

Inquiry Secretary
Groceries Market Investigation
Competition Commission
Floor 6, Zone 4, Point 58
Victoria House
Southampton Row
London WC1B 4AD

Dear Sirs

BCSC RESPONSE TO COMPETITION COMMISSION'S REMEDIES PAPER: 15 FEBRUARY 2008

The British Council of Shopping Centres (BCSC) welcomes the Competition Commission's Groceries Market Investigation Provision Decision on Remedies Paper published on 15 February.

Changes to Planning Policy

BCSC is very pleased that the Commission has decided not to propose any changes to the planning system except the proposal to introduce a competition assessment. In particular, the decision not to pursue changes to planning policy, especially changes to the sequential test, or call for the abolition of the need test were most welcomed by BCSC. We are pleased that the Commission has recognised that the implications of such changes would have been far-reaching and would have undermined the Government's 'town centres first' approach, which we strongly support. We urge the Commission to include these proposals in its final report.

With regard to the introduction of a Competition Assessment, BCSC has looked closely at the Competition Commission's proposals to make "competition" a material consideration in deciding planning applications for all new grocery store developments (new stores, extensions/mezzanines, store relocations) and for acquisitions above 1,000 sq metres using the Commission's market definition, to make the Commission a statutory consultee and to make local planning authorities take competition considerations into account both in plan making and when making planning decisions.

BCSC recognises that these proposals could address some of the Commission's concerns about local market dominance. Our concern, however, is that while such an assessment of competition may become a material consideration in determining an application, it should remain subsidiary to the main consideration - its location - which is covered by the sequential test. This must remain the primary consideration, and the desire for competition in the grocery sector should not override the 'town centres first' approach by promoting out-of-centre retail developments, which are increasingly selling a high proportion of non-food products.

If a competition assessment is part of the Commission's final recommendations, BCSC strongly urge that proposals for a review of its performance within five years, be included to monitor the occurrence of these unintended consequences.

We look forward to receiving a copy of your final recommendations.

Yours faithfully,

A handwritten signature in black ink that reads "Michael Green". The signature is written in a cursive style with a large, looped 'M' and a long, sweeping 'G'.

Michael Green
Chief Executive