



# Northern Periphery Programme Retail in Rural Regions Project



## Final Report – Scotland

January 2009-December 2011



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# Northern Periphery Programme **Retail in Rural Regions Project**



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**Community Retailing Network**  
[www.communityretailing.co.uk](http://www.communityretailing.co.uk)



# Northern Periphery Programme

# Retail in Rural Regions Project

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## Final Report – Scotland

Community Retailing Network

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# 1. Introduction

**Norman A. MacDonald**

*Chairperson, Community Retailing Network*



I am pleased to introduce this report about the Northern Periphery Programme (NPP) Retail in Rural Regions (RRR) Project in which the Community Retailing Network (CRN) has been a partner.

The Project has been a learning curve for CRN as it is the first EU-funded Project (with match funding from Consumer Focus Scotland) that CRN has been involved in, working with partners from eight Northern European countries.

The Project has been co-ordinated on a contractual basis by Tor Justad, and from the beginning an emphasis has been placed on learning from our Northern European neighbours and providing opportunities for as many community-owned stores as possible to participate.

I believe we have achieved both aims and in the process CRN has been involved in developing at least three legacy projects:

- i) **Training for community-owned stores** using modules developed through the Project and using the UHI (University of the Highlands & Islands) video-conferencing system
- ii) **Developing a Highlands, Islands & Moray Retail Skillshop** which will provide a range of training opportunities in retail and tourism from 2012
- iii) **A joint project with the Social Enterprise Academy** to provide a tailor-made course for social enterprises involved in retailing, based on the model developed by the Merkur Programme in Norway

A Dissemination Seminar, held in Inverness in September 2011, brought together 40 community retailing practitioners and advisers who were all interested in being involved in developing the work piloted through the Project.

Most importantly the Project demonstrated that the good practice developed in rural Scotland over many years, supported by CRN, is of a high standard when compared with our Northern European neighbours and provides a solid platform on which we can continue to innovate and improve.

CRN would like to thank everyone who has had an involvement with the Project for their willingness to be supportive and to share their expertise.

## 2. Introduction from Consumer Focus Scotland — the Project's Match Funder

**Bill Gray**

*National Officer, Community Food & Health (Scotland)*



At the outset of Scottish involvement in this programme, the Community Retailing Network (CRN) sought support from the country's consumer champions, Consumer Focus Scotland (CFS).

Adding a consumer perspective at the core of the Scottish contribution was not surprising considering CRN's position as a network of community-owned retailers.

The challenges faced by remote rural consumers attempting to access essential services has not only been a key issue for CFS for some time, but also for its government-funded project, Community Food & Health (Scotland) (CFHS).

CFHS supports local communities tackling social exclusion and health inequalities through the medium of food, and has always admired the efforts of some of our remotest communities in addressing a key local need.

The Retail in Rural Regions Project has not excluded privately-owned retailers or less remote communities. Some of the partner countries have these more at the core of their work and there is no doubt that commercial and business skills remain key, whoever is in control or the key beneficiary.

However, it has been extremely welcome to see Scotland's approach not only targeting communities in need but also focused on consumers.



**Consumer Focus  
Scotland**  
Scotland's Consumer Council



**community  
food and health**  
\_\_\_\_\_  
(scotland)

[www.consumerfocus.org.uk/scotland](http://www.consumerfocus.org.uk/scotland)

[www.communityfoodandhealth.org.uk](http://www.communityfoodandhealth.org.uk)

### 3. Aims of the Report

This report aims to disseminate information about the activities of the Community Retailing Network acting as a partner in the Project.

It will provide an overview of the Project (aims, objectives, work programme etc.) and will provide references for further information that can be obtained from the Project's and CRN's websites.

Also included will be feedback from participants in the Project, including those who have participated in the training programme, study visits, the Project's Roundtable Group, Dissemination Seminar and Final Conference.

### 4. Setting the Scene: Community Retailing



The overall objective of the Retail in Rural Regions (RRR) Project was to improve service quality in small communities by supporting the survival, development and growth of rural retail shops and, through this activity, enhancing the economic growth of the regions.

The Project covered most of the Northern Periphery Programme area: Finland, Iceland, Ireland, Northern Ireland, Scotland, the Faroe Islands and associated partners from Sweden, Norway and Greenland.

The Project purpose was to provide and sustain tailor-made support for rural shops.

This support has been offered for this purpose not only by trained professionals in the regions but also by utilising the transnational network of professionals, with a variety of support models as the final product.

The main activities of the Project have been joint activities for mapping the needs of the shops, defining the main characteristics of the service, building the service, training the service providers and implementing the service within pilot areas.

This Project has involved of a range of Project partners – a combination of research organisations, public services and private institutions.

### The outcomes for the whole Project are:

- 11 multifunctional shops running in participating regions, 97 shops provided with some support by the Project

### and in Scotland the target was:

- Three SMEs (Small and Medium-sized Enterprises) modernised through improved computerisation, one new multifunctional shop and five shops receiving some support services

### The criteria for participation in the Project were:

- **The area**

Less than 3,000 inhabitants and minimum 30 minutes travelling time to the nearest town, or 10km distance from the nearest store, or selection of other well-justified regional criteria

- **Products/services**

As a result of the Project activities the participating stores were able to provide a wide range of products/services in addition to groceries. Examples include: fuel, gas, lottery, gifts, local products, Post Office, launderette, crafts, tearoom, tourist information etc.



### The RRR Project has helped to support rural stores by:

- **Improving** competence levels of managers and staff through flexible training opportunities, by:
  - ◇ Improving local support
  - ◇ Tapping into local/regional support structures
  - ◇ Finding ways to improve distribution and supply chains
- **Providing** a tailor-made support service for rural stores, including:
  - ◇ Consultancy support: access to CDS (Co-operative Development Scotland), Business Gateway and Co-operative Enterprise Hub
  - ◇ Training
  - ◇ Networking: Shetland event in May 2011



## The Project has:

- Increased options for shops to improve their **profitability/viability/sustainability**
- Achieved high standards of **ICT** (Information & Communication Technologies) competency
- Improved the **service quality**
- Involved partnership working between **nine countries** and research organisations/public sector/support agencies
- Developed the **Scottish Roundtable** group, made up of 40 individuals and agencies involved in rural retailing, to provide expertise
- **Developed a Scottish model** – training through Skillshop and other support from relevant agencies/membership organisations
- Developed a partnership with the **Social Enterprise Academy**, including 20/20 Retail Leadership Course
- Engaged with the **Merkur Programme (Norway)** – consultants' input to 20/20 and Chief Executive input to Dissemination Seminar
- Linked with **Post Office Ltd. & PO Counters Ltd.** including Diversification Fund
- Co-operated with the **Plunkett Foundation** – which supports community-owned retailers in England and Wales
- Worked to develop the proposed **Highlands, Islands & Moray Retail Skillshop**



Local publications and crafts available at the Eday Community Co-operative, Isle of Eday, Orkney



Florist/Gift Store in Ballybofey visited during study visit to Donegal, Ireland

## 5. Project Activities

These have included study visits and participation in larger events as well as regular project activities.

### 5.1. Study Visits

#### Western Isles, Scotland (June 2009)

*“As ithers see us...”*



Uig Community Co-operative  
Uig, Isle of Lewis

**Comments on the visit to Uig Community Co-operative on Lewis, by Northern Periphery Programme delegates:**



Norman MacDonald, Chair of the Community Retailing Network, welcoming NPP RRR Project delegates to the Uig Community Co-operative

*“The shop is owned by the community. Anyone can buy shares in this shop. Prices are kept as low as possible; profit-making is not a target but making the products and services available for villagers is.*

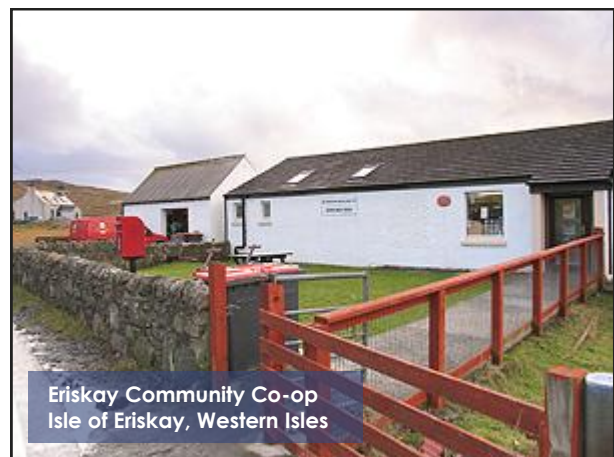
*In addition to regular groceries, the shop has a variety of other products and services, like health foods, souvenirs, petrol pumps, post office, meeting room with video conferencing facilities,*

*laundry, bookshelf from which people can borrow books, drink dispenser etc.*

*There are only three product deliveries per week. One important factor which helped in overcoming this low figure is a compact cold storage room.*

*Vegetables remain fresh for longer when you don't need to put them all immediately on shelves in your shop.*

*Customers can sit and relax with a good book and hot drink and fill in their lottery ticket. Or even if just passing on a tour around Lewis, visitors can find local art pieces and souvenirs, mail some postcards to friends and buy food and drinks from the shop.”*



Eriskay Community Co-op  
Isle of Eriskay, Western Isles

**Reflections from Scottish delegates, including managers of community-owned shops, as they experienced the challenges faced elsewhere in Northern Europe:**

**Norway (February 2010)**



“Each manager said their turnover increased by 50% during the holiday season, which is on par with Uig.

There were very few gift or souvenir items in the shops relating specifically to that area which was disappointing, as when visitors travel to a remote/rural area they usually want something of that place to take away.

The owners needed to be associated with some kind of network, as it would be difficult to access goods on a wholesale cash-and-carry basis; also it saves time regarding pricing and ordering, as it is done from the till sales and prices are updated remotely, with shelf-edge labels distributed to the stores.”

**Faroe Islands (June 2010)**

“With a stable population but reducing turnover it is clear that there is changing consumer behaviour – largely long drives to the capital, Tórshavn, for a better choice of goods and cheaper prices...”



The Faroes have a very modern and effective fishing industry and a network of bridges and tunnels providing a good quality transport infrastructure... shops we visited were struggling to survive and needed to modernise and embrace the multifunctional concept if they were to prosper.”

**Ireland & Northern Ireland (February 2011)**

“Keeping abreast of trends meant training is a key element in their business and this extended into their receptiveness to the training offered on the RRR Project...”

With an inviting feel and quality floristry it was clearly a shop that had the potential to take full advantage of the RRR training and further improve both the service it provides the local community and its own sustainability.”

**Reports from all the visits are available at [www.communityretailing.co.uk](http://www.communityretailing.co.uk)**

## 5.2. Larger Events

### Dissemination Seminar – Inverness, Scotland (September 2011)



**Speakers and delegates at Dissemination Seminar** (left to right): *Sheila Tulloch* (Manager, Hillswick Community Store, Shetland), *Bill Gray* (NPP RRR Project Steering Group member), *Tor Justad* (NPP Project Co-ordinator), *Kirsty MacColl* (Community Retailing Network Development Co-ordinator), *Helge Schei* (Chief Executive, Merkur Programme, Norway), *Peter Couchman* (Chief Executive, Plunkett Foundation), *John Don* (Community Retailing Network & Plunkett Foundation Director)

#### Observations from Scottish dissemination event:

*“It’s not just about saving shops, it’s about saving a way of life.”*

**Peter Couchman, Chief Executive of the Plunkett Foundation**



*“We’ve had major increases over the years in terms of floor space, functions and sales... but shops can’t rest on their laurels, we need to constantly recapture our customers.”*

**Elaine Newton, Manager, Uig Community Shop, Isle of Lewis**

### Final Conference, Iceland (November 2011)



*“The value of networking was recognised in all participating countries... sharing ideas, learning and challenges.”*

**Eila Seppänen, Project Manager, summing up the results of the Project**

*“This has boosted individual businesses but has also put life into the village generally.”*

**Manus Kelly and Seamus McGee, Donegal, Ireland speaking during the Retailer Success Story section**

The first day of the Final Conference included a number of plenary sessions beginning with a welcome address by **Emil B. Karlsson** of the Centre for Retail Studies at **Bifröst University** in Reykjavík, Iceland.

The conference was then opened and introductions made by **Riitta Alajärvi-Kauppi** of **Kemi-Tornio University** in Finland.

This was followed by inputs from the Chairman of the Board of the **Icelandic Regional Development Institute** and a presentation on the results of the Project by **Eila Seppänen**, the Project Manager from Kemi-Tornio University in Finland.

Then there were retail store success stories from Finland, Iceland, Ireland and Scotland – with the Scottish contribution from **Elaine Newton**, Manager of the Uig Community Co-operative on the Isle of Lewis, Western Isles.

Next was an input about the Norwegian **Merkur Programme** by its Chief Executive, **Helge Schei** – who also spoke at the Dissemination Seminar in Inverness in September 2011.

There were also inputs from Icelandic business consultants on their experience of delivering support to rural stores and the keynote address on “The Future of Rural Retailing” was presented by retail consultant **Eric Calderwood** (also a Lecturer at the **Institute for Retail Studies** at the University of Stirling and a former CRN Board member).

A session on the sustainability of the Retail in Rural Regions Project and next steps followed, with an opportunity for all participants to contribute.

### 5.3. Regular Project Activities

- Participation in **monthly web meetings** using i-Linc system
- Four **Scottish Roundtable meetings** (2009-10)
- **40 agencies** invited/represented
- Two **Scottish Roundtable sub-group meetings**

#### **Some observations from the NPP RRR Roundtable discussions organised by the Community Retailing Network:**

*“There was clearly an interest from the public, private and third sectors as well as people whose work was focussed at local, regional and national levels.*

*The policy world was represented alongside those with more practical responsibilities and others with a research interest.*

*There was also interest in different aspects of retailing and related activity, from postal services to local crafts.*

*For some the focus was the remotest rural communities whilst for others it was access to a healthy diet.*

*The transnational approach was putting at Scotland's disposal a wealth of skills and knowledge, and the Roundtable group was bringing that together... the task was to take advantage of both and not be distracted by occasional jargon or bureaucracy.*



*It was generally agreed that rural shops would be best run by people who want to run them, are realistic about running them (no 'playing shops' or 'rose-tinted specs') and are backed by a supportive community and training environment."*

**– Glasgow, August 2009**

*"One important outcome of the Project is to have established in each partner country a Strategic Retail Centre, which could take a number of forms...*

*A large number of issues would have to be resolved before such an initiative could be launched, including how it would be funded, where it would be housed (in one or several organisations), how it would be staffed and what services it would provide..."*

**– Glasgow, March 2010**

*"In discussing how the training could be delivered it was believed that a mix of e-learning, distance learning and face-to-face would be needed... training should be seen as a journey that includes the development of the individual as well as the standard 'tick-box' of competencies."*

**– June 2010 (by teleconference)**

## 6. Training Programme

For Community-owned Retail Stores (May-October 2011)



**Back row** (left to right): David Dancy (Manager, Co-op Group store, Lerwick), Joyce Morrison (Manager, Harris Community Co-op), Elaine Newton (Manager, Uig Community Co-op, Isle of Lewis), Catriona Walker (Manager, Eriskay Community Co-op), Eric Calderwood (Retail Consultant), Ken MacDonald (Ravenspoint Community Shop, Isle of Lewis). **Front row** (left to right): Sheila Tulloch (Manager, Hillswick Community Store, Shetland), Liz Peterson (Manager, Eid Community Co-op), Mellissa Thomson (Eday Community Co-op), Kirsty MacColl (CRN Development Co-ordinator), Craig Stevenson (Manager, Tolsta Community Shop, Isle of Lewis).

In an attempt to counteract the trend – that all the Project partners are experiencing – of the loss of many rural shops, the main purpose of the Retail in Rural Regions Project has been to work out ways to provide rural retailers with the knowledge, skills and confidence they need to make their businesses more viable and sustainable in the long term.

Training has a key part to play in this, and over the course of the Project each partner was required to work with a group of rural retailers to design and deliver a suitable training programme.

As the Project partner in Scotland, the Community Retailing Network worked with a group of community-owned rural shops to develop the training programme.

Initially this involved an audit of existing retail training and a questionnaire for the rural shop participants, in order to find out their specific needs. The response indicated that although there are a number of retail training courses available in Scotland, the locations and delivery times and methods can make them inaccessible to small, remote shops.



Something that was also recognised by a number of the Project Partners was that many rural retailers would prefer to gain practical knowledge and advice to help them improve their shop in terms of efficiencies, staffing, how to diversify, how to improve profits etc. rather than formal qualifications.

Participating community-owned shops included those in Eriskay, Leverburgh, Ravenspoint, Tolsta and Uig in the Western Isles; Papa Westray and Eday in Orkney; and Hillswick, Aith and Ollaberry in Shetland.

The stores are all very remote which made the actual delivery of training quite a challenge.

However, the University of the Highlands & Islands (UHI) online video-conferencing system was used, which meant the staff from shops could access the training either from a local learning centre or their own PC.

Five successful and useful training sessions were delivered, as follows:

- **Customer Care** – delivered by a West Highland College Lecturer, Fort William
- **Health & Safety** – delivered by The Co-operative Group Health & Safety Officer from Moray College, Elgin
- **Food Safety Level 2** – delivered by a Co-operative Group Trainer from the Consumer Focus Scotland office in Glasgow
- **Effective Store Management** – delivered by the Manager of The Co-operative Group store in Lerwick
- **Merchandising/Pricing** – delivered by a Retail Consultant from the Consumer Focus Scotland office in Glasgow

Ten shops took part and the number of participants ranged from 10 to 13. Each participant was asked to complete an evaluation form and the feedback has been very positive.

It was a considerable organisational, logistical and technical achievement to link up these remote stores to each other and a trainer.

This resulted in them discussing common issues and learning together in a relaxed and



convenient way.

The training also involved a study visit, to enable all the participating shops to meet up face-to-face for a two-day event in Shetland. This included visits to the three community-owned shops in Shetland, taking part in a public meeting about the setting up of a new community-owned shop and a training session.

There was general agreement that this combined networking/training/study visit session was very useful – there is no doubt that meeting people face-to-face, looking round other shops and taking part in training as a group is the best way to stimulate discussion and create new ideas.

Due to finance and time constraints it is not possible to do this very often, however, so finding a balance between face-to-face training and online provision is most likely the best way forward.

The other Project partners have also had positive feedback from their retailers; in particular, the opportunity to network with other retailers in addition to the actual training has been highlighted as a real benefit.

In addition, CRN and the agencies providing training have had the opportunity to participate in a very innovative way and a great deal has been learnt.

Although the focus of the training programme has been on community-owned shops in rural areas, the method used is relevant for any small shop – whether it's privately-owned, in a town or in a remote village. Even if training is available nearby it can still be difficult to take part if it's during shop hours and you only have a couple of staff.

In looking ahead, the Project has helped shape CRN's own plans for organising training for the community shops.

There will also be the opportunity to link up with the new Highlands, Islands & Moray Skillshop, UHI (University of the Highlands & Islands) and the Social Enterprise Academy, and CRN looks forward to working together with these organisations on training projects for community shops in the future.

## 7. Follow-up and Legacy

As with all transnational projects, it is often towards the end of the project that the experience gained can begin to be implemented and therefore legacy activity becomes vital to secure the benefits of the project on a long-term basis.



Amongst the activities that will continue from January 2012 will be:

- **Training** for community-owned stores using modules developed through the project and using the UHI (University of the Highlands & Islands) video-conferencing system – which makes it possible for store staff from any store to participate, regardless of remoteness
- Developing a **Highlands, Islands & Moray Retail Skillshop** which will provide a range of training opportunities in retail and tourism from 2012
- A joint project with the **Social Enterprise Academy** to provide a tailor-made course for social enterprises involved in retailing, based on the model developed by the Merkur Programme in Norway (with whom we have had contact throughout the project)

## 8. Conclusions

In conclusion, the Project has achieved its original aims and objectives and the benefits for CRN and individual rural retailers have been:

- Learning from the partners about developments in other partner countries which we can learn from and develop
- Sharing good practice from rural retailing in Scotland, especially the model of community co-operatives developed in the Highlands & Islands of Scotland
- Piloting an innovative form of training and forming links with qualified retail training organisations
- Sharing the results of the Project with 40+ organisations
- New links with supportive organisations – including the Social Enterprise Academy, Merkur Programme etc.
- Involvement in setting up at least three legacy projects

## 9. Project Finances

The total project budget was €1,292,491 and the Scottish budget was €77,867 (approximately 6% of the total budget), of which 60% was funded by the Northern Periphery Programme and 40% by Consumer Focus Scotland. The finances of the Project were administered by Martin Meteyard and finance claims to the Northern Periphery Programme were prepared by Sue Williams.

## 10. Project Documents

### 9.1. Reports, Programmes etc.

- Study Visit to Norway Report (February 2010)
- Study Visit to the Faroe Islands Report (June 2010)
- Study Visit to Northern Ireland & Ireland Report (January 2011)
- Project Report (July 2010)
- Programme: Dissemination Seminar (8 September 2011)
- Dissemination Seminar Report (September 2011)
- Project Flyer: Scotland (September 2011)
- Project Flyer: all Partners (2009)
- Study Visit/Networking/Training: Shetland (May 2011)
- Final Conference Report: Iceland (December 2011)
- Final Project Report: Scotland (December 2011)

All available online at [www.communityretailing.co.uk](http://www.communityretailing.co.uk)

### 9.2. PowerPoint Presentations

- Generic Project Presentations
- Dissemination Seminar (September 2011)
  - ◇ Tor Justad: Setting the Scene
  - ◇ Kirsty MacColl: Training Programme
  - ◇ Peter Couchman: Community Retailing in England & Wales
  - ◇ Helge Schei: The Merkur Programme, Norway

All available online at [www.communityretailing.co.uk](http://www.communityretailing.co.uk)

## 11. Project Partners

### 11.1. Finland, Iceland, Ireland, Faroe Islands, Scotland and Northern Ireland:



DONEGAL COUNTY COUNCIL  
Chomhairle Chontae Dhún na nGall



### 11.2. Associate Partners from Norway, Sweden & Greenland:





# RETAIL in RURAL REGIONS



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