

# 13 Social and environmental issues

## Contents

	<i>Page</i>
Introduction .....	296
Net effects on grocery retail employment caused by supermarket openings.....	296
Introduction .....	296
Case studies .....	297
Full-time equivalents vs employee headcount.....	300
Retailer initiatives.....	301
The survival of town and district centres, and the food webs, social provision and public transport that they encompass .....	301
The decline in numbers of small stores .....	301
Food webs .....	303
Views of interested third parties.....	305
Consumer surveys .....	306
Retailer views.....	307
Retailer initiatives.....	308
Local authorities' views .....	308
Implementation of PPG6/PPG8/TAN4 .....	308
Factors affecting the viability and vitality of town centres.....	309
Farmers' markets.....	310
Social provision.....	311
Provision of public transport .....	311
Access to groceries for low-income groups and consumers with restricted mobility.....	312
Food deserts .....	312
The food deserts study.....	312
Limitations .....	313
Results .....	313
Conclusions .....	314
Prices in low-income areas.....	314
Views of interested third parties.....	315
Access to healthy food .....	315
Community schemes to improve access to groceries .....	316
Retailer initiatives.....	316
Restricted mobility consumers .....	317
Economy own-label products .....	317
Environmental issues.....	318
Car-borne consumers.....	319
Potential effects of revised PPG6.....	321
Car miles .....	321
Food miles.....	322
Summary of social and environmental issues.....	323
Employment .....	323
Town and district centres .....	323
Access to groceries.....	323
The environment .....	324

## Introduction

13.1. This chapter considers the extent to which grocery provision by the main parties has a number of broad social and environmental effects that may potentially impact upon the public interest.<sup>1</sup> The four issues detailed in paragraph 13.6 have each been raised as meriting concern during the course of the inquiry. These arise not directly as a result of competition between multiple grocery retailers, or of the prices charged by them, but rather as a result of the growth of this form of grocery retailing over the past three decades.

13.2. A number of other social and environmental issues considered during the inquiry relate more directly to competition between multiple grocery retailers and the prices charged by them. Chapter 6 deals with present and future market developments, Chapter 7 with pricing issues, Chapter 10 examines the quality of service available from supermarkets, and Chapter 12 covers land and planning issues. Additionally, Chapter 14 considers the views of the main parties, and Chapter 15 the views of other interested parties.

13.3. The issues discussed below all stem from the growth of large grocery retail chains and out-of-town superstores in the UK since the 1960s and 1970s. A sea change in consumer behaviour has occurred, away from several shopping trips each week at smaller, local shops often with counter service, to the use of one-stop facilities at large self-service superstores selling everything from flowers to petrol, and geared towards high levels of car usage.

13.4. The 1998 AC Nielsen *Retail Pocket Book* shows that in 1980, hypermarkets and supermarkets together, defined as all stores over 400 sq metres, accounted for 56 per cent of grocery trade. The remaining 44 per cent lay with smaller, generally independent shops. Of this 56 per cent, 40 per cent lay with supermarkets between 400 and 2,499 sq metres, and the other 16 per cent comprised hypermarkets over 2,500 sq metres.

13.5. By 1996, the grocery retail landscape had changed. 45 per cent of grocery stores were now over 2,500 sq metres, and a further 42 per cent were over 400 sq metres. The proportion of smaller stores had fallen from 44 to 13 per cent. This phenomenon was common across Western Europe. The proportion of small stores fell in France from 21 to 5 per cent and in Germany from 36 to 24 per cent.

13.6. Such a change in the shopping environment throws up potential issues for those who work within or benefit as customers from a more localized system of retailing. Four key issues of potential concern are examined below. These are:

- (a) the net effects on retail employment resulting from the greater prominence of large superstores at the expense of smaller, local shops;
- (b) the declining viability and vitality of some town and district centres, and the interdependent trading arrangements between local suppliers and retailers which exist within them. Such decline can be caused by the closure of small shops unable to compete with larger non-town-centre supermarkets. This is combined with concerns that some types of community support traditionally provided in smaller local stores, and public transport in rural areas, have also declined;
- (c) access to groceries for low-income customers and groups with restricted mobility; and
- (d) environmental concerns principally arising from the effects that the siting of new stores may have on car usage and miles driven to shop by consumers (car miles) and suppliers (food miles).

## Net effects on grocery retail employment caused by supermarket openings

### Introduction

13.7. One consequence of a greater prevalence of supermarkets in the UK is a move of labour away from smaller shops towards bigger stores. Supermarkets exhibit economies of scale in comparison with smaller stores enabling them to employ lower levels of labour in relation to turnover. Accordingly, it

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<sup>1</sup>In accordance with section 84 of the FTA.

might be expected that employment has declined due to the emergence of supermarkets, and the efficiency gains they are able to bring to the grocery retail industry. However, there has been much debate over whether the greater prevalence of larger stores has in fact caused a net increase or decrease in grocery retail employment and retail employment as a whole.

13.8. Most of the case studies below rely on data from the early 1990s and so are unable to capture any effects the revisions in 1993 and 1996 to the Government's PPG6 for England, and its Scottish, Welsh and Northern Irish equivalents,<sup>1</sup> have had on employment levels. Revised PPG6 is discussed further in the sections below and in Appendix 12.3.

13.9. Additionally, two factors during this period would be expected to produce increases in retail employment. First, grocery retail sales grew in real terms by 12.3 per cent between 1991 and 1995<sup>2</sup> in line with the economy's recovery from recession. Secondly, the emergence of Sunday trading created demand for extra retail labour, though this may largely have been a short-term phenomenon as retailers learned how best to deploy labour in reaction to consumers' new shopping patterns.

### ***Case studies***

13.10. Four studies have attempted to examine the issue by looking at the effects that the opening of new supermarkets have had on various geographic areas. The first, *Superstores and Labour Demand: Evidence from Great Britain* by Alessandra Guariglia of the University of Essex, asserts that supermarkets have had a positive net effect on retail employment in the UK. The study examines net employment effects in the areas around Tesco and Sainsbury stores that were opened between 1984 and 1991. It concludes that: '[The] job creating role of superstores can explain the increase in employment of 12 per cent that characterised the UK grocery retailing sector between 1983 and 1994, and which took place in the face of a general downward trend in the national levels of employment'.

13.11. However, a number of criticisms have been made that question the ability of this research to give an up-to-date picture of employment trends in the grocery retail sector.<sup>3</sup> First, employment figures were extracted from the 1991 Census of Employment, thus net effects on superstore openings since the census were not covered. This means that the impact of town centre stores such as Tesco Metro and Sainsbury Local which have opened since 1991 have not been included.

13.12. Second, 1991 Census figures exclude the self-employed, a key group of shopkeepers who may be adversely affected by the opening of new superstores in their locality. Bankruptcies among self-employed retailers rose from 785 in 1968 to 1,723 in 1998, and reached a peak of 3,606 in 1991,<sup>4</sup> the year of the Census.

13.13. Third, the 1991 Census carries out samples rather than full surveys of businesses with less than 50 employees, and excludes all workers not registered for PAYE. In 1998, 99 per cent of businesses in the wholesale, retail and repair sector had 50 employees or less, meaning that just 1 per cent of businesses in the sector would have undergone a full census if taken in that year. The exclusion of workers unregistered for PAYE should not affect superstore job numbers where all employees are registered, but it will exclude casual staff in smaller shops (for example, paper boys/girls) who are not registered.

13.14. Fourth, the survey is limited in its scope. In common with the other research below, it does not try to account for relative wage rates between new superstores and the shops they may replace. Additionally, the shift from full-time to part-time employment in the retail sector over the last 20 years is not accounted for by an estimate of full-time equivalent (FTE) employee numbers.

13.15. Fifth, the study focuses on grocery retail employment and total employment in the areas covered, but no attempt was made to examine changes in total retail employment. The opening of superstores, however, affects employment at many types of retail outlets. One way this may occur is if a large superstore acts as an anchor for other retail development in the local area.

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<sup>1</sup>Future references to PPG6 also include the Scottish, Welsh and Northern Irish equivalent planning guidelines.

<sup>2</sup>Source: *Superstores and Employment in Retailing*, Dr David Thorpe for the NRPF, 1999.

<sup>3</sup>Many of the criticisms were made by Dr David Thorpe in his report on the same subject. See paragraph 13.27.

<sup>4</sup>Source: *Report on trends in small retail outlets*, Prof V W Mitchell & S Kyris, School of Management, UMIST, 1999.

13.16. Sixth, the results for the London area which has a high superstore density appear to differ significantly from results in the rest of the country. When London is included, the opening of Tesco stores coincides with a fall in total employment, while the opening of Sainsbury stores accompanies an increase in total employment, but has no effect on grocery retail employment. London is thus excluded from parts of the results as an outlier, and the conclusion that net employment has increased as a result of the opening of superstores also excludes London.

13.17. Lastly, when analysing the employment effects caused by new Tesco or Sainsbury stores, no allowance is made for Tesco and Sainsbury stores that may have been replaced by the new stores. It is unknown how much, if at all, this may have inflated estimates of the number of jobs created by the store openings.

13.18. Two recent studies published by the National Retail Planning Forum (NRPF) take opposite views on the employment effects of new superstores. The first, titled *The Impact of Out-of-Centre Food Superstores on Local Retail Employment*, was published in January 1998 and carried out by researchers from Boots. This paper analysed employment effects from 93 superstore openings between October 1991 and February 1994 and compared them with national employment trends from the 1991 Census of Employment and the 1995 Annual Employment Survey.

13.19. The authors compared employment trends in 15 km catchment areas surrounding the 93 new stores, with trends evident from national figures adjusted to eliminate the surveyed catchment areas. Overall FTE retail employment rose by 0.1 per cent (1,214) nationally over the four years. However, in the 15 km catchment areas surrounding the new stores, retail employment fell by 2.9 per cent (24,471). Thus, if the superstores had not opened, it is argued that 25,685 net FTE jobs would have been saved, equal to 3 per cent of FTE retail employment in the catchment areas or 276 per store opened.

13.20. The results of the study can be decomposed. Between 1991 and 1995, UK grocery retail employment dropped by 1.5 per cent. At a 5 km radius from the supermarket openings surveyed, the decrease in grocery retail employment was 0.7 per cent, half the average retail decline. However, at 10 km and 15 km, decreases in grocery retail employment were 4.2 and 5.2 per cent respectively, well above the national average. These rose to 7.7 and 6.9 per cent when measuring net changes at 5 to 10 km and 10 to 15 km from the new stores.

13.21. At up to 5, 10 and 15 km radii, specialist food employment fell by at least 24.3 per cent, with new store employment coming close to counteracting these declines only at a radius of 5 km. This suggests that the employment impact of new superstore openings at a very local level was relatively balanced, but with significant net declines stretching up to 15 km (9 miles) away. Thus, conclusions drawn from the study on negative local employment impacts of new stores depend on the definition of 'local' that is used.

13.22. There are similar difficulties in this study to those in the paper described in paragraph 13.10, the most obvious being the identical use of 1991 Census of Employment data. Secondly, the Census figures are compared with 1995 Annual Employment Survey statistics, each of which conduct a sample rather than a census of small businesses. The self-employed are again excluded.

13.23. Thirdly, converting headcount to FTEs was not done at superstore or catchment area level but by applying statistics relating to hours worked in the retail sector between 1991 and 1995. As the report points out, including all retailers when converting to FTEs distorts the results as part-time grocery retail employment is likely to involve longer hours than other retail employment, which relies disproportionately on part-time Saturday work, for example fashion or record stores. As a result, the report's conclusion that one full-time job equals approximately three part-time jobs might well understate the quantitative importance of part-time workers. See paragraph 13.33 for the implications of this.

13.24. Fourthly, all store openings surveyed were of superstores over 2,323 sq metres (25,000 sq feet) net selling space and over 1 km from a town centre. This may not accurately reflect the current retail planning environment following the adoption of PPG6 revisions in 1993 and 1996, which encouraged grocery retail development closer to town centres and of a smaller size. Lastly, due to Asda's strategy of not extending its store portfolio during the early 1990s, no Asda stores were included in the survey.

13.25. A critique of the above study was commissioned by Tesco, carried out by researchers EDAW, and published in July 1999 under the same title *The Impact of Out-of-Centre Food Superstores on Local Retail Employment*. The critique takes issue with the Boots research on three core issues:

- (a) It claims that all jobs rather than FTEs should be used. When this is done using the same store sample, between 165 and 236 net jobs were created per store. As a corollary, the study's treatment of part-time jobs as roughly equivalent to 35 per cent of a full-time job is disputed, largely because of the methodological difficulties mentioned above.
- (b) It states that the Boots research is skewed by five large urban areas where all forms of employment were decreasing. When these areas are omitted from the sample, retail employment increased by an average of 420 in the remaining 88 areas.
- (c) The EDAW study surveyed 20 further sites with new edge-of-town stores, and found that net retail employment increased by an average of 430 during the period in these areas. This finding was based on a headcount rather than FTE basis.

13.26. The EDAW study concludes that, on average, large superstore openings create rather than destroy jobs, and that where employment does fall, this is generally connected with the prospects for the region relative to the wider economic prospects for the country.

13.27. The most recent study to be published on this subject was by Dr David Thorpe of the John Lewis Partnership in October 1999 titled *Superstores and Employment in Retailing*. This paper is the third in the NRPF series and sides with the original Boots research asserting that, regardless of whether FTEs or a headcount of employees are used, superstore openings have decreased net employment levels.

13.28. Dr Thorpe makes a number of criticisms concerning data collection and sampling for the 1991 Census of Employment on which the data for the three previous surveys was based and notes that these are being examined by researchers at University College, London. The most telling criticism is that census data are unreliable at a local level, and thus any study of employment effects must take place on a national basis. He quotes ONS notes on the degree of error applicable to sampling for the Annual Employment Survey (AES) from Labour Market Trends, July 1998. The Boots and EDAW studies above used the 1995 AES in conjunction with the 1991 Census of Employment, a similarly sampled survey. The ONS notes comment:

All surveys are liable to error. For example, some businesses will not respond, or may misunderstand the questions. Sample surveys, such as the AES, are affected by a further type of problem; sampling error. While a number of businesses are included each year in the AES because of their size, random samples are made of smaller businesses. Different samples will give different grossed results.

The degree of error that stems from this source can be measured and for the AES is estimated for Great Britain employees at plus or minus 0.8%. Figures for smaller areas or for particular industries are likely to have higher levels of sampling error. For example, regional employee estimates are on average correct to plus or minus 6%.<sup>1</sup>

13.29. It seems reasonable to assume that taking employee estimates for one industry sector only, and at postal sector rather than regional level, the sampling error will rise significantly above the 6 per cent regional figure estimated by the ONS. Dr Thorpe estimates a margin of error of at least 15 per cent to be applicable to the earlier NRPF studies.

13.30. Having presented a case for using national rather than local data from the 1991 and 1995 ONS surveys, Dr Thorpe points to significantly higher productivity gains in grocery retail compared with the rest of the retail sector between 1991 and 1995. Grocery retail productivity per head grew by 9.4 per cent in real terms, compared with 1.1 per cent for the rest of the retail sector. Using FTEs, calculated on the same basis as the Boots study, the productivity gap is wider at 14 per cent compared with 5.1 per cent.

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<sup>1</sup>Labour Market Trends, ONS, July 1998.

13.31. A comparison of sales growth with growth in total labour numbers underlines Dr Thorpe's main proposition that the increase in superstore numbers delivered greater efficiency to the grocery retail sector, and thus relatively lower levels of labour than were previously necessary. Between 1991 and 1995, grocery retail sales grew by 12.3 per cent, but grocery retail employment by only 2.7 per cent. These figures illustrate the ability of superstores to absorb increases in sales volume with productivity gains which avoided the need for increases in labour.

13.32. Dr Thorpe's analysis reveals falls in FTE total retail and grocery retail employment of 1.5 and 1.7 per cent respectively, but rises in total employment of 2.4 and 2.7 per cent. These data, and those for grocery retail only, are shown in Table 13.1.

TABLE 13.1 Net employment trends, 1991 to 1995\*

Sector	FTEs			Total		
	1991	1995	% change	1991	1995	% change
Retail	1,426,120	1,402,475	-1.7	2,080,300	2,130,100	+2.4
Grocery retail	494,590	487,294	-1.5	1,018,100	1,045,700	+2.7

Source: Superstores and Employment in Retailing, Dr David Thorpe for the NRPF, 1999.

\*It should be noted that supermarket development also sustains and creates jobs in other industries (for example, construction), on a short-term basis.

### *Full-time equivalents vs employee headcount*

13.33. The first two NRPF studies depend crucially on whether the number of people employed is measured by headcount or by taking a measure of FTEs. If one FTE is said to equal around three part-time jobs, then part-time posts created by new supermarkets may be given too little significance in relation to part-time hours worked in grocery retail.

13.34. Table 13.1 from Dr Thorpe's study is reworked as Table 13.2 so that one part-time job is equal to 50 per cent rather than 35 per cent of a full-time job. This reveals that any FTE employment falls are nullified by this method of calculation. Total retail employment would have fallen slightly, but grocery retail employment would have risen due to the higher proportion of part-time workers in grocery retail.

TABLE 13.2 Net employment trends, 1991 to 1995

Sector	FTEs			Total		
	1991	1995	% change	1991	1995	% change
Retail	1,577,085	1,570,389	-0.4	2,080,300	2,130,100	+2.4
Grocery retail	615,400	616,157	+0.1	1,018,100	1,045,700	+2.7

Source: Superstores and Employment in Retailing, Dr David Thorpe for the NRPF, 1999.

Note: FTE = two part-time workers.

13.35. Taking Tables 13.1 and 13.2 together, it appears that at national level, grocery retail employment has fared marginally better than retail employment as a whole. It would seem that any fall in grocery retail employment between 1991 and 1995 depends on the assumption that part-time grocery retail jobs are on average less than half a full-time job.

13.36. The debate over superstores' influence on employment levels raises questions concerning the worth of a part-time job compared with full-time employment. If part-time jobs increasingly match the preferences of workers in the retail sector, then greater weight should be given to headcount rather than FTE employment figures.

13.37. Statistics from the Labour Force Survey show that the creation of part-time jobs over the last 30 years have been a powerful driver to encourage women to enter the labour market. Between 1971 and

1996, the number of women participating in the UK labour market rose from 9.4 million to 12.3 million, a rise of 31 per cent during a period when the number of working men was static at 15.6 million. Many of these new jobs were part-time, resulting in 45 per cent of all female employees working part-time in 1996 compared with 8 per cent of male workers.

13.38. The most recent Labour Force Survey<sup>1</sup> asked part-time workers the reason for their reduced hours. Using seasonally adjusted figures, females comprised 80.1 per cent of part-time workers in summer 1999. Of these, 80.2 per cent said that they worked part-time because they did not wish to work full-time, against 8 per cent who said that they could not find a full-time job. Among male part-time workers, 41.1 per cent worked part-time because they wished to against 22.8 per cent who could not find a full-time job.

### ***Retailer initiatives***

13.39. Some of the main parties have opened stores in economically disadvantaged areas and have recruited staff from long-term unemployed members of the local community. These projects include:

- (a) Tesco worked with Leeds City Council and other local organizations to develop a Tesco Extra at Seacroft<sup>2</sup> shopping centre to which potential recruits who have signed up to the New Deal will be recommended by the Employment Service. Tesco has identified four other areas in which it plans to repeat this initiative.
- (b) Asda opened a large store at Hulme, an economically deprived area of Manchester, in 1998 as part of the Manchester City Council sponsored Hulme High Street Project. Around 90 per cent of the store's employees are from the local area, and 90 per cent of these were previously unemployed.

### **The survival of town and district centres, and the food webs, social provision and public transport that they encompass**

13.40. This section examines concerns surrounding the continued vitality of town and district centres. It incorporates several interrelated issues including the effects of a greater number of supermarkets on the 'food webs' of interdependent local retailers and suppliers; the alleged decline in social provision through the closure of small shops; and the contribution of out-of-town superstores to any decline in the availability of public transport to town and district centres.

13.41. The greater provision of superstore in-store facilities, in some cases combined with the practice of below-cost selling, are also alleged to have had detrimental effects on smaller, specialist shops commonly found in town and other local centres. Information regarding the in-store facilities of the main parties can be found in Chapter 5 and in paragraph 6.72. Below-cost selling is discussed in paragraph 7.153ff.

### ***The decline in numbers of small stores***

13.42. It has been alleged that the opening of new superstores close to villages and small towns has had a significant detrimental effect on the economic health of many areas. These social and environmental problems were highlighted by the House of Commons Select Committee on the Environment, Transport and Regional Affairs second report (December 1999) titled *Environmental Impact of Supermarket Competition* which commented:

The large increase in out of town supermarkets has brought benefits, but it has also caused many problems. These stores have reduced the vitality of town centres; they have led to the closure of corner shops in towns and villages; they have produced urban sprawl and

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<sup>1</sup>Labour Force Survey Quarterly Supplement, November 1999.

<sup>2</sup>Due to open October 2000.

loss of much valued countryside close to towns; and they have also encouraged the use of cars ... Out of town supermarkets have had serious and undesirable effects on town centres and village shops.

13.43. Numbers of superstores, which are defined by Verdict Research as being in excess of 2,323 sq metres (25,000 sq feet) net selling space, rose from 733 to 1,147 stores between 1990 and 1998. By virtue of their size, many such stores are likely to be sited away from town and other local centres. It is these out-of-town and edge-of-town stores that are thought to have the greatest detrimental effect on small and specialist retailers serving town and district centres.

13.44. The alleged impact of supermarkets on the economic health of small retail outlets in town and district centres is consistent with data from the ONS which shows large falls in sales values going through specialist food retailers traditionally common in town and district centres. Table 13.3 shows sales value trends in specialist retail outlets from 1992 to 1996.

TABLE 13.3 Sales value trends in specialist food stores

<i>Specialist food sector</i>	<i>Sales value trend</i> %
Fruit and vegetable specialists	-10
Meat, poultry and game specialists	-22
Fishmongers	-25
Bakers	-1
Tobacconists	-8

Source: ONS, 1996.

13.45. Some specialist retailers have been hit especially hard. Verdict comments:

The largest fall from grace has been within butchers, whose share has fallen by over half from 5.2% in 1990 to 2.3% in 1998, and in fishmongers, where market share has fallen by 70% in the period. This is a direct result of the increasing range development in the meat, deli and fresh fish counters now in abundance in the major supermarket chains. Bakers' market share has stabilised at around 2%. The now common in-store bakeries must have damaged the specialist bakers trade, as has the increasing frequency of bake-off ovens in local convenience store operators.<sup>1</sup>

13.46. Further statistics from the ONS and Verdict show that food specialists' sales at 1998 prices have dropped from £8.26 billion in 1990 to £7.01 billion in 1997, a fall of 15 per cent. However, between 1997 and 1998 sales values rose by 2.2 per cent to £7.16 billion. In terms of store numbers, multiple retailers have expanded from 4,194 stores in 1990 to 5,350 in 1998. Simultaneously, independent store numbers excluding Co-ops have dropped from 27,965 to 20,654. These broad trends are expected by some to continue.<sup>2</sup>

13.47. The Rural Development Commission<sup>3</sup> has also reported on diminishing access to local shops. In 1997, its research found that 42 per cent of rural parishes (those with a population of less than 10,000) no longer have a permanent shop of any kind, while 70 per cent do not have a general store.

13.48. It should be noted that multiple stores situated in town and district centres can act as an anchor for other retail activity. Paragraph 3.12 of revised PPG6 recognizes this: 'Large foodstores and supermarkets often play a vital role as anchor store in maintaining the quality and range of shopping in smaller towns and district centres. They are also essential for the less mobile members of the community.'

<sup>1</sup>Source: *Verdict on Grocers and Supermarkets 2000*, Verdict Research Ltd.

<sup>2</sup>See, for instance, *Report on trends in small retail outlets*, Prof V W Mitchell & S Kyris, School of Management, UMIST, 1999.

<sup>3</sup>'It's not all roses round the door in rural England', Rural Development Commission press release, December 1997.

## ***Food webs***

13.49. The issue of the survival of local food store provision was investigated initially by Lady Cranbrook in her 1998 report titled *Food Webs*.<sup>1</sup> This examined the interdependence of local traders in the town of Saxmundham in east Suffolk, and the effect that the planned opening of a large Tesco superstore nearby was likely to have on their businesses.

13.50. Food webs can be broadly defined as groups of interdependent food suppliers and retailers trading with each other for mutual benefit in a local community. Lady Cranbrook identified the key advantages of such webs as the sale of locally-produced food within the locality, enabling a degree of self-sufficiency within rural communities, the provision of local employment, and reduction of travel distances to grocery outlets.

13.51. The main findings of the research were that 67 of 81 food retailers in 7 market towns and 19 villages employing 548 people predicted that they would go out of business (not all immediately) if the Tesco store opened. If these retailers were forced to cease trading, the tightly knit nature of the food webs identified would create an additional adverse affect on the 295 local food producers which supplied them.

13.52. Lady Cranbrook concluded that the food webs identified not only had the environmental and employment benefits mentioned above, but also ensured that money circulated within the local rural economy, a practice which would be diminished or eliminated by a transfer of trade to superstores dealing with larger and fewer suppliers. Food webs also provided small-scale producers and retailers with a base from which to generate the economies of scale necessary to serve a wider populace. Local retailers additionally formed a focal point for the community, providing an example of the social provision detailed below, often including home delivery for elderly and less mobile customers.

13.53. It should be noted that multiple retailers also perform some of the functions mentioned above, though on a larger scale. By virtue of their store portfolio and scale of operations, multiples can open up national markets to local suppliers and assist them to expand their operations. Additionally, the availability of home delivery services from multiples has recently increased, though a charge is often levied for the small basket sizes commonly required by elderly and less mobile members of the community.

13.54. Other research on the impact of supermarkets on town and district centres was carried out by the CPRE in June 1999. This was in the form of a survey comprising half-hour interviews with 64 shop owners and managers within a 10-mile radius of Tenterden, Kent, and found the same local interdependence identified previously by Lady Cranbrook. Specifically:

- (a) the 64 shops surveyed employed 372 people, 126 of which were full-time workers;
- (b) 58 of the shops provided local delivery services;
- (c) 163 local producers supplied the shops; and
- (d) 48 per cent of customers walked to the shops against 20 per cent who drove.

13.55. Many of the shops visited had been included in a previous survey of 94 outlets including petrol stations carried out by Chrysalis Market Research in 1997. Of these, 11 had closed but 8 others had opened.

13.56. A further CPRE survey of 30 food and non-food shops in Scissett, Yorkshire, and three surrounding villages found that a proposal for an edge-of-village Safeway left 40 per cent of retailers fearing closure. Of the remainder, 80 per cent said that the new Safeway would have a materially negative effect on their business. Only three shopkeepers said that they thought it would have no effect. The survey found the same 'spider's web of connecting strands' between local traders, and the strong social dimension apparent in the other studies.<sup>2</sup>

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<sup>1</sup>Lady Cranbrook gave evidence to the inquiry. A summary of this can be found in paragraphs 15.524 to 15.530.

<sup>2</sup>Other studies with similar conclusions were undertaken in Forres and Elgin near Inverness by the Forres Business Association due to a proposal to open a Tesco store (Forres) and following the relocation of a Fine Fare store (Elgin).

13.57. A 1998 study carried out for the DETR titled *The Impact of Large Foodstores on Market Towns and District Centres*<sup>1</sup> considered the social and economic impact of the siting of large superstores in a number of market towns and district centres. It also attempted to shed light on the debate surrounding the effects of superstore siting on the environment, and in particular how car usage in terms of frequency and distance of journey to retail outlets may be altered by the siting of new stores. This is discussed in paragraph 13.175.

13.58. The DETR report contains a survey of local authorities which exposes considerable unease and lack of uniformity over decision-making on planning applications for new food stores. For example:

- (a) Between 1991 and 1996, 45 per cent of edge-of-centre and 36 per cent of out-of-town stores were not subject to any form of impact study (retail, accessibility, traffic or environmental).
- (b) Over the same period, only 14 per cent of local authorities had carried out a post-opening assessment.
- (c) 65 per cent of out-of-centre developments between 1991 and 1996 did not undergo an assessment of trip lengths or car usage to reach them.
- (d) None of the local authorities had carried out a combined transport/retail assessment for any new developments.
- (e) 50 per cent of out-of-centre developments were considered to have had a detrimental effect on local town centres, although negative effects could also be experienced from new town centre stores on surrounding town centres.
- (f) 43 per cent of local authorities considered current practice for assessing the retail and transport effects of new store openings to be inadequate.

13.59. This low level of local authority activity on retail and transport assessment of store developments is confirmed by our own local authorities questionnaire, which is detailed in full in Appendix 12.5. Table 13.4 gives responses on the type of impact studies carried out by local authorities between 1995 and 1999.

TABLE 13.4 **Impact studies carried out by local authorities, 1995 to 1999**

<i>Type of assessment</i>	<i>% carried out</i>
(a) Town centre vitality and viability	47
(b) Local employment	2
(c) Access to shops for low-income and less mobile groups	-
(d) Transport infrastructure	11
(e) Smaller stores	5
(f) Local producers	-
(g) The environment	2

Source: Local authorities questionnaire, Q28.

13.60. The table shows no significant frequency of any types of retail impact assessment over a five-year period during which 229 retail planning applications came before the local authorities in question. As these results reflect only the authorities that responded to the questionnaire, it is possible that they are biased upwards to some extent.

13.61. As part of its report, the DETR researched the effect of superstore openings on six market towns and three district centres. Detailed findings for each market town are summarized at Appendix 13.1. In many of the town and district centres, the report was unable to draw firm conclusions regarding the effect of the new stores. In only two of the nine case studies (Leominster and Fakenham) was a significant detrimental effect on the vitality of the centre established.

<sup>1</sup>The Stationery Office, September 1998.

13.62. The report made a number of broad observations from studying the impact of new superstores on the market towns and district centres surveyed. These included:

- (a) It is often existing multiples in market towns and district centres that are hit the hardest, suffering trade losses of between 13 and 50 per cent.
- (b) The greatest impact to town centres<sup>1</sup> in terms of percentage decrease in market share in their catchment areas were Warminster (75 per cent)<sup>2</sup> and Fakenham (64 per cent) where existing provision was weak. Where town centre grocery retail floor space is higher and of a better quality, impact is lessened.
- (c) Inclusion of non-food facilities in out-of-town stores is likely to end linked trips to post offices, pharmacies and other shops in the town centre.
- (d) A new edge-of-centre/out-of-town store can lead to a loss of investment in the town centre as well as having a direct impact on existing shops.
- (e) Campaigns set up by retailers and trade associations can have a positive impact, 25 per cent of Leominster traders reporting an improvement in trading in the first year of their scheme which also encouraged antiques and craft retailers to the town.
- (f) Out-of-town superstores are more successful than those on the edge of town at clawing back trade from more distant out-of-town stores (attracting the 'out-of-town shopper'). The extent of clawback will partly determine whether the average distance travelled by consumers in car miles increases or decreases following the construction of an out-of-town store.
- (g) However, clawback through out-of-town stores must be weighed against the negative environmental factor of separate (rather than linked) trips to the town centre. Depending on positioning, linked trips are more frequently taken from edge-of-centre than out-of-town stores, though the most linkage unsurprisingly occurs from town centre stores.
- (h) In some cases (Ashby, Leominster) linked trips appear to have increased after the opening of new out-of-town stores because trade was clawed back from other towns, though linkage is likely to be in favour of non-food retail outlets.
- (i) There was a switch to car usage for new non-town-centre stores. Few people used the bus to visit the new stores, the frequency with which services run appearing to have little effect.
- (j) If an out-of-town store is opened where others already exist, they will compete with each other and have a limited impact on the town centre (though damage to the town centre may already have been done by the opening of the original store).
- (k) Larger centres, with a diversity of retail outlets and capable of attracting tourism, are more likely to survive after the opening of a non-town-centre store.

13.63. The report also made policy recommendations regarding the effectiveness of PPG6. These can be found at Appendix 13.2 along with recommendations for the adoption of integrated retail, transport and employment impact studies.

#### *Views of interested third parties*

13.64. Consumers, retailers and local authorities were asked for their views on issues surrounding the viability and vitality of local centres and shops, and the planning guidelines currently in place to protect them. Broad summaries are given below, together with comments from third party consumer surveys that cover these issues.

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<sup>1</sup>Impact is measured in terms of loss of market share of the primary town centre food store and other convenience retailers situated in the town centre.

<sup>2</sup>The Warminster market share figure is high because Safeway closed the town centre Lo-Cost and relocated to an edge-of-town store, bringing about an immediate impact. However, no decrease in the vitality of the town centre was detected.

## Consumer surveys

13.65. Results of the consumer survey carried out by the CC are detailed in paragraphs 4.70 to 4.89. All views are those of main household shoppers, who were asked about the importance they attached to local centres and the shops within them, and to the emergence of superstores over the past three decades.

13.66. Just over half the respondents agreed that it was important to have a number of major supermarkets to choose from, even if it might mean that there were fewer local shops as a result. Almost seven out of ten commented that, although they viewed local shops as important, their lifestyle made it difficult to make frequent use of them.

13.67. On the specific issue of town centre and high street shopping, 56 per cent of main household shoppers felt that they were less inclined to visit local shops in the town centre and high street now that there were so many supermarkets from which to choose, though 38 per cent disagreed. This seems consistent with the 60 per cent who never or rarely combined their main grocery shopping with a visit to other shops in a nearby town centre. However, a very high proportion (87 per cent) of main household shoppers would visit a town centre without a supermarket as long as it was vibrant (possessing nice shops and restaurants etc).

13.68. On balance, respondents disagreed that the service provided by local shops was generally superior to that provided by major supermarkets by 48 to 33 per cent, but over half agreed that for some items, such as fruit and vegetables, local shops and greengrocers could often be cheaper than supermarkets.

13.69. Almost four-fifths of consumers saw some benefit to having local shops, regardless of whether they used them or not. The main perceived benefits, based on unprompted answers, are shown in Table 13.5. The most frequently mentioned benefits were the convenience offered by local shops, their usefulness for emergency shopping, and the opportunity to avoid car use.

TABLE 13.5 Consumer views on the benefits of local shops

Type of benefit	%
Convenience	36
Top-up/emergency shopping	31
No need to use car	16
Easier for elderly	14
More personal/friendly service	13
Competitive prices/bargains	7
Contact with local community	7
Provide choice	7
Opening hours	6
Support local jobs	5
Fresher/better-quality produce	4
Sell local produce	2

Source: CC Consumer Survey.

13.70. There was some limited evidence to suggest that shoppers saw an aspect of social provision to smaller local shops. Around 14 per cent mentioned that these were easier for the elderly to use. A role for local shops in providing a point of contact for the local community and more generally assisting community cohesion was mentioned by 7 per cent of shoppers.

13.71. Almost seven out of ten consumers agreed that they would like to see more products from local suppliers stocked by their regular supermarket. However, very few respondents, when asked for their unprompted views about the benefits of local shops, referred to their role in supporting local jobs or selling local produce (the issue raised by the studies on food webs above).

13.72. Recent third party surveys appear to give support to the consumer ambiguity detected in our consumer survey which indicates a level of affection for local shops, but not to the extent that consumers commonly use them in preference to supermarkets. Indeed, many shoppers appear to believe that local shops should survive, but are for those who are unable to get to a supermarket to do their main shop.

13.73. Healy & Baker's annual survey *Where People Shop—Great Britain* (February 2000) reveals that there has been a move back to the town centre since the introduction of revised PPG6 in 1996.<sup>1</sup> Between 1996 and 1999 the number of shoppers visiting a town centre supermarket rose from 55 to 60 per cent against a European average of 46 per cent, whilst those shopping at an edge-of-town or out-of-town supermarket or hypermarket has fallen from 50 to 40 per cent (the European average is 41 per cent). Slightly more shoppers also used local neighbourhood shops in 1999 compared with 1996, the proportion rising from 32 to 35 per cent. However, this peaked at 44 per cent in 1998 and Great Britain is well below the European average of 50 per cent.

13.74. The 1996 'Somerset Linked Shopping Trips' survey indicates that more town centre supermarket shopping will encourage shopping at other retail outlets (linked shopping), enhancing the viability of those centres. Somerset questioned nearly 12,000 shoppers<sup>2</sup> at 33 of its stores and found that for every pound spent at a town centre store, an average of 46p was spent at other nearby shops. This linked spend dropped to 21p at edge-of-town stores and 10p at out-of-town stores. The linked spend was 15p at district and local centres reflecting the smaller selection of nearby shops.

13.75. The IGD's 1999 consumer survey 'The truth will out' offers the following commentary: 'Consumers felt it was important to retain local, small shops particularly for those people who may not be able to get to the out of town stores', but 'most consumers recognised that, to some extent, they were as implicated in the perceived decline of the high street as the retailers they might often blame for this'.

13.76. A focus group survey conducted by Nottingham Business School with consumers and shopkeepers in 1998 revealed low consumer concern for maintaining neighbourhood shops. In answer to the supposition that many consumers were unable to get to supermarkets, the survey found that:

The difficulties faced by individuals without cars were not treated sympathetically, and the solution was seen as finding means of getting them to the supermarket where they could enjoy the advantages of choice and lower prices rather than preserving local facilities to allow them to shop more ... Collectively, there is an interest in seeing the independent retailer survive, but individually, there is a reluctance to provide the financial support needed either through shopping or through the tax system.<sup>3</sup>

### *Retailer views*

13.77. The views of the main parties were solicited on the workings of revised PPG6, designed to safeguard the vitality of village and town centres. The summary of answers below forms a selection from part 9 of the land questionnaire carried out by the CC to which 13 retailers responded. Detailed results from the land questionnaire can be found in paragraph 12.68ff.

13.78. Four of the retailers believed PPG6 had hastened moves to home delivery, and the same number expressed the view that less products and services can be offered in a town centre setting. Three of the four retailers giving these seemingly linked answers were the same. Two of the retailers said that the competitive position of existing out-of-town stores was bolstered by difficulties of obtaining permission for new out-of-town development. Five retailers believed town centre traffic problems would increase because of PPG6, but two said that congestion would be eased.

13.79. Other general criticisms of PPG6 were:

- (a) Planning prescriptiveness reduces the choice of store available to consumers.
- (b) Town centre shopping would cause more road miles to be travelled unless shoppers could be persuaded to walk or use public transport.
- (c) However, PPG6 will not succeed in encouraging shoppers to leave their cars at home as consumer surveys show that car travel was preferred for bulky grocery shopping (see paragraphs 13.160 to 13.170).

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<sup>1</sup>Sample size: 1,016 shoppers 1996, 591 shoppers 1999.

<sup>2</sup>Shoppers were questioned only if they intended to do their main shop at Somerset as including others would bias the results in favour of those doing linked trips.

<sup>3</sup>*Neighbourhood shopping in the Millennium*, Nottingham Business School, 1998.

- (d) Shoppers are being directed to town centres, and may then be made to pay for shopping there through the imposition of congestion charges.

13.80. Retailers were more relaxed about requirements to demonstrate that potential sites are accessible by means other than the car, and that extra congestion would not be caused by a development. It was thought that providing maximum access was in retailers' interests anyway, though some thought these requirements could be used as cover for political decisions by local authorities not to give retail planning permission.

### *Retailer initiatives*

13.81. Some retailers are actively involved in the management of the town and district centres which they serve. Examples include Sainsbury's involvement with various local schemes around the country through its Town Centre Management Initiative, and M&S's secondment of a store manager for two years to manage Newcastle City Centre. In a rural context, Sainsbury rolled out its SAVE<sup>1</sup> scheme during 1999, allowing village shops to buy Sainsbury own-label products from stores for resale. Somerfield announced its intention to deliver groceries to village shops in June 2000, comprising both branded and own-label products.

### *Local authorities' views*

13.82. Drawing on the observations and conclusions from some of the studies above, questions on the working and effectiveness of PPG6 and the vitality and viability of local centres were put to local authorities for comment as part of the local authorities questionnaire.

13.83. Questionnaires were sent to 87 local authorities in England, Scotland and Wales in November 1999. Within England, both unitary and district councils were represented. Responses were received from 66 authorities, 55 of which were in England, 6 in Scotland and 5 in Wales. The summary below details results relevant to this chapter only. Broader results from the questionnaire are detailed in Appendix 12.5.

### Implementation of PPG6/PPG8/TAN4

13.84. Table 13.6 shows the number of retail planning permission refusals and the reasons for them given by local authorities in the last three years. It is apparent from the table that the number of applications for which multiple reasons were given for refusal has risen significantly.

TABLE 13.6 **Reasons for refusal of planning permission**

	1996/97	1997/98	1998/99
<b>Applications refused</b>	<b>19</b>	<b>13</b>	<b>16</b>
Not in accordance with sequential approach	7	7	12
Lack of need	3	6	5
Impact on other centres	6	5	5
Insufficient access by public transport	4	2	3
Unacceptable traffic impact	2	3	5
Contrary to employment policy	0	0	2
Contrary to other land use policy	7	4	8
Adverse environmental impact	2	3	3
Impact on residential amenity	1	0	3
Other	0	2	5

Source: Local authorities questionnaire, Q7.

13.85. It appears that local authorities are adopting an increasingly strict approach towards the sequential test for site development by grocery retailers. In 1996/97, this was noted as a reason for 7 out

<sup>1</sup>Sainsbury Assisting Village Enterprises.

of 19, and in 1997/98, 7 out of 13 applications declined. In 1998/99, 12 of 16 refusals featured this as a reason. Another criterion for refusal used with increasing regularity is lack of need. Though the number of refusals due at least in part to an unacceptable traffic impact has increased since 1996/97, the proportion of applications refused for this reason has declined since the 1996 revision of PPG6.<sup>1</sup>

13.86. Local authorities were also asked about the key issues currently determining retail development applications. All local authorities cited the viability and vitality of town centres as a key issue. Additionally, 97 per cent cited the potential impact on traffic, 96 per cent the availability of suitable sites, and 94 per cent the need for further retail development, and the accessibility by foot, bicycle or public transport of a new development. This would seem to confirm that authorities are complying with the principles and criteria set out for assessing planning applications in the latest version of PPG6.

13.87. When asked about the effectiveness of PPG6 at diverting supermarket development to town centres, 66 per cent of local authorities thought it would increase town centre development by at least a moderate amount and 73 per cent said that edge-of-town development would also rise. Additionally, 97 per cent of authorities thought that out-of-centre development would be reduced, 67 per cent either 'significantly' or 'by a great deal'.

### Factors affecting the viability and vitality of town centres

13.88. Local authorities were asked the extent to which various factors had adversely affected town centres in their region. The answers are shown in Table 13.7.

TABLE 13.7 Causes of adverse effects on town centres

	<i>per cent</i>				
	<i>A great deal</i>	<i>Significantly</i>	<i>Moderately</i>	<i>A little</i>	<i>Not at all</i>
(a) Building new out-of-town supermarkets	6	8	17	38	23
(b) Building new edge-of-centre supermarkets	-	8	17	39	26
(c) Visually poor-quality architecture	3	4	14	26	39
(d) Lack of investment	9	24	27	26	6
(e) Excessive high street traffic flows	-	17	26	23	26
(f) Lack of parking facilities	2	6	23	30	32
(g) Poor public transport	-	11	17	32	30
(h) Highway changes (eg construction of bypass)	-	3	3	8	76
(i) Closure of major stores in town centres	3	9	11	20	50
(j) Demographic/social changes	3	12	11	17	52
(k) Economic changes	9	8	27	23	27
(l) Increase in business rates	-	3	14	36	20
(m) The predominance of long-term leases with upward-only reviews	2	3	8	26	26
(n) Legislative changes such as longer opening hours and Sunday trading	-	2	6	18	52

Source: Local authorities questionnaire, Q13.

13.89. The results from this table are broadly in line with those indicated by the DETR report discussed above. Of factors having a moderate or larger effect, 60 per cent of authorities cited lack of investment, 44 per cent economic changes and 43 per cent high street traffic flows. The building of out-of-town supermarkets was mentioned by 31 per cent of authorities, and edge-of-town stores by 25 per cent.<sup>2</sup>

13.90. Two-thirds of local authorities believed that the existing range and quality of town centre shops have a moderate or greater influence on the future vitality of a town centre after an out-of-town store is built. This again supports the conclusions of the DETR study which suggest that those towns suffering from a lack of investment and offering a poor retail experience are likely to suffer most from

<sup>1</sup>See table Q6 in Appendix 12.5 for information on reasons for planning refusals prior to the 1996 revision of PPG6.

<sup>2</sup>Some of the reasons given in the table may be the indirect result of the opening of non-town-centre superstores. For example, a new superstore could lead to the closure of small shops, and in turn to reduced investment and local economic changes.

the opening of an out-of-centre store which will greatly increase the choice and quality of retail outlets available to consumers.

13.91. Local authorities were concerned that the replication of town centre amenities within out-of-town supermarkets damages town centre shops. No authorities believed no damage was done, whilst 80 per cent thought at least moderate damage occurs.

13.92. Statistics from Verdict Research indicate that between 1990 and 1998, numbers of superstores,<sup>1</sup> more likely over the period to be sited on the edge of or out of town due to their size, continued to rise (see Table 13.8).

TABLE 13.8 **Growth in superstore numbers, 1989 to 1998**

Year	Superstore number at year end	% year on year change
1989	644	-
1990	733	13.8
1991	803	9.5
1992	860	7.1
1993	934	8.6
1994	988	5.8
1995	1,027	3.9
1996	1,060	3.2
1997	1,102	4.0
1998	1,147	4.1

Source: Verdict.

13.93. The table suggests a clear reaction to the 1993 revision of PPG6 through slowing superstore growth between 1993 and 1995. However, from 1996 to 1998 growth increased once more, suggesting that the 1996 revision of PPG6 has not slowed superstore growth. It is possible that, space permitting, many of the new superstores are increasingly being built in town centres.

13.94. Overall, the local authorities believed that PPG6 had proved beneficial to town centres. Virtually all authorities (98 per cent) said that it had already had or would have a major benefit (36 per cent) or some benefit (62 per cent) to town centres. A majority (65 per cent) also thought small towns and villages would benefit, against 23 per cent that did not. Four in five of those expressing an opinion believed the competitiveness of town centre shops had increased or would increase.

13.95. Aside from the local authorities questionnaire, a great deal of evidence was received from individual local authorities concerning the viability and vitality of town and district centres and the effectiveness of PPG6 in contributing to this. Local authority views are summarized in paragraphs 15.369 to 15.442. Planning legislation enacted to protect town and district centres in other EC states can be found at Appendix 13.3.

### *Farmers' markets*

13.96. Farmers' markets are a recent development, whereby farmers sell their produce direct to consumers. When these have been held in town and district centres, they have often attracted greater consumer and farmer participation than expected. We were told that they also drew the local community into the local centres, resulting in positive effects for other retailers.

13.97. Hampshire County Council piloted two farmers' markets at Winchester town centre in May and July 1999 which 7,500 and 10,000 people attended respectively, greatly exceeding expectations. Upon questioning those who attended, 95 per cent said that they would like to see a farmers' market every week. They particularly appreciated the chance of talking to local growers about their produce at such a market.

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<sup>1</sup>Superstores are defined by Verdict as being over 2,323 sq metres (25,000 sq feet).

## ***Social provision***

13.98. It has been alleged that the dominance of supermarkets in the food retail sector may have a negative effect on groups of people benefiting from a level of social provision previously given by local community stores but unavailable from large retailers. It is argued that smaller, high street shops provide a social service to their community as they are effectively meeting places for older and less mobile shoppers. Such retailers may also be better able to cater for special needs these groups may have,<sup>1</sup> and shopkeepers may notice if certain vulnerable members of the community are not seen for several days and raise the alarm.

13.99. This may be something of an idealized view of community shopping, and must be weighed against the reduction in search costs available through one-stop supermarket shopping. Supermarkets also often open later than traditional town centre shops, giving greater convenience to many customers.

13.100. A decline in smaller retail outlets serving a local community could be especially detrimental to elderly people, some of whom may rely on them for a lifeline of interaction. Age Concern was contacted as a representative of those who could be adversely affected by the social change brought about by greater numbers of superstores commonly accessed by car. It lobbies for changes that promote 'the well-being, fulfilment and happiness of older people', partly on the basis of complaints it receives from them, but few complaints have been received regarding the replacement of small shops with multiple retailers. However, two issues relating to multiple grocery retailers that have drawn unfavourable response from its members are product labelling and quantity-based promotions.

13.101. Age Concern lobbied the Department of Trade and Industry (DTI) regarding UK implementation of the EC Directive on price indications,<sup>2</sup> pointing out that 97 per cent of people aged over 65 wear contact lenses or glasses.<sup>3</sup> Smaller community shops often label products individually, rather than employing shelf-edge labelling favoured by supermarkets. Its members have commented that shelf-edge labelling is harder to read and often involves bending and stretching. Age Concern's specific proposals for future legislation on product labelling are:

- (a) Introduce a requirement for product, rather than shelf-edge, labelling. This would have the additional benefit of the price remaining with the product once selected, thus improving price transparency, but would impose additional costs on retailers.
- (b) Labelling should ideally be white print on a dark background using a font size of at least 12pt in line with the 'Clear Print Guidelines' issued by the Royal National Institute for the Blind.

13.102. For discussion of the related issue of price transparency, see paragraph 7.95.

13.103. Age Concern said that it had also identified issues regarding quantity-based promotions offered by supermarkets. These can discriminate against older consumers who are unable to eat the quantities needed to take advantage of such promotions, and thus receive poor value for money in comparison to other consumers, especially when promotions relate to perishable goods. An analysis of supermarkets' promotional activity is given in paragraph 7.57.

## ***Provision of public transport***

13.104. No evidence was found, whether statistical or anecdotal, to suggest that public transport serving town centres has declined following the opening of a local out-of-town superstore. We received no submissions on this subject from local authorities or consumers. The DETR and Age Concern did not identify this as a problem.

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<sup>1</sup>See Table 13.10 for facilities offered by multiple retailers to disabled customers.

<sup>2</sup>Directive 98/6/EC, February 1998.

<sup>3</sup>Source: General Household Survey 1994.

## **Access to groceries for low-income groups and consumers with restricted mobility**

13.105. A further concern to arise from the changing retail landscape over the last three decades is that access to supermarkets for certain groups in society may have declined. This could be because of the closure of independent retailers serving local communities, triggered by the out-of-town location of many new supermarkets. However, it has also been alleged that reduced access to supermarkets for some groups may be the result of an intentional move away from economically deprived areas by multiple grocery retailers.

13.106. There are two types of access issues to consider in this context. The first, that of physical access to a supermarket or to other sources of healthy food for low-income groups, is considered in paragraphs 13.108 to 13.146. The provision of facilities to aid supermarket access for those with restricted mobility is also considered.

13.107. The second is that of the economic access low-income individuals and families have to food. Issues surrounding income and benefit levels, and the proportion of these which can be allocated to the purchase of healthy food, are beyond the remit of this inquiry. However, the provision by supermarkets of groceries at competitive prices is an important determinant of economic access. For low-income groups, the availability of economy own-label items may be an especially important factor of economic access to staple food. Consumer attitudes to economy own-label products and trends in their availability are examined in paragraphs 13.147 to 13.154.

### ***Food deserts***

13.108. Concerns have been raised as to whether the location and physical distribution of supermarkets and other grocery outlets is such that there is sufficient geographic access to groceries for those low-income consumers without cars and for consumers whose mobility is impaired.

13.109. The second and related concern is whether access problems are exacerbated by the avoidance of low-income or otherwise disadvantaged areas by the main parties. It has been suggested that supermarkets do not choose to locate in deprived areas due to the poor returns available and fear of crime and its associated costs. Consequently, residents in these areas without transport cannot reach a locally accessible supermarket, leaving only expensive convenience stores with a captive customer base.

### ***The food deserts study***

13.110. Research was conducted to explore the issue of whether the main parties systematically avoid low-income urban areas, restricting access to groceries in these areas by their actions. Non-reference store data were not available for analysis.

13.111. Though a 'food desert' implies the absence of all food shops, in practice it has a broader meaning signifying the absence of mainstream food shopping. In this context, searching for the absence of multiple stores in a particular area is a useful exercise as these are seen as the main source of such shopping and generally stock a more inclusive range of products than convenience stores.

13.112. We used mapping software to investigate the significance of limited groceries access in urban areas. Information was collected on income per head (1996) and the proportion of households without access to a car (1991) by postal sector.<sup>1</sup> This was sorted to identify the 100 poorest postal sectors in the UK. In nearly all cases, over half the households did not have use of a car.

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<sup>1</sup>A postal sector is the first part of a postcode and the first number of the second part (for example, NR35 2). The average population of a postal sector is 6,200.

13.113. Localities at distances of 2 miles or more from a main party store were sought as possible evidence of a food desert. Though this is essentially an arbitrary measure, a supermarket situated over 2 miles away would take well over 30 minutes to reach on foot. The return journey, when laden with groceries, would be an impractical proposition.<sup>1</sup>

### *Limitations*

13.114. The issues of access over short distances for the immobile and the provision of public transport have not been addressed, nor have rural areas been considered, as these have access issues arising from unrelated factors such as thinner population dispersion.<sup>2</sup>

13.115. The quality of main party supermarkets present in an area, whether in absolute terms or relative to the other stores in a particular chain, has not been researched, and the study looked only for instances of food deserts in low-income areas. It did not seek to identify low-income communities in more affluent areas.

13.116. It is important to remember that the adoption of a postal sector approach cannot be relied on wholly for this type of exercise. Distances from the centre of the postal sector were used, whilst accepting that distances may be greater for residents at the edge of sectors. Pockets of poverty may also be smaller than the postal sector classification, though in these cases they would probably be too small to influence the locational strategy of supermarket operators.

### *Results*

13.117. Results for the 100 lowest-income postal sectors in Great Britain revealed no instances where a reference store is more than 1.3 miles from the centre of the area. The average and population-weighted average distances to a reference store were 0.57 miles and 0.56 miles respectively. As a benchmark, if reference stores were evenly distributed over the urbanized areas of the UK, they would be about 1.4 miles apart. Thus a consumer living equidistant to two of average distance would be 0.7 miles from each. Detailed results for the 100 lowest-income postal sectors can be found at Appendix 13.4.

13.118. To identify whether low-income areas were relatively poorly provided for, 100 postal sectors were randomly selected as a comparison. The distance from the centre of each of these sectors to the nearest reference store was calculated and primarily rural sectors were excluded. The remaining 74 urban sectors are listed at Appendix 13.5. The average income per head was 99.6 per cent of the national average. The average distance to a reference store was 0.85 miles (0.84 miles for a population-weighted average), around 50 per cent further than for the low-income areas above.

13.119. The initial selection of the 100 poorest postcodes did not achieve a geographic spread of relatively disadvantaged areas throughout Great Britain, as the sectors are concentrated in the most economically deprived cities: Liverpool and Birmingham particularly, but also several instances in Blackburn, Bradford, Hull, Manchester and Glasgow.

13.120. To take a wider view, the sample was extended to all cities in Great Britain with a population of over 250,000. Sectors within them with a per capita income of below £8,000 a year (which is 95.7 per cent of the 1999 national average) were examined, provided they were contiguous with the conurbation. In any cases where there appeared to be a potential 'food desert', the distance from the centre of the postal sector to the nearest reference store was measured. In cases where the distance exceeded 2 miles, the greatest distance is recorded in Table 13.9.

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<sup>1</sup>1 mile = 1.61 km.

<sup>2</sup>Access to food in rural areas is covered in the food webs section in paragraph 13.49.

TABLE 13.9 **Low-income postal sectors further than 2 miles from the nearest reference supermarket**

<i>City</i>	<i>Postcode</i>	<i>Place name</i>	<i>Distance to store (miles)</i>
Birmingham			
Bradford			
Bristol	BS11 9	Avonmouth	3.2
Cardiff	-		
Coventry	-		
Edinburgh	-		
Glasgow	PA7 5	Bishopton	2
Hull	-		
Leeds	-		
Leicester	LE5 1	Humberstone	2.05
Liverpool	-		
London	-		
Manchester	SK14 6	Mottram in Longdale	2.28
Nottingham	-		
Sheffield	-		
Stoke	-		
Wolverhampton	-		

Source: CC.

13.121. In only four of the conurbations were no reference stores found within 2 miles of the centre of a postal sector. It is possible that a further examination of non-reference stores would yield adequate grocery provision in these areas.

### *Conclusions*

13.122. The above analysis does not preclude the potential for many instances of areas where access is difficult. Poor access may be observed in small towns, rural areas and urban areas of very low population. As discussed previously, for mobility-impaired shoppers, access can be a problem even when stores are close. When consulted, the DETR was anxious to stress that difficulties of access could be an issue over distances considerably less than a mile.

13.123. However, the study indicates that there is no systematic link between the locational strategies of supermarket operators and restricted access to groceries. A small number of cases were identified where the distance from the centre of the area to the nearest supermarket was over 2 miles. It can nevertheless be concluded that supermarkets are not systematically avoiding low-income urban areas, nor do they appear to be exacerbating any isolated problems of grocery access that may exist by withdrawing from those areas.

### *Prices in low-income areas*

13.124. A further exercise was carried out using the Local Competition and Consumer Choice econometric model featured in paragraph 7.144 and in Appendix 7.8 to determine first whether there was a higher concentration of individual supermarket chains in low-income areas which might give scope for local monopoly power; and secondly, to identify, when such monopoly power existed, whether supermarkets were exploiting it by charging higher prices than would be possible at stores open to greater local competition.

13.125. The same 100 poorest postal sectors were chosen as in the exercise above, and the 14 that fell within the two regions covered by the model were examined. The first region is a large area from eastern Scotland to South Yorkshire. The second region is an area comprising the South-East of England, and West and South London. Twelve of the 100 poorest postal sectors were in the first region, two in the second.

13.126. This exercise found no evidence of high concentration of individual multiple retailers in low-income areas, and thus no indication of increased market power that could lead to greater price-setting freedom. Similarly, no evidence was found that operators present in these postal sectors were charging higher prices. Supermarkets with national price policies by definition do not raise prices in low-

income areas above others. However, there was no evidence that main parties which do flex prices according to local conditions were setting prices in the areas examined at levels above their regional average price list.<sup>1</sup>

13.127. Fuller details of the methodology and results of the study can be found at Appendix 13.6.

### *Views of interested third parties*

13.128. A number of other organizations and individuals were contacted including the Health Education Authority and Sustain<sup>2</sup> to establish whether they were aware of other areas where access to groceries was known to be limited, and the reasons why this might be the case. The views received were that problems of grocery access, in physical and economic terms, reflected a much wider set of factors than the presence or absence of multiple grocery retailers in easily identifiable areas. No specific geographic areas were identified as potential food deserts.

### *Access to healthy food*

13.129. A slightly different issue to that of food deserts is whether those who live in low-income areas have access to the range of healthy products, and at a similar price to the rest of the country. This issue focuses therefore on the quality and price of grocery provision, as well as the quantity and location.

13.130. A 1999 study, titled 'Mapping Access to Food at a Local Level',<sup>3</sup> attempted to discover whether access to preselected healthy foods was limited in a London ward identified by the local council and health authority as needing social and economic inputs. The identity of the ward was not revealed in the study.

13.131. Taking a 2 km area around a central point between two housing estates, all shops which sold groceries in the area were surveyed for the range of healthy foods available. It should be noted that the area was specifically chosen because there was a range of grocery shops available. Thus, the aim of the project was not to find a 'food desert', but to establish the levels of healthy food which could be purchased in a relatively deprived area.

13.132. The study examined the availability of 71 healthy staple goods and a further 50 popular products such as fizzy drinks and chocolate. Four lists of approximately 40 products were compiled from the 71 staple goods to give greater focus to the consumption preferences of the four main ethnic groups in the community.<sup>4</sup> Data collection took place between December 1997 and April 1998.

13.133. The study concluded that there were very few postcodes<sup>5</sup> from which a resident would have to walk more than 500 metres to the nearest grocery store. The median distance to the nearest outlet was 207 metres, and those areas that did not have a store within 500 metres were of very low population density. If shops were omitted that did not stock over 50 per cent of healthy foods acceptable to white and Gujarati Hindu residents, the median distance to the nearest shop increased to 277 metres. If all shops were omitted that stocked these foods but at a price above the mean, the median distance to a lower-priced shop increased to 323 metres.

13.134. These findings indicate that the low-income, ethnically diverse area that was selected did have a range of shops that stocked healthy food within easy walking distance of the majority of its inhabitants. Using an estimate from the study that it takes the average person 6 to 7 minutes to walk 500 metres, this indicates that for many of the local population, a well-stocked and reasonably priced food store can be found within 5 minutes' walk of their home.

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<sup>1</sup>This list was based on the prices of a subset of around 100 products from the isochrone analysis of local price competition, details of which may be found in paragraph 7.133 and Appendix 7.7. Regional average prices were based on price data taken from each store operated by a main party in each of the two regions.

<sup>2</sup>Sustain was formerly two separate bodies, the National Food Alliance and the Sustainable Agriculture, Food and Environment Alliance.

<sup>3</sup>Donkin et al, *British Food Journal*, Vol 101, No 7, 1999, pp 554–564.

<sup>4</sup>The four ethnic groups were UK White/Irish, Black-Caribbean, Gujarati Hindus and North Africans.

<sup>5</sup>Postcode is defined as the entire six- to seven-digit postcode which is assigned to around 14 households. This is a far narrower measure than the postal sectors used in the food deserts study above.

13.135. No ethnic group was better or worse provided for than any other, and there was no correlation between the number of healthy foods stocked and the level of economic deprivation as measured at a district level. Indeed, it was found that the number of fruit and vegetables stocked was likely to be higher in relatively more deprived areas within the ward. Lastly, no evidence was found that healthy food was higher priced in more deprived areas.

13.136. The Department of Health published *Improving shopping access for people living in deprived neighbourhoods* (1999) which examined the issue of urban food deserts and wider access concerns in deprived areas. It commissioned Market and Opinion Research International (MORI) to survey 503 adults of social groups D and E.<sup>1</sup> The survey uncovered the following conclusion: 'Of those interviewed in the MORI survey, there were generally high levels of satisfaction with their current shopping facilities and recognition that there had been improvement in their shopping facilities in the last 10 years.'

### *Community schemes to improve access to groceries*

13.137. Some local communities with poor access to grocery provision have established their own food co-operatives run on a not-for-profit basis to bring a local source of food to the community, provided by the community.

13.138. One such scheme available is that of Community Food Co-operatives, run by CWS. Various levels of co-ops may be established ranging from a community fruit and vegetable service consisting of a mobile trolley to a full-time community store.

13.139. A study<sup>2</sup> supported by the Joseph Rowntree Foundation and conducted jointly by researchers from Kings College London, the London School for Hygiene and Tropical Medicine, and the Centre for Research in Social Policy at Loughborough University, examined 25 food projects around the UK for critical factors necessary for success, and the benefits that such projects can bring to local communities.

13.140. The study notes the importance of community buy-in, the involvement of dedicated local people aided by professionals, and some level of funding. It concludes that such projects can be empowering for a community, not only by achieving some of the obvious measures of success such as improved nutrition and vitamin intake, but also through social benefits. These include an increased willingness to experiment with a wider range of healthy food and improved food purchasing through a greater knowledge of food. The report comments:

Food projects can help to overcome social isolation, give people a sense of worth and increase feelings of well-being. They can also help in raising levels of skills and training, enable individuals to take more control of their own health and welfare, as well as promoting healthier eating. These aspects of community food projects, which contribute to raising 'social capital', are easily overlooked when measuring their success.<sup>3</sup>

### *Retailer initiatives*

13.141. In addition to community food co-operatives run by CWS, several other main parties have community-based programmes centred in economically deprived areas. Some of these are detailed below. A number of retailers have also had discussions with the Social Exclusion Unit and the Department of Health regarding food provision in deprived areas.

13.142. Sainsbury has provided financial support for a four-year University of Southampton programme looking at the problem of food deserts. It has also seconded a store manager to Crisis, a charity for the homeless, to which it plans to donate food in five UK cities. Somerfield has seconded a manager to run one of five depots which supply food to over 350 charities under the IGD's Grocery Aid initiative.

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<sup>1</sup>This uses a sliding scale of income from A (professional/managerial) to E (unemployed/in receipt of state benefits).

<sup>2</sup>*Food Projects and how they work*, Joseph Rowntree Foundation, March 1999.

<sup>3</sup>The National Food Alliance and Health Education Authority jointly administer the 'Food and Low Income Database' which contains details of active community food projects in the UK.

13.143. M&S has a community involvement programme which provides financial and practical support to various community-based projects with an emphasis on health and care, community and cultural opportunities, and regeneration schemes. It has worked with organizations such as the Prince's Trust on such initiatives.

### *Restricted mobility consumers*

13.144. Another group of consumers who potentially have problems of physical access to groceries are the disabled and those without a car. Although the physical location of stores is determined by the trading strategy of individual multiple retailers (for example, a large number of CWS stores are in town centres which more easily facilitate foot-borne shoppers), a range of initiatives may be taken by retailers to improve the physical access and shopping experience of less mobile customers.

13.145. One important facility is the provision of bus services to and from stores away from population centres. The provision of wheelchairs, disabled trolleys and toilets, home shopping and delivery, staff training on disabled issues (for example, training in sign language), and programmes to encourage the employment of disabled people are also measures that can improve the shopping or working environment for members of the community with restricted mobility. Using information supplied by the main parties, the provision of these services is detailed in Table 13.10.

TABLE 13.10 **Provision of services to disabled shoppers and consumers with restricted mobility by main party**

Retailer	Bus services (number of stores served where known)	Disabled trolleys	Disabled toilets	Other in-store initiatives for the disabled	Training on disabled issues for customer- facing staff	Employment initiatives for the disabled	Home delivery/ home shopping
Aldi	-	✓	✓	✓	-	-	-
Asda	77	✓	✓	✓	✓	-	✓
Booth	2	✓	✓	✓	✓	✓	✓*
Budgens	2	✓	✓	✓	✓	-	✓
CWS	10†	✓	✓	✓	✓	✓	✓
Iceland	-	✓	-	-	✓	✓	✓
Sainsbury	✓	✓	✓	✓	✓	✓	✓
Lidl	-	✓	-	-	-	-	-
M&S	✓	✓	-	✓	-	-	-
Morrison	-	✓	✓	✓	✓	✓	-
Netto	-	-	-	-	-	-	-
Safeway	18	✓	✓	✓	-	✓	-
Somerfield/ Kwik Save	12	✓	✓	✓	✓	-	✓
Tesco	114	✓	✓	✓	-	-	✓
Waitrose	✓	✓	✓	✓	✓	✓	✓

Source: The main parties.

\*Pilot scheme in one store.

†Excludes former CRS stores now merged with CWS, thus the number of bus services should be seen as a minimum.

13.146. Tesco has been recognized for its services to customers with restricted mobility. It won the EASE award in 1998 given out by disabled people and carers for Ease of Access, Service and Employment (EASE). Asda was shortlisted for this award in 1999.

### *Economy own-label products*

13.147. Economy own-label ranges such as Sainsbury Economy or Somerfield Basics give an opportunity for those living on low incomes to buy staple items at a substantial discount, as many of them are sold at prices below the cost of their production.<sup>1</sup> They thus represent a means of economic access to groceries for low-income groups.

<sup>1</sup>See paragraphs 7.153 to 7.178 for a discussion of below-cost pricing.

13.148. The adoption of economy own-label ranges was largely a response to the entrance into the UK grocery retail market of foreign-owned discount chains such as Aldi, Lidl and Netto from 1992. The first economy own-label ranges were launched the following year by Kwik Save (No Frills) and Tesco (Value).

13.149. Mintel<sup>1</sup> has suggested that grocery retailers have been reducing the availability and range of economy goods because of the fear of cannibalization of higher-priced own-label products with better margins. Other potential incentives to reduce the availability of economy lines might be the failure of the foreign discounters to capture a significant market share in the UK, and the introduction of category management in order to maximize profitability in all categories, which may force often subsidized economy lines from the shelves.

13.150. Mintel estimates that the sales value of economy own-label food and drink products has dropped in real terms from £2.5 billion (10 per cent of sales) in 1995 to £1.7 billion in 1998 (4 per cent), and will drop to £1.6 billion by 2002.

13.151. However, while the evidence presented above may point to a decline in economy goods, consumers do not appear to recognize this. As part of our consumer survey on grocery shopping, respondents were asked for their views on economy own-label products. An overwhelming majority of main household shoppers interviewed, almost nine out of ten, considered that the range of economy goods had widened in recent years. Only 4 per cent disagreed with this view. Moreover, there was no statistically significant difference in responses related to income.

13.152. However, though consumers did not seem to perceive a decline in the range of economy products, this did not mean that all were content with the existing level of provision. Half of those interviewed agreed that they would like to see a greater range and availability of economy products, a figure that increased to 60 per cent for those with a household income of less than £10,000 a year.

13.153. Mintel's research confirms the popularity of economy lines. In a survey of 1,001 adults in May 1998, 68 per cent said that they had tried an economy product and were pleased with it, compared with 12 per cent who were displeased. Little difference in the popularity of economy goods was observed when the results were disaggregated by socio-economic group. Between 45 and 50 per cent of all groups<sup>2</sup> said that they bought economy own-label products regularly, whilst ABs, the most affluent group of consumers, had bought more economy products than any other group in the three months leading up to the survey.

13.154. Data from TNS Superpanel backs up the consumer perception that the range of economy own-label products has increased over the last five years. It shows that spend at the majority of the largest grocery retailers on economy own-label lines has increased since 1995.<sup>3</sup> The one retailer for which spend has remained constant (at 3.9 per cent) is Tesco. However, the number of Tesco Value items stocked has risen from 186 in 1995/96 to 302 in 1999/2000.<sup>4</sup>

## **Environmental issues**

13.155. This section is broadly split into three parts. The first traces consumer attitudes towards car usage for grocery shopping. The second and third examine evidence concerning the effect that greater numbers of supermarkets have had on the miles travelled to stores in cars by consumers (car miles) and by groceries (food miles) respectively.

13.156. An important claim made by small traders and voiced by the House of Commons Select Committee on the Environment, Transport and Regional Affairs<sup>5</sup> is that through the greater number of

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<sup>1</sup>'Cheapest on Display Foods', Mintel, September 1998.

<sup>2</sup>The socio-economic classifications were AB (managerial/professional), C1, C2, D and E (unemployed/in receipt of state benefits).

<sup>3</sup>TNS figures include personal care and household goods, which Mintel data exclude. Additionally, TNS figures are from supermarkets' scanned sales information. Mintel uses a range of industry sources for its data.

<sup>4</sup>This number varies according to seasonality and availability.

<sup>5</sup>See paragraph 13.42.

large superstores with car parks, predominantly in out-of-town or edge-of-town locations, multiple grocery retailers have encouraged the use of car-borne transport for grocery shopping, with potentially negative environmental effects.

13.157. To assess this claim, two different aspects of it must be examined. First, as the weekly grocery shop for a family of two adults and a child is estimated to weigh in the region of 35 kg,<sup>1</sup> it must be established that consumers are in practice able to carry out this shop using viable alternatives to a car.

13.158. Second, car ownership over the last 30 years has increased in line with consumer affluence and preferences, and the specific effect of large stores opened in various locations on consumer miles travelled must be isolated. Travel frequencies of car-borne shoppers may have decreased with the greater use of one-stop shopping made available by supermarkets. Additionally, non-town-centre superstores can claw back trade to their nearest population centre and away from more distant superstores.

13.159. The propensity of consumers to use a car for grocery shopping is assessed here through the results of our consumer and local authorities surveys. However, there is a paucity of research which relates store openings to consumer miles travelled, though studies by Sainsbury and Tesco are referred to below. Examples of best practice in distribution and logistics are also covered in this section.

### ***Car-borne consumers***

13.160. Our consumer survey indicates that the private car is used for the main grocery shop by three-quarters of main household shoppers, though a significant proportion walk (15 per cent) or travel by bus (10 per cent). It also indicates that main shopping trips are very much skewed towards quite short travel times, with nine out of ten respondents indicating that they spent 20 minutes or less travelling to their regular supermarket.

13.161. The survey asked shoppers who drive to a supermarket whether they might be willing to use their car less for main grocery shopping if there were better or more practical alternatives available to them. More than one alternative could be named if viable. Results are shown in Table 13.11.

TABLE 13.11 **Reasons given for using a car less for main grocery shopping**

<i>Factor</i>	<i>%</i>
Supermarket closer to home	17
Free supermarket bus service	16
Home shopping service	12
Significantly cheaper public bus services	8
Better and more frequent public bus services	7
None of these	58

Source: CC Consumer Survey.

13.162. The main factors that consumers claim would reduce their car use for main grocery shopping are a supermarket closer to home and a free supermarket bus service, followed by the availability of home shopping. Improvements to the price or other aspects of public bus services have less appeal. However, almost six out of ten car-using respondents indicated that none of these factors would encourage less car use.

13.163. The weight of a weekly grocery shop can be seen to play a part in consumers' propensity to travel to stores by car. When analysing the responses of those travelling to the supermarket and those travelling from it (ie with their groceries), some interesting trends emerge. This can be further compared with the income levels of consumers (see Tables 13.12 and 13.13).

<sup>1</sup>The Green Grocer, Safeway.

TABLE 13.12 Means of travelling to regular supermarket split by income level

Means of transport	All respondents	Less than £10,000	£10,000–£17,000	£17,000+
Car	75	57	79	93
On foot	15	25	12	6
Public bus service	10	17	8	2
Taxi	1	1	-	-
Bicycle	1	1	-	-
Supermarket bus	-	-	-	-
Other	-	-	-	-

Source: CC Consumer Survey.

TABLE 13.13 Means of travelling from regular supermarket split by income level

Means of transport	All respondents	Less than £10,000	£10,000–£17,000	£17,000+
Car	75	58	79	94
On foot	11	18	10	3
Public bus service	7	15	5	1
Taxi	6	9	6	3
Bicycle	1	1	-	-
Supermarket bus	1	1	1	-
Other	-	-	-	-

Source: CC Consumer Survey.

13.164. The results above indicate an aversion to travelling from a supermarket on foot or by public transport when laden with groceries. The share of shoppers on foot falls from 15 to 11 per cent and those using a public bus service from 10 to 7 per cent when returning from the store, whilst the share using taxis rises from 1 to 6 per cent.

13.165. For consumers on an income of less than £10,000 a year, foot-borne travel falls from 25 to 18 per cent, and public bus travel from 18 to 15 per cent when returning home. However, getting a taxi home rises from 1 to 9 per cent.

13.166. It can also be seen that car usage rises for return journeys from 58 per cent for consumers with an income of less than £10,000 to 94 per cent for those earning more than £17,000. It seems reasonable to assume that many shoppers with an income of less than £17,000 would use a car for grocery shopping if they had access to one.

13.167. The implication from this is that when walking is convenient, or when bus services are available, consumers may choose not to use a car to get to a store. However, when carrying a weekly food shop, often including frozen items, there is little alternative to car use or the hire of a taxi to bring groceries home.

13.168. The survey by Healy & Baker<sup>1</sup> referred to above confirms the popularity of using the car for grocery shopping in Great Britain. Of 591 respondents, 69 per cent used the car for food shopping, compared with a European average of 52 per cent. Only 17 per cent walked, against a European average of 30 per cent. One reason often cited for different levels of car use across European countries is the uneven availability of public transport. However, evidence for this is scant. Another is a different pattern of grocery shopping in some European countries, ie less use of a one-stop shop in favour of several, smaller shopping trips.

13.169. The evidence suggests that for many shoppers in the UK, a car is the only practical means of transport available for the transport of bulk groceries. For many low-income consumers, the data indicate

<sup>1</sup>Where People Shop—Great Britain, Healy & Baker, February 2000.

that cars are not used for grocery shopping due to their circumstances (ie they lack access to a car), rather than through choice.

13.170. The proliferation of large out-of-town stores to which most consumers drive may therefore be as much a response to consumer preferences as a major cause of increased car use. Our consumer survey suggests that better or cheaper bus provision may lead up to 30 per cent of consumers to switch away from car use, but clearly a majority exists who are not inclined to do so.

### *Potential effects of revised PPG6*

13.171. PPG6 (revised) was intended to reverse the move of supermarkets from town centres to edge-of-town and out-of-town locations, thereby increasing access to stores by public transport and on foot. The effectiveness of this appears to be confirmed by evidence from the local authorities questionnaire, detailed at Appendix 12.5. This is illustrated in Table 13.14.

TABLE 13.14 **Proportion of local authorities' populations**

<i>Mode of travel</i>	<i>%</i>	<i>% change since the adoption of PPG6 and equivalents</i>
(a) Within a 15-minute drive of a supermarket or a reasonably wide range of grocery shops	89	-5
(b) That can reach a supermarket or reasonably wide range of grocery shops by public transport	73	+12
(c) Who can realistically reach a supermarket or reasonably wide range of grocery stores on foot	34	+19

Source: Local authorities questionnaire, Q27.

13.172. Asked whether the implementation of PPG6 would increase accessibility to stores by a variety of transport modes, 78 per cent of local authorities agreed that it would and 86 per cent believed it would increase access to stores for those without a car.

13.173. However, local authorities were more sceptical on whether PPG6 would ease town centre congestion. Only 3 per cent thought town centre congestion would be reduced, against 43 per cent who believed town centre congestion would increase following the latest revision of PPG6. This indicates a belief that consumers diverted to town centre stores are most likely to drive. Lastly, the same percentage of authorities thought traffic problems generally would increase as those that thought they would decrease following the latest revision of PPG6 (15 per cent each).

13.174. The success of the latest revision of PPG6 at creating conditions more suitable for grocery shopping on foot or by public transport may not be evident for some years. However, the Healy & Baker survey shows that in 1999, three times as many Britons as other Europeans (6 to 2 per cent) used home delivery services for groceries, more British consumers than any others in Europe used the Internet for home shopping, and 6 per cent of British consumers had used cable or satellite TV to buy food, against a European average of 2 to 3 per cent. Additionally, 12 per cent of car-borne shoppers in our consumer survey said that they would use the car less in response to the greater availability of home shopping. These figures could be encouraging from an environmental point of view, but will not help the future vitality of town centres.

### ***Car miles***

13.175. Given the reliance of consumers upon cars for grocery shopping, it has been alleged that edge-of-town and out-of-town supermarket development generally increases the number of car miles travelled by consumers. Car miles reflect both the propensity to use a car to shop, and the distance travelled to get to and from the shop. The distance to store may decrease if new stores situated away from the town centre succeed in clawing back trade which had resided with more distant stores. However, distance could increase if new stores predominantly draw trade away from a town centre previously frequented by a community clustered around it.

13.176. Though the DETR study above<sup>1</sup> presented evidence that consumers are most likely to use their cars when shopping at an out-of-town store, and more likely to use them at an edge-of-town store than a town centre store, it made little attempt to calculate the distance travelled to new stores in these locations.

13.177. The only available research on car miles has been carried out by the retailers themselves. This indicates that though trips by car may rise after a new store is opened, the distance travelled falls as consumers switch to a more local store than was previously available. The largest study was undertaken by Tesco as part of its input into the PPG13<sup>2</sup> consultation process with the DETR. Its conclusions were: 'For 11 freestanding towns, the average miles travelled to the supermarket was better than halved after a new superstore was opened. The average reduction per store was approximately 60,000 miles per week which equates to 3 million miles annually.'

13.178. Similar research carried out by Oxford University's Transport Studies Unit for Sainsbury after it opened a new store in Swindon found that 'Overall, the total number of car food shopping trips rose by 3.5%, but the average distance fell by 9.3%, giving a total distance travelled by car for food shopping falling by 6.2%.<sup>3</sup>

### ***Food miles***

13.179. Food miles are the distance travelled to stores by the products that those stores sell. It is alleged that the greater number of supermarkets has led to a decline in the local purchase of food (and to the food webs discussed above), in favour of mass buying from larger, national and multinational suppliers. This is said to have resulted in products travelling further to stores, and so causing damage to the environment and unnecessary road congestion through greater numbers of lorries on the roads. The issue of food miles is also closely linked with the increases in the range of products in stores over the past 20 years. Advances in distribution logistics may, however, have mitigated any negative environmental effects.

13.180. No research has attempted to quantify the effect of changes in product sourcing in the grocery retail sector. The DETR publishes case studies in best practice which deal with various issues concerning the grocery retail sector such as energy efficiency and integrated transport. Among these, it has featured Tesco and Safeway for energy-saving logistics as examples of companies that have undertaken environmental investment that has generated cost savings in return.<sup>4</sup>

13.181. Tesco implemented two initiatives called the 'Supplier Collection Scheme' and the 'Onward Supply Scheme'. These were intended to reduce empty running of suppliers' trucks from Regional Distribution Centres to their depots, and Tesco trucks from stores to Regional Distribution Centres through the modification of Tesco and supplier trucks so that both journeys could be undertaken by each.

13.182. Annual distance and fuel savings arising from the modification of Tesco vehicles were estimated at 4.8 million km (3 million miles) and 1.7 million litres of fuel, saving £720,000. The scheme also affords Tesco more direct control over primary and secondary distribution, allowing it to plan more accurately and maintain the same number of vehicles whilst delivering to more stores. It is estimated that the volume of goods carried per vehicle has increased by 26.5 per cent and the miles travelled per vehicle by 19.9 per cent between 1993 and 1997.

13.183. The DETR report *Sustainable Distribution: A Strategy*, published in February 1999, praised Safeway's supplier backhauling which operates through the use of a computerized vehicle routing and scheduling system. Safeway estimated that this saved 8.3 million lorry miles a year and 2.7 million litres of fuel. Safeway also used ten delivery lorries fuelled by natural gas, which reduced emissions of carbon dioxide.

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<sup>1</sup>See footnote to paragraph 13.57.

<sup>2</sup>PPG13 is the Government's planning policy guidelines on transport (1994).

<sup>3</sup>Both studies cited in *The Impact of Large Foodstores on Market Towns and District Centres*, DETR, 1998.

<sup>4</sup>Good Practice Case Study No 364, 'Energy Savings from Integrated Logistics Management: Tesco PLC', DETR, 1997.

## **Summary of social and environmental issues**

13.184. The social and environmental issues discussed in this chapter do not easily lend themselves to firm conclusions as many involve setting off benefits to one group of consumers against costs to another (for example, those without a car against car-borne shoppers). With this in mind, a general summary of our investigations into the four issues discussed is given below.

### ***Employment***

13.185. Fierce debate exists concerning the net employment effects of continued growth in supermarket numbers. The most recent study on this topic has cast serious doubt on whether historical data can be used to measure these effects at a local level. At a national level, gains in retail productivity between 1991 and 1995, particularly marked in grocery retail, have helped absorb extra sales with broadly stable levels of labour, though the geographical distribution of labour is likely to have changed.

13.186. Debate also surrounds the issue of part-time employees. First, the number of part-time posts required to equal the hours worked by a full-time employee in the grocery retail sector has not been resolved by the studies examined. Secondly, even if a net loss of employees was proved through the use of full-time equivalents, this ignores the balance to be struck between those who wish to work full-time and those who would prefer a part-time job. Overall, arguments asserting that increases in superstore numbers have damaged net retail employment levels remain unsubstantiated.

### ***Town and district centres***

13.187. The potential decline of town and district centres and the food webs that may support them following the opening of a local superstore is an issue of great concern to many local communities. Many factors will influence the resilience of local centres, one of which is the location and facilities of new superstores. However, levels of local investment and the quality of existing retail provision are also crucial if local centres are to thrive.

13.188. The adoption of revised PPG6 in 1996 sought to achieve a balance between the choice and convenience available from a one-stop supermarket, and the need to preserve town and district centres. Though the full effects of this are yet to work their way through the planning system, a sea change in the way retail applications are dealt with by local authorities, the support of authorities for the new guidance, and the continued growth in supermarket numbers, indicate that this latest guidance has the potential to achieve the balance it seeks.

13.189. The extent of any decline in levels of social provision and personalized service available to vulnerable members of the community due to the replacement of small stores with supermarkets remains unknown. Whilst it is accepted that larger grocery stores cannot as easily serve as a focus for community interaction, the actuality of such provision in a large number of small stores and the level of concern over its perceived decline following their closure are far from certain. Age Concern does not receive a significant number of complaints on the issue, neither were complaints received during the inquiry from those groups who might be adversely affected.

13.190. Table 13.10 shows that grocery retail operators have a mixed record on catering for groups with restricted mobility. However, the best in class have excellent facilities for shoppers of all disabilities.

13.191. No evidence was found to support assertions of decline in public transport to town and district centres following the opening of superstores.

### ***Access to groceries***

13.192. Our research into urban food deserts found no instances of more limited access to reference stores among the 100 lowest-income postal sectors in the UK when compared with a random sample of postal sectors. Only four instances were found of travel distances of 2 miles or more to a reference store

from the centre of a low-income sector in all UK cities with a population of over 250,000. This is not to say that other areas of limited access to groceries do not exist, merely that their existence would not appear to be due to the siting strategies of the main parties.

13.193. Our further research into pricing in low-income areas found no evidence that prices were inflated as a result of the exercise of dominant market power by retailers in those areas.

13.194. Consumers' fondness for economy own-label products is clear from consumer surveys. The evidence is inconclusive on whether the provision of economy lines is increasing to fully meet this demand.

### ***The environment***

13.195. Our research has not attempted to cover some of the environmental issues within grocery retailing such as packaging, waste disposal and energy efficiency. In examining the degree to which planning policy and supermarket siting may influence the travel habits of consumers, the car appears to be the sole practical mode of transport for many consumers carrying out a weekly one-stop shop.

13.196. Additionally, survey evidence suggests that more low-income consumers would use a car for grocery shopping if they could afford to own one. However, 31 per cent of car-borne consumers would consider using a cheap and convenient bus service if one was available.

13.197. To examine adequately the issues surrounding the extent to which the opening of new non-town-centre supermarkets may have increased the miles travelled by consumers and products to stores, causing negative environmental externalities, more detailed research is needed than it has been possible to carry out during the course of this inquiry.