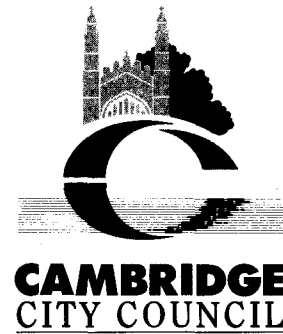


From Councillor: Ian Nimmo-Smith
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Enquiries Unit
Office of Fair Trading
Fleetbank House
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Date:

19 October 2007

My ref: BY LETTER & EMAIL Your ref:

Dear OFT

Anti-competitiveness implications of a proposed Tesco Express retail outlet in Mill Road, Cambridge

I write to you in my capacity as Leader of Cambridge City Council.

Currently Tesco has a dominant grocery retail presence in the Cambridge Area. It has three supermarkets (Newmarket Road; Fulbourn; Milton), and an Extra superstore at Bar Hill. These are complemented by three Express shops (King's Hedges; Chesterton; Cherry Hinton). Tesco recently acquired retail (Use Class A1) premises on Mill Road Broadway where **Tesco are proposing to open a further Express convenience store.** The premises had previously been an outlet of the Wilco Motorists Discount Centre chain.

By contrast Tesco has few rivals: Sainsbury's has one small and one medium size store; there is one Asda store; and one Waitrose store. There are small Aldi and Iceland stores in Histon Road. The Co-op has a range of small and medium sized convenience stores.

Mill Road is a robust and thriving area of Cambridge with a strong sense of community considering, surprisingly in view of the extremely mobile local population and the potential for severance with one of the city's major radial road running right through its middle.

Mill Road is an extraordinary street on which it is possible to drink Arabic coffee or fine wines; where you can worship in a Mosque, a Hindu shrine or a Baptist or Anglican church; where you can eat foie gras or fish and chips, tom yum or chicken tikka lababda; where you can stock up on herbs and spices from aam to zedoary, shop for free range eggs or lamb chops, fresh ciabatta or coconut milk; where you can buy the most up-to-date computer or widget, cookware or musical instrument; purchase an antique chair or a vintage hat; have your hair or your nails styled; do your banking or get personal counselling; select a good book and get your eyes tested so you can read it. There is a florist, a printer, a specialist in beers, a fine wine shop, a butcher, Chinese, Korean, Indian and Italian supermarkets and a diversity of eateries to feed every taste in Cambridge. [See <http://www.mill-road.com/> and <http://www.nomillroadtesco.org>]

What is more, with few exceptions, **all of these services and goods are provided by independent traders.** Considering factors such as employment, wages and income

generation, there are greater economic benefits to the community from a greater number of local independent shops and services, than a member of one large multinational chain.

Experience from elsewhere in Britain suggests that Tesco's arrival within a Local Shopping Area may lead to the closure of many existing shops and services and alter the area's character forever.

Cambridge City Council has set as one of its Medium Term Objectives: **To maintain a healthy, safe and enjoyable city for all, with thriving and viable neighbourhoods.** I believe on the basis of these issues, and the supporting information that can be provided, that the prospect is that the arrival of Tesco within the Mill Road Local Shopping Area will radically undermine what is an exemplary thriving and viable neighbourhood.

Moverover the City Council is in wholehearted support of the provisions of the Sustainable Communities Bill which passed its 3rd reading in the House of Commons in June. You will be aware that if enacted this will place **a renewed responsibility on Government to assist local communities in resisting the spread of Ghost Town Britain** and enabling them to thrive and continue. A key emphasis is on the need to maintain local independent shops and services.

For the reasons given above I request that this site acquisition for a proposed new convenience store is referred for investigation by the Competition Commission.

The primary grounds relate to (i) the **current dominance of Tesco's within the local retail offer** which will be made further out of kilter by the addition of a substantial new store; and (ii) the likely **adverse effect on a diverse but fragile range of local independent shops and services.**

In concluding I would like to emphasise that this approach to you is not motivated by a blinkered opposition to the presence of Tesco retail outlets in local shopping centres in Cambridge. **Tesco Express are providing valued improved local facilities in areas of Cambridge where the retail offer had declined,** for instance in Campkin Road in King's He dges ward and in Chesterton High Street in East Chesterton ward. Fine where they work in a complementary way, unacceptable when, as proposed in Mill Road, they threaten the existing exemplary but fragile range of facilities.

Finally, **I urge you to consider this matter expeditiously:** Tesco are awaiting a planning decision relating to their use of the premises, and a decision is expected **very early in November.**

Yours sincerely,



Councillor Ian Nimmo-Smith

Leader, Cambridge City Council