is principally what does it mean for consumers and for the ability of retailers to maintain availability of products on shop shelves and to keep down prices?
8. We have an evolving and asymmetric devolution settlement in the UK. As such retailers and their suppliers who operate across the UK face a more diverse and complex operating environment. This will continue further with the repatriation of powers from Brussels to the devolved parliaments and Westminster.
9. We are committed to responding positively and constructively to these changes and will work to ensure that the powers repatriated from Brussels which affect our industry are implemented in a sensible and cost-effective manner, in order to minimise administrative complexity, compliance and cost and to maintain the widest possible choice for consumers.
10. As an industry we don't always take a strong view on where powers reside. Instead, our priority is often to ensure on key areas of interest – for example, in terms of the repatriation of Brexit powers it is food and nutrition labelling and food compositional

standards – that there is the fullest possible alignment and co-ordination between the devolved and UK administrations with them working together on a shared approach to regulation, enforcement and compliance, in order to minimise duplication and discrepancy for retailers and their supplier.

11. Scottish consumers and our economy as a whole benefit enormously from the UK's largely unfettered internal single market. The larger customer and supplier base create economies of scale. When that is allied to regulatory consistency retailers are able to reduce their costs and increase productivity, which in turn keeps down shop prices and provides more choice for customers. Different approaches towards public policy in different parts of the UK may well offer local flexibilities, however it also risks a more fragmented environment for firms operating across the UK with potential consequences for consumer choice and prices.
12. The SRC is keen to see the devolved and UK governments work together on economic issues in order to minimise administrative complexity, frictions and cost from this next chapter of devolution. The reality is very often the various parliaments and governments within the UK have similar or aligned policy objectives or aspirations, but don't always seem to collaborate holistically when it comes to implementation and providing the consistency in approach that retailers and other firms crave: e.g. the introduction of single-use carrier bag charges; the deposit return schemes for drinks bottles; rules on the promotion and marketing of food high in fat, salt or sugar and restrictions in-store on where these products can be placed; rules on lobbying etc. Ultimately consumers foot the bill for this. We would hope all of our governments and parliaments pay attention to these previous and current examples when considering how best to achieve public policy goals whilst supporting economic growth.