

Scottish COVID-19 Inquiry

Organisational Statement on behalf of the Scottish Retail Consortium by

David Lonsdale and Ewan MacDonald-Russell

Statement taken: 4 September 2024

INTRODUCTION

1. This statement has been provided on behalf of the Scottish Retail Consortium (SRC) by David Lonsdale and Ewan MacDonald Russell.
2. David Lonsdale has been employed by SRC for 10 years. He is currently Director and has held that role since 2014.
3. Ewan McDonald-Russell has been employed by SRC for 8 years. He is currently Deputy Head and has held that role since May 2016.

OPERATION OF ORGANISATION PRE-PANDEMIC

Pre-pandemic Overview

Description of Organisation

4. The Scottish Retail Consortium's (SRC) is a trade association for Scotland's retailers. Its mission is to make a positive difference to the retail industry and the customers it serves, today and in the future. The SRC leads the retail industry in Scotland and works to shape and influence debates that will make that positive difference.
5. The SRC, which is the Scottish brand of the British Retail Consortium, has around 300 members. They tend to be retailers of scale covering every subset of the industry. All the main grocery retailers, high street retailers, online retailers, non-food, and pet food retailers are members. Furthermore, most of the retail sub-sectoral trade associations (such as the Horticultural Trade

Association, the Booksellers, BIRA, SGF, and others). As a consequence the SRC represents directly and indirectly the overwhelming majority of the retail industry by both size and scale.

Impact of Pandemic on Operations

Impacts on Retail Sector

6. The pandemic was a seismic event and terrible in many respects.
7. We first noticed there was an issue in the country when the BBC called on Friday 6 March 2020 to ask about panic buying. That was when it really started for us. Panic buying of things like toilet roll, pasta, and some pharmaceutical products such as paracetamol took place; went on for a number of weeks and through the lockdowns.
8. On that same day, we were in touch with special advisors in the Scottish Government to set up a meeting with the, then, rural economy minister, Fergus Ewing which was held on the 11th of March with 30 of our members. We spoke about the issue of panic buying and what those members were looking for in terms of deliveries, flexibility around being able to deliver to stores and warehouse and shop opening hours. This was in part a replication of the asks the BRC made to the UK Government on the 9th of March.
9. On that same day, we were in touch with special advisors in the Scottish Government to set up a meeting with the, then, rural economy minister, Fergus Ewing which we then had the following day along with 30 of our members. We spoke about the issue of panic buying and what those members were looking for in terms of deliveries, flexibility around being able to deliver to stores and warehouse and shop opening hours.
10. The first few weeks following on from this was hugely focussed on panic buying of food and pharmacy goods and then there was what we would describe as a slow motion towards lockdowns.

11. There were some members closing their stores before the official lockdowns began on Monday 23 March 2020.
12. Closing early was a combination of concern about both colleagues and customers, as no one knew what was happening. Members would operate within that duality of their responsibility to the workforce and the public. Those brands who had an international presence, such as retailers who operated in Italy, were observing lockdowns there and had a sense of what was coming.
13. Once the official lockdown came into force, this led to large parts of the retail industry being locked down for a long time. Some were able to pivot to online trading whereas some had existing online elements to their business and were able to generate a little revenue. However, in terms of the sector overall, it was a massive negative impact. We are still seeing some legacy issues as a result of the lockdowns, such as a decrease in shopper footfall and increase in vacant shop premises.
14. As mentioned above, the majority of our members fell within the “non-essential” category of retailers. However, it is worth noting that different members have different platforms of operations. Retailers such as Amazon, who operate online, were non-essential, but their trading was not impacted, albeit their operations were of course impacted by the lockdowns..

Impact on Sales

15. Online sales went up during lockdowns and in store sales went down. In the first few weeks of the first lockdown, retail sales went down about 70% overall. When stores gradually re-opened, shoppers began to return and it did gradually improve, but even now we are seeing around 90% of footfall compared to pre-pandemic in stores.
16. It is difficult to say whether any retail businesses failed because of the pandemic. Before the pandemic hit in 2017, we published a report which outlined how retail was about to embark on a period of transformation, but exactly how that took place depended on the economic circumstances.

Retailers were likely to move to fewer physical stores and increase their operations online, especially in the non-food sector. The pandemic massively accelerated that change. If a high street or non-food retailer was not yet online, then most were forced to do this in March 2020 otherwise there was no revenue coming in. Those who were already preparing for that transformation were better placed in their market position when the pandemic came along.

17. It is difficult to say whether any retail businesses failed because of the pandemic. Before the pandemic hit, we produced a report which outlined how retail was changing anyway. Retailers had fewer shops and were expanding online. The pandemic massively accelerated that change. If a high street retailer was not yet online, then they were forced to do this in March 2020 otherwise there was no revenue coming in. Those who were already preparing for that transformation were better placed in their market position when the pandemic came along.
18. For some subsectors of retail there was a short-term uplift in sales and that calmed down after five or six weeks once the public got the sense that the "essential" businesses were remaining open.
19. For the supermarkets, pre-pandemic, online home delivery sales were around 7% to 8% of total sales. That increased threefold during from the pandemic as people were getting their groceries delivered. Online food retail has returned to slightly above pre-covid numbers.
20. For non-food items, online penetration was about 25%-26% pre pandemic. This increased significantly during the pandemic, but then gradually returned to around 34%. Pre-pandemic, businesses would have expected that the jump from 25-26% to 34% would take the better part of a decade as online growth was slowing in the two to three years prior to the pandemic. It was initially a huge spike which then came down. About one in every three pounds of non-essential retail is spent online now. That proportion is higher in some sectors, for example fashion.

21. We also saw that certain profit lines were boosted during the pandemic. As people were working from home, there was a huge increase in buying things such as coffee machines and a spike in buying computing equipment to be able to work from home and for home schooling.

Financial Impacts

22. Members were making huge outlays on mitigation measures that were put in place at that time such as Perspex, hygiene, cleaning etc.

23. We surveyed our members about how much they were spending on Perspex and face coverings and PPE and other mitigation measures. In the Scottish context we stopped counting that at about £50 million.

24. Retailers who remained trading generally had to increase their workforce to compensate for increased demand, and also to manage the impact of colleagues isolating due to Covid, or whose work arrangements changed when schools were closed. Conversely retailers who were unable to trade relied on the furlough scheme to keep as many workers as possible.

Geographical impacts

25. There were geographical impacts and an example of one is that city centres and travel hubs lost out. For coffee chains predominantly placed in city centres and railway stations, their customer base was working from home at that point. As a result, they had to rationalise their store footprint, which led to several members reducing their store numbers across the UK. In the last year or two they are beginning to increase their store footprint to reflect an increase in business. They have also made various innovations, such as of subscriptions for coffees, in the last couple of years to tempt people back if they are coming back into the workplace. Some members have shifted the locations of their stores. If commuters are not coming into the city centre, they are moving into shopping centres, or somewhere else out of town.

26. Fashion retail also had its own Covid challenges. There was a real impact on those businesses not having any trade on the physical premises. This market has also been heavily impacted by the cost of living crisis, but there is definitely a sense that the physical retail element in town centres which relies on commuters has not recovered.
27. At the start of the pandemic there was a huge gap between supply and demand. Many of our members worked with the government to supply households who were shielding or isolating and so were not able to go to the shops. There was a huge amount of work that had to be done on the data that we were handling in relation to this, but also related to this were discussions about rural stores and equality of supply. The Scottish Government repeatedly asked the SRC about supply and whether members would make items available in every shop around the country. This was what the Scottish Government wanted them to do. Our member's position was that they wanted to provide their full range across all their stores and so both positions were already aligned.
28. The specific retailers who had the widest geographical reach were explicit to the Scottish Government that their business model was to supply all of their shops in the same way and that is what they would continue to do. Both members were clear that they would suffer reputational damage if they refused to supply people with food in rural areas.

Impacts related to the shielding list

29. Food retailers who were involved in delivering to those who were on the shielding list found this was a difficult issue for the industry. This was because public health is devolved so data was coming into us in four different ways from the four jurisdictions: Scotland, Northern Ireland, Wales and England, which required four separate legal agreements. It also meant in some instances data was coming from local authorities which was slightly different again. Operationally, this made things very difficult for our members who were trying to grapple with the data, whilst also handling their food delivery alongside staff

absences and all the other matters organisations were having to handle at that time.

30. This was exacerbated by the operational challenge of attempting to provide deliveries to these locations. Much of Scotland has little, or no, grocery online coverage for commercial reasons so retailers were looking to expand their distribution systems to account for the significant increase in demand.

FINANCIAL SUPPORT

Pandemic Financial Support

31. Financial support measures that were introduced were critical: the business rates waiver; furlough; and grants. These helped with the loss of revenue and some of the expenditures on mitigation measures. Unfortunately, not many businesses came out of the pandemic stronger.

In terms of financial support offered by the Scottish Government, almost all of our members took advantage of the 100 percent non-domestic rates relief. In the second year, several of our large grocery members who were eligible actually paid back the relief as it was felt inappropriate to take the subsidy when they were able to trade. There were smaller grants which many retailers took advantage of. The governments of the other parts of the UK were going to make these grants available so that, if, for example a business had ten shops, the grant would provide a certain amount of money for each of those ten shops. The Scottish Government said in documents initially that the grants would be issued per property as well. However, when it came to the crunch, they said it would be per business. That meant, in reality, a business would only get one grant for ten shops. Retailers in Scotland were very unhappy about this and SRC relayed that disquiet to ministers. On 30th of March 2020, we wrote with four other organisations to the then finance secretary about the £25,000 grants, which we said were being offered at the time per business as opposed to per premises. Ultimately the Scottish Government made subsequent announcements that grants would be 75% of the first sum for second and subsequent premises.

32. There were some members who were unhappy about the discrepancy between Scotland and other parts of the UK as they were getting less money. I think the Scottish Government's justification was that other grants were being given to other sectors, for example, taxi drivers, who were not necessarily getting money in other parts of the UK.
33. Ultimately, there was substantial support for members in both business rates and the grants.
34. The vast majority of members took advantage of furlough, which was administered by the UK Government, particularly on the non-essential side retailer.
35. A number of members also took advantage of the different loan schemes. That was also at UK-level, so that left colleagues in the British Retail Consortium to grapple with interpreting the different terminology and eligibility criteria.
36. There were subtle differences in the rates and the grant schemes in other parts of the UK. If they were more generous than Scotland, members were querying why this was. From our point of view in the SRC, we had a helicopter view of all four jurisdictions in the UK so we could see there were instances where support was less generous in the rest of the UK than it was in Scotland. We could also see that there were several different types of restrictions and other issues that differed.
37. SRC and our members would have preferred if there had been a unified approach across the UK, particularly as a lot of our members are UK wide. It was very difficult to deal with all the different approaches throughout the UK.
38. We made representations to the Scottish Government in relation to this point. As we were looking at all four jurisdictions, we would often get early intelligence from one part of the UK and, if the SRC thought this was sensible approach, we would try to make ministers in Scotland aware of that as well.

39. We would highlight that we did not have a view on whether one particular government was right in their approach. We were more concerned with trying to have a consistent message which would allow our members to operate in the most efficient way possible.

Sufficiency of Financial Support

40. Although, members would always have liked more financial support, the general prevailing view was that the support was substantial. Most of our members received substantial support at a time when the country was in a difficult position.

41. In particular, retail, hospitality and leisure were the businesses that received the full 100% rates wavier. When the 100% rates relief was withdrawn/reduced, there was additional rates relief available for a period of time for retail, hospitality and leisure. Again, there were different approaches in different parts of the UK. Even now England and Wales have retail, hospitality and leisure rates relief for certain sized businesses, whereas Scotland and Northern Ireland do not.

42. Retail is not a sector that ordinarily receives much in the way of direct financial support, so this was an unusual position for them to be in. Rates relief was significant because the sector is generally a net contributor to the Scottish or UK treasury. We do not usually receive grants and are not used to getting government support in the same way other sectors are.

Timing of Financial Support

43. The financial support was very quick. Particularly in terms of the rates relief. There was a decision by the finance secretary to not proceed with the increase of the business rate in March 2020. Shortly afterwards the Chancellor made his announcement about rates relief and Scotland moved on the 24th of March to follow.

44. In relation to the issuing of the grants, SRC wrote to the finance secretary on the 30 March about the issues we were raising about how the Scottish Government intended to issue the grants per business. Two weeks later SRC put out a press release which praised Scottish Government for moving swiftly to rectify the grants issue.

Process for claiming financial support

45. For the first two years of the pandemic, the rates wavier was automatic. There was then a subsequent quarter, for retail, hospitality and leisure rates relief, where businesses had to apply for it.

46. Grants were issued by local authorities and businesses had to make their applications to them. Local authorities were not particularly used to the idea of handing out grants and had their own organisational troubles on that. We did not have too many members saying that the application process was problematic. They did, however, feedback at various points that they had to apply to various different councils instead of one portal. For businesses with 10 different shops in 10 different council areas one application at a national level would have made much more sense and been much easier for the business.

47. Another source of financial support that was available through local authorities were hardship funds. A relatively small number of our smaller members tried to access these and found that this was quite difficult.

Awareness of financial support

48. As an organisation SRC were frequently updating members in relation to what was happening within Scotland and across the UK for guidance that was being issued by both the Scottish Government and other governments in the UK.. We had various mechanisms to provide these updates: we had phone calls; we set up meetings; and we sent emails. We also had a daily e-newsletter that went out to our membership.

PANDEMIC GUIDANCE

Guidance issued to the retail sector

49. In terms of the guidance that was issued by the Scottish Government, there often seemed to be a disconnect between the government and the industry about the sense of scale that retailers operate on. When considering businesses with 100 shops and 20,000 employees, it was difficult for our members to communicate to the government the difficulties involved in implementing changes at the scale they operate at..

50. If there had been more time between the guidance being issued and being implemented, then it would have been much easier for our members to work with. In normal circumstances, if the government wants there to be a public policy change in retail, businesses are usually given a year's notice. During the pandemic, members were implementing guidance quite comfortably within a week. Issues arose where guidance wasn't issued until the weekend, when support staff and headquarter staff were not working at full capacity and implementing that guidance was not achievable.

51. At the very start of the pandemic, we felt there was a very collaborative relationship with the government. We met with the rural affairs secretary early on as we needed derogations to allow lorries to run through the night to deliver more stock. A letter was done by the end of the day to allow this to happen. As the pandemic progressed, and particularly from October 2020 when restrictions started to tighten there were a lot of granular government interventions. Whether that was on the exact types of face coverings, or whether a licensed premise or a pub was the aim of policy were questions with very significant operational impacts.

Specificity of Guidance

52. The retail sector is very diverse. For a short period during the pandemic, the sector was differentiated between essential and non-essential. However, this wasn't always helpful as some members had several different services. For

example, some members had beauty counters, some did click and collect, some provided other services and events. There's so much variety within the sector.

53. Early on in the pandemic, in April 2020, the British Retail Consortium (BRC) worked with the trade union USDAW (Union of Shop, Distribution and Allied Workers), to produce guidance for retailers on social distancing in warehouse and shops. This guidance learned from the approach taken by supermarkets, grocers, petfood stores and pharmacies. SRC shared that guidance with members.

54. That was the underpinning of what then became government guidance. SRC was on groups established by the Scottish government and other governments of the four nations to develop industry specific guidance along with USDAW and others. The BRC/USDAW guide was the foundation. There were several meetings with the governments of the four nations, resulting in the production of this document and a checklist which was informed by us. This was a long checklist which demonstrated the diversity of the industry. One frustration was there were four different sets of guidance across the UK. However, we felt that our guide was applicable to any business in the UK who was putting in place best practice and thinking about what mitigations could be put in place when premises opened up after lockdowns.

55. The BRC/USDAW store guidance was broadly accepted by the Scottish Government, but as the pandemic progressed, there was more disagreement about guidance, particularly as guidance was slightly different across the four nations.

56. From the beginning of the second calendar year there were several changes that were made to the guidance, which was all about reducing social interactions. This was when restrictions on food to go and click and collect amongst others came in. Everyone was a year in by then and slightly thrown by the entire thing. It was frustrating because it was moving away from what was set out in the framework. This did not seem to be based on any data but was the government reacting to events.

57. An example of this was when retailers were given guidance that they had to get face visors for their staff. Everyone went and bought face visors, before finding out that this was completely wrong. This resulted in wasted costs. Another example is that there was a point at which customers could not use changing rooms in Scotland, but could in other parts of the UK, which had an effect on trade and it was not clear which approach was the healthier approach. The lack of consistency was very frustrating. Other examples are that the purchase of non-essential items was banned in Wales resulting in aisles being taped off in supermarkets while Santa's Grottos were banned in Scotland but not the rest of the UK. It was quite challenging.

58. The high-level guidance at the start of the pandemic was quite straightforward, but as the pandemic went on and into the second lockdown, some guidance was becoming very specific and that was not always helpful. It would often be the case that a piece of specific guidance would work for 95% of our members, but there was 5% it did not work for and broke something really important for those particular members. This made it very difficult for them to operationalise that guidance.

59. One challenge was our Members were determined to institute approaches which kept both colleagues and customers safe. Leaving aside the sense of duty our Members displayed, it was commercially essential to maintain the sense of safety for everyone in shop. Members invested significantly in infrastructure, PPE, and training to ensure staff were as safe as possible. Every retailer of scale was working incredibly hard to institute best practice. So the frustration came when quite granular policies, for example mandating store occupancy numbers rather than trusting individual shops to make sensible decisions, were brought forward. It was a change in approach from the earlier portion of the pandemic where there was more recognition that businesses were taking proportionate and reasonable steps.

Local Authority Levels in Scotland

60. The fact that, in Scotland, there were then different rules within different local authority areas was incredibly complicated to manage, particularly with the

timeframes to implement the guidance and the fact that some shops had to close but not others. There is a lot of infrastructure behind retail and retailers are trying to anticipate whether their shop will be open in a few weeks and whether they should buy stock so that they can manage their stock levels. There are a huge number of interactions involved and for retailers to re-appraise all of that is incredibly complicated. It is difficult for many businesses to coordinate this, whether they are a small business or a massive chain. It also raised questions as to whether businesses would remain eligible for financial support. This contrasts with the earlier stages of the pandemic where the guidance was more consistent.

61. Because this tier system was in place, we were asking questions of the government specifically about people like area managers, who were responsible for multiple stores and whether they were allowed to travel between stores that were in different local authority areas. The government was very clear that they were allowed to go in and out of different areas in different tiers, if they had shops there.

Member compliance with guidance

62. We are not aware that there was ever really any significant opposition from members as to what was trying to be achieved by the guidance. Members were comfortable with being compliant with the public health guidance. It is in their interest, both for their reputation and because the customers are important to them. There were, however, some questions raised about why the guidance had to be so specific. Officials did not seem to grasp that, in retail, there is an incredibly literal approach to guidance and regulation. If regulations state it must be done a particular way, businesses will do it in that way. However, in some cases compliance was difficult.

63. Members absolutely made every effort to comply with the guidance. On occasion SRC would receive a call from a government minister who had been in a particular shop and had seen something that was not compliant, but that was not a common occurrence. SRC would then relay that issue to the member in question who were usually open to being contacted as any suggestion that

a retailer was unsafe could affect them reputationally. Our members always wanted to be able to say they were following the rules "to the letter".

64.SRC promoted various campaigns with trade union USDAW and Scottish Government ministers encouraging shoppers to shop responsibly, through the media and social media, etc. SRC continue to do this in a different context today in terms of abuse towards shop workers, which spiked during the pandemic as people were presumably upset and scared. There were a lot of instances of abuse during the pandemic as workers were asking customers to do things that they had not been asked to do previously, such as queue before they go into premises.

65.It should be recognised one of the consequences of the pandemic was that the Scottish Government supported Labour MSP Daniel Johnson's Protection of Shopworkers Bill, which puts new protections for retail staff. It specifically covers retail staff acting *inter alia* on behalf of the state; the actions taken by retail workers to enforce covid regulations were a key reason for this.

Timing of Guidance

66. In Spring/Summer of 2020, SRC produced the Scottish Retail Industry guidance which was subsequently refined, particularly in relation to personal services and beauty treatments.

67. There was also the restriction framework which determined who could and could not trade. Lockdowns, restrictions and guidance all bundle into that space and guidance would flex and change with the chronology. For example, garden centres could remain open, but then suddenly they couldn't in Scotland, but could in other parts of the UK, then they were allowed to open earlier than general non-essential retail.

68. Something positive that developed was, when changes would happen, officials from the Scottish Government would speak to the SRC and come along to briefings with our members. We really appreciated that. The benefit of this was that we were meeting with all of our members' operational leads. If the

guidance was not clear, officials could explain what the change was and why it was necessary. We were then able to disseminate that message to members. Government was good at supporting us in this.

69. The BRC has 12 or 13 different communities. Most of the Covid guidance was filtered through the operations community and would have very regular calls. Several times we had different officials on those calls, either the Scottish Government Retail Officials, or from the wider Business Team. This also included briefings with public health officials, with Food Standards Scotland, and officials who were part of the Covid safety team to explain guidance. SRC would have 60-70 team members on these calls and asking questions of the officials. It worked for both sides.

70. In a general sense, we got very good notice when changes to guidance were coming. However, particularly in relation to decisions around click and collect and food takeaway, there was incredibly short notice. SRC were very unhappy about this lack of notice and made this known both publicly and privately. As is mentioned above, it is very difficult to get 100 stores to change something within two days when the guidance is not clear.

71. When the changes to the Safer Workplace Regulations took place on the 15th of December, guidance was communicated after the regulations had come into force. Indeed Officials were clear the regulations would be laid regardless. There were other times where regulations were going to be published very late. It is challenging for businesses, whose *modus operandi* is always to comply exactly to regulations, to interpret what was correct. This became harder as the pandemic progressed.

72. It was less than ideal when Nicola Sturgeon announced the Christmas lockdowns at a very late stage. However, SRC constantly tried to communicate in a timely fashion with our members and create new opportunities for the government to explain to our members what their thinking was behind the action they were taking. Decisions at short notice were frustrating, but we also always took the view that they were being made for the right reasons.

73. In general, members' impression was that the government was making decisions and issuing guidance framed in the context of trying to suppress the R number. However, it was not always clear how modest measures would make much of a difference. For example, what difference would it make when customers cannot go into a store to pick up a sausage roll, but they could from the front door? SRC and our members did not have sight of why those decisions were made.

74. For members who operated across all four nations, it was clear that there needed to be measures at a high level to suppress the virus. What was less clear was why certain specific measures were being put in place and members could not see what the evidence was for those particular measures. Again, we cite why there were different rules on changing rooms in different nations as an example of the minor, but nonetheless disruptive, changes.

Consideration of the Four Harms

75. For members in Scotland, the decision to close in December 2021 had a huge impact on those non-essential retailers. Christmas trading is paramount for many of our members. The impact, which was hypothetical at the time, for the government to balance those things would be very hard. Trying to make the case that economic harmony is tangible and the proportionality question had to be considered was very hard to articulate at the time. If that could be better evidenced for the future, that might be a valuable learning. Although it will always be hypothetical in the moment.

COMMUNICATIONS WITH PUBLIC AGENCIES

76. SRC were in the privileged position of having good relations with government ministers and special advisors which had been developed in the years prior to the pandemic. That left us in a good position where, if we needed to move swiftly, we knew the people to contact.

77. Over the last four years, there has been a lot of changes in the personnel within the government, so we had lots of different people to deal with, but in general consultation was good. As we mentioned earlier, the government listened to our representations on the grants to businesses and we felt that they took on board other issues that we raised.
78. Whether they then did what we wanted with those representations was another matter, but it was our job to explain the business impact to them. As has already been mentioned, it was difficult for officials to understand the diverse nature of the retail industry and we have to communicate that from time to time, but ministers and officials that we engaged with, such as the finance secretary and the economy secretary, worked really hard to understand what we were telling them and they gave us the information that we required as best they could at the time. Whether the information we were providing was then being passed on to where it needed to go for a decision to be made, and how much weight the points we were making were given, is something that we don't know.

KEYWORKERS

79. The issue of keyworkers was not something that we had time to focus on during the pandemic, as we were engaged with various other issues at the time.
80. SRC and USDAW wrote to the Scottish government at the end of March 2020 about keyworkers and childcare as, in other parts of the UK, grocery, food to go and pharmacy workers had been designated as keyworkers and therefore eligible to get childcare. We asked the Scottish government to do the same in Scotland and they responded that it would be up to each individual local authority to take a view on that.
81. A lot of members were agitated that there were different approaches from different council areas in Scotland and would call us to share their frustrations with us.

82. A number of our members provided staff and colleagues with something in writing to say that they were a key worker, which they could produce for the police if they were stopped.
83. It would have been much clearer if there had been a consistent approach from the government as to who was a key worker. Because it was left to the local authorities to decide, it resulted in what was a patchwork quilt. In the retail industry, there are a lot of people working for a particular retailer who have responsibility for locations in several different council areas, not only in Scotland, but UK wide.
84. We have members who are food to go businesses, such as McDonalds, Burger King and Starbucks, who are hospitality businesses but also reach into the retail space. When there were restrictions put on click and collect, this had a big effect on those kinds of businesses as people would order coffee as a click and collect". We became heavily involved with the government and asked them not to take that business away from them as that was the only way for them to make money and pay wages and bills.

LESSONS TO BE LEARNED

85. The first thing we would highlight is that there should be consistency in approach where possible. It is such a massive thing for the way the retail industry operates. Where there is a reason for differences, that makes sense but as a rule of thumb, the easier and more consistent things are, the quicker the industry can do things. We said this in all of our meetings with the government.
86. A really positive point to highlight from the start of the pandemic is the meeting that we have already referred to with the Rural Affairs Secretary where we indicated we needed something to change urgently and this change took place at a speed that was previously unheard of. The government never changes policy in six hours and yet it was able to do that. This ability to respond was really positive.

87. The government was genuinely eager to collaborate, whether that was taking our guidance or asking for our views on what they were proposing. We saw very significant engagement, with the First Minister, Finance Secretary, Economy Secretary, and Rural Affairs Secretary. Both the Economy and Rural Affairs Secretary also met with Members as well.
88. There were times where support from government in terms of reopening was massively helpful. The first day that non-essential shops reopened, the First Minister physically went to a shop to promote this. Those things really matter, they really helped us. It also made our members feel that government might be restricting or not restricting certain areas of the industry, but it wasn't antagonistic. There is a really powerful lesson in that collaboration.
89. In relation to the financial support that was provided, we have already mentioned that there were issues where members had to make applications to several local authorities, so a Scotland-wide portal for financial assistance should be considered. We certainly got the impression that the government were thinking about ways to improve this going forward and whether this would be through Business Gateway or Scottish Enterprise. The government are also constantly refining the rates system with more frequent rates evaluations, so that should mean that the rates information will be more up to date should they require to implement rates relief in the future.
90. In relation to our current engagement with the government, SRC are very fortunate. We have lots of great engagement and we are in various forums that allow us to do that.
91. Some of the structures created during the pandemic were regular meetings with business groups have remained in the foundation of other things. That means that there is a lot more infrastructure for the future which could be quickly activated if something like the pandemic arose in the future. The government also have a better understanding of how the industry works because of the engagement we have had. From our members' perspective, they also understand the need to have this engagement. We now have a lot

more engagement with government officials virtually with our members who are based in Scotland too. There is a lot of value in that.

92. In terms of how information is communicated by the government, anything that's easily digestible is obviously preferable. It was sub-optimal to learn about certain decisions or plans from a public briefing or podiums at St Andrews House or statements in Parliament. When this happened, we would immediately get queries from members and we had no answers. Generally speaking, when the government is going to make an announcement that would affect the industry, SRC would get a phone call from officials an hour or so beforehand. That has been the case for a long time. It is in the interest of the government to make sure our reaction is informed. And even if we are going to agree on a particular issue, our reaction is going to be somewhat more reasonable.

Signed (David Lonsdale)

Personal Data

Signed (Ewan MacDonald-Russell)

Personal Data

Date (David Lonsdale)

1st November 2024

Date (Ewan MacDonald-Russell)

1st November 2024