

Commons Hansard Debates text for

Thursday 11 Mar 1999

Supermarkets (North Norfolk)

Mr. David Prior (North Norfolk): As many hon. Members will know, supermarkets have had a major impact on our environment and our way of life. They offer variety, quality and, perhaps above all, convenience. There are more than 1,200 supermarkets of over 25,000 sq ft. The multiple chains, dominated by Asda, Safeway, Tesco and Sainsbury's, control some 75 per cent. of food retailing in this country, of which over 50 per cent. is now own label. To a large extent, they also control food production. At some time, surely we shall have reached saturation point, and in some areas I have no doubt that we have gone beyond it.

The massive impact of supermarkets was confirmed by the recent report by CB Hillier Parker, commissioned by the Department of the Environment, Transport and the Regions, called "The Impact of Large Foodstores on Market Towns and District Centres". The report is of particular interest to me because five new supermarkets are proposed for north Norfolk, and I have seen at first hand in Cromer and Fakenham how a supermarket can affect the high street and local shops and producers. The report was welcomed by the Minister, who said:

"The research firmly established that out of town supermarkets can seriously damage the health of small towns and district centres. Arguments about clawing back trade and creating jobs simply do not hold water."

Let us briefly examine the impact of a supermarket. Most obviously, it has a direct impact on the town centre and the high street, especially in rural towns, many of which are already under great pressure. The Hillier Parker report took a close look at Fakenham when Safeway opened in 1994. It found a 64 per cent. decline in the market share taken by town centre convenience shops.

It is not just food retailers that suffer. Supermarkets now account for some 25 per cent. of all petrol sales, and 2,000 independent garages are going out of business each year. Similarly, 10,000 newsagents are predicted to close over the next three years. Home delivery of milk, pharmacies and a wide range of other services are under threat. The research demonstrates that smaller towns such as those in my constituency are less able to adjust than larger town centres and that a new store can supplant the role of the town centre. In addition, the research confirms that the trade that is clawed back as a result of a new store rarely leads to any tangible benefits for a town centre.

Village shops are also threatened, and many have closed. Many villages have no community services at all. For people without a car, the closure of the shop is a disaster and can lead to social isolation because the shop not only sells goods, but is a meeting place and provides an invaluable service, especially to older people.

Local food producers are also at risk. Work by Lady Caroline Cranbrook has revealed that local traders source a surprisingly large amount of their produce from local suppliers. In a survey of 81 food shops close to Saxmundham in east Suffolk, she found 295 local and regional suppliers. It is not unusual for a butcher to buy the meat from local farms, slaughter it locally and produce his own range of sausages, freezer packs and cooked meats. Eggs, drinks, bread, fruit, honey, vegetables, sauces and jams are all typical local foods.

Mr. John Hayes (South Holland and The Deepings): Does my hon. Friend acknowledge that the impact on communities of the close relationship between producer, retailer and consumer is uniquely created by the network of small shops and producers that he describes? In my constituency in Lincolnshire, communities thrive and rely on that very relationship.

Mr. Prior: My hon. Friend is absolutely right. Lady Cranbrook took a particular look at farm shops. She found that eight farm shops source products from 86 local producers and 11 local wholesalers, as well as providing 22 full-time jobs, 28 part-time jobs and 100 jobs for seasonal casual workers. That well illustrates my hon. Friend's point.

There are also transport implications. Supermarkets, especially ones out of town, generate traffic. Nowadays, 75 per cent. of us use the car to do our shopping. Supermarkets also generate delivery traffic, with heavy lorries. Centralised stocking and distribution systems mean that food is transported for hundreds of miles.

There is also the effect on jobs. It is a myth that supermarkets create jobs. Research by the National Retail Planning Forum into the effect of opening 93 supermarkets concluded that each one resulted in a net loss of 276 full-time jobs. Large supermarkets inevitably increase the trend of large farms, large fields, longer travelling times, more traffic, large abattoirs and large processing plants. Is that the kind of society that we want?

Mr. Tony Colman (Putney) *rose--*

Mr. Prior: I am happy to give way to the hon. Gentleman, whose mother lives in Sheringham in my constituency.

Mr. Colman: As somebody who was born and bred in north Norfolk, I support the broad thrust of the hon. Gentleman's proposals. But, as somebody who is very concerned about the high prices in many of the shops in many rural towns in north Norfolk, may I suggest that an answer could be the smaller supermarket shops which Tesco and Sainsbury are tending to develop, which are of no more than 10,000 sq ft or 20,000 sq ft and could ensure that people who live in north Norfolk are able to enjoy the much lower prices that supermarket chains can offer, as well as real competition, without the damage undoubtedly done by large supermarkets and large out-of-town developments?

Mr. Prior: The hon. Gentleman makes a point, but it does not answer the one about local supplies from local producers.

The Minister summed up the position well in a speech in Birmingham on 5 November 1998, in which he said:

"We want to focus new development in town centres, to secure their revitalisation, to ensure greater social inclusion and to achieve environmental benefits, particularly less dependence upon the car. This is not a pious hope. We have a clear policy to focus development in town centres and we are going to stick to it."

In a speech in Wellington on 25 September 1998, the Minister said:

"The impact of superstores is greatest on smaller towns and where the superstores include a wide range of in-store services, such as dry cleaners, pharmacies and banking facilities. They effectively take over

the traditional town centre activities and can seriously threaten the viability of existing town centre facilities. The smaller the town or district centre, the less they are able to cope with the threat.

But it is not just a question of what the store sells. If a superstore is disproportionately large compared with the amount of shopping in the centre, then it can again swamp the centre. And that applies whether the store is located in the town centre, on the edge of the town centre or out of town."

Given all that background and the Minister's comments, it is pretty hard to understand why north Norfolk is confronted with five new supermarkets in addition to the four that we already have. At various stages in the planning process, there are plans for supermarkets at Stalham, North Walsham, Sheringham, Wells and Aylsham.

I am not for one minute advocating a blanket ban on all those proposals--far from it. There may be strong arguments in favour of an individual proposal, and I accept that public opinion is never at one on the issue. That is illustrated by the excellent work of year 6 children at Millfield primary school in North Walsham. About half the children were for a new supermarket, and half against. Those against felt that it would ruin the town and create more traffic, and those for felt that they needed a wider range of shops and that it would put North Walsham on the map. Their views probably reflect those of the adult population.

I feel strongly that the planning procedure, especially planning policy guidance note--PPG--6, should be tightened up and made more effective, so that the overall impact of a supermarket can be taken fully into account prior to planning permission being granted.

Indeed, the Minister recognised that when he stated:

"Over recent years . . . assessment has become more complex about the best way to assess impact. PPG6 gives quite a lot of guidance, but it needs to be bolstered. . . The main message"--

of the Hillier Parker report--

"and one which heartens me greatly, is that they wish PPG6 to be strengthened."

Hillier Parker made a number of recommendations, which the Minister should consider urgently. First, the need for a new food store should be more clearly defined in PPG6. The method used, for example, in the Nathaniel Lichfield study in Norfolk does not have sufficient credibility.

Secondly, the distance guideline of 200 m to 300 m in PPG6 may be too wide. It is essential that people can walk from the supermarket straight into the high street. Thirdly, all new food store proposals for stores of more than 1,000 sq m should be accompanied by an independent assessment of their impact, using the CREATE methodology proposed by Hillier Parker. At present, such studies are often paid for by the retailer, and are neither independent nor comprehensive.

To those three points, I would add further suggestions. First, PPG6 should be extended to include as a material consideration the effect on the rural hinterland, as well as the effect on the town and the village. That would include farm shops and local food producers. It would also assess the traffic implications.

Secondly, consideration should be given to adopting a provision similar to the loi Raffarin in France, which requires a public inquiry into any new development in excess of 6,000 sq m. The French Minister described the law as being designed to defend

"social and economic cohesion and the fabric of society",

which shows how seriously the French take the matter.

Thirdly, high street shops affected by a supermarket development should be eligible for a rates review, and for rate relief, which has already been introduced for village shops. That should be funded, at least in part, by increasing the uniform business rate charged to supermarkets. Moreover, it is quite wrong that the new food tax should apply to all food outlets at the same rate of £90, regardless of their size.

Fourthly, supermarkets should be encouraged to develop national policies for sourcing local products, and planning permission for supermarkets should include a condition that a certain amount of floor space be devoted to locally sourced food.

Finally, the financial balance between hard-pressed district councils and supermarkets should be recognised. It is wrong that district councils can be bought off so easily by section 106 agreements, and wrong that district councils sometimes feel unable to press their case, for fear of being liable to costs if an appeal is lost.

The Minister accepts that PPG6 needs to be bolstered and strengthened. He accepts Hillier Parker's findings. He has said:

"When we revise PPG6 we will certainly take Hillier Parker's recommendations into account."

He has said that he wants to bring about a renaissance of our market towns. He has said that that should not be a pious hope. He has it in his power to do that. I hope that he will tell the House today that the time for talking and researching is over, and that the time for action has begun.

The Minister for the Regions, Regeneration and Planning (Mr. Richard Caborn): I congratulate the hon. Member for North Norfolk (Mr. Prior) on initiating the debate. I fully understand why he has raised the subject, but I am sure that he will understand that I cannot comment on the merits of any case to which he referred that is the subject of a planning application. For me to do so could fetter the impartiality of the Secretary of State, should the case be referred to him at a later date.

I am pleased that the hon. Gentleman has chosen the subject, as we are concerned about what is happening in the rural economy and about the quality of life and the opportunities open to people in rural areas. We recognise the importance of maintaining the vitality and viability of market towns such as those in north Norfolk.

I am familiar with the problems of north Norfolk, and I appreciate the strong interest taken by all the local Members of Parliament. Our research on the impact of supermarkets on market towns--which, incidentally, chose Fakenham for a case study--shows what can happen. I therefore welcome the opportunity to respond to the debate and to set out Government policy.

I remind the hon. Gentleman that, under the previous Administration, 50 per cent. of all out-of-town shopping was built in five years, from the late 1980s to the early 1990s. That was unmanageable, and I am sure that he will reflect on the possible mistakes made by the Administration whom he supported, but let me assure him that the Government are committed to tackling the problems faced by rural areas and to creating sustainable rural communities. We want to make rural communities attractive places in which to live, to create more opportunities for all types of people who live there and to enable those people to take part in decisions affecting their lives.

That is why we are producing a rural White Paper; rural England is changing and we must respond to those changes. The White Paper will look at the long-term future of the rural areas and our policies, across the board, will support sustainable rural communities for the future. It will present our vision for rural areas to complement our urban White Paper. We will therefore be looking closely at how the urban and rural White Papers can complement each other to build a clear and comprehensive strategy for the future.

The hon. Gentleman may be aware that we recently issued a discussion document, "Rural England". That sets the context for the rural White Paper and poses questions on a wide range of issues, on which we invite comment. However, it is vital that a local authority's vision for its area should address specifically the needs of the rural areas, including the relationship between town and country; where and how local facilities, such as shopping, should be provided; and, in particular, the role of the small market towns. That vision must be projected in development plans.

The thrust of the Government's planning policy for rural areas, which is set out in planning policy guidance note 7, is that change through development should improve the environment, as well as yielding economic and social benefits. New developments outside the existing settlements or areas not allocated for development in the development plans should be strictly controlled. That is particularly true of supermarkets.

The Government's planning policy on retail development was set out in our response to the Select Committee's report of July 1997 on shopping centres. Our response reaffirmed our commitment to PPG6, which deals with town centres and retail developments, and aims to sustain and enhance the vitality and viability of our existing centres in urban and rural areas by focusing new development and investment, particularly for retail and leisure uses, in them. In rural areas that means getting supermarkets into town centres, but it also means protecting village shops at the same time.

We also want to ensure the availability of a wide range of shops, employment, services and facilities to which people have easy access through a choice of means of transport. We encourage local planning authorities to be proactive in planning to accommodate new retail development, which means that they should first assess the need for additional retail development as a basis for preparing their development plan strategies and policies for accommodating such development. They should aim to safeguard and strengthen the local centres and the rural economy.

Having established their need for further development, in quantitative and qualitative terms, local planning authorities should then apply a sequential approach to identifying suitable locations and sites to accommodate their need. That approach places the onus on the local

authorities and the developers to develop town centre sites first or, failing that, sites on the edge of town, before looking at out-of-centre sites.

If there is no need for additional development, there will be no need to identify additional sites. Local planning authorities should adopt a plan-led approach to handling planning applications involving new retail developments. As we have recently made it clear, where retail development is proposed, but was not envisaged in the development plan, applicants should show the need for additional facilities, and that a sequential approach has been applied to the selection of the site.

When that has been established, and if an out-of-centre site has been chosen, the local planning authority is now required to take into account the likely harm to the development plan strategy, accessibility by a choice of means of transport, the likely effect of the proposals on overall travel patterns and the likely impact on the vitality and viability of existing centres, and on the rural economy. I think that responds to the claim in the report that the definition of need should be strengthened and clarified.

That last factor is especially relevant to the debate. The hon. Gentleman identified a number of problems that can result from large retail developments in rural areas, including their possible impact on the lives of local people, on employment, purchasing and supply chains, and on the local economy. Taken individually, those factors may be deemed to be "material planning considerations". As the hon. Gentleman may know, only the courts can determine the position; but, taken overall, the impact of a proposal on the vitality and viability of the rural economy is a material planning consideration that local authorities should take into account in deciding planning applications involving retail development. There is scope for local planning authorities to consider those factors, and to determine whether collectively they would have an adverse impact on their town centres and/or the rural economy more generally.

The scale of new supermarkets is another important factor, especially in relation to rural areas and market towns such as Fakenham, Stalham and Wells. That is why PPG6 advises local authorities to adopt policies that encourage appropriately sized local supermarkets, relative to the size and type of centre to be served. Authorities should discourage inappropriate proposals--proposals for developments for which the need has not been established, or for developments that are too large in relation to the centre. To do that, planning authorities will need to understand the need for additional retail floor space, in terms of both quantity and quality. They will also need a clear vision and strategy for their centres, and clear plan policies based on that.

The hon. Gentleman referred to a report published recently by my Department, entitled "The Impact of Large Foodstores on Market Towns and District Centres". The researchers looked specifically at the impact of large food stores on the edges of towns, and out of town, on market towns and district centres. The report confirmed that large food stores built on the outskirts of market towns attract people at the expense of town centres, and do not add to net overall employment in food retail. The hon. Gentleman mentioned that. With fewer people visiting the town centre, trade would be lost, there would be less new investment, and closures and overall job losses could well result.

The report confirms what we already know: large food stores on the edge of market towns can seriously damage the vitality and viability of their centres. It provides further justification for the Government's policy.

Mr. Prior: When does the Minister plan to incorporate some of the recommendations of the Hillier Parker report in PPG6, and strengthen the guideline, in the way that he has talked about publicly on other occasions?

Mr. Caborn: I hope that, when the hon. Gentleman reads my speech in *Hansard*, he will see that we are strengthening the guidelines. We are defining need, and what can be considered material, in regard to planning authorities throughout the country. We have a plan-led system, which evolves through the democratic process. I hope that planning authorities take account of what I have said this evening, and that it will be "material" to their planning regimes.

I believe that the future of local shops and services in market towns is crucial to the quality of rural life. It is therefore essential to plan new retail developments, especially supermarkets, with great care. We must ensure that where there is a need for additional food stores, they are developed. We must also ensure that we carefully consider the possible impacts of additional retail development, especially on market towns and the rural economy, before we allow them.

I am committed to bringing new life into our town and local centres in both urban and rural areas--I believe that the hon. Member for North Norfolk mentioned that. Supermarkets should be located to reinforce the strength of our centres and small towns in rural areas, not to undermine them.

I believe that PPG6 enables local planning authorities to plan positively to encourage the right development in the right place, and to effectively prevent new retail development that would have adverse impacts on the vitality and viability of existing centres in rural areas, and on the rural economy. We are closely considering ways in which we may help them to implement the policy effectively, and to improve day-to-day practice.

I believe that I have very fully answered the points that the hon. Member for North Norfolk raised. His speech clearly showed that action must be taken. The Government are taking that action, and we are very clear in our minds that we shall not only drive the urban renaissance but renew our rural economies.