

## **Louth's Future: Growth, retail, heritage and community**

This document is designed as an addition to and, on some issues, a rebuttal of the 2007 Farrell Bass Pritchard retail survey of Louth, commissioned by ELDC. It is intended to represent a consultation voice from the local community, and to be an input to future council planning policy and the planning decisions informed by that policy. The authors of this report would like ELDC to comment on the points raised, and incorporate those responses into its planning policy, especially in the light of the expected abolition of the 'needs test' which is currently an important part of the defence available to local authorities against unwanted retail development.

### **Current context**

The whole issue of retail development in Louth has been thrown into sharper focus by a series of developments in 2008. ELDC has invited offers for the cattle market site, a five acre council-owned plot which is the site of the town's livestock market and the largest free car park in the town. Dozens of offers have been received, many of them from supermarket groups, council officials have said. Council documents plainly state that a new supermarket on the site is the expected and indeed from council perspectives a desirable outcome<sup>1</sup>. Separately, Sainsbury has gone public with a plan to build a supermarket on the Kiln Lane site behind the current Co-op, while the Co-op supermarket group has acquired the Somerfield chain nationally. The town's existing Somerfield store is bound to be sold by the Co-op to satisfy Competition Commission considerations, and will probably be redeveloped by a new owner. A proposed Marks & Spencer food-only store, proposed on the Queen Street site mentioned in the FBP report, has not so far been taken to planning.

Much of what follows is already part of ELDC policy, some is not. Existing parts of ELDC and national policy are referenced where relevant.

### **Executive summary**

#### **Faults, omissions and lack of evidence in the survey**

1. The Bass Pritchard Survey provides some useful additions to the 1999 shopping survey, but it has many glaring faults.
  - 1.1 It looked at the shopping spending leaking out from Louth but failed to examine or account for the role of unique and unusual shops which bring business in to the town from much further afield. This is akin to trying to work out a balance of payments deficit by looking at imports but ignoring exports. Half an answer is no answer at all.
  - 1.2 It fails in its key objective which is to find evidence that shopping spending lost to superstores in Cleethorpes and Skegness could be 'clawed back to Louth' by a somewhat smaller supermarket opening in Louth town centre. Such arguments apply equally to a supermarket opening on the cattle market site.
  - 1.3 Moreover, it fails to recognise the methodological contradictions in defining as 'local' any spending at supermarkets wherever they are located. The New Economics Foundation has demolished this idea in a recent paper (dealt with in 5.4)
  - 1.4 It fails to explain how a 'new' supermarket brought to the town centre would do better than those of a roughly similar size that are already there.
  - 1.5 There are statistical and methodological errors in the raw data used for the report (see 4.2.2, 4.6 and 4.7). The most glaring of these is to dramatically

- underestimate the sales of the two existing supermarkets in Louth, whose true sales were actually 50% higher in 2006 than estimated by the report. This throws out all their calculations about market share, food sales lost to Grimsby and Cleethorpes and the report's final conclusions that new retail space is needed.
- 1.6 The report has a very peculiar idea of the Louth retail catchment area, including substantial populations who live far closer to Grimsby and Cleethorpes than to the town. (see 4.2.1) It is hardly surprising that these people would gravitate towards the larger population centres to do most of their shopping. It would be odd if it were otherwise, and certainly should not be given weight in the debate about what new retail capacity Louth may or may not need. Indeed, the FBP report says as much, but then continues to include the data to support its conclusions!<sup>ii</sup>.
  - 1.7 It does not even consider as an option trying to make present incumbents raise their game. Yet common sense, as well as environmental, planning, and disruption considerations make eliciting a better service from an existing supermarket more sensible than building a new one.
  - 1.8 It claims (FBP 5.33) there is no evidence that a new supermarket would destroy local food shops. We are able to cite growing amount of evidence that supermarket growth has decimated local food shops right across the country.<sup>iii</sup> Such stores survive at much flimsier trading margins than national chains and are more vulnerable to damage by even modest loss of turnover.<sup>iv</sup>
  - 1.9 It failed to accord any extra weight or value to traditional local businesses in Louth, despite their centrality in local planning policy PPS6, and in national policy guidance.
  - 1.10 It completely neglected the role of web-based grocery shopping. No questions on this were asked in the survey. Given the growing role of Internet shopping, and the increasing amount of data available at a national level, this is a surprising omission which muddies the conclusions. Certainly, the idea of a 'needs test' based on driving time will become progressively weakened as the Internet grows as a source of sales.
  - 1.11 The survey ignores the role of tourism, both as a source of retail spending and as a broader opportunity. The rise of the TV chefs, the wholefood school meals debate, and the promotion of healthy and sustainable food consumption play to the strengths of the town, whose unspoiled traditional aspect is now a rarity of national note. This opportunity to mark Louth as a national local and sustainable food town should not be missed. FBP had an opportunity to collect the data, by surveying those who use Louth shops, but chose not to pursue it<sup>v</sup>.
  - 1.12 In recommending a supermarket as an ideal retail solution for Louth, FBP ignores independent evidence that supermarkets destroy jobs (National Retail Planning Forum study 1998), destroy existing businesses and largely confine shoppers within their own car parks (5.2)
  - 1.13 Perhaps most shocking of all, Farrell Bass Pritchard completely ignores the possibilities of regenerating or improve the shopping experience in Louth through community-based action. We have several proposals in that regard. (see 5.0)

### **The importance of keeping traditional businesses in Louth**

2. The local shops of Louth are an absolutely vital part of the town's future: as a market town, as a bustling community, as a centre of employment, as a centre for regional tourism, as a beacon for local sustainability, and for the survival of the rich architectural heritage which was designed to house them. It should be borne in mind that the very first line of the Government's objectives in PPS6 is "Sustainable development is the core principle underpinning planning."

- 2.1 Louth's traditional stores are part of a vulnerable eco-system in which each business depends on its neighbours, recycling money within the community, a process highlighted by the NEF (see 5.4)
- 2.2 Many of Louth's existing retailers are on a slender economic base. Even a five per cent fall in takings can swing a local shop between profit and loss. Likewise a determined effort to improve trade by five per cent would underpin not only the shops themselves but local wholesalers and suppliers who they use.
- 2.3 The survival of most of these shops is incompatible with the arrival of a large out of town or edge of town supermarket. Contrary to a direct assertion in the report, there is a wealth of evidence to show just how comprehensively small shops are destroyed by large supermarkets<sup>vi</sup>.
- 2.4 A supermarket within the town will have different but uncertain effects, depending on its size. That amount to gambling with the town's future.
- 2.5 However, adding stores that do not directly compete with traditional retailers but do add to footfall, e.g. middle-market women's clothing, a hard-discounting dry goods retailer like Netto, Aldi or Lidl would help stimulate visits to the town without hitting most existing businesses, so long as they were located within the existing centre.
- 2.6 Planning gain is often held out as a boost to the community from bringing in a supermarket, but it is always infrastructure that serves primarily the supermarket which funded it.

### **The local alternative for regeneration**

3. There are cheaper and more imaginative locally-led alternatives for regenerating Louth as a market town. By being different and preserving its character, they will make it stand out from the 'clone towns' in the rest of the country. This should include the seeking of regional, national and EU funding to promote and build Louth as a food town on the agendas of avoiding rural poverty, environmental sustainability, food-for-health, architectural integrity and regional tourism. We also need:
  - 3.1 A new policy to explicitly support local small-scale independent shops and businesses recognising their primacy in the local community, their sustainability, their low reliance on car-borne trade, their role as a coherent use for historic buildings, and their preservation of skills.
  - 3.2 The promotion of start-up retail businesses in a traditional style which fits Louth's character through business rate tax breaks.
  - 3.3 Similarly, efforts to stop family-based businesses disappearing because of retirements. Assistance for apprenticeships, vocational training, retention of traditional skills, and business loan schemes would help.
  - 3.4 Efforts to extend traditional store shopping hours into the evenings when those who work can do their shopping. We have specific proposals in this regard.
  - 3.5 Working with the existing supermarkets in town to raise their game to meet the aspirations of those who shop outside the area.
  - 3.6 Working with the existing supermarkets to provide a delivery service which includes local Louth retailers' produce which should also meet the needs of the housebound, those with rural transport issues, the disabled, and those who cannot shop during business hours.

3.7 Promotion of Louth within the regional and nationally for food tourism. Already well known to TV chefs, Louth needs a local food festival, some tie-ins with the rejuvenation of local school dinners, and some imaginative work for food shopping coach trips from major conurbations. Local prize-winning tastes of Lincolnshire chefs could provide menus for cheap local food through Linx homes.

3.8 The appointment of an ELDC funded market town manager to coordinate these initiatives.

3.9 Funding for a robust and independent survey (whose findings could then be sold) of the point of departure of visitors to Louth's shops and local services. This should be undertaken in concert with ELDC, and would remedy one of the major deficiencies of the FBP report by giving us Louth's retail 'export' trade. A schools-based project with very quick and simple interviews conducted by pupils of shoppers would be sufficient.

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### **4. Deficiencies in the FBP Survey.**

#### **4.1 Imports but no exports**

The failure to account for the 'export' trade of Louth's shops is an enormous anomaly in the survey, and undermines every conclusion built on the data. While undoubtedly many Louth and district residents travel to Tesco in Cleethorpes<sup>vii</sup>, for example, because of the prices and range of produce, there are many people who come to Louth from Grimsby and Cleethorpes precisely because the unique local stores have much that is not available in big supermarkets (see FBP point 4.). There is also likely to be some uplift to supermarket shopping too in Louth from this 'export' trade, given that those who work in Louth and live elsewhere will also be represented in those 5% of main shopping journeys which start at work<sup>viii</sup>. Some evidence to support this contention is available from the postcode analysis of the signatories of the Keep Louth Special petition.

#### **4.2 Results cannot be relied upon**

The survey made no attempt to capture this data. Let's be clear. It is impossible to construct an accurate assessment of the size of Louth's convenience goods trade by only measuring the imports and not the exports. Half an answer is no answer at all. In the 1999 ELDC shopping survey, some attempt was made to capture this data, resulting in the discovery that Louth is a magnet for food shopping from Mablethorpe (accounting for 37% of that town's food spending, more than Mablethorpe itself retains), and also 23% of that in Alford.<sup>ix</sup>

4.2.1 The study's area is defined by administrative area rather than by common sense. It uses as Louth's catchment area all of Lincolnshire north of the town right up to the border with N.E. Lincs. These areas (postcodes DN 36 5) include a population of 9,000 (out of a survey area total of 41,000) who are actually closer to Grimsby and Cleethorpes than to Louth. It is

an inversion of all logic to imagine that the normal or expected place where these people would shop is in a town both smaller and further away than a metropolis on the doorstep. Indeed, if 90% of their food shopping is not done in Louth, the 10% that is should count as a Louth 'export' not a 90% import.

4.2.2. The 2007 report, using 2006 data, attempts to show what level of convenience food trade flows out to Cleethorpes, Grimsby and elsewhere. <sup>x</sup> But it is littered with inconsistencies. The report states a population for the Louth shopping catchment area of 41,600 and convenience <sup>xi</sup>spending a total of £59.6m. Taking these figures (which are both based on estimates) as accurate, it is not possible for the widely-cited figure of 70% of Louth's convenience spending to be made outside the town. If you take away 70% of the total spend you get £17.8m, which is actually less than the audited total sales of Louth's existing Somerfield and Co-op stores<sup>xii</sup>. That leaves all the other of dozens of Louth shops making total sales of minus £1.1m, a clear impossibility. Of course, Louth's 'exports' would play a role in this, but as the study deigned not to look at this area, we cannot know for certain. All we can be sure of is that the FBP report is wrong.

### **4.3 Spending from outside ELDC in Louth not captured**

While the 2007 survey states that 43% of Louth's primary food spending goes to Grimsby/Cleethorpes, it is reasonable to suggest that between 1% and 5% of that area's food spending comes here<sup>xiii</sup>. Given the vastly larger size of Grimsby/Cleethorpes, with well over 120,000 population <sup>xiv</sup> up to another 6,000 people may do primary or secondary food shopping in Louth. Yet without any attempt to survey that point we do not know. We think such a study should be undertaken (see 3.9 for proposed form of study).

### **4.4 The clawback fallacy**

4.4.1 One of the primary motivations for FBP's conclusion that Louth town centre needs a new supermarket is the idea of clawback, which is returning to Louth spending which occurs elsewhere. This idea is flawed in theory as well as in practice, as we shall see. It is certainly a fallacy to suggest that building a new local supermarket to switch business away from one further away is any way helping the local economy.

4.4.2 Already, from the previous points, we have seen, there is a much greater and more complex flow of shopping spending throughout East Lindsey and the surrounding area than can ever be accounted for by a simple telephone survey of intentions. Fully 40% of shopping journeys are mixed in with other journey purposes, and 5% of such shopping journeys begin from work. (FBP 2007 survey Q4).

4.4.3 But FBP still holds out the possibility of clawback, including some from the biggest food shopping magnet, Tesco's Extra store at Cleethorpes. Let's assume this store is the average 6,300 square metres for that format, <sup>xv</sup> it would be 2-1/2 times the size of the largest new supermarket that could be accommodated within Louth town centre, or 3.3 times that which could be built on the Queen street site. It is hard to believe that those who cited 'choice' and 'value' above 'convenience' in their supermarket destination for the survey would be minded to return to Louth for a much smaller store, especially given that a trip to Grimsby/Cleethorpes puts them next to the biggest comparison shopping centre in the region too. If they were so motivated, why do they not already use the Co-op or Somerfield?

4.4.4 In 4.18 of its report FBP states "that it is considered reasonable" that 70% of the spending which currently goes to Grimsby and Cleethorpes from those resident in Louth could be clawed back. It offers absolutely no reasons for choosing this figure rather than any other. It is clearly just a guess.

As the Dilbert cartoon strip so pithily puts it. “A guess is just a guess until it’s in a pie chart. Then it’s analysis.”

(For a critique of the value of clawback, see point 3.1)

4.4.5 If the motivation of ELDC for considering encouraging a new supermarket to come to Louth is ‘clawback’ then it should consider that it may end up cannibalising much of the town’s existing local shopping trade without managing any significant clawback. That would be the worst of all possible worlds. The consequences of such a decision are hugely uncertain and amount to playing Russian roulette with Louth’s future as a market town. There are many more low-risk options for regenerating the town’s retail trade which are dealt with in 5.

#### **4.5 Social inclusion**

Social inclusivity is a core value in PPS6. FBP’s survey mentions the goal of social inclusion, but does not say how its plans would further this aim. For the disabled or those without access to a car, Louth’s existing open-plan town centre is a godsend. Market traders and local shopkeepers are happy to help pack bags, and even assist the elderly to their vehicles if nearby. Contrast that with supermarkets, which pay lip-service to disabled access but whose poorly-policed disabled parking bays are constantly full of cars driven by the able-bodied.<sup>xvi</sup> Self service in supermarkets means many items are beyond easy reach both vertically and horizontally. Checkout bag-packing help is often sporadic.

For those on low incomes, supermarkets are attractive because they are cheap for KVI’s (known value items). These are normally white bread, baked beans, milk, lager and toilet rolls whose costs regular shoppers supposedly carry in their heads. However, once fresh foodstuffs like fruit, vegetables and meat are included, there is better value on offer in Louth’s market place and local shops.<sup>xvii</sup> The finding that markets are often much cheaper than supermarkets for the food that keeps us healthiest was supported by a recent report by the New Economics Foundation (see 6.3).

#### **4.6 Misdirection in survey design**

The design of the survey was confusing, particularly as much of it was conducted by telephone, and revealed the lack of familiarity of those who drew it up with the town and the names of the shops. It is well known in surveys that if you prompt a name you get more answers for that than if the respondent has to think up a name themselves.

For example, in question 1 “Which supermarket do you visit most often for your household’s main food shopping?” This is of course a presumption built in to the question, that a supermarket has to be the primary destination for main food shopping. Those who use local food shops, farm shops or farmers’ markets for main food shopping are being persuaded that it only counts as main food shopping if it takes place at a supermarket.

#### **4.7 Factual errors...**

There was no mention of Louth’s biggest supermarket as the Co-op in Northgate, in the pre-listed answers, but only of the ‘Pioneer’, which is an internal name for the type of store that no-one uses. Not surprisingly, nobody claimed to shop there, although five did say they used the Co-op in Market Rasen which is a tenth the size. However, under ‘other’, (where respondents have to remember the name) it cropped up as Co-op Louth (9.1%) and Co-op Northgate Louth (2.5%). However, the name that most long-time Louth residents use is Leo’s which is the name of the previous store on the site. That name does not occur on the survey.

#### **4.8 ...Lead to errors in findings**

What was the result? The Co-op is under-represented. It appears that in the 2007 survey Somerfield had an 18% share of the primary convenience store market while the Co-op only had 11.6%, and barely more than Kwik Save (8%). This belies their supposed relative sales position, which according to Tab 15 of FBP's attached Verdict retail survey, shows the Co-op store's turnover at £5.4m compared with £7m for Somerfield and just £1.6m for Kwik Save. The real figures for the same year for Somerfield and the Co-op are actually 50% larger! (see 4.9).

#### **4.9 Rough and ready figures used**

It is important to note how Farrell Bass Pritchard arrived at these sales figures. They use Verdict national sales densities for each of the stores per square meter, and then gross up by the floor space. This national average only works, of course, if all stores within a chain are the same. This is patent nonsense. Just to show how far wrong a survey based on averages can be, I have from industry sources obtained the *actual* sales figures for both Louth Co-op and Somerfield for 2006.<sup>xviii</sup>

Somerfield Eastgate £10.1m

Co-op Northgate £8.5m

Clearly, then, there is a discrepancy between the findings of the survey and the financial reality on the ground. While Co-op has 84% of the sales of Somerfield, the survey claims it has only 64% of the shoppers. Either the Co-op's customers are unusually big spenders, or the survey is wrong. I think I know which is more likely.

#### **4.10 The importance of locality**

Q3 of the survey, 'what is the main reason for using this particular store' included the following replies: "I live in the area" (23.9%), "convenient" (19%) and "It's the nearest store" (4.3%). Collectively, these replies totalling about half of respondents show they shop close to home, in line with the 41.8% market share for primary convenience shopping in Louth.

#### **4.11 Retail leakage**

The whole concept of retail leakage away from centres is only important in two respects. One is where it impinges on genuinely local business which need the footfall of passing trade, and the other is in terms of transport, travel time and the environment for those who do the travelling. Where significant costs and transport frictions are generated by spending leaking to other centres, these may constitute a problem. However trying to address those problems with new supermarkets will only help with one of those issues, travel time. Environmental effects from deliveries to a new store and the encouragement of the car-borne consumer will bring in congestion and noise which the town is ill-suited to handle.

#### **4.12 Environment and heritage**

4.12.1 Supermarkets are, by common consent, ugly. Their vast flat roofs or mid-western pitched shingle roofs with faux-bell towers are an urban cliché, all the more depressing for their dreadful repetition across the country. Surrounded by acres of car parking they are islands of homage to the motor car which blight the areas in which they reside. No wonder then the temptation to have them built on out-of-town sites, which is like signing the death warrant for the commercial vitality of the nearest town centre.

4.12.2 ELDC, by following national planning policy guidance has in the past fought an out of town supermarket plan. This was defeated in 1999 after going to planning inspectorate level. However, ELDC may be in danger of letting disaster in through the back door if it allows a large new supermarket on the edge of town.

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## **5. What we can do to help Louth**

### **5.1 background**

Louth's shopping streets have seen a marked set of changes in recent years. New upmarket footwear, handbag and gift shops have arrived, while some small specialist food shops (Larders) have closed, and one small DIY shop (Handyman) has closed just a year or so after the arrival of the out of town Focus store. However, some very up-market food shops, such as Babbitts and Royston's Deli, have arrived, and the three weekly markets, the farmers' market (now twice a month) and the occasional continental food market have greatly reinforced the branding of Louth as a food town. Altogether, its prosperity seems undimmed. The demise of Kwik Save has lowered footfall at the eastern end of town, though businesses based there say that is now beginning to improve since the Wilkinson hardware store moved to the site. While Louth still has its fair share of unused or charity shop-owned premises, there is no evidence that it is becoming a 'ghost town' as some suggest. National chains of all types still find the town's demographic (more middle class than most of ELDC) attractive. Country Casuals, opened recently on the former Curry's site, is merely the latest to arrive.

### **5.2 Assessment tools: Footfall**

The measurement of increased footfall is fundamental to the regeneration of any shopping area. Shopping spend is a function of available income, number of shoppers and the perceived quality and product available. We will tackle all these issues in detail.

Major retailers are not stupid. They manage footfall to their own advantage. For example, if you stop at a motorway services to use the toilet, you will have to walk right through the shopping facilities to the back to find them. The traveller's bursting bladder, the primary reason for the stop, is a secondary requirement to exposing you to the largest array of franchised products on the way in and out.

Likewise, a common assumption about bringing in a supermarket is that shoppers who are attracted by it will then leave their cars and do additional top-up shopping. However, it is a fundamental tenet of supermarket marketing that they want to take and retain every available pound that shoppers have to spend. Their relatively recent expansion into non-food underlines this. They have numerous tools to manage this:

- It is physically difficult to enter or leave supermarket car parks on foot. That isn't just because the roads always get busier, but by design. The Cleethorpes Tesco is a good example, where traffic takes precedence over pedestrians at every point, and where the perimeter is fenced or hedged in. Even if you live on the adjacent road, it is actually easier to drive in. You can see the same thing at Louth's Focus DIY store. Although its main frontage is onto North Holme Road, there is no pedestrian entrance, just a fence. Those living 25 yards away on Chatsworth Drive have to quintuple their journey by going around to the Windsor Rd entrance on the industrial estate.

- Loyalty card data is combed to see which food types individual shoppers are not buying in-store, the computer then generates vouchers giving reductions on those particular products. These offer additional inducements for those who split their spending between a supermarket and local shops to just get everything under one roof.
- Particular supermarkets on opening often target incumbent rivals in the area with specific money-off vouchers. This has been a particularly aggressive tactic used in the past<sup>xix</sup>

The range of shops that used to be able to survive in the shadow of a big supermarket used to include tobacconists and newsagents, booksellers, coffee shops, photographic and record shops. Now, almost all major chains have brought such services in-house. The only thing I have yet to see in a supermarket (i.e. branded) is a heel-bar and key-cutting service.

### 5.3 Footfall generation

The only real way to generate footfall is through specialist or partial offerings, attractive enough to bring customers in, but not able to satisfy all their wants. So for example the Woolworths site in Mercer Row could handle an Aldi or a Lidl, or a small Metro-sized supermarket, without soaking up every available shoppers' pound. The limited fresh food offering in such stores leaves plenty of room for top-up shopping, just as the Kwik Save co-existed happily with the poultry, pork butcher, greengrocer, baker and cheese shop in Eastgate until the demise of the chain nationally.

### 5.4 Assessment tools: LM3

The New Economics Foundation, with the help of funding from the Countryside Agency, has developed LM3, a money flow tool to measure the impact on local economies of various kinds of initiatives. Essentially it measures how much money leaks from the local economy, the more that is retained the better. The NEF's conclusions are that supermarkets are a very poor way of generating local incomes because almost all the suppliers, the shareholders, the firms involved in construction and even the legal and architectural services are all drawn from outside.<sup>xx</sup>

By contrast money spent at a farmers' market or traditional retailer goes to pay local suppliers. Residual income is spent by the local shopkeeper, some of it locally, which then recirculates around the local economy.<sup>xxi</sup>

### 5.5 Shopping hours

One area where local shops fall down, particularly in Louth, is in opening times. Louth's small family-run shops are built around traditional Lincolnshire shopping culture – an early start at 8am in some cases, most of the business done by dinner time and much of the produce sold out by 2pm. On market days stallholders often pack up at 3pm.

It is understandable when greengrocers, butchers and bakers rise at 4am that they don't want a working day extended into the evening. But clearly this doesn't accord with the needs of the modern family where two working partners or school runs leave little opportunity for local shopping except on Saturdays, a day under huge leisure pressure in many households. What is required is an economical way for Louth's traditional food shops to open on one evening a week, initially, without incurring much extra in the way of costs. (see 5.8)

### 5.6 Parking rethink

Parking is perhaps the most pivotal ELDC controlled resource in the regeneration of Louth's retail heritage. The policy on what to charge, for how long and how to allocate scarce space are not easy to resolve. This coincides with increased laziness of shoppers, who often expect to park adjacent to the shops they visit, and the risk-based decision drivers take on whether to park illegally or not. The rise of the pavement-born mobility vehicle, and the increased frequency of pavement parking, has also to be tackled. We would like to hear what proposals ELDC has on this point.

### **5.7 Transport and congestion**

Let's be clear, congestion in general in Louth town centre is not bad. Negotiating the town takes an average three minutes by car. However, several bottlenecks can occasionally bring the town to a complete standstill. Deliveries by large lorries, whose drivers block the road, go unpunished yet cause genuine economic loss to other drivers, to shops and remain in the memory. Buses coming down Mercer Row from Queen Street are often blocked by illegally parked vehicles outside Lloyds Bank, and this delays can again cause real problems.

5.7.1 We would like to suggest a dedicated loading bay in the slot behind Heron (access via Northgate) for all lorries over a certain size. Retailers would be responsible for notifying suppliers. Access for hand-pushed pallets should be improved if necessary.

### **5.8 Our evening shopping initiative**

After an approach from us, the Co-op supermarket has indicated its willingness in principle to host in its large and under-used foyer area an evening market of a half dozen food stalls, initially once per week. These would combine the produce of all Louth's fresh food suppliers which wanted to be a part of it, and be staffed by one or two staff, with costs to be borne equally by all involved, and revenues divided according to whose produce sold. Suppliers would make up standard-sized trays. Farmers market suppliers may also be invited. Refrigeration would be available for produce requiring it. The Co-op would benefit from an additional draw to its store in the evening, while the local food shops would reach a market place which their shops hours normally preclude. ELDC support and some wider publicity could make this a beacon initiative, with national publicity likely, for local cooperation between hitherto competing store formats.

### **5.9 Delivery**

A delivery service based on local food would be a next step. The Co-op is again happy to work with us, though we may not be able to use its van fleet. This would require further work, but would be a useful publicity coup for the Co-op and a feather in Louth's sustainability and food town cap.

### **5.10 Food box scheme**

Many individual farmers run food box schemes, mainly with organic vegetables. Louth could go further if we find the level of cooperation required among local food shops and suppliers. Award-winning chef Paul Hugill of the Priory is happy to design economical menus around which food boxes could be built from local produce and supplied either by delivery or through the Co-op's foyer, or perhaps even within the Co-op store. The target market would not just be middle-class and retired shoppers (the traditional foodie market) but the busy lower-income family, where the thinking part of catering cheaply for a family would be removed without simultaneously sacrificing access to healthy food.

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### **6. The true cost of supermarkets**

Supermarkets claim to offer better shopping choice and quality, fresher produce, lower prices, and convenience to shoppers. To the local economy they promise more jobs, new skills and

the hope of some spin-off spending. To planners they promise a new influx of shoppers from outside traditional retail catchment areas, extra rate income and a generally more prosperous community. They claim that existing businesses will thrive in their shadow.

These are half truths at best. Let's deal with these claims in turn, particularly in relation to the fresh food retail speciality already available in Louth.

### **6.1 Choice and quality.**

Supermarkets offer a huge range of products, all under one roof. However, they are choices within pre-set limits particularly when it comes to fresh food, and come at a large hidden cost in quality:

6.1.1 Supermarkets buy in enormous bulk, so everything you buy will by definition have been produced on an industrial scale. If you want something hand-made, whether it's a pork pie or a loaf, you can't get it at a supermarket. Indeed, many small producers who have won contracts to supply supermarkets find that they have had to scale up their production so much that products no longer taste as good as they used to.

6.1.2 Bogus choices. Most 'savers' and 'finest' choices are made by the same suppliers, on the same production line, with the difference down to recipe or ingredients.

6.1.3 Supermarkets sell on appearance. Nothing misshapen or discoloured is ever allowed, however good it tastes, and suppliers are forced to choose varieties with good appearance over quality or taste.<sup>xxii</sup> That's why no supplier ever tries to get delicious, crisp Russet apples into a supermarket. With their often pock-marked skin, they'd risk having the entire consignment rejected at their own expense.

6.1.4 Supermarkets don't offer choice of cuts of meat or fish. Their pre-wrapped produce is just that, and even the stores large enough to have a fresh counter do not have the skills to meet customer needs for information, yet alone to shape the product.<sup>xxiii</sup>

6.1.5 Our comparison shop showed that even the largest supermarkets have little choice in seasonal food.<sup>xxiv</sup>

6.1.5. By wiping out local butchers, greengrocers and bakers, supermarkets actually restrict consumer choice. Louth would hardly have a better choice of food if a large supermarket came here. Fresh mallard, pigeon, teal, haslet, chine, ostrich, venison, rabbit and hare, local chicken and ham pie, rising rib beef joints, hearts, fresh kidney, oxtail, sprouting broccoli, chicory, local watercress, ham slipper joints are just a few of the products we get locally that you are hard-pressed to find in any supermarket.

### **6.2 Freshness**

Supermarkets make great claims for the freshness of their food, and the sophistication of their perishables supply chain. It's actually nonsense. They are tied in to a centralised distribution system that cannot help but extend the time between harvest and purchase. They certainly cannot match the freshness of produce offered by a small market town like Louth through its local stores and local produce.<sup>xxv</sup>

6.2.1 Food miles is a well-known debate, and the supermarkets are the worst offenders. It isn't just the fact that Argentine Christmas strawberries or the Thai baby sweet corn are flown in, but the efforts taken to mitigate the extra transit time by treating the food.

6.2.3 Supermarkets have pioneered some very unsavoury techniques to stop food rotting. Tomatoes are picked green, when they don't bruise too easily, then on arrival are dumped in a bath of ethanol to ripen them. Bagged lettuce is soaked in a chlorine solution 20 times as strong as a swimming pool (which kills all the vitamins) and then bagged in a nitrogen-heavy atmosphere. This impedes natural rotting until the bag is opened, but it soon catches up once it's in your fridge. It has even turned the stomach of some in the industry.<sup>xxvi</sup>

6.2.4 Supermarkets offer food labelled local, but even if it is local to your region, rather than some other UK region, it will in any case have been trucked to a central depot before being brought back 36 hours or more later.<sup>xxvii</sup>

### **6.3 Prices**

Everyone knows supermarkets are cheap. Well, yes and no. They are famously cheap on tins of beans, basic white bread, toilet rolls, milk and margarine. These Known Value Items (KVIs) are the ones British housewives are supposed to keep in their heads. However, the New Economics Foundation in 2005 did a major study comparing a traditional street market (Queen's Market in East London) and nearby supermarkets and found that for fresh foods the markets offered better choice at lower prices.<sup>xxviii</sup>

Likewise, in a comparison shopping exercise between Louth's fresh food shops and Tesco Extra at Cleethorpes in August 2006, I found that shops in Louth were competitive or even cheaper on many items of fresh meat, fish, fruit and vegetables. (Appendix 1) More surprising still, I found McLeod's cheaper for herbs and spices, and Wilkinson's and Boyes cheaper (sometimes much cheaper) for many household goods, like aspirin, toothpaste and cleaning products.

#### **6.4 Convenience**

If you buy everything you need for a week at a supermarket, it is convenient. For those without a car it is less so. For the disabled, for those who want single items, those reliant on public transport or needing extra help from service staff they are often not convenient. There are large numbers of people in this country for whom the local shops were convenient. The arrival of a larger supermarket a few miles away, and the closure of those local shops is actually a marked inconvenience.

#### **6.5 Jobs and skills**

6.5.1 Supermarkets tell planners that they bring jobs and skills to an area, but it is actually the reverse. The National Retail Planning Forum found in a 1998 survey that the opening of a new superstore caused an average net loss of 229 full-time job equivalents within a 15 km radius. The reasons are fairly clear. Supermarkets employ fewer staff per thousand pounds of turnover than the local stores they replace. Most spending they gain is not new, but transferred from existing stores within the catchment area.

6.5.2 The quality of jobs provided by supermarkets is often lower than the ones they replace. Shelf stackers and check-out staff are required, while in rival shops jobs are lost among bakers, butchers and fishmongers. Even where supermarkets train staff in skills such as butchery, they do not train about the business side of running a butcher's shop. As local shops close the entrepreneur/butcher and his ilk become a rarity.

6.5.3 Supermarkets rely on centralised decision-making. The product mix, delivery type and timing, sales analysis and almost all other significant decisions concerning what is on the shelf are routinely out of the hands of local store management. Investment, staffing level and closure decisions are even more concentrated in other places. That actually represents a loss of local power and decision-making to communities whose livelihood is affected.

6.5.4 Supermarkets are built and rolled out using national contractors and pre-set plans. The legal, architectural, tax, consultancy and other tertiary skills required are sourced nationally from teams who do little else but work for the chain in question. Again there is little local domestic employment benefit, apart from local based property agents who are employed to spot useful sites.

#### **6.6 Spin-off spending, planning gain etc**

6.6.1 As we have seen, supermarkets impoverish their locality in terms of job numbers and skill-sets, so it is hardly surprising that local spending power is not enhanced. To the extent that customers save money on products within supermarkets, they have a 'surplus', but the fact that average checkout spend is growing far faster than inflation<sup>xxx</sup> shows that the stores themselves capture much of this surplus.

6.6.2 The prospect of a major new shopping development can excite planners, especially if they believe what they are told about clawback of trade 'lost' elsewhere, and spill over spending from an influx of new shoppers. This is often a false hope.<sup>xxx</sup> In fact, while supermarkets use this as a lure, they do everything they can in practice to actually stop shoppers from leaving the site (see 5.2 for details).<sup>xxxi</sup>

6.6.3 However, while new customers stay within the supermarket, the extra vehicle traffic doesn't. While supermarkets often fund sufficient car-parking for their own needs, the effect on the local transport system is much more widespread. New lanes on roads, roundabouts and traffic lights are often demanded by supermarkets. In Grimsby, the Tesco on Victoria Street has all to itself a northbound right-hand filter which squeezes into a single lane the rest of the traffic, including that going straight through as well as turning left to the retail estate at Freeport Wharf. Southbound, it has two filter lanes! I don't know how much Tesco paid for it, but it has worsened congestion on an already busy road. Having a better access than its rivals (like Sainsbury on Freeport Wharf) has given Tesco an advantage.

6.6.4 Planning gain is a poor term for supermarket funded local initiatives. In most cases local communities have been hypnotised by relatively small sums, and ceded to supermarkets favourable planning decisions which will be worth millions to them. It shouldn't be quid-pro-quo but a hundred quid pro quo. We need a much more robust approach to assessing the value of that which is being granted to supermarkets.

6.6.5 Supermarkets have a long track record of ignoring constraints imposed upon them by local planning committees and relying on their superior legal resources to see out any objections. Once a major supermarket chain does come into the town, it becomes very hard for planners to steer its subsequent development.<sup>xxxii</sup>

## 6.7 Existing businesses

Supermarkets often claim that their arrival will not damage existing businesses. There is plenty of evidence that they do, as well as the common sense conclusion that the money must come from somewhere. The Office of National Statistics shows that there were only 23,960 independent grocers in the UK in 2001 compared to 116,000 in 1961. They are disappearing fastest, unsurprisingly, in areas where new supermarkets open. In Burnside, in Manchester, the closure of shops has been catalogued by Friends of the Earth after the opening of a new Tesco superstore.<sup>xxxiii</sup> In Stalham, Norfolk, a new Tesco within walking distance hit local businesses so hard that they won a business rate cut.<sup>xxxiv</sup>

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<sup>i</sup> ELDC Business Case & Feasibility Document: Cattle Market Redevelopment, author Jon Burgess, release July 2008. P82-84

<sup>ii</sup> FBP 2007 paras 3.10 and 4.7

<sup>iii</sup> The arrival of Tesco in Market Rasen in 2005 and the subsequent shift of footfall away from the town centre has caused the closure of the remaining food stalls in the market, a clothes shop and a Thresher's off-licence. The local butcher (with two shops) has seen a 20% fall in pork and chicken sales, while a high street independent convenience store said its sales had halved in that time: survey undertaken by Richard James, Keep Louth Special.

<sup>iv</sup> Good Neighbours: Effect of supermarkets on Communities. FOE 2005

<sup>v</sup> FBP 2006 2.19 Contrary to the FBP assertion, a postcode analysis of the Keep Louth Special petition has shown a large and consistent useage of Louth shops by residents of Grimsby and Cleethorpes.

<sup>vi</sup> FBP Report 2006 5.33.

<sup>vii</sup> 20.4%, survey Q1

<sup>viii</sup> Survey Q5

<sup>ix</sup> Tables 4.2 and 5.3 respectively for the two towns.

<sup>x</sup> FBP Report 2007, para 2.4 population figures, 2.14 average per head spent, which is based on spending growth assumptions from MapInfo.

<sup>xi</sup> FBP 2007 2.16

<sup>xii</sup> To work out the residual spend for Louth based on a 70% 'leakage': £59.2m x 0.30 = £17.76m. Somerfield 2006 turnover was £10.1m and Co-op's £8.5m (audited data from industry source.)

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- <sup>xiii</sup> Keep Louth Special petition analysis
- <sup>xiv</sup> 2001: Cleethorpes Town: **34,907**, Great Grimsby: **87,574**
- <sup>xv</sup> Source: Tesco website
- <sup>xvi</sup> Tesco Cleethorpes and Somerfield Louth are particularly bad examples of failing to follow through the legal responsibilities of disability access.
- <sup>xvii</sup> Comparison survey on fresh produce carried out by author in September 2006 between Tesco Cleethorpes and Louth market, published in Target newspaper on Wednesday 11<sup>th</sup> October. See appendix for figures.
- <sup>xviii</sup> These figures are from supermarket industry sources with access to internal documents at both companies. Not surprisingly, the providers of this information have declined to be identified in this report.
- <sup>xix</sup> In 2005 Tesco undermined a rival supermarket in Withernsea (which had refused to sell its site to the company) by offering 40% off vouchers to attract custom. The rival, Proudfoot, made a complaint to the Competition Commission. Proudfoot ceased trading in 2006.
- <sup>xx</sup> The NEF's Money Trail leaflet is available as a PDF at <http://www.neweconomics.org/>. The tool has been used by various local authorities to evaluate regeneration spending.
- <sup>xxi</sup> Campaigning group FARM in a 2001 report showed that every £1 spent in a Cornish food box scheme generated an extra £1 for the local economy, while £1 spent at the local Asda supermarket only generated 14p.
- <sup>xxii</sup> 75% of all strawberries sold by supermarkets are of one breed, Elsanta. This strain, whose genome is owned by the Dutch plant breeding institute at Wageningen, was bred for durability (supermarket fruit often spending a day or two on a lorry coming in from Spain) . Not surprisingly, its taste is poor compared to locally available fruit, not to mention old by the time they are eaten. You won't find lovely tasty muddy carrots at most supermarkets either.
- <sup>xxiii</sup> September 2006 comparison visit. Tesco fishmongers don't know the difference between scaling a fish or skinning it. Some counter staff couldn't identify what they were selling without looking at the labels. Most didn't know the origin of the produce they were selling.
- <sup>xxiv</sup> Robinsons in Louth had a greater variety of apples and pears (local and non-local) than Tesco at Grimsby during my comparison shop.
- <sup>xxv</sup> I had some delicious raspberries from Stevenson's on Eastgate and remarked to the owner how not one had shown a trace of softness or blue-spot mould by the evening when I ate them. This he explained was because the berries had been picked on the morning of the day I ate them. The *minimum* time for soft fruit supply by a supermarket is 1-1/2 days, the average a day more. They try to overcome this with chilling and keeping the fruit in a high-nitrogen gas, but this merely impairs the flavour and speeds rotting once they go on the shelf.
- <sup>xxvi</sup> "I shudder now when I see a plastic pack of ham," Peter says. "It has no flavour whatsoever. We eat so much rubbish in this country, in terms of microwave food and ready-made meals. We are eating convenience food, which is killing us." Peter Durose is no wide-eyed radical, but the former director of Fresh Fruit and Vegetables for Tesco, and now an independent grocer. (quoted in Daily Mail 18 Oct 2007)
- <sup>xxvii</sup> Local produce is tricky for supermarkets to source in the quantities they need. They'll only buy when they can get the quantity, and will then sell it all over the country as local, having first trucked it so central distribution points. For example, in my comparison shop, during the height of the Boston spud season Tesco at Cleethorpes could only offer Suffolk potatoes as local. There was no Lincolnshire cheese, no British pears.
- <sup>xxviii</sup> New Economics Foundation <http://www.neweconomics.org/gen/> May 2006
- <sup>xxix</sup> Verdict report 2005
- <sup>xxx</sup> See Stalham study (QV) about the effects of a new Tesco on the Norfolk town.
- <sup>xxxi</sup> An analysis of 200 planning disputes: See FOE study Jan 2006 'Calling the shots'
- <sup>xxxii</sup> QV 'Calling the shots'
- <sup>xxxiii</sup> Burnage supermarket survey, FOE, 2006.
- <sup>xxxiv</sup> Stalham (QV.)

## Appendix1

Item	Tesco	Louth
New potatoes	25p lb (Suffolk)	22p lb Lincs (Robinsons, Eastgate)
Vine tomatoes	98p lb	69p lb (Louth market)
Local carrots	99p bunch	79p (Stevensons)
Avocados	2 for £1 special offer	2 for £1 special offer (Louth market)
UK plums	£2.98kg =(£1.35lb)	79p lb (Robinsons)
Loose bananas	39p lb	39p (Robinsons)
Dried mixed herbs, 20g l	66p	63p (McLeods)
Chicken legs	50p each	50p each (Dales)
Whole chicken	£1.95kg	£1.87kg (Dales)
Free range eggs	99p half doz	60p half dozen (Stevensons)
Fresh pizza (medium)	£2.28	£1.88 (Jacksons, Eastgate)
Fresh cod fillets	£4.53 kg	£4.40 kg (St Peter's fish, New Market Hall)
Stewing steak	£1.71lb	£1.85lb (shin beef) R. Sandy, Eastgate
Steak mince	£1.99lb	£1.80 lb (Sandy)
Pork steaks	£5.67kg	£4.80-£5.00kg (Jacksons, Lakins)
Farmhouse mature cheddar	Special offer 2x 480g packs for £5 = £5.20kg	£4.66 kg Cheese shop, Eastgate
Lentils 1kg	£1.38	£1.15 Health Food Shop, Little Eastgate
Ladies/girls slippers	From £5 pair	From £2.50 (Yorkshire Trading)
Basic dishwasher table	10.8p each	9p each (Wilkinson)
Basic hairspray	63p	65p (Boyes, Mercer Row)
16 pack Ibuprofen tablets	35p	29p Boyes
Sensitive toothpaste	97p	79p (Wilkinsons)
Halogen bulb two pack	£1.98	99p (Yorkshire Trading)

(all prices as of Saturday 19<sup>th</sup> August)