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on behalf of
Say NO to Tesco in Scotland

23 March 2014

Dear Petitions Committee,

PE1497: Supermarket Expansion on Local High Streets

We write with our response to the Reports from the various parties invited to contribute to the debate around our petition to ‘give local councils and communities the power to stop unwanted supermarket expansion on their local high streets’.

Please also find enclosed the Supplementary Written Evidence you requested, including:

- 1. Details of which shops have closed on Great Western Road and Queen Margaret Drive as a direct consequence of small local supermarkets opening in the area**
- 2. The implications for customers of price competition resulting from the number of shops in the area**

Empowering Local Communities / Problems with the Planning System

As the 2,283 signatures collected on our petition indicate, in areas where there is already good and diverse food provision (such as the West End of Glasgow and most other major cities in Scotland), the further expansion of small supermarket chains is neither needed nor wanted by local communities¹.

Several of the Reports point out that the Scottish Planning System exists to “make decisions for the common good” and “in the long-term public interest”. Yet in this case it is clearly failing. Firstly, because no sufficient regulation exists to ensure that plans for new supermarkets even need enter the Planning System. (Glasgow City Council confirms this by saying “the majority of smaller retail units being occupied by multi-nationals do not come through the Planning System as the majority of these companies occupy existing retail premises and planning consent is not required.”)

And secondly, because if and when they do, planning officials and local authorities are not listening to communities’ concerns. The Reports show evidence of the ‘blame game’ between parties which has made our long fight for decisive action on this issue so frustrating. For example, the Scottish Government says that Councils do already have the power to carry out Retail Impact Assessments for small supermarkets (under 2,500m²), whilst Glasgow City Council says “there is a limitation of the involvement of the Council in this matter” and that “the Planning System is not the best method of seeking to control this change”. While we appreciate

¹ New Economics Foundation 2003 [50% of Britons want power curbs on supermarkets, 70% want to go local](#)

that this is a complex issue, we also insist that **all parties begin to work together** effectively to fix the Planning System, so that it no longer “favours corporate power over local democracy”² and can actually start to work for the **common good**.

We welcome the Scottish Government’s decision to start to consider the “net economic benefit” of new retail developments within the Planning System (taking into account the number and quality of jobs created against those likely to be lost). But we argue that this does not go far enough. The **Planning System requires more radical reform**, so that it is capable of considering the impact that longer supply chains have on local economies, as highlighted in the 2011 Portas Review: “a pound spent in a retailer with a localised supply chain that employs local people has far greater domestic economic impact than a pound spent in a supermarket or national chain.”³ A new Planning System must, most importantly, be capable for taking into account the ‘real cost’ of new retail developments including their wider social and environmental impact (see para 2.4 of our Supplementary Written Evidence), as well as responding to the views of local communities.

As suggested in the 2011 Portas Review, “people need a powerful, legitimate voice and planning needs to be a much more collaborative process than it has been to date.”⁴ It is, therefore, essential that you ensure that the issues highlighted by our petition influence the key planning documents that are currently under review - the National Planning Framework and the Scottish Planning Policy - but, more importantly, that you develop an effective way of ensuring the brilliant slogans, such as “Great places support vibrant, empowered communities”⁵, are actually **enforceable** and **accountable** to the environments and the communities they serve.

Beyond the Planning System / What Should be Done?

As South Lanarkshire Council point out in their Report, “the principle of preserving diversity and choice in our food supply chain and to support local businesses and their importance in economic recovery for Scotland to thrive and prosper is not in dispute.” The “crucial question”, as Glasgow City Council call it, is how **all parties can work together** to achieve this.

We accept that, as well as the reforms to the Planning System we have called for above (which will enable communities’ concerns to be acted upon), the solution to a problem of this scale will require initiatives and changes beyond the suggestions we put forward at the Public Petitions meeting on 28 January 2014 and beyond the remit of the Planning System alone. You must ensure that the Scottish Parliament works quickly to develop a **coordinated and coherent strategy**, which can work across sectors and areas of policy in order to curb excessive supermarket power, whilst allowing local businesses to flourish (see p.3 for some suggestions).

Time is of the essence, in order to respond to the rapid supermarket expansion we have witnessed over the last decade (Sainsbury’s is currently opening new stores at a rate of 2 each week in the UK⁶, and at its peak Tesco was opening one Express store every working day⁷). And, in order to stop current reforms, which may make the situation even worse: the Town Centre Use Class changes highlighted by South Lanarkshire Council which will make the

² Holyrood Events 2006 [Scotland’s Supermarket: The Grocery Market and Food Supply Chain](#)

³ Portas M 2011 [An independent review into the future of our high streets](#)

⁴ Portas M 2011 [An independent review into the future of our high streets](#)

⁵ Scottish Government 2014 [Proposed National Planning Framework 3](#)

⁶ BBC News Magazine 2014 [The rise, fall and rise of the mini-supermarket](#)

⁷ Federation of Small Businesses 2005 [The Future of the High Street](#)

opening of small supermarkets even easier(!), and the repeal of the Large Retailers' Levy⁸ which had been a positive attempt to level the unfair playing field that exists in food retail, which seems to have now fallen victim to the power of the supermarket lobby.

At the heart of this coordinated and coherent strategy must be the **further research** recommended in the Federation of Small Businesses' Report. Research, which not only compiles more accurate data demonstrating the effects of small supermarkets on local economies, but which brings together and begins to implement the valuable insights and recommendations which have already been generated in response to this issue (see the documents we have referenced, plus important work carried out by the [New Economics Foundation](#) and the national [Tescopoly campaign](#), as well as our suggestions below).

Suggestions for creating a fairer, more environmentally sustainable food retail market

Curb Supermarket Power:

- Act on the advice to contact the Monopolies Commission, the Competition Commission and other regulatory bodies to help curb supermarket power in Scotland.
- Ban and regulate the anticompetitive practices of 'below cost selling' and 'price flexing' (see para 2.3 of our Supplementary Written Evidence).
- Bring in other regulation to make the supermarkets operate in more environmentally sustainable ways in Scotland (for example, demanding local supply chains, reducing food packaging, carrier bag usage and fines for vast amount of food waste they create etc).

Support Local Business:

- Research ways to support local business such as creating special rates for businesses registered in Scotland as well as the other suggestions made in several of the Reports including "grants for small retailers... rate relief, improvement grants etc."
- Explore more imaginative ways of keeping money within local economies, such as Local Currencies (see the [Bristol Pound](#) and the [Brixton Pound](#)) and Local Loyalty Card schemes (see [Powys](#), the [New Forest](#) and [Linlithgow](#)) and other ideas and initiatives being developed by organisations like [Totally Locally](#), which also have the added benefit of **creating public awareness** and discussion about the benefits of shopping locally and the difference people can make when deciding where to shop.

2014 is a key year for The Scottish Parliament as it reviews its key planning documents and prepares for the Referendum on Independence. It provides a unique opportunity for Scotland to take the lead in creating and implementing the exciting radical new reforms and policies necessary to actually ensure the "vibrancy", "vitality", "viability" of our local food supply and to demonstrate that we have the strength to stand up to big business, when it's clearly not working in our favour.

Yours sincerely,

Ellie Harrison
Isla McCulloch

ENC: Supplementary Written Evidence

⁸ BBC News Scotland 2014 [Ministers confirm large store health levy to end in 2015](#)

PE1497: Supermarket Expansion on Local High Streets Supplementary Written Evidence

Compiled by Isla McCulloch (Edinburgh) and Ellie Harrison (Glasgow) on behalf of **Say NO to Tesco in Scotland** with research by Paula Fraser, Christy Mearns, Oriane Brunet and Rachel Lowther (Glasgow).

1.0 Details of which shops have closed on Great Western Road and Queen Margaret Drive as a direct consequence of small local supermarkets opening in the area

We are a group of local residents and have compiled this Report in our own spare time with the sole motivation of seeing social and economic justice in our local area and beyond. Although we do not have access to the same (albeit limited) retail data as Glasgow City Council, we do have the **invaluable experience** of actually living and buying food in these areas on a weekly basis. It was witnessing firsthand the massive changes which have taken place here over the last few years (for example, see Fig. A showing the number of Tesco stores in the west side of the city centre) that compelled us to start our campaign.

Our primary research has been conducted through conversations and interviews with local businesses over the last few months, about the impact these new stores have had on their lives. We believe their comments (below) add an important (otherwise unheard) voice to this debate and proves that, as Falkirk Council states, our petition “accurately reflects the concerns of many local independent retailers who, from our experience, continue to remain challenged in the present retailing environment.”

What is evident in the retail data submitted by Glasgow City Council, is that it takes several years for the real impact of new supermarkets to be felt. Of the areas surveyed in their Report, it is Byres Road where supermarkets have been in place the longest (Waitrose 2009, M&S Simply Food c.2006 and Tesco Express 2010¹) which is now worst effected by the closure of other shop. We are therefore, unfortunately, yet to witness the full cumulative impact of all the stores which have opened across the West End of the city in the last decade (see Fig. A).

Our research gives a snapshot of the impact these supermarkets are currently having on local businesses. We think it is essential that the Scottish Parliament act on the Federation of Small Businesses’ demand that further research urgently be undertaken (by an independent body with more time and resources than our voluntary campaign) and that the unfolding impact on local environments and economies is very closely monitored over the next few years.

1.1 Queen Margaret Drive (Tesco Express opened 2011)

Queen Margaret Store, family run for 22 years, has seen substantial decreases in turnover and profits since Tesco opened - employee hours have had to be cut by 40% as a result and wages have also been reduced. They are now considering closing.

Western Newsagent, run by Mr Sultan for 8 years, has seen a 70% downturn in profits, has cut employee hours from 56 hours/week to 4 hours/week and is taking on all the longer hours himself. Has been forced to reduce his stock by half which has had a knock on effect onto the business he can provide to suppliers and customers.

¹ The Herald 2009 [Tesco joins battle for Byres Road](#)

Anderson's Fruit, Vegetables & Florists, had to close their Byres Road branch after the Tesco opened there in 2010. Many jobs were lost there and their shop on Queen Margaret Drive is now suffering, showing a downturn in profits and a need to cut employee hours.

1.2 Great Western Road (Sainsbury's Local opened 2012, Tesco Express Dec 2013)

Roots & Fruits, owner Garth Gulland, 35 years in the West End. They had to close their shop on Byres Road after Waitrose opened next door in 2009, losing 10 jobs. They are facing a loss of cash flow due to the "pointless saturation of supermarkets at the cost of other businesses". He also said he had seen Tesco "destroy other businesses by putting on very cheap deals on alcohol, which we don't need in this city."

Lupe Pintos, owner Dougie Bell, 25 years in Edinburgh and Glasgow, has seen sales depleting since the supermarkets moved in (Sainsbury's and now Tesco). Also raised issues with alcohol licensing "I had to get a lawyer and fight, practically beg, to get a licence then a supermarket opens right across the road and has a licence no questions asked."

Solly's African Village, manager Muhammad, 22 years on Great Western Road. "Three shops nearby have closed already and this is just the start of the big difference the new Tesco is going to make". They have lost a lot of customers since the supermarkets emerged in the area and have had to cut down stock significantly, affecting suppliers and customers.

Kiosk, Park Road, owner Peter, 2 and a half years. "How can Tesco get an alcohol licence when they are only a hundred yards away from another shop with a licence? ... They can't be stopped!"

Spice Mart - Closed in 2013 as a direct result of Sainsbury's Local opening in 2012 and the threat of the new Tesco Express.

Mo's Supermarket - Closed in 2012 as a direct result of Sainsbury's Local opening nearby, sadly missed by customers who said "They had a wide variety of stock, including lots of sweets, and the prices are kept affordable... good choice, good people, good times!"

1.3 Common themes emerging from research

Further research we conducted in Edinburgh found similar effects on local traders in areas such as Stockbridge, Morningside and Bruntsfield which have seen a proliferation in Sainsbury's Local stores in the last few years. For example, **News Corner** on Howe Street closed after 70 years in business when Sainsbury's opened up nearby, their custom dropping by 60-70% within weeks².

The problem of big supermarket chains flouting local rules to get easy access to alcohol licences recurs in our research in both Glasgow and Edinburgh. For example, in Roseburn in Edinburgh, Tesco "avoided new rules on alcohol licensing by arguing that the suburb of Roseburn is too middle class"³. This shows that there are social costs to the increase in these small supermarkets in addition to the economic ones, as alcohol abuse continues to be a major problem across Scotland.

² Edinburgh Evening News 2014 [Sainsbury's forced me to shut 70-year-old shop](#)

³ Deadline News 2012 [Posh Edinburgh suburb too middle class for city's ban on alcohol outlets](#)

2.0 The implications for customers of price competition resulting from the number of shops in the area

We would like to respond to this question on several levels:

2.1 Firstly, contrary to the assertions of the Scottish Retail Consortium, we would like to reiterate that these new supermarkets do not necessarily provide ‘good value’ for customers as they are often **misleadingly expensive**. Customers believe they will get the low prices they associate with out-of-town supermarkets, when in fact they end up paying on average 3% more for their shopping, because cheaper products are not in stock.⁴

2.2 Secondly, we would like you to consider the **long-term consequences** on price competition for customers given the risk of chain supermarkets killing off competition from local independent food retailers. Research conducted by the Irish Parliament on this issue shows that consumers are, indeed, “best served by many shops competing throughout the country”⁵, and yet the takeover of the food retail market by a limited number of large corporations, will severely undermine this and eventually result in them having a monopoly control of our food supply.

2.3 Thirdly, we would like to highlight the **unethical and aggressive pricing tactics** used by supermarkets, which create a deeply uneven playing field in order to deliberately “drive competition out of the market”⁶. Practices such as ‘below cost selling’ (illegal in many EU countries including Germany which “has very low retail food prices, and has a ban on below cost selling”⁷) and ‘price flexing’, purposefully confuse and disorient consumers, threaten smaller food retailers⁸ and negatively impact suppliers. A confidential National Farmers Union Scotland inquiry found that suppliers were being forced to absorb the cost of supermarket promotions and were intimidated into not speaking out for fear of retaliation.⁹ The 2006 Competition Commission found that this enables supermarkets to pay about 13% less for their stock than other retailers.¹⁰

2.4 Finally, and most importantly, we would like to insist that the debate does not adopt such a narrow focus on the ‘price’ we pay for our food, but rather takes into account the **real cost** of the supermarkets’ activities - including the social, environmental and economic implications all along global supply chains, from production to distribution, consumption and disposal. In her 2011 review of the future of our high streets, Mary Portas writes: “Value is so much more than the price of goods that we buy. Unless we start seeing value differently we are in serious trouble.”¹¹

⁴ BBC News Magazine 2014 [The rise, fall and rise of the mini-supermarket](#)

⁵ House of Oireachtas 2005 [Interim Report on the Impact of Grocery Multiples on the Grocery and Retail Markets and its Effect on Consumers, Small Grocery Retailers and Small Grocery Suppliers](#)

⁶ ResPublica 2011 [The Right to Retail: Can Localism Save Britain’s Small Retailers?](#)

⁷ House of Oireachtas 2005 [Interim Report on the Impact of Grocery Multiples on the Grocery and Retail Markets and its Effect on Consumers, Small Grocery Retailers and Small Grocery Suppliers](#)

⁸ The Guardian 2010 [Every little helps? Supermarkets accused of ‘cynical manipulation’ over 1p cuts](#)

⁹ Holyrood Events 2006 [Scotland’s Supermarket: The Grocery Market and Food Supply Chain](#)

¹⁰ ResPublica 2011 [The Right to Retail: Can Localism Save Britain’s Small Retailers?](#)

¹¹ Portas M 2011 [An independent review into the future of our high streets](#)

Figure A: Map showing all the Tesco stores towards the west side of Glasgow City Centre taken from Tesco's website in September 2013 (1-16+) nearly all of which are new over the last decade. The two red dots (added by us) show the new store on Great Western Road (which opened 10 December 2013) and the planned new store for Argyle Street (opening 2014).

