

Pat McFadden MP

Minister of State for Business,
Innovation and Skills

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The Rt Hon Tessa Jowell MP
House of Commons
London
SW1A 0AA

/ March 2010

Dear Tessa,

Thank you for your letter of 18 February to Peter Mandelson, on behalf of a number of your constituents, about the Competition Commission's (CC's) investigation into the supply of groceries in the UK. I am replying as Minister of state for Business, Innovation and Skills.

The Government published its response on 13 January 2010, accepting the need for an independent body to monitor and enforce compliance with the Groceries Supply Code of Practice (GSCOP). The response follows the CC's recommendation to BIS on 4 August 2009, after failing to seek voluntary undertakings from large retailers to consider the establishment of a body with powers to levy monetary penalties on large retailers for non compliance with the code.

We have considered very carefully all sides of the debate, and believe that the GSCOP should be independently enforced and have the important power to hear anonymous complaints. We have also remained mindful of placing unnecessary costs on to business, especially in a period of economic difficulty. Further details about the response can be found at:
www.berr.gov.uk/files/file54194.pdf.

The new extended and strengthened GSCOP came into force on the 4 February. The Government launched a public consultation on 5 February, on what the monitoring and enforcement body might be and the powers that it might have. The consultation ends on 30 April 2010 and interested parties are welcome to respond to the consultation which is available on the BIS website pages at:
www.berr.gov.uk/files/file54425.pdf.

1 Victoria Street, London SW1H 0ET

www.bis.gov.uk

A Welsh language version of the consultation is also available at:
www.berr.gov.uk/files/file54426.pdf.

The CC also recommended on 2 October 2009 that Government introduce a Competition Test for large supermarket developments and extensions into the planning system. We intend to respond to this recommendation shortly.

A handwritten signature in black ink, appearing to read 'Tommy, Pat'.

PAT McFADDEN