

Angela Blair  
Joint Policy Unit  
Sandwell Primary Care Trusts  
438 High Street  
West Bromwich  
B70 9LD

**RE: The grocery market**

The OFT's reasons for making a reference to the Competition Commission  
May 2006

I recently read the above report. This is an informative and well-written report. I agree with most of the reasons that the OFT give to make reference to the CC, but I feel that the grocery market needs to be **understood as a whole**. This is how we are approaching the food retail and policy work in Sandwell. With the lens of 'public health' we consider the features and their implications. My response concentrates on Quality, in paragraph 4.8 of the report, p26.

*4.8. ....In general, provided competition gives consumers a choice of types of food, the OFT would consider issues of diet and healthiness of food to be outside its remit as a competition authority.*

The OFT have misunderstood what public health professionals were asking. I agree that it is unlikely to be the job of the OFT or the CC to consider issues of diet and healthiness of food. I disagree strongly that it would be outside the remit of the OFT and CC to consider **spatial planning and local food access in relation to health**. The grocery market creates food choices for the population. Other features mentioned in the report reshape this structure. In fact, food retail geography is then re-shaped once again for people without cars, people that have mobility problems and people living on a low-income. We ask if it is fair that the most vulnerable people have to make the most effort to access food retail shops and to buy affordable, fresh food locally?

Our key principle is that people should have *fresh food (and a range of affordable, healthy food) within a reasonable walking distance* of their homes. This principle is important for public health, neighbourhood regeneration, community cohesion and sustainable development. This principle is an ideal. We then have to root around to learn other ways to create good food access. Access to affordable healthy food is a basic human right, as is the ability to move around freely in your community and to be physically active, at no cost.

The OFT/CC should seize the opportunity to strengthen and support planning. The planning regime can help Local Authorities create a balance in food retail. They exist to provide a public service for the local communities, as best they can, but they must be given the power to make fair decisions on food retail. e.g. to monitor food retail, to develop local food access/retail strategies, to use policies and funds to deliver practical work that can create a just food system.

The challenge is for the grocery market structure and the related policies to allow this ideal to become a reality. *Can the grocery market focus on a principle, that all involved agree is the direction that will result in progress?* Then the Competition Commission and the Office of Fair Trading can ensure **that the way in which this is achieved, is fair** for all retailers/suppliers involved. The food supply system (grocery market) must focus on nourishing and improving the health of its population. Economic profit cannot continue to decide the spatial planning, market structure and policy environment for food.

The geographic reshaping of the food retail system has been developed around the system of supply. We now need to counterbalance this with demand, from the local communities and the Local Authorities perspective. Data provided does not provide a clear picture e.g. drive times, postcodes

To base a food system on car use and four key retailers is not good enough. We need to aim to achieve 'Food Security' from all levels of the food system. Although the four largest supermarkets jointly represent 70 per cent of total grocery sales in 2005 your report quotes research by William Reed Publishing, that there are 26,873 unaffiliated independents. This diverse collection of retailers will represent the neighbourhoods in which they work. The Government needs to recognise and strengthen this retail infrastructure.

In the end, it boils down to considering the **economic welfare trade-offs**, but I would like to ensure that our nations future health is included in the analysis.

My chain of thinking about the opportunities relating directly to this work is:

- Policy Action Team 13 report 'Improving shopping access for people living in deprived neighbourhoods' – recommended retail strategies and incentives for independent retail but the actions were not delivered.
- Social Exclusion Unit report 'Making the connections' – Directors of Public Health named as responsible for monitoring access to affordable healthy food. This process is beginning but should relate to OFT/CC.
- Local Transport Plans require the Accessibility Mapping of fresh food access. Local Authority 'Transport' departments are leading this process, but the data should inform OFT/CC and relate to Planning.
- Work is being carried out nationally, to understand and improve food access. Health professionals are mainly doing this work. Government funding is being bid for and invested in these improvements. This work needs to be aligned with the grocery market. The OFT/CC can advise housing, planning and transport on what their powers are to improve food access – within the legal framework relating to competition and the grocery market.
- Regional Spatial Strategies are being developed. The task groups are making decisions on food retail and therefore the grocery market, without guidance on how to use the policies and information above.

The work of the CC, and the OFT must be made public and available to the Government Offices leading on these Spatial Strategies.

- Competition Commission report recognising the whole grocery market and imposing remedies, based on an ideal. Providing a clear picture for Local Authorities to use planning to create a balance in local food retail.
- Regional Spatial Strategies using CC recommendations and LA accessibility planning work to plan food retail structure for the future.