



FOOD TO GO - CAPITAL INVESTMENT PROGRAMME FOR THE INDEPENDENT CONVENIENCE STORE SECTOR Final Year Report – April 2018-March 2019

Introduction

At the Scottish Grocers Federation Conference on 3rd November 2017, the Cabinet Secretary for Rural Economy and Connectivity, announced that the Scottish Government had awarded funding of £250,000 to be made available to convenience stores throughout Scotland to provide a better food-to-go offering to consumers in 2018/19.

The grant programme was introduced to support and encourage the capacity of independent convenience store retailers in Scotland to innovate and respond to changing customer demands through the development of a food-to-go offering. Grants were awarded on a 50% match funding basis for the installation of a food to go station. The award criteria encourages retailers to focus on locally sourced products and healthy eating options.

Grant Objectives and Milestones

The main objective of the Grant was to help deliver the following programme of work:

- Provide £250k funding to be made available to convenience stores throughout Scotland to provide a better food-to-go offering consumers.
- To support and encourage the capacity of independent convenience store retailers in Scotland to innovate and respond to changing customer demands through the development of a food to go offering with a focus on fresh and healthy produce.
- Grants to be awarded for the installation of a new food to go station on a 50% match funding basis capped at £7,500 (50% from fund, 50% from retailer),
- The Grant programme is open to independent convenience stores within a definition of an SME – less than 250 employees.

The milestones were as follows:

- The programme will be open to applications between **1st March 2018 and 30th April 2018**
- Funding shall be allocated to at least 33 Convenience stores with successful applicants being advised by **31st May 2018**.
- Successful applicants must have completed work by **31st March 2019**. (As agreed with Scottish Government officials, an extension to this milestone has been granted to 29 April 2019, at which point the Scottish Grocers Federation will provide a further update on progress. Consideration will be given the fact that successful applicants are likely to face challenges in completing work within stated deadlines.)

Administration of Scheme

An additional £27,000 funding was awarded for administration costs. This money was utilised as follows:

Staff Time

5 staff were involved in the programme:

The Chief Executive
Head of Public Affairs
Business Manager
Finance Manager
Policy Manager

The total time worked on the project was 1,100 hours.

Materials/collateral

The programme was officially launched (and opened to applications) on 1st March 2018. Prior to this, SGF held a pre-launch event for retailers and symbol groups to raise awareness of the criteria, the applications process and the aims of the programme.

SGF utilised all its communication channels to promote the programme and encourage retailers to apply. This information was also cascaded through all SGF symbol group members (e.g. Booker Premier, Costcutter etc).

Over 2,000 convenience stores participate in the SGF-Scottish government Healthy Living Programme. The regional development managers for the HLP were briefed on the food to go programme and promoted it directly with retailers, giving advice on the criteria and on the application form.

A strong focus was given to digital media. Using a digital media consultant an online campaign, based on twitter and on paid for posts on Facebook, was developed. The Facebook campaign reached some 17,000 users.

How did application process, administration and assessment work?

The application form listed the grant criteria and stated that funds would not be released to successful applicant until evidence was provided to SGF that the work had been carried out. The application form was available on-line. However, signed hard copies of the form were required.

The criteria was primarily based on:

1. Level of healthy eating options to be used within the food to go offering
2. Steps taken to promote the healthy eating options
3. Level of Scottish products used in the food to go offering

The judging panel was comprised of the senior management team at SGF.

Outcome of Year 1 Funding

- List of successful applicants and how much was allocated and for what
See Annexe A

- How much was allocated in total:

£229,002.25

- Remaining money left and why:

£20,997.75

Essentially these applicants have not progressed with the work outlined in the original applications. There are a broad range of reasons for this including: shop closure, issues with cash flow, suppliers ceasing to trade etc. Efforts are ongoing, particularly with SGF symbol group members, to identify suitable convenience stores and encourage them to apply for this remaining funding.

SGF Evaluation

- The Benefits of the Grant Programme

The grocery retail market is hyper competitive. We know from the Scottish Local shop Report that since 2015 over 600 convenience stores in Scotland have gone out of business. This has led to the loss of over 4,000 jobs. It is vital that convenience stores respond to changing customer demands – we know that for those customers in both the Generation Z demographic (16-24 year olds) and in the Millennials demographic (25-34 year olds) food to go is their number one shopping mission.

The food to go grant has enabled retailers to meet changing demand, particularly from a new range of customers. It has also enabled retailers to develop business with local suppliers.

- How has the first year allocation success been evaluated and monitored by SGF?

Successful applicants had to provide copies of paid invoices in respect of the relevant work and photographs of the completed work before funds were released.

A representative sample (10%) of successful applicants will be selected to provide case studies, which will provide insight and learning into the impact of the programme.

The case studies will involve face-to-face interview with the retailers to provide qualitative data on their experience of the process, and how the grant award has affected their business planning and development. The interview schedule will include:

1. Any challenges in providing healthy eating options
2. Any challenges with local sourcing
3. How well customers responded to healthy eating options?
4. What are the challenge sin providing a food to go offering in-store?
5. Did the food to go offering attract new customer?
6. How did the retailer find out about the grant?
7. How did they find the application process?

The case studies will also include a survey giving quantitative data looking at: was this a completely new food to go offering; was there an increase in footfall, was there an increase in overall sales, did the store participate in the SGF Healthy Living Programme.

Unannounced store visits, to check completion of work, will also be carried out on a sample (10%) of successful applicants as an additional method of monitoring.

The evaluation will be used to inform the development of the new application form, criteria and over administration process. The evaluation will be carried out prior to the launch of the new grant programme, currently scheduled for 30th April 2019.



The banner features a green wavy background. On the left is the SGF logo (Scottish Grocers' Federation) with the website www.scottishshop.org.uk. In the center, it says "Find us on" with icons for Facebook, Twitter, and LinkedIn. To the right is the text "SGF Centenary Year" and a circular emblem with a coat of arms and the text "ESTABLISHED 1918". At the bottom, a list of awards is displayed: Best Trade Association 2018, Global Business Insight Awards, Special Recognition, SLR Rewards 2018, Best Trade Association, Food & Drink 2018, Best Food Trade Association - Scotland 2019, and M&A Global Awards.

Find us on

SGF Centenary Year

SGF
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ESTABLISHED 1918

• Best Trade Association 2018, Global Business Insight Awards • Special Recognition, SLR Rewards 2018 •
• Best Trade Association, Food & Drink 2018 • Best Food Trade Association - Scotland 2019, M&A Global Awards •

21		Hillhead Retail Unit (Nisa)	Unit A, Central Building, Hillhead Student Village, Aberdeen University, AB24 1WU	Yes	Yes	60	35	£7,500	£17,840	Yes	£6,500.00		£6,500.00	Introduce self service coffee machine using fair trade coffee bean and organic milk. Food to go install Frijado self service hot unit for grab and go. Also instal local bakery section with cakes (self serve).	29/06/2018
22		Loco Convenience	St. Clair Street, Kirkcaldy, Fife	Yes	Yes	60	90	£7,500	£17,009	Yes	£6,500.00	£6,500.00	£0.00	Grant withdrawn - shop sold	
24		Family Choice (Day to Day)	78 Farm Road, Hamilton, ML3 9LD	Yes	Yes	40	60	£7,500	£28,188	Yes	£6,500.00	£6,500.00		Store changes - main body of store redeveloped to free up sixth of store for food to go offering. Repositioning of soft drink chillers, new upright freezers to replace chest freezers and repositioned beside chilled foods section to create space required for food to go.	
25		Seatar Convenience Store (Booker)	50 Liddel Road, Seafar, Cumbernauld, G67 1JD	Yes	Yes	60	40	£5,047	£10,094	Yes	£5,000.00	£5,000.00		Remove existing extractor unit and make good wall and ceiling. Supply and install counter assembly, new sink units, hand drainer, water heater, glass cabinets, convection oven, under counter fridges	
26		Brae Stores Ltd (Nisa)	Esplanade, Lerwick, Shetland, ZE1 0LL	Yes	Yes	60	90	£1,000	£1,995	Yes	£1,000.00		£1,000.00	Install hot fresh bean coffee machine and station	07/12/2018
27		TAT (FR) Ltd (Nisa/Filshill)	139 West Road, Fraserburgh, Aberdeenshire, AB43 9AE	Yes	No	60	80	£1,000	£2,000	Yes	£1,000.00		£1,000.00	Install hot fresh bean coffee machine and station	06/09/2018
29		Family Shopper (Nisa)	190 Hilltown, Dundee, DD3 7BL	Yes	Yes	60	90	£1,000	£2,000	Yes	£1,000.00	£1,000.00		Install hot fresh bean coffee machine and station	
30		CaRdross PO & Convenience Store (Best One)	Main Road, Cardross, G82 5PX	Yes	Yes	75	50	£1,662	£3,324	Yes	£1,662.00		£1,662.00	Install coffee and food service - moving existing displays to accommodate food to go offering and adding new display boards	06/07/2018
31		Sandy Brae Filling Station Forecourt/Highland Fuels	Highland Fuels Ltd, Kennoway, KY8 5JN	Yes	Yes	70	80	£1,197.50	£2,395	Yes	£1,197.00		£1,197.00	Install coffee and food service - moving existing displays or accommodate food or go offering and adding new display boards	
33		Lovats Supermarket (Nisa)	Winfield Way, Isle of Benbecula, Western Isles, HS7 5LH	Yes	Yes	70	80	£1,197.50	£2,395	Yes	£1,197.00		£1,197.00	Install hot fresh bean coffee machine and station and food to go display station	
35		Naveed Licensed Grocer (Premier)	464 Cathcart Road, Glasgow, G42 7BY	Yes	Yes	100	50	£6,390.50	£12,781	Yes	£6,000.00	£6,000.00		Redevelopment of store and allocating a deli counter to serve 100% of food to go range	
36		Keystore	55 Central Avenue, Troon, KA10 7AZ	Yes	Yes	70	50	£7,500	£21,300	Yes	£6,500.00		£6,500.00	Remove existing counter and replace with food to go serve over counter and kitchen prep area. Will install stainless steel hand wash basin and hand dryer. Remove cigarette gantry and instal new drawers under counter. Install new display fridge and other equipment such as soup urn, microwave, pizza oven and tea/coffee machine. Also fridge/freezer for storing stock and another display oven for hot pies and griddle for cooking.	07/12/2018
38		Mitchell's Newburgh Ltd (Costcutter)	28 Main Street, Newburgh, Aberdeenshire, AB41 6BE	Yes	Yes	25	15	£4,635	£9,270	Yes	£4,635.00		£4,635.00	Replace existing integral 12 year old chiller cabinet with new bigger remote chill. Will be more energy efficient and have more linear footage allowing bigger food to go offering.	12/10/2018
41		Early Till Late (Premier)	455 King Street, Stenhousemuir, FK5 4HX	Yes	Yes	80	50	£7,000	£14,250	Yes	£6,500.00		£6,500.00	Install new chilled display tower, hot tower, under counter fridges.	23/07/2018
44		Atwals, Bellshill (Premier)	205 Motherwell Road, Bellshill, ML4 2JG	Yes	Yes	70	50	£7,500	£17,250	Yes	£6,500.00		£6,500.00	Install new chilled display towers, prep counter, hand sink, under counter fridge, extract cooker hood, griddle, panani machine, bain marie, checkout counter.	

45		Atwals, Mossend (Premier)	83 Clydesdale Road, ML4 2QH	Yes	Yes	80	50	£7,500	£16,250	Yes	£6,500.00	£6,500.00	Install new chilled display towers, prep counter, hand sink, under counter fridge, extract cooker hood, griddle, panani machine, bain marie, checkout counter.	
46		Zayna Foodstore (Nisa)	17-19 Main Street, West Calder, EH55 8BY	Yes	Yes	70	80	£1,197.50	£2,395	Yes	£1,197.00	£1,197.00	Install coffee machine and advertising	
47		Sharif Superstore (Nisa)	146 West Main Street, Whitburn, EH47 0QR	Yes	Yes	70	80	£1,197.50	£2,395	Yes	£1,197.00	£1,197.00	Install coffee machine and advertising	
49		Keystore Bonhill Ltd	Unit 1-4 Ladyton Shopping Centre, Bonhill, G83 9DZ	Yes	Yes	95	65	£4,181	£8,361	Yes	£4,181.00	£4,181.00	Redevelop counter area to offer healthier fresh fruit and fresh sandwiches. Installation of worktop, 2 sink units and fridge/freezer and microwave	
50		Scotounhill Post Office & Convenience Store (Lifestyle Express)	6 Ristol Road, Glasgow, G13 1UY	Yes	Yes	60	55	£2,190	£4,380	Yes	£2,190.00	£2,190.00	Remove card station and clad wall to install new chiller, freezer, coffee/hot drinks machine, microwave and stand	08/02/2019
51		Ahmed Bros (Booker)	51 Sandwell Street, Buchhaven, Fife, KY8 1BZ	Yes	Yes	60	50	£7,500	£16,241	Yes	£6,065.00	£6,065.00	Create brand new counter area within store offering hot and cold food. Install sales counter, serve over housing, small add on counter, gable and gate access set.	awaiting final confirmation
54		Lochs Services Ltd	Cameron Terrace, Leurebost, Isle of Lewis, HS2 9PE	Yes	Yes	50	30	£1,527.18	£3,665.19	Yes	£1,527.00	£1,527.00	Create food to go area with food cooked in house offering local produce, freshly made snacks and food to go	awaiting final confirmation
57		Day Today	32 Redburn Road, Prestonpans, EH32 9NG	Yes	Yes	15	25	£7,500	£23,480	Yes	£7,000.00	£7,000.00	Supply and fit counter, form rear prep area including extraction and tilling works, supply and install new chill counter, hot counter and ambient counter, fit raised floor, gate and screen	14/12/2018
58		Scotfresh (Premier)	Rankin Gait Centre, Carluke, ML8 4AT	Yes	Yes	75	60	£7,500	£21,939	Yes	£7,000.00	£7,000.00	Install 2x tower chilled glass counter, hot bain marie with square glass surround, 2x under counter back up chill cabinets, free standing SMEG oven, soup tureen, toasting machine	22/11/018
60		Nisa Local	106/110 Wellesley Road, Buchhaven, KY8 1HT	Yes	Yes	60	40	£7,500	£22,572	Yes	£7,000.00	£7,000.00	Install new free standing serve over unit installed, new chilled serve unit, new hot serve over unit, new double basin sink, new fridge for storage, new menu board	
61		SPAR Greenock	14 South Street, Greenock, PA16 8TX	Yes	Yes	75	60	£4,415.54	£8,831.08	Yes	£4,415.00	£4,415.00	Upgrade coffee station to include new coffee machine, microwave, fruit stand, 1m shelving bay to house new range of cereal bars, breakfast pots and snacks	awaiting final confirmation
63		Nisa Johnstone	41-45 Hazel Avenue, Johnstone, PA5 0BP	Yes	Yes	100	100	£7,137.50	£14,275	Yes	£6,500.00	£6,500.00	Major store refit works, which include addition of food to go area, of square glass chilled serve over counter, including all joinery work, electrical work, building works etc	17/01/2019
67		Links Licensed Grocer/Linktown Local	221 Links Street, Kirkcaldy, KY1 1QS	Yes	Yes	60	40	£2,625	£5,250	No	£0.00	£2,625.00	Install new chilled display tower, modify current retail counter with electrical work	17/01/2019
69		Thomas Sinclair	Shoreside, Balfour Village, Shapinsay, Orkney, KW17 2DX	Yes	Yes	80	40	£7,500	£14,482.50	Yes	£5,970.00	£5,970.00	Purchase of Atom mini kitchen, including hot water heater, single bowl sink, 6 burner oven range, fryer, fridge, wash hand basin, stainless steel table, extraction system, slip resistant floor, easy clean walls.	awaiting final confirmation
70		Costcutter	19-21 Harbour Street, Hopeman, Moray, IV30 5SJ	Yes	Yes	100	75	£1,803	£3,606.99	Yes	£300.00	£300.00	Counter top hot display and soup kettle	awaiting final confirmation
72		R & I Neish Ltd - Clerkhill (Nisa)	44 Clerkhill Road, Peterhead, AB42 2XE	Yes	Yes	70	80	£1,197.50	£2,395	Yes	£1,197.00	£1,197.00	Install new coffee machine and advertising	22/11/2018
73		Fairdeal Licensed Grocers Ltd	114 Coatbridge Road, Glen Mavis, North Lanarkshire, ML6 0NL	Yes	Yes	50	30	£953.99	£1,907.99	Yes	£953.00	£953.00	Counter top display case/refrigerated bakery	17/01/2019
74		JSK Retail Ltd (Premier)/Medwyn Convenience Store	3 Medwyn Place, Alloa, FK10 1NG	Yes	Yes	100	33	£1,630.00	£3,250.00	Yes	£1,625.00	£1,625.00	Install new 900mm chilled display tower	14/12/2018

75		Maclean Mair Nicolson & Co. Ltd (Filshill)	35 Cromwell Street, Stornoway, Isle of Lewis, HS1 2DD	Yes	Yes	70	80	£1,197.50	£2,395.00	Yes	£1,197.00		£1,197.00	Install new coffee machine and advertising	awaiting final confirmation
76		Keystore More	St. Andrews Road, Lhanbryde	Yes	Yes	100	25	£2,425.00	£4,850.00	Yes	£2,425.00		£2,425.00	Install hot tower counter line	28/02/2019
77		Kammy's Food Store	99 Windmill Road, Kirkcaldy, KY1 3AN	Yes	Yes	100	25	£3,625.00	£7,250.00	Yes	£3,625.00	£3,625.00		Install hot tower with plumbing and worktop for microwave and coffee/slush machine	
78		Parkhall Co-op (Keystore)	148 Duntocher Road, Clydebank	Yes	Yes	75	25	£7,500.00	£15,887.00	Yes	£6,500.00		£6,500.00	Install freestanding chilled displays with refrigeration, installing freestanding open fronted heating cabinets, install sandwich chiller and all electrical works	09/11/2008
79		Keystore More	68 Main Street, Shieldhill, Falkirk	Yes	Yes	80	30	£7,500.00		Yes	£4,290.00		£4,290.00	Install all new modular shelving system for food to go area to house ice cream, hot dogs ice-blast	awaiting final confirmation
80		Keystore Forrest Drive	Forrest Drive, Kirkcaldy, KY2 6YL	Yes	Yes	75	20	£6,125.00	£12,250.00	Yes	£6,125.00	£6,125.00		Install new chilled 900mm hot display tower, install food to go station with base cupboards and install 1200mm coffee unit with side shelving	
81		After 8	27 Dumbarton Road, Stirling, FK8 2LQ	Yes	Yes	100		£2,925.00	£5,850.00	Yes	£2,925.00		£2,925.00	Install new 800mm hot counter display and base cupboard, worktop and coffee unit with shelving	awaiting final confirmation
82		Keystore More	9 Hillhead Road, Wick	Yes	Yes	75	25	£3,451.00	£6,902.00	Yes	£3,451.00		£3,451.00	Strip out existing units and install 3 x 1,000mm wall units with base cupboard units with 3 cupboard units, 1 sink unit with tap and tile feature on backs. Also install resin counter.	05/12/2018
83		Keystore More	17-19 Bridge Street, Wick, KW1 4AT	Yes	Yes	75	25	£7,062.00	£14,124.00	Yes	£3,500.00		£3,500.00	Strip out existing section and install 1 1,000mm wall shelving with base cupboard with sink unit, 1 cupboard unit fitted above sink unit. Strip out existing electrics and reconnect electrics required for chiller for food to go area.	05/12/2018
84		Peterhead Motors Ltd (Keystore More)	South Road, Peterhead, Aberdeenshire, AB42 2XX	Yes	Yes	100	35	£2,200.00	£4,402.00	Yes	£2,200.00		£2,051.00	Install counter extension to match existing and fit one Blizzard Hot food unit with 3 shelves ad sliding rear doors.	15/03/2018
85		David's Kitchen (Nisa)	50 Dalderse Avenue, Falkirk, FK2 7EG	Yes	Yes	100	30	£4,310.50	£8,621.00	Yes	£4,310.00		£4,310.00	Install 1 Bain Marie hot display unit, new 2400mm solid surface counter section, electrical works and plumbing works	07/12/2018
86		Broadway Conv. Store (Premier)	10 Oxfangs Broadway, Edinburgh	Yes	Yes	50	75	£1,237		Yes	£1,237.00		£1,237.00	Install new chiller cabinet	06/07/2018
87		Carpets Convenience Store	7 Carbeth Road, Mingavie, Glasgow, G62 7PR	Yes	No	70	80	£1,198	£2,395	Yes	£1,198.00		£491.25	Install new coffee machine and hot drinks station and microwave	15/03/2019
89		U Save, Park Licensed Grocer	30 Ferguslie Park Avenue, Paisley	Yes	Yes	90	40	£7,000	13578	Yes	£6,789.00		£6,789.00	Install new worktops, base units, doors, handles, plinths, base end panels	01/03/2019
90		Keystore Temple	58 Fulton Street, Glasgow, G13 1ED	Yes	Yes	100	20	7446		Yes	£7,000.00		£7,000.00	Install new refrigeration and serve-over, shopfitting works, fit new retail counter, supply prep table, wash hand basin, extraction hood, all electrical and plumbing works	21/09/2018
91		Meadows Express	24 Wellmeadow Street, Paisley, PA1 2EE	Yes	Yes	70	80	£1,400	£2,395	Yes	£1,400.00		£1,400.00	Install new coffee machine	17/01/2019
92		Kenilworth Grocer Ltd (Day Today Express)	8 Kenilworth Crescent, Glasgow,	Yes	Yes	60	50	£7,500	£15,000	Yes	£4,059.00	£4,059.00		Install hot serve over, chilled serve over and section for bakery. Install base units, worktops, shelves, double sink/drain unit, hand wash, hygienic wall cladding	
93		Nisa Local	120 North Road, Bellshill	Yes	Yes	100	50	£7,500	£18,485	Yes			£7,500.00		
94		Best ne	Priory Road Lesmahagow ML11 0AA	Yes	Yes	80	60	£22,000.00	£25,000.00	Yes			£7,500.00		awaiting final confirmation
95		Smartways	309 Main St,Blantyre G72 0DL	Yes	Yes	35	45	£7,500.00	£29,022.00	Yes			£7,500.00		awaiting final confirmation
96		Booker Premier	13-15 High Street,Kilbirnie	Yes	Yes	50	75	£7,500.00	£14,838.00	Yes			£7,419.00		awaiting final confirmation

66 Applications were successful

41 of the successful applicants have fully completed work and have received their award (29/3/19)

From: [redacted]

Sent: 31 October 2017 15:31

To: Cabinet Secretary for the Rural Economy and Connectivity

Cc: [redacted]; [redacted]; [redacted]; [redacted]; [redacted]; [redacted]; [redacted]

Subject: Funding Announcement for the Scottish Grocers Federation Conference on Friday 3 November

PS/Cabinet Secretary for the Rural Economy and Connectivity

Purpose

1. To seek Mr Ewing's agreement to announce, at the Scottish Grocers Federation conference this Friday, the **establishment of a new £250k Scottish Government funded Capital Investment Programme** to support small independent grocers introduce Food To Go stations within their stores.

Background

2. The Scottish Grocers Federation annual conference brings together key people from across the sector to reflect the contribution the sector makes to the Scottish economy and society, discuss the current trading challenges and identify the opportunities for growth. The Federation represents the majority of independent grocers in Scotland and has around 3,500 members. They also represent some of the larger convenient store chains, such as Scotmid, the Co-op, and Spar (but they don't represent the large retailers such as Tesco, Asda, Aldi etc). Mr Ewing attended last year's conference.
3. We have been working closely with the Federation over the past few months on 2 specific aspects: how we best work in partnership to deliver the aims of the new food and drink strategy, Ambition 2030 – discussions are ongoing with Scotland Food and Drink and we hope to develop some tangible ideas soon, which I'll update Mr Ewing on in due course. The other aspect is around the current trading environment for independent grocers and the scope to support them through this challenging period. Grocers are operating in very tough trading conditions. They are under continued pressure from the competition, particularly through the growth of Aldi and Lidl and the expansion of the 'local' store footprint of Tesco and Sainsburys. They are also feeling the cumulative effect of a range of Government (mainly UK) policy initiatives such as increases to the national living wage, introduction of workplace pensions, tax reform compliance, and higher banking charges on the high street.
4. Over and above that, the grocers are having to adapt quickly to changing consumer habits and they are having to innovate – one of the ways they are starting to do this is through the introduction of Food To Go stations within the stores serving a range

of fresh hot and cold food and drink. Food To Go is very much an emerging market opportunity, both to generate income but also to entice customers into store, but there is a cost to do so – for many independent grocers their margins are tight and they don't have the cashflow to fully support the necessary refit and equipment costs.

Announcement

5. We have therefore worked with the Federation to develop a proposition to announce a new Government-funded **£250k Capital Investment Programme** for small independent grocers to support them introduce Food To Go stations. The fund would provide small grants to stores that apply, and these would be capped at £5k per store and up to 50% of the cost of the re-fit and equipment. Typically the cost of a refit is between £5k to £10k – so our fund would as a minimum support and initial 50 stores.
6. The Federation has indicated that the announcement will be very well received. We have also discussed with them how we use this programme to support our wider policy objectives around local/Scottish sourcing and our efforts around diet and obesity. We've agreed that over the next few months we will jointly work up the criteria to assess applications and these objectives will be a core part of the criteria. The plan would be to formally open the programme for applications early next year.
7. We have the £250k already in our budget so this will be a good use of that resource, and we have the necessary state aid and legal clearance to proceed.

Conclusion

8. I'd be grateful for Mr Ewing's approval to announce the new fund at Friday's conference and we will work up a news release and reference to it in the speech.

Thanks, and would be happy to provide any additional information Mr Ewing requires.

[redacted]
[redacted]

Pete Cheema CEO
Scottish Grocers Federation
Federation House
222 Queensferry Road
Edinburgh
EH4 2B

02/02/2018

Dear Pete

OFFER OF GRANT FOR THE CAPITAL INVESTMENT PROGRAMME FOR THE INDEPENDENT CONVENIENCE STORE SECTOR

The Scottish Ministers in exercise of their powers under section 126 of the Housing Grants, Construction and Regeneration (Scotland) Act 1996 and all other powers exercisable by Scottish Ministers hereby offer to give to the Scottish Grocers Federation (“the Grantee”) a grant of up to £277,000 STERLING, payable over the financial year 01/04/2017 to 31/03/2018 in connection with the Capital Investment Programme for the Independent Convenience Sector, which is more particularly described in Part 1 of [SCHEDULE 1](#) (“the Programme”).

£27,000 of the total funding will be for the Scottish Grocers Federation to facilitate delivery and support of the programme, and Under EC regulation No 1407/2013 (de minimis aid regulation), this part of the funding is a de minimis aid. There is a ceiling of €200,000 for all de minimis aid provided to any one firm over a 3-year period. Any de minimis aid awarded to you under this offer letter will be relevant if you wish to apply, or have applied, for any other de minimis aid. For the purposes of the de minimis regulation, you must retain this letter for 3 years from the date on this letter and produce it on any request by the UK public authorities or the European Commission. (You may need to keep this letter for longer than three years for other purposes.

The grant offer is subject to the following terms and conditions:

1. Definitions and Interpretation

- 1.1 In these Conditions, the words and expressions set out in [SCHEDULE 4](#) shall have the meanings ascribed to them in that Schedule.
- 1.2 In these Conditions unless the context otherwise requires, words denoting the singular shall include the plural and vice versa and words denoting any gender shall include all genders.

- 1.3 The headings in these Conditions are for convenience only and shall not be read as forming part of the Conditions or taken into account in their interpretation.
- 1.4 Except as otherwise provided in these Conditions, any reference to a clause, paragraph, subparagraph or schedule shall be a reference to a clause, paragraph, subparagraph or schedule of these Conditions. The schedules are intended to be contractual in nature. They form part of the Agreement and should be construed accordingly.
- 1.5 This Agreement shall not be varied except by an instrument in writing signed by both parties.

2. Purposes of the Grant

- 2.1 The Grant is made to enable the Grantee to carry out the Programme.
- 2.2 The Grant shall only be used for the purposes of the Programme and for no other purpose whatsoever.
- 2.3 No part of the Grant shall be used to fund any activity or material which is party political in intention, use, or presentation or appears to be designed to affect support for a political party.
- 2.4 The main objective of the Grant is to help deliver the following programme of work:
 - Provide £250k funding to be made available to convenience stores throughout Scotland to provide a better food-to-go offering consumers.
 - To support and encourage the capacity of independent convenience store retailers in Scotland to innovate and respond to changing customer demands through the development of a food to go offering with a focus on fresh and healthy produce.
 - Grants to be awarded for the installation of a new food to go station on a 50% match funding basis capped at £7,500 (50% from fund, 50% from retailer),
 - The Grant programme is open to independent convenience stores within a definition of an SME – less than 250 employees.
- 2.5 The milestones against which progress in achieving objectives shall be monitored are as follows:
 - The programme will be open to applications between **1st March 2018 and 30th April 2018**
 - Funding shall be allocated to at least 33 Convenience stores with successful applicants being advised by **31st May 2018**.
 - Successful applicants must have completed work by **31st March 2019**.
- 2.6 The eligible costs for which the Grant can be claimed are for the activities listed in part 2.4.
- 2.7 The eligible costs exclude:
 - Any Value Added Tax (VAT) reclaimable by the Grantee

3. Payment of Grant

Saughton House, Broomhouse Drive, Edinburgh EH11 3XD
www.gov.scot

- 3.1 The Grant shall be paid by the Scottish Ministers to the Grantee in accordance with the terms of **SCHEDULE 1** attached.
- 3.2 The Grantee shall within 2 weeks following the end of each financial year in respect of which the Grant has been paid submit to the Scottish Ministers a statement of compliance with the Conditions of the Grant using the form of words provided in **SCHEDULE 3**. The statement shall be signed by the Grantee's accountable officer.
- 3.3 In the event that the amount of the Grant paid by the Scottish Ministers to the Grantee at any point in time is found to exceed the amount of the expenses reasonably required by the Grantee in connection with the Programme, the Grantee shall repay to the Scottish Ministers the amount of such excess within 14 days of receiving a written demand for it from or on behalf of the Scottish Ministers. In the event that the Grantee fails to pay such amount within the 14 day period, the Scottish Ministers shall be entitled to interest on the sum at the rate of 2 per cent per annum above the Bank of England base lending rate prevailing at the time of the written demand from the date of the written demand until payment in full of both the sum and the interest.
- 3.4 The Scottish Ministers shall not be bound to pay to the Grantee, and the Grantee shall have no claim against the Scottish Ministers in respect of, any instalment of the Grant which has not been claimed by the Grantee by 31 March of the applicable financial year as set out in **SCHEDULE 1**, unless otherwise agreed in writing by the Scottish Ministers.

4. Inspection and Information

- 4.1 The Grantee shall keep Scottish Ministers fully informed of the progress as and when requested, and with a final written report on completion of the programme of work by all retailers. Details shall include actual expenditure to date compared with profiled expenditure and any change to estimated expenditure for the financial year and/or the Programme as a whole, the reasons for any such changes and progress in achieving objectives/outcomes.
- 4.2 Revisions to targets/milestones against which progress in achieving objectives/outcomes are monitored shall be subject to the written agreement of the Scottish Ministers.
- 4.3 The Grantee shall, on completion of the Project, submit a report to the Scottish Ministers summarising the outcomes and performance of the Project. Such a report shall include such statistical and other information relating to the impact of the Project as shall be required by the Scottish Ministers.
- 4.4 The Grantee shall also provide any other information that the Scottish Ministers may reasonably require to satisfy themselves that the Programme is consistent with the Agreement. The Grantee shall provide the Scottish Ministers with prompt access to any information they reasonably require to ensure compliance with these Conditions.
- 4.5 The Grantee shall keep and maintain for a period of 5 years after the expenditure occurs, adequate and proper records and books of account recording all receipts and expenditure of monies paid to it by the Scottish Ministers by way of the Grant. The Grantee shall afford the Scottish Ministers, their representatives, the Auditor General for Scotland, his/her representatives and such other persons as the Scottish Ministers may reasonably specify from time to time, such access to those records and books of account as may be required by them at any reasonable time in response to a written

request for such access from the person seeking it. The Grantee shall provide such reasonable assistance and explanation as the person carrying out the inspection may from time to time require.

- 4.6 In the event of the Grantee becoming aware of or suspecting any irregular or fraudulent activity that may have any impact on the Programme or on the use of the Grant, or any part of it, the Grantee shall immediately notify the Scottish Ministers of such activity and provide such other information as the Scottish Ministers may reasonably require in relation to the impact on the Project and the use of the Grant.
- 4.7 The grantee shall immediately inform the Scottish Ministers of any change in its constitution for example, but not limited to, a change in status from one type of body corporate to another.

5. Confidentiality and Data Protection

- 5.1 The Grantee will respect the confidentiality of any commercially sensitive information that they have access to as a result of the Programme.
- 5.2 Notwithstanding the above, the Grantee may disclose any information as required by law or judicial order. All information submitted to the Scottish Ministers may need to be disclosed and/or published by the Scottish Ministers. Without prejudice to the foregoing generality, the Scottish Ministers may disclose information in compliance with the Freedom of Information (Scotland) Act 2002, any other law, or, as a consequence of judicial order, or order by any court or tribunal with the authority to order disclosure. Further, the Scottish Ministers may also disclose all information submitted to them to the Scottish or United Kingdom Parliament or any other department, office or agency of Her Majesty's Government in Scotland, in right of the Scottish Administration or the United Kingdom, and their servants or agents. When disclosing such information to either the Scottish Parliament or the United Kingdom Parliament it is recognised and agreed by both parties that the Scottish Ministers shall if they see fit disclose such information but are unable to impose any restriction upon the information that it provides to Members of the Scottish Parliament, or Members of the United Kingdom Parliament; such disclosure shall not be treated as a breach of this agreement.
- 5.3 The Grantee shall ensure that all requirements of the Data Protection Act 1998 are fulfilled in relation to the Programme.
- 5.4 To comply with section 31(3) of the Public Services Reform (Scotland) Act 2010, the Scottish Ministers publish an annual statement of all payments over £25,000. In addition, in line with openness and transparency, the Scottish Government publishes a monthly report of all payments over £25,000. The Grantee should note that where a payment is made in excess of £25,000 there will be disclosure (in the form of the name of the payee, the date of the payment, the subject matter and the amount of grant) in the both the monthly report and the annual Public Services Reform (Scotland) Act 2010 statement.

6. Disposal of Assets

The Grantee shall not, without prior written consent of the Scottish Ministers, dispose of any asset funded, in part or in whole, with Grant funds during the lifetime of the asset. During that period the Scottish

Ministers shall be entitled to the proceeds of the disposal – or the relevant proportion of the proceeds based on the percentage of grant funding used in connection with the acquisition or improvement of the asset against the whole proceeds. The Scottish Ministers shall also be entitled to the relevant proportion of any proceeds resulting from any provision included as a condition of sale. Recovery by the Scottish Ministers shall not be required where the value of the asset is less than £5,000 .

7. Publicity

The Grantee shall where reasonably practicable acknowledge in all publicity material relating to the Project/Programme the contribution of the Scottish Ministers to its costs. The Scottish Ministers may require to approve the form of such acknowledgement prior to its first publication.

8. Intellectual Property Rights

- 8.1 All Intellectual Property Rights are hereby assigned to and shall vest in the Crown or its assignees.
- 8.2 The Grantee shall ensure that nothing contained in any materials produced or submitted to the Scottish Ministers by the Grantee or anyone acting on its behalf nor the reproduction of such materials, shall constitute an infringement of any third party copyright or intellectual property right and shall indemnify the Scottish Ministers against all actions, proceedings, claims and demands made by reason of any such infringement.

9. Default and Recovery etc. of Grant

- 9.1 The Scottish Ministers may re-assess, vary, make a deduction from, withhold, or require immediate repayment of the Grant or any part of it in the event that:
 - 9.1.1 The Grantee commits a Default;
 - 9.1.2 The Scottish Ministers consider that any change or departure from the purposes for which the Grant was awarded warrants an alteration in the amount of the Grant;
 - 9.1.3 The Grantee fails to carry out the Programme; or progress is slower than anticipated.
 - 9.1.4 In the Scottish Ministers' opinion, the progress on the Programme is not satisfactory; or
 - 9.1.5 In the Scottish Ministers' opinion, the future of the Programme is in jeopardy.
- 9.2 If, in the Scottish Ministers' opinion, the Grant or any part of it is state aid and they consider that they are required to recover such sum in order to ensure compliance with their obligations under EU law Scottish Ministers may require immediate repayment of the Grant or any part of it together with interest at such rate and on such basis as may be determined from time to time by the Commission of the European Union.
- 9.3 The Scottish Ministers may withhold the payment of the Grant if at any time within the duration of the Agreement:

- 9.3.1 The Grantee passes a resolution that it be wound up, or a court makes an order that the Grantee be wound up, in either case otherwise than for the purposes of reconstruction or amalgamation, or circumstances arise which would enable a court to make such an order or the Grantee is unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986;
- 9.3.2 Where the Grantee is an individual, if a petition is presented for the Grantee's bankruptcy or the sequestration of his estate or a criminal bankruptcy order is made against the Grantee; or the Grantee makes any composition or arrangement with or for the benefit of creditors, or makes any conveyance or assignation for the benefit of creditors, or if an administrator or trustee is appointed to manage his affairs; or
- 9.3.3 A receiver, manager, administrator or administrative receiver is appointed to the Grantee, or over all or any part of the Grantee's property, or circumstances arise which would entitle a court or a creditor to appoint such a receiver, manager, administrator or administrative receiver.
- 9.4 In the event that the Grantee becomes bound to pay any sum to the Scottish Ministers in terms of clause 9.1, the Grantee shall pay the Scottish Ministers the appropriate sum within 14 days of a written demand for it being given by or on behalf of the Scottish Ministers to the Grantee. In the event that the Grantee fails to pay the sum within the 14 day period, the Scottish Ministers shall be entitled to interest on the sum at the rate of 2 per cent per annum above the Bank of England base lending rate prevailing at the time of the written demand, from the date of the written demand until payment in full of both the sum and interest. [Guidance Note](#)
- 9.5 Notwithstanding the provisions of this clause 9, in the event that the Grantee is in breach of any of the Conditions, the Scottish Ministers may, provided that the breach is capable of a remedy, postpone the exercise of their rights to recover any sum from the Grantee in terms of clause 9 for such period as they see fit, and may give written notice to the Grantee requiring it to remedy the breach within such period as may be specified in the notice. In the event of the Grantee failing to remedy the breach within the period specified, the Grantee shall be bound to pay the sum to the Scottish Ministers in accordance with the foregoing provisions.
- 9.6 Any failure, omission or delay by the Scottish Ministers in exercising any right or remedy to which they are entitled by virtue of clauses 9.1 to 9.3 shall not be construed as a waiver of such right or remedy.

10. Assignment

The Grantee shall not be entitled to assign, sub-contract or otherwise transfer its rights or obligations under the Agreement without the prior written consent of the Scottish Ministers.

11. Termination

The Agreement may be terminated by the Scottish Ministers giving not less than 3 months' notice in writing from the date of the notice being sent.

12. Corrupt Gifts and Payments of Commission

The Grantee shall ensure that its employees shall not breach the terms of the Bribery Act 2010 in relation to this or any other grant. The Grantee shall ensure that adequate controls are in place to prevent bribery.

13. Continuation of Conditions

13.1 These Conditions, except for Condition 6, shall continue to apply for a period of 5 years after the end of the financial year in which the final instalment of the Grant was paid.

13.2 Condition 6 shall continue to apply until the end of the period referred to in that Condition.

14. Compliance with the Law

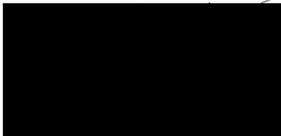
The Grantee shall ensure that in relation to the Programme, they and anyone acting on their behalf shall comply with the relevant law, for the time being in force in Scotland.

15. Governing Law

This contract is governed by the Law of Scotland and the parties hereby prorogate to the exclusive jurisdiction of the Scottish Courts

If you wish to accept the offer of this Grant on the whole terms and conditions as set out in the letter and annexed Schedules, you should sign and date both copies of the Grant Acceptance below and return one copy of the offer of Grant and Schedules to me at Saughton House, Broomhouse Drive, Edinburgh EH11 3XD. You should retain the second copy of the offer of Grant and Schedules for your own records.

Yours sincerely



Food and Drink Industry Growth Team
2 February 2018

GRANT ACCEPTANCE

On behalf of the Scottish Grocers Federation I accept the foregoing offer of Grant by the Scottish Ministers dated 02 February 2018 on the whole terms and conditions as set out in the letter and annexed Schedules. I confirm that the Scottish Grocers Federation is solvent. I confirm that I hold the relevant signing authority.

Signed:

Print Name:

Position in Organisation of Person Signing:

Date:

Place of Signing:

Signed:

Witness Name:

Address:

Date:

Place of Signing:

SCHEDULE 1

PART 1: THE PROGRAMME

Funding is for a Capital Investment Programme for the Independent Convenience Store Sector, with the following activity expected to take place:

- Provide £250k funding to be made available to convenience stores throughout Scotland to provide a better food-to-go offering consumers.
- To support and encourage the capacity of independent convenience store retailers in Scotland to innovate and respond to changing customer demands through the development of a food to go offering with a focus on fresh and healthy produce.
- Grants to be awarded for the installation of a new food to go station on a 50% match funding basis capped at £7,500 (50% from fund, 50% from retailer),
- The Grant programme is open to independent convenience stores within a definition of an SME – less than 250 employees.

A final written report should be submitted to the Scottish Government on completion of all work by retailers, detailing activity that has taken place and flagging up achievements and successes.

PART 2: PAYMENT OF GRANT

1. The total Grant of up to £277,000 shall be payable by the Scottish Ministers to the Grantee in advance on receipt of a completed claim for Grant in the form set out in [SCHEDULE 2](#) together with the associated monitoring information set out in paragraph 4.1 of the Offer of Grant.
2. The total Grant shall be payable over the financial year 2017/ 18 as follows:

Financial Year 2017/18	Amount
February 2018	£277,000
Total	£277,000

The Scottish Ministers shall not be bound to pay any instalment of the Grant which has not been claimed by the Grantee by 31 March of the applicable financial year, unless otherwise agreed in writing by the Scottish Ministers.

3. The Grantee shall provide biannual profiles of expenditure of the Grant before the start of the financial year and/or before each instalment of grant. Any change to the profile or to the overall costs of the Project/Programme shall be notified to the Scottish Ministers at the earliest opportunity via the claims for Grant and monitoring reports.
4. Each claim shall be for an amount equal to the estimated amount of the Grant required to meet the reasonable and proper costs and expenses of the Grantee in connection with the Programme until the next claim is due to be submitted.
5. Each claim shall be submitted together with such explanatory or supplementary material as the Scottish Ministers may from time to time require whether before or after submission of the claim.

6. On receipt of each claim (and any required documentation and information), the Scottish Ministers shall determine the amount of expenditure which they consider the Grantee shall reasonably and properly incur in connection with the Programme having regard to that claim. The determination shall be based on the information provided by the Grantee in accordance with this Schedule. The Scottish Ministers shall use their best endeavours (but shall be under no obligation or duty) to pay the amount determined to the Grantee within 4 weeks of receiving a claim and any required documentation and information relevant to the claim.

7. In order to facilitate the accrual of expenditure of the Grant for the financial year the Grantee shall, where appropriate, advise the Scottish Ministers in writing by 17 April the amount of the Grant actually expended up to and including 31 March.

SCHEDULE 2

GRANT CLAIM FORM

Organisation: «Name and Address»

Bank details: «Name and address, sort code, account number»

Project: «Name/Description»

Total agreed grant for: «20XX-XX»: «Amount»

Latest forecast of expenditure of grant for: «20XX-XX»: «Amount»

Grant claimed to date: «Amount»

«Unexpended grant»: «Amount» (*where grant is paid in advance*)
Any funds not issued will be refunded to the Scottish Government.

«Claim for grant» or «Estimate of grant required» for the period from [Click here to enter a date.](#) to [Click here to enter a date.](#) *or to* [Click here to enter a date.:](#) «Amount»

We hereby claim «total» grant of «£XX» in respect of the above period in accordance with the terms and conditions of the offer of Grant dated [Click here to enter a date.](#) and the Schedules attached thereto.

Completed by:

Position:

Contact Details:

Date:

* Note the total should add up to the total expenditure claimed for the period.

SCHEDULE 3

STATEMENT OF COMPLIANCE WITH CONDITIONS OF GRANT

Capital Investment Programme for the Independence Convenience Store Sector

This is to confirm that the grant claimed by the Scottish Grocers Federation in relation to the above Project/Programme during the financial year ended 31 March 2018 was properly due and was used for its intended purpose(s) in accordance with the terms and conditions of the Grant. This statement is supported by the records of the Scottish Grocers Federation.

Signed:

Name in block capitals:

Position:

Date:

SCHEDULE 4

DEFINITIONS

“Agreement” means the agreement constituted by the Scottish Ministers’ invitation to apply for a grant, the Grantee’s Application, these Conditions and the Grantee’s acceptance of these Conditions;

“Conditions” means these grant conditions;

“Default” means:

- a) Any breach of the obligations of either party under this Agreement (including, but not limited to, any breach of any undertaking or warranty given under or in terms of this Agreement);
- b) Any failure to perform or the negligent performance of any obligation under this Agreement;
- c) Any breach of any legislation; or
- d) Any negligence or negligent or fraudulent miss-statement or misappropriation of Grant, or any other default,

In all cases by either party, its employees, agents or representatives;

“Financial Year” means a period from 1 April in one year until 31 March in the next;

“Grant” means the grant offered by the Scottish Ministers to the Grantee as specified in the Award Letter, as varied from time to time in accordance with these Conditions;

“Grantee” means the person, organisation or body to which the Grant will be payable as specified in these Conditions. Where two or more persons, organisations or bodies are the Grantee, references to the “Grantee” are to those persons, organisations or bodies collectively and their obligations under the Agreement are undertaken jointly and severally;

“Intellectual Property Rights” means all rights of ownership, including all copyrights and other intellectual property rights in books, leaflets and other printed and published materials in whatever form produced as part of the Project by or on behalf of the Grantee including all reports and any such published materials stored in or made available by means of an information technology system and the computer software relating thereto and all patents, trademarks, registered designs and other rights in the nature of intellectual property;

“Project/Programme” means the purpose for which the Grant has been awarded as described in the Offer of Grant;

“Payment” means each of the payments specified in Schedule 1 hereto.

STATEMENT OF COMPLIANCE WITH CONDITIONS OF GRANT

Capital Investment Programme for the Independence Convenience Store Sector

This is to confirm that the grant claimed by the Scottish Grocers Federation in relation to the above Project/Programme which was administered during the financial year ended 31 March 2019 was properly due and was used for its intended purpose(s) in accordance with the terms and conditions of the Grant. This statement is supported by the records of the Scottish Grocers Federation.

Signed:



Name in block capitals: PETE CHEEMA

Position: C.E.O.

Date: 22ND MARCH 2019