

Booksellers Association (BA) response to the Economy and Fair Work Committee's inquiry on Town Centres and Retail

Background:

The Booksellers Association (BA) is a membership organisation for all booksellers in the UK & Ireland, representing over 95% of bookshops. The Booksellers Association exists to support, advise, and work with its members to create excellent products and services for booksellers. Our members have bookshops throughout the length and breadth of Scotland serving a wide variety of urban and more rural communities, from the Borders to the Highlands and Islands. Our members' shops are integral to their local high streets and communities, bringing a wealth of social, cultural, and economic benefits. Membership includes a number of bookshops specialising in the provision of Gaelic publications for children, learners and adults, in both urban and Highland and Island settings. Since 2017 the number of bookshops in Scotland (based on BA membership, but excluding supermarket outlets), has increased from 193 to 222 in March 2022. This includes an increase in the number of independent bookshops from 68 to 108 in March 2022. At the heart of this renaissance is the skill, resilience, and innovation of booksellers, underpinned by a passion for bringing books and the joys of reading to everyone in their communities. It is not an overstatement to say that bookshops are at the heart of the high streets be that a large city centre through to remote rural settings, and in every case they act as vital destinations, attracting customers and visitors who in turn spend in neighbouring retail and hospitality settings. Indeed, bookshops key role in placemaking underscores their centrality to helping drive the change needed to revitalise town centres. Through this presence and their diversity bookshops provide a critical element in our society, bringing the joys of reading and spaces of culture into the heart of our communities.

In preparing this response the BA has surveyed its Scottish members, conducted face to face discussions with a wide range of members ranging from major high street chains, through to independent booksellers in the Highlands, the Scottish borders and the central belt. We are pleased to have the opportunity to contribute and respond to this important inquiry.

Key points:

1. Booksellers are actively driving change and support in their local communities with cultural and leisure at the heart of this activity. Bookshops contribute significantly to the range, quality, purpose and overall diversity of the high street. To secure this role, grassroots participation should be supported to be more influential in local policy making and place leadership.
2. Our members' experience large and small, highlights the importance of having a flexible policy framework to support a variety of retail settings.
3. Bookshops have a huge impact in local and wider communities as 'cultural Placemakers', bringing accessible literature and booksellers' expertise to support schools, events and other initiatives.
4. Business rates remain an unfair burden and the system requires fundamental reform. The pandemic related reduction in business rates burdens through reliefs has been very helpful and it is important that this is extended in the foreseeable future to aid the recovery in Scottish high streets.
5. It is important to note that bookshops have innovated and reinvented themselves as multi-channel retailers whatever their size. E-commerce can be better supported but for our members it is not the reason they exist. They primarily exist to serve their communities directly and to bring the joys and many benefits of books and reading to all age groups.
6. The growth in the number of bookshops in Scotland as elsewhere in the UK has been driven by the skill, resilience, innovation, and passion of booksellers (small and large). However, this recovery is fragile and should not be taken for granted. Consequently, interventions by policy makers at local and national levels need to be carefully evaluated for their impact on the sustainability of our delicate retail ecosystem.

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Impact of the Covid Pandemic

7. As outlined above our members are present throughout Scotland in a variety of high street settings, from the central belt to deeply rural settings for example in the Scottish Borders, and the Highlands and Islands. This encompasses city centres, secondary retail centres, out of town retail parks as well as small town and village settings. Consequently, our members' experience strongly reflects the changing dynamic and diversity of retail in Scotland. A major trend in city centre settings like Glasgow and Edinburgh, driven by the pandemic, has been a dramatic change in shopping patterns which have reverted to those last seen in the 1990's, with the weekends being by far the busiest time of the week. In addition, specific targeted policy initiatives - for example in Glasgow free parking on Sundays - has helped to encourage city centre trips. A significant factor here is the continued preference of many previously city centre-based office workers to work from home for much of the week. This means that lunchtime weekday footfall is noticeably reduced. Because people are not working in city centres so the retail pattern has shifted, with an appreciable rise in weekday footfall experienced by bookshops in secondary city centre high streets, and in towns such as Falkirk and Linlithgow (where many residents would previously have commuted to either Edinburgh or Glasgow).
8. Similarly, members with retail park locations have experienced good levels of trading during the pandemic as these settings continued to attract strong levels of footfall (often displaced from city and town centres). Likewise, our members in more rural and small-town settings continue to develop their strengths as 'retail destinations' through a mix of innovation such as events and making their shops highly attractive, developing the range of their book offering, and on-line offers, and so providing shoppers with a richly rewarding cultural and social experience.
9. In terms of strengths and weaknesses of town centres, our members continue to be greatly concerned with the high costs of doing business especially for 'bricks and mortar' businesses, especially the unequal nature of business rates. More broadly our members perceive a lack of coherent policy approaches to ensuring retail businesses in a variety of physical settings, are supported, and enabled to survive and prosper. For example, a perception that local authorities compete to host out of town retail centres which are overwhelmingly dependent on cars, but then develop policies which discourage people from driving into town centres. Care also needs to be taken over trends such as the level of intrusion of commercial into retail space especially in secondary centres. The ecosystem supporting thriving retail centres is a delicate one and this is often overlooked when policy is being developed for example transport plans. Members also reported about their experience of a lack of coherent plans for town centre revitalisation, which was holding back the potential for retail to support reviving economic growth in more remote communities.

Keeping town centres alive

10. Consideration should be given to policies for example business rates breaks and other incentives which would enable new independent businesses to open alongside better-known brands. It is this mix of local independents and well-known brands which can provide a compelling proposition to attract more visitors to city and town centres. In some contexts, the conversion of the upper stories of former large retail stores to residential might help to revitalise town centres. Although such

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changes will clearly need to be done thoughtfully to avoid any unintended consequences from change of use (e.g., avoiding further hollowing out of retail).

11. How can equality and diversity issues be addressed in policies that create and sustain resilient town centres? This is a vital area, requiring a multi-faceted approach. A key mechanism for enhancing equality and diversity is to make entry into retail easier including setting up a retail business like a bookshop. So, barriers like access to capital and advice need to be tackled as high barriers can marginalise those with the talent but lacking the ready access to investment capital, and advice. An important programme run by the Booksellers Association is the [Booksellers Association - Introduction to Bookselling Course](#) which provides expert advice and insight to individuals looking to open a bookshop. In addition, a larger UK wide chain BA member is actively involved in learning from [Home \(diversityinretail.com\)](#) which brings together a powerful alliance of leading retailers to strengthen diversity practice and collaboration to amplify the impact of individual diversity initiatives. This means that they are working hard to raise awareness of careers in bookselling amongst a wider range of young people across all the community and a variety of educational settings. In addition, we would like to draw the Committee's attention to the 'New Futures' <https://newfuturesbookselling.com/about-new-futures> an initiative run jointly between the Booksellers Association and Bookshop.org. The 'New Futures' programme aims to select, reach and foster new bookshops founded by entrepreneurs from underrepresented communities across the UK.
12. A sense of being marginalised emerged as a persistent theme in member feedback especially those operating bookshops in more remote settings, for example in the Highlands and Islands. Practical measures they sought included small businesses having access to meeting facilities when coming together to plan BID bids. So Public Bodies role in facilitating such access is an example of a relatively 'small measure' which can make a big difference in combatting a sense of marginalisation. Other practical measures include stronger mechanisms for direct engagement with the range of public bodies responsible for town centre policy. Specific suggestions from our members included members of government with responsibility for small and independent businesses making themselves available in townhall-style settings. An important issue which was brought into sharp focus during the pandemic is the landlord and tenant relationship, where some members experienced acute fears over possible evictions. The tenant and landlord relationship is crucial and can be very unequal. Consequently, an innovation we recommend is for the establishment of an official Ombudsman for retail tenants and landlords. Such a body would be a useful remedy in reducing the sense of marginalisation faced by small retailers like independent bookshops. Additionally, business rates are a huge issue, and reliefs should seriously be considered for small businesses who can demonstrate a significant positive impact on their community.
13. BA members requested more open and transparent practices at both local and national government level. They report on the challenges for small businesses trying to navigate the myriad government and council organisations working to support them, one member cited an example in Linlithgow where there are at least five organisations working to help small businesses, (voluntary or otherwise), but it is not always clear what their remit is. Members reported a range of experiences regarding Business Improvement Districts, several expressing their disappointment over the experience, citing patchy levels of communication to levy payers, poor levels of transparency - lack of public meetings, and having limited mechanisms for input from local traders, the lack of a single point of contact like a Town Manager, all of which added to the sense of marginalisation.

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14. The role of culture and leisure in town centres? How can these be leveraged to increase wellbeing? These questions go to the heart of why our town centres matter. The experience of the pandemic has reinforced the central role of culture and leisure in providing well-being across all sections of the community in Scotland, whether the largest conurbation or the remotest rural setting. Within this bookshops are a lynchpin acting as 'Placemakers' in their high streets playing an indispensable role in making their high streets vital and viable and are actively engaged in driving change and support in their local communities. This was highlighted in our newly published ***Booksellers As Placemakers Report*** *Booksellers As Place-makers*. Commissioned by the Booksellers Association, from the Institute of Place Management at Manchester Metropolitan University, the report highlights the role booksellers play in their communities and demonstrates the 'halo effect' of the bookshop on the high street. At the Booksellers Association we have known for many years the outsize impact bookshops have in their communities, and we've watched bookshops all through the pandemic strengthen those local ties, outperform their high streets, and become community leaders. Scotland based members made an important contribution to this research providing insight across a variety of themes including the role of bookshops in providing much needed cultural events such as poetry readings, author signings, story times and supporting literary festivals. In the words of one of our Scotland based members quoted in the report – "It is very clear that the town is benefitting from having an independent bookshop and that I am seeing people coming from other areas to visit the bookshop and then continuing their visit to the town, browsing in the other independent shops, and eating in the cafes and restaurants. My bookshop is helping Stewarton become a 'destination' town." Overall, the results show that booksellers are actively driving change, engagement, and support in their local communities with cultural and leisure. To secure this role for the future and to ensure these benefits reach all communities in Scotland this grassroots participation should be supported to be more influential in local policy making and place leadership.
15. In addition to the points made above, BA member experience would underscore the benefits of closer joined up work between the public sector alongside a broad range of participants from the retail sector, ensuring appropriate opportunity for SMEs to readily participate. A recognition that improving Scotland's town centres and retail sector more generally will not be achieved through a one size fits all policy approach. In this vein our members expressed a strong desire to ensure that 'leveling up' funds are distributed more widely and not just in the main towns. More widely those town centres should be equipped with the experienced teams, advice and support to help communities get the best and most sustainable value from such funds ('know-how' capital alongside the monetary capital).
16. Improving the physical condition of town centres through Investment and follow through co-ordinated by the Public Sector to drive a sustained improvement. Measures should include creating more 'green spaces' especially in built up urban town centres. This is important to helping support the efforts of individual retailers in making shopping centres (from small to the largest city centre settings) destinations which will attract Scottish residents, visitors from elsewhere in the UK, and overseas. The broader and more diverse the retail community is, the more sustainable journeys will be. But clearly sustainability goes far wider. So, policy needs to be framed around sustainability in its fullest sense of making all aspects of life environmentally sustainable and improving quality of life for everyone. This sits at the heart of our members' approach to sustainability, and they are active leaders in their local communities in delivering improved sustainability.

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17. Grants must be worth the paperwork and time spent otherwise this represents which lost opportunity which could have been invested in commercial activity. So, it is vitally important that when designing grant schemes that officials consult with businesses especially SMEs to ensure the administrative burden is kept to a reasonable level.
18. Public bodies to use their convening power to help facilitate provision of facilities such as access to meeting rooms, and in ensuring provision of key facilities such as public conveniences. Such factors play an easily overlooked role in enabling smaller retail businesses to come together and plan bids for example for BID grants.
19. Better Public transport is important to supporting customers to leave their cars at home. But our members in more remote settings depend for their livelihoods on the ability of people to cover wide distances to reach them. Cars remain important to supporting retail in these communities. Less traffic must be built on convenience.

The new realities of Scottish retail

20. The role of fiscal levers? The biggest challenge to small businesses is the current taxation system i.e., the under-taxation of large online businesses such as Amazon and the over-taxation of small bricks and mortar businesses through business rates. The pandemic related reduction in business rates burdens through reliefs has been very helpful and it is important that this is extended in the foreseeable future to aid the recovery in Scottish high streets and retail. Longer term a solution needs to be found to create a more sustainable and equitable fiscal framework. The risk otherwise is that retailers like bookshops will, despite their innovation and entrepreneurial excellence are not able to maintain their current level of economic, social, and cultural contribution to their communities the length and breadth of Scotland. It is important for policy makers to recognise that valuable businesses like bookshops operate on small margins and so are highly sensitive to the significant cost pressures brought about by the current system of business taxation, especially business rates. Consideration should be given to business rates exemptions for small businesses like bookshops who can demonstrate a significant positive impact on their community. A fundamental reform is required. This is a vital policy tool in helping city and town centres to recover and revive. Policy should incentivise investment in businesses whether on-line or in bricks and mortar, not create perverse disincentives such as the cliff edge effects, for example in the application of rates in the context of the Small Business Bonus Scheme and also the Higher Property Scheme, when business premises reach a certain value.
21. In addition to business rates reforms and to maximise the very individuality that independent businesses offer to the high street, consideration should be given by local and national government by legislating for better and more competitive leases and rents. Greater focus on the diversity that independent and small businesses can bring to town centres by helping them with practical advice and involving them in the wider decision-making process when looking to increase town centre footfall.

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E-Commerce Activity in Scotland:

22. Across the bookshop sector in Scotland as elsewhere in the UK the pandemic stimulated more of our members to sell on-line. This reflected the on-going way BA members actively embrace change and new technology. For a number of members this meant transforming their customer facing digital operations from being essentially based on a marketing website to one capable of taking and fulfilling orders. In the experience of one member a grant from the Scottish Government at the early stage of the pandemic was helpful in funding a rebuild of their website to enable on-line orders. As a result of the pandemic our members in Scotland and across the rest of the UK have embraced even further the opportunities provided by digital selling responding to customer need especially in their local communities (using for example click and collect as well as innovative delivery schemes).

23. In terms of e-commerce support going forward our members recognise it is likely to be part of the mix of business, although levels will vary. This means that Government (at all levels) needs to think about how policy supports the 'hybrid format' (where retail provides a mix of physical and on-line sales). How for example might Government and policy support the next phase of digital innovation? Should there be an innovation grant with matched funding? However, it is important to note a view strongly felt across our membership in Scotland that whilst being on-line is important it sits alongside and supports their primary passion and purpose of face-to-face interaction with customers in their communities. Through this presence and their diversity, they provide a critical element in our society, bringing the joys of reading and spaces of culture into the heart of our communities.

Booksellers Association, March 2022.