



Retail, High Streets and Growth

A Scottish Business Perspective
October 2026

Executive Summary

- Retail is Scotland's largest private sector employer, supporting around 228,000 jobs and with a central role in the country's high streets, town centres and economy.
- At Prosper UK's roundtable, we heard from businesses across the Scottish retail industry about the pressures holding back growth. These challenges included rising employment and operating costs, business rates, tax burdens, retail crime, antisocial behaviour, and barriers to employment.
- The Scottish retail industry proposed potential reforms to encourage growth and investment within the sector.

Prosper UK's retail roundtable was held in Edinburgh on 15 May 2026. It brought together senior figures from across Scottish retail to discuss the pressures their businesses face and what would help them invest, employ and grow. Participants ranged from large national chains and department stores to independent high street retailers, garden centres, fast-food restaurants, outdoor brands, and trade bodies that represent the wider sector. They described an industry that feels taken for granted, and that is too often treated as a source of revenue rather than a partner in growth.

Retail is Scotland's largest private sector employer and a mainstay of high streets, town centres and the economy, with almost 15,000 active retail units operating across the country. The recommendations below are what retailers told us would make the difference.

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Recommendations

The recommendations below reflect the views and priorities expressed by housing businesses and experts who took part in Prosper UK's AI roundtable.

- 1 Treat retail crime as an economic and community issue, not only a matter for policing, and sustain funding for Police Scotland's Retail Crime Taskforce.
- 2 Strengthen partnerships between retailers, the police, councils and community organisations, and use retail locations to bring local services together in town and city centres.
- 3 Focus enforcement on repeat and organised offenders, provide health and social support for those living chaotic lives, and restore real consequences for low-level theft and the abuse of shop workers.
- 4 Review the effect of concessionary bus travel on antisocial behaviour in retail centres, while protecting the wider benefits of affordable public transport for young people.
- 5 Reduce the cumulative cost burden on labour-intensive retail, and assess the combined impact of employer National Insurance, the National Living Wage, energy costs and statutory sick pay before adding further costs.
- 6 Reform and rebalance business rates so Scotland's high streets are not left at a disadvantage, pass on rates relief in full when equivalent funding is available, avoid extending turnover-based valuation to retail, and fix the costly appeals system.
- 7 Recognise the effect of Scotland's wider tax position, including the income tax differential, on consumer spending power, recruitment and the relocation of talent and investment.
- 8 Support independent retailers and town centre regeneration through long-term partnership, a stable climate for investment, and parking and access policies that do not deter shoppers.
- 9 Engage with retail as a partner in growth rather than a target for revenue, and subject new interventions such as price controls to proper consultation and economic scrutiny before they are imposed.
- 10 Recognise retail as a leading route into work, training and progression for young people, and remove the welfare cliff edges that discourage people from taking on more hours.

Introduction

Retail is Scotland's largest private sector employer, with around 228,000 people working in the sector directly and many more in the supply chains that depend on it.¹ Retail accounts for close to a tenth of all jobs in Scotland and around 7% of the country's economic output.² It reaches almost every community through shops on high streets, in town centres and in the retail parks where most Scots now do a large share of their shopping. It is also the place where a very large number of people, especially young people, have their first experience of work.

Yet the sector is under real strain. In May 2026 Prosper UK held a roundtable in Edinburgh with retailers about the challenges the industry faces. They described a combination of pressures: rising employment costs, business rates that disadvantage Scotland, energy and supply chain inflation, weak footfall, and a sharp rise in retail crime and antisocial behaviour. A decision taken in one area, such as a rise in employment taxes, feeds through into staffing, which in turn affects how safe a shop is and how much it can invest. The roundtable considered the specific pressures facing Scottish retail, and potential changes which could support the sector's growth, reflecting the views of the businesses involved.

1. Scottish Retail Consortium, *Aisles of Ambition: Delivering Growth for Scotland's Retail Industry* (September 2025), which puts direct employment in Scottish retail at around 228,000 and describes retail as Scotland's largest private sector employer.

2. Scottish Government 'Growing Fair Work in Retail' (4 November 2025)

Retail crime, antisocial behaviour and the social contract

The strongest theme of the discussion among participants, and the one that came up first and returned most often, was crime. Retailers no longer regard theft and abuse as a routine operational nuisance to be managed quietly. They see it as a problem that affects staff safety, store operations, the confidence of shoppers and the wider health of town and city centres. The British Retail Consortium's most recent crime survey recorded around 1,600 incidents of violence and abuse against shop workers every day, down from 2,000 the previous year but still more than three times the level before the pandemic, with violence and theft increasingly bound together. The previous year's survey had put the cost of customer theft at around £2.2 billion and the total cost of retail crime, once prevention is included, at £4.2 billion.³ Police-recorded shoplifting in Scotland reached 53,369 crimes in 2025-26, up 19% in a year and 86% higher than in 2016-17, the fifth consecutive annual rise and the highest level since 1971, and retailers say the recorded figures understate the true scale because so many incidents are never reported.⁴

In Edinburgh and other Scottish city centres, much of the immediate pressure comes from antisocial behaviour. Retailers described groups of young people travelling into city centres and causing disruption. In some cases very young children were making long journeys across a city to steal and to cause trouble. The free bus travel scheme for under-22s was mentioned repeatedly. The scheme has clear benefits, and the great majority of young people use it responsibly; it has supported well over 260 million journeys since 2022 and widened access to education, work and leisure, particularly for those on low incomes.⁵ But operators and retailers have linked it to a rise in antisocial behaviour on and around buses, a concern raised in the Scottish Parliament, noted by the Independent Working Group on Antisocial Behaviour, and borne out by Scottish Government research in schools, which found that free travel had in some cases allowed young people to travel to other areas to take part in fights.⁶ The point retailers made was not that the scheme should be scrapped, but that its effects should be measured honestly and managed, for example through the code of conduct now being developed, rather than ignored.

"We fend off retail crime every single day as retailers."

3. British Retail Consortium, Crime Report 2026 (24 February 2026), covering September 2024 to August 2025: 1,600 incidents of violence and abuse a day, down from 2,000 the previous year, against 455 a day in 2019-20. The theft and total cost figures are from the previous year's survey, British Retail Consortium, Crime Survey 2025 (30 January 2025), which put customer theft at £2.2 billion and the total cost of crime, including prevention, at £4.2 billion.

4. Scottish Government, Recorded Crime in Scotland, 2025-26 (23 June 2026), based on Police Scotland data: 53,369 shoplifting crimes recorded in 2025-26, against 44,730 in 2024-25 and 28,650 in 2016-17.

5. Transport Scotland, Taking action on anti-social behaviour on buses (4 December 2025). More than 260 million journeys have been made since the Young Persons' Free Bus Travel Scheme began on 31 January 2022, and over 80% of eligible young people have access to it. A code of conduct for concessionary travel is expected to be published in 2026.

6. Scottish Government, Behaviour in Scottish Schools: research report 2023 (November 2023), which recorded free bus travel enabling young people to travel to other areas of a city to take part in fights; Scottish Government, Independent Working Group on Antisocial Behaviour: review report (25 February 2025), which noted reports from operators and the media of a rise in incidents since the scheme began.

Whatever the cause, the effect on staff is serious. Retailers reported that their own employee surveys show staff do not feel safe, both from abuse on the shop floor and from the threat they feel travelling home. This is despite very substantial private investment in protection. Businesses described spending millions of pounds on body-worn cameras, security staff and store technology, with the sector as a whole having spent almost £5.5 billion on security over five years.⁷ Body-worn cameras were considered effective, partly because they de-escalate confrontations and partly because the audio and video they capture is often the most useful evidence for the police. Even so, the investment has not been enough to make staff feel secure, and the cost of providing it is one more pressure on already thin margins.

Retailers distinguished between different kinds of offending. At one end is low-level, opportunistic theft and antisocial behaviour. Then there are individuals living chaotic lives, who often need health and social support rather than enforcement alone. At the other end, there are organised gangs, who send in low-level offenders, often vulnerable people, to steal to order, and who simply send someone else the next day if one is caught. Retailers said that dealing with the gangs means working up the chain rather than only picking off those at the bottom.

There is a sense that there is no longer any real consequence for this behaviour. Retailers were clear that this is not, in the main, theft driven by hardship. They rarely encounter someone stealing milk for a baby or a sandwich out of hunger, and where they do, they are far more likely to help than to call the police. Instead, there was a growing sense of entitlement, and a feeling among some offenders that there is simply no reason not to help themselves.

“There is something here about giving people a stake in society and making our shops and high streets places to be. If you value something, you actually have to value it.”

Several retailers connected this to a wider erosion of the social contract: the idea that people behave because it is the right thing to do, and because there are consequences if they do not. This matters for retail because shops sit at the heart of communities, and because the people who work in them live in those communities too.

Views on Police Scotland were broadly positive. Retailers praised individual officers and described good local partnerships, including in Edinburgh, where the city council’s decision to increase the number of officers on the beat in the city centre was welcomed. The continued funding of Police Scotland’s Retail Crime Task Force, which had cross-party backing, was seen as a genuine step forward. The continued funding of Police Scotland’s Retail Crime Taskforce, at £3 million a year for a further three years and with cross-party backing, was seen as a genuine step forward.⁸ The recurring qualification, however, was resources, and the sense that the onus often falls on the retailer to reach out to the police rather than the other way around. Satisfaction with the police response remains low across the UK, with only 13% of retailers rating it as good or excellent, up from 9% the year before.⁹

7. British Retail Consortium, Crime Report 2026 (24 February 2026): retailers spent almost £5.5 billion on crime prevention over the past five years.

8. Scottish Government, Retail Crime Taskforce (29 January 2026): £3 million a year for three years from 2026-27 for Police Scotland’s Retail Crime Taskforce.

9. British Retail Consortium, Crime Report 2026 (24 February 2026): 13% of retailers rated the police response as good or excellent, up from 9% in the previous report.

Retailers see their stores not only as shops but as anchors of safe, active town and city centres, and several argued that retail locations could be used to bring local services together. One pointed to Leicester, where the police ran a temporary station inside a shopping centre over the school holidays, alongside activities for young people, both reassuring shoppers and giving young people somewhere to go. When a centre feels unsafe, fewer people come, those who do spend less, footfall falls, and the isolation and decline that follow are bad for the community as well as for the businesses in it. Treating retail crime as only a policing matter misses this. It is an economic and a social problem at the same time.



The cumulative cost of doing business

Retailers were emphatic that they are not dealing with a single pressure but with several at once, arriving together and compounding one another. Employment taxes, wages, business rates, energy, rent, the cost of security and the cost of staff absence were all mentioned together. The mistake retailers feared most in policy was that each of these is looked at on its own, when the reality on the shop floor is that they add up.

The increase in employer National Insurance was raised most often. From April 2025 the rate rose from 13.8% to 15% and, more significantly for a sector that employs large numbers of people on modest and part-time wages, the threshold at which employers begin to pay was cut from £9,100 to £5,000. The Government's own assessment accepted that the change would fall most heavily on employers of lower-paid and part-time staff, which in practice means sectors such as retail, hospitality and care.¹⁰ A major fast-food franchisee with several outlets in the city centre estimated the change at £35,000 to £40,000 per store each year. One large garden centre business put its own first-year cost at around £4 million. These are not abstract numbers. They are the difference between investing in a store and not, and between taking on staff and not.

The National Living Wage was considered a related pressure rather than an objection in principle. Retailers support decent pay, and many are Living Wage employers. Their concern was the speed and the knock-on effects. The rate for those aged 21 and over rose to £12.71 an hour in April 2026, and retailers noted that it has risen by more than half since 2019.¹¹ Each rise lifts not only the lowest paid but the expectation of those on the next rung, pushing the whole pay bill up. The effect is to squeeze the differentials that reward experience and responsibility, and to crowd out the budgets that fund training and development, exactly the things that turn an entry-level job into a career. One employer noted that pay compression now means they compete for staff with value retailers, having traditionally paid more.

Energy costs have risen steeply over five years, with the added problem that a business already in difficulty can find it impossible to access energy credit. Rents are rising, and a further cost is now arriving in the form of changes to statutory sick pay. From April 2026, sick pay is payable from the first day of absence rather than the fourth, and the lower earnings limit has been removed, extending it to around 1.3 million additional workers; the Government has put the cost at around £450 million a year.¹² Retailers were not arguing against sick pay, but were concerned about both the cost and the behavioural effect at a time when, as they put it, too many people already feel free to game the system. One fast-food operator estimated the change at several thousand pounds per store each month.

10. HM Treasury, Autumn Budget 2024 (30 October 2024); HM Revenue and Customs, Changes to the Class 1 National Insurance contributions Secondary Threshold, the Secondary Class 1 National Insurance contributions rate, and the Employment Allowance (30 October 2024). The rate rose from 13.8% to 15% and the secondary threshold fell from £9,100 to £5,000 from 6 April 2025.

11. Department for Business and Trade, National Living Wage increases to £12.71 per hour (1 April 2026). The rate for those aged 21 and over rose from £12.21 to £12.71; it was £8.21 in April 2019.

12. Department for Work and Pensions, Factsheet: Statutory Sick Pay (2026). Under the Employment Rights Act 2025, from 6 April 2026 Statutory Sick Pay is payable from the first day of absence and the lower earnings limit is removed, extending eligibility to up to 1.3 million more employees at an estimated cost to employers of around £450 million a year.

Underlying all of this was a point retailers feel is widely misunderstood in politics. Because the largest retailers are big and visible, with turnover in the billions, they are assumed to be highly profitable and able to absorb almost any cost. The reality, retailers insisted, is that margins are wafer thin. A business can have very high turnover and make only pennies on each pound it takes, while carrying large overheads, a great deal of stock and a great deal of risk. A busy shop is not necessarily a profitable one. One major garden centre business at the table had been loss-making for five years and had closed almost a third of its stores through a formal restructuring. Treating retail as an easy and bottomless source of revenue, retailers argued, mistakes scale for strength.

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Business rates and Scotland's competitiveness

Of all the costs discussed, business rates were the one retailers felt put Scotland at a clear disadvantage. For many of the retailers, rates are the single biggest line in the cost of doing business, often as high as the rent itself, which on a high street leaves little room for anything else. The specific concern was the gap with the rest of the UK. From April 2026, the roughly 2,300 shops in Scotland with a rateable value of £100,000 or more pay a Higher Property Rate of 54.8p in the pound, against 43p for equivalent stores in England, a poundage around 27% higher. By the Scottish Retail Consortium's calculations, medium-sized and larger shops in Scotland will pay around £54 million more in rates each year than their English counterparts, and around £162 million more over the next three years.¹³ One garden centre business estimated that it pays £50,000 to £60,000 a year more in Scotland than it would for an equivalent store south of the border.

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Retailers were fair about the steps that have been taken. The Scottish Government's introduction of a retail, hospitality and leisure rates relief was welcomed as a genuine, if partial, improvement, and there was credit given for the recognition that retail pays a disproportionate share. But the relief is less generous than in England. It is set at 15%, worth around two fifths of the equivalent support in England by the Scottish Retail Consortium's estimate, it is capped at £110,000 per business, and stores with a rateable value of £100,000 or more are excluded from it altogether.¹⁴ A related frustration was what retailers called passporting. Where the UK Government provides funding for rates relief through the block grant, retailers argued, it should be passed on in full rather than diverted, a point they recalled from the pandemic, when sustained pressure was needed to ensure relief reached individual stores rather than being limited to one grant per business.

The rates system itself was described as broken. Retailers pointed to the strange situation in which councils set rates, businesses then pay specialist agencies to challenge them, and those agencies take a share of any saving. An entire industry built around a system that does not work. There was also a clear warning against rushing into change for its own sake. Some retailers cautioned against any move towards basing rates on turnover, as happens in parts of the hospitality sector, pointing to cases where bills have risen several-fold. For a retailer with very high turnover but slim margins, a turnover-based system would be punishing. The lesson they drew was to fix the system carefully rather than simply shift the burden from one sector to another.

13. Scottish Retail Consortium, Scots shops face £162m more in rates than English counterparts over next three years (31 March 2026). From 1 April 2026 the 2,296 shops in Scotland with a rateable value of £100,000 or more pay a Higher Property Rate of 54.8p in the pound, against 43p in England; the SRC puts the additional cost at around £54 million a year and £162 million over three years.

14. Scottish Government, Scottish Budget 2026-27 (13 January 2026). The retail, hospitality and leisure relief provides 15% relief for properties with a rateable value of up to £100,000, capped at £110,000 per business per year, for the three-year revaluation period. The comparison with England is from the Scottish Retail Consortium's letter to the Local Government, Housing and Planning Committee (22 January 2026).

The wider tax position

The rates issue sits within a broader concern about Scotland's tax competitiveness. Scotland now has six income tax bands against three in the rest of the UK, and while lower earners pay slightly less, those on middle and higher incomes pay noticeably more, with the gap widening sharply above the higher-rate threshold and a top rate of 48%.¹⁵ Retailers and other employers described two effects.

The first is on recruitment and retention. One large employer with a Scottish headquarters said around a third of its office staff now commute in from outside Scotland, and that it spends heavily flying people in for part of the week rather than relocating them, because the difference in take-home pay at senior levels can run to more than £10,000 a year. Over time, that calls into question whether large teams remain in Scotland at all.

The second effect is on spending power. By one estimate shared at the table, the income tax differential leaves around £1 billion a year that is not in Scottish consumers' pockets, set against retail spending of roughly £27 billion a year. A meaningful share of that would otherwise be spent in shops. Figures shared from a recent Institute of Directors survey of Scottish business leaders pointed the same way: 71% considered Scottish income tax rates too high, business tax rates were a concern for two thirds, and three quarters worried that divergence from the rest of the UK would affect their ability to attract investment and hire skilled staff.¹⁶



15. Scottish Government, Scottish Income Tax: technical factsheet (13 January 2026). For 2026-27 Scotland has six bands against three in the rest of the UK, with the higher rate of 42% applying from £43,663, an advanced rate of 45% from £75,001 and a top rate of 48% above £125,140.

16. Institute of Directors Scotland, State of the Nation Directors Survey 2026 (24 March 2026), based on 123 responses collected between 14 January and 2 March 2026.

High streets, place and the everyday economy

Retail is one of the main things that make a high street or a town centre worth visiting, and one of the few that brings people together in a shared public space. Retailers spoke about the responsibility they feel towards the places they trade in. One described being the last large retailer left in a town that its business had served for 50 years and was clear that leaving would take the heart out of the town centre. Decisions to stay or go are taken, in part, with that community responsibility in mind, even when the commercial case is marginal.

The everyday economics of place have become harder since the pandemic. Footfall in Scotland remains well below its pre-pandemic level, by 12 to 15% on one estimate shared at the table, with Edinburgh and Glasgow recovering better than smaller towns, where some high streets have thinned out to the point of disappearing.¹⁷ In several shopping centres the retailers at the table are now the main draw, and sometimes the last one, which makes generating footfall through the quieter months a real challenge. The shift to hybrid working has left many city centres busy from Tuesday to Thursday and quiet on Mondays and Fridays. Retailers also stressed the link between retail and tourism, and the importance of giving visitors a reason to come and a reason to stay, whether through the mix of shops, the surrounding public space, or, as one suggested, a serious look at duty-free shopping in major cities.

A recurring practical theme was the balance between town centres and out-of-town retail, and the part that parking and access play in it. Retailers said that retail parks often work better commercially, because a larger unit can carry more sales without two sets of overheads, and because customers value free and convenient parking. Several described moving stores from high streets to retail parks for exactly these reasons, while wanting to remain on high streets where they can. The contrast with town centre access was stark. Hourly parking charges in central Edinburgh were given as an example of a cost that quickly adds £20 to a family's day out, and low emission zones and anti-car measures in cities such as Glasgow were felt to have made town centres harder to reach without offering an alternative. There were positive examples raised too. One council had recently halved parking charges in its multi-storey car parks to draw people back in, the kind of low-cost, practical step retailers would like to see copied.

“Post-COVID, we have deliberately started to move away from high streets and move into retail parks because of the overheads, the opportunities to grow our space, and the ability to grow our sales and business by bringing in more brands.”

17. Figure given by participants. Written evidence submitted on behalf of McDonald's UK and Ireland (December 2025) to the House of Commons Scottish Affairs Committee inquiry The future of Scotland's high streets put footfall across Scotland's retail destinations at 12 to 15% below 2019 levels, with Edinburgh an outlier, and vacancy rates in many smaller towns above 25%.

Where regeneration has worked, retailers attributed it to partnership and to confidence. Major retail-led developments require investors who have faith in a place, which depends on whether local and national government are seen to be working with developers rather than against them. Retailers contrasted cities that have kept retail at the centre of their strategy with those that decided retail could look after itself and were clear that the difference shows. The same logic applies to investment in stores. Faced with mounting costs, a retailer may not close a shop, but may decline to refurbish it for a decade, or cut back on training and events. The cost is paid slowly, in places that gradually become less attractive.

Independent retailers

Independent retailers face all these pressures with the least capacity to absorb them. One independent fashion and footwear retailer with around 25 years on Scottish high streets described reducing their number of locations from 15 to six, as staffing costs rose from around a tenth to a fifth of turnover and energy costs climbed. Bringing a run-down unit back into use is expensive and slow, and the appetite for it has gone, which is key because small units are easy to fill while the large units that anchor a street are not. Independents give places character, yet the current environment makes their survival, let alone their growth, harder. Supporting them is not nostalgia. It is part of keeping high streets distinct and resilient.



Work, welfare and the route into employment

Attendees were keen to acknowledge that retail is one of the most important routes into work in the country, and especially for young people. Many people have their first job in a shop, where they learn the habits and the soft skills that employers everywhere depend on. Retail employment has been under pressure for years, with the British Retail Consortium reporting more than 360,000 fewer jobs than a decade ago and a further 160,000 at risk over the next three years.¹⁸ If businesses are squeezed too hard, or if staff do not feel safe, the first rung of the ladder becomes harder to offer and harder to climb.

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Retailers were also clear that the welfare system is working against this. Because so many retail jobs are part-time, with a large share of staff on contracts of ten or sixteen hours, the point at which taking on more hours begins to affect benefits matters. Retailers said they regularly find that staff are reluctant to move to more hours or to full-time work because they are told it would not pay once the effect on benefits is considered. Universal Credit was designed to taper support smoothly and remove exactly this kind of cliff edge, and the fact that retailers are still describing it suggests the system is not working as intended. Employers said they would happily offer more full-time hours and find that the disincentive sits in the way.

This connects to a wider point about work and the social contract. An employer recalled a programme a few years ago that brought together more than a thousand employers to create opportunities for young people, and doubted it could be repeated today, because the cost of hiring has risen and because the appetite to work among some young people has weakened where benefits can pay more than a job. Retailers questioned a system that takes money from people in tax, routes it through the welfare machine and hands much of it back, paying for process along the way, when it would be simpler to leave more of it with people in the first place. The honest conclusion they drew was that work has to pay, visibly and reliably, if the route from a first job in retail to a career is to mean anything.

18. British Retail Consortium, Retail down by over 360,000 jobs in a decade (10 June 2025). On ONS data there were 364,000 fewer retail jobs in the year to March 2025 than in 2015, and the BRC estimates that 160,000 more roles could be at risk over the following three years.

Retail and the role of government

During the discussion there was concern about the posture of government towards business, and towards retail in particular. This was not a party-political complaint, and it was directed at decision-making at both Holyrood and Westminster. The concern was that the cumulative effect of recent policy had made it harder to employ, invest and trade, and that retail is too often treated as a target for revenue or a useful villain rather than as a partner in growth. Retailers were equally clear that they do not expect government to run their businesses for them. They expect a policy environment that understands how their businesses work.

The clearest example raised was a proposal for a cap on certain food prices. Retailers regarded this as economically counterproductive: set a cap too high and it achieves nothing; set it too low and it squeezes the supply chain and pushes up the cost of the wider shopping basket. The best route to affordable food, they argued, is the highly competitive grocery market the UK already has, which is part of why British shoppers spend less on food as a share of income than consumers in most comparable countries. What troubled them most was the sense that the proposal was less about food prices than about picking a fight, with retail cast as fair game. They pointed out that the businesses concerned pay above the living wage, support communities and provide essential goods, and that they had had no warning of the proposal despite regular engagement with government shortly beforehand.

This fed a broader unease about an antipathy towards large business that retailers see across a range of policy areas, from rates to the language used about particular firms in public. Being described as “vested interests” or having the term “big business” used as an accusation, was felt to ignore the contribution retailers make and to misunderstand the economics of the sector. There was also concern about what one called mission creep, the sense that government is straining into areas, such as the pricing of goods, where it has neither the need nor the competence to intervene, and where the practical help retailers actually want lies elsewhere.

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It would be wrong to present the relationship as wholly negative. Retailers noted that engagement with the current Scottish administration has been better than with its predecessors, and pointed to real if partial progress, including the funding of the Retail Crime Taskforce and the new rates relief. The criticism was as much about process as about any single decision.

The food pricing proposal felt more like an election campaign than considered policy and had not been through the kind of consultation and scrutiny that good government requires. The ask was simple: treat retail as a partner, engage early and genuinely, including with the smaller firms that rarely get a hearing, and test new interventions properly before they are imposed.

Finally, retailers raised the wider fiscal backdrop. The state of the public finances, at both a Scottish and a UK level, was the conversation no one wants to have, after years of deficits and rising debt. Retailers fear being seen as an easy source of revenue. Although retail provides employment, training and the social fabric of high streets and town centres, it can only do so if it is allowed to make a reasonable return. A sector that is a genuine force for good in communities, retailers argued, is now treated as something closer to a necessary evil to pay for other things and resetting that relationship is in everyone's interest.

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Conclusion

The retailers we met in Edinburgh run businesses on thin margins, employ large numbers of people, invest in physical premises and carry much of the everyday life of high streets and town centres on their shoulders. They are willing to keep doing this. What they need is a policy environment that recognises how their businesses work and how decisions interact in the real world. They are not asking for special treatment, but they want to be understood.

The clearest message was that retail crime can no longer be treated as a minor matter for policing alone. It is driving away custom, frightening staff and weakening the confidence on which town and city centres depend, and it needs to be tackled as an economic and a social problem together, in partnership between retailers, the police, councils and communities. The second message was about cost. Employment taxes, business rates, energy, sick pay and the rest are not separate questions but a single accumulating burden, and Scotland's rates and tax position leave it at a competitive disadvantage to the rest of the UK that it does not need to accept. The third was about respect. Retailers want to be treated as partners in growth rather than as a source of revenue, engaged early and honestly, and trusted to know their own businesses.

The businesses that took part felt that growth is built in the real economy, by the people who invest, employ and trade, and that a serious agenda for growth needs to reflect this. The participants believe the recommendations they made would create an environment conducive to growth while recognising the specific needs of the sector. For them, the condition of Scotland's high streets, and of the sector that anchors them, is a test of whether the country is on the side of business or in its way.

Recommendations

The recommendations below reflect the views and priorities expressed by housing businesses and experts who took part in Prosper UK's AI roundtable.

- 1 Treat retail crime as an economic and community issue, not only a matter for policing, and sustain funding for Police Scotland's Retail Crime Taskforce.
- 2 Strengthen partnerships between retailers, the police, councils and community organisations, and use retail locations to bring local services together in town and city centres.
- 3 Focus enforcement on repeat and organised offenders, provide health and social support for those living chaotic lives, and restore real consequences for low-level theft and the abuse of shop workers.
- 4 Review the effect of concessionary bus travel on antisocial behaviour in retail centres, while protecting the wider benefits of affordable public transport for young people.
- 5 Reduce the cumulative cost burden on labour-intensive retail, and assess the combined impact of employer National Insurance, the National Living Wage, energy costs and statutory sick pay before adding further costs.
- 6 Reform and rebalance business rates so Scotland's high streets are not left at a disadvantage, pass on rates relief in full when equivalent funding is available, avoid extending turnover-based valuation to retail, and fix the costly appeals system.
- 7 Recognise the effect of Scotland's wider tax position, including the income tax differential, on consumer spending power, recruitment and the relocation of talent and investment.
- 8 Support independent retailers and town centre regeneration through long-term partnership, a stable climate for investment, and parking and access policies that do not deter shoppers.
- 9 Engage with retail as a partner in growth rather than a target for revenue, and subject new interventions such as price controls to proper consultation and economic scrutiny before they are imposed.
- 10 Recognise retail as a leading route into work, training and progression for young people, and remove the welfare cliff edges that discourage people from taking on more hours.



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