



PRESS RELEASE

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THE BUDGET STATEMENT – AN OPEN DOOR FOR SUPERMARKET DEVELOPERS?

Amidst the big numbers of the budget statement, George Osborne slipped in a couple of sentences about the planning regime that could have some of the biggest ramifications of any of his proposals. He put forward a “presumption in favour of sustainable development, so the default answer to development is “yes””. He also announced a pilot scheme for an auction process for planning permission for land.

Ken Parsons, Chief Executive of the RSA, commented, “There are some good features in the Budget but a presumption in favour of unrestricted development is not one of them. The current system was put in place for a reason, as a counter to the excesses of the 1930’s. The current system still meets that need. It requires reform, not abolition.

The presumption in favour of allowing development will potentially benefit all the big supermarket chains, but one company above all others. Tesco, with its huge existing landbank, could see many of the checks on its headlong expansion removed at a stroke. This is a real concern. Evidence from the Rural Shops Alliance and others has highlighted the fact that big headline figures about the new jobs created by new supermarket developments need treating very carefully indeed. The supermarkets’ drive to continually raise staff productivity, coupled with the damage done to employee numbers in smaller competitors, means that the apparent employment gains are often just “smoke and mirrors”. The long-term trend of increasing fuel costs should suggest a policy of encouraging local shops within walking distance of peoples’ homes rather than the building of distant supermarkets only accessible by car.

Although we are currently unclear how an auction of planning permissions will work, we suspect the real winners will be those very large companies with exceedingly deep purses – yes, the supermarkets win again.”

Notes for editors:

The Rural Shops Alliance (RSA) is the national voice for about 7,500 rural retailers. We campaign on their behalf and also help these shops to become more competitive with practical advice and support, to the benefit of thousands of rural communities. Many ‘blue chip’ suppliers and county councils sponsor and partner the work of the RSA. Our direct contact with rural shops and with these organisations means that

we keep in close touch with emerging issues and concerns in our fast changing business sector.

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