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## Bakers welcome government review of town parking

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The National Association of Master Bakers (NAMB) has welcomed moves to reduce parking restrictions in town centres.

The Department for Communities and Local Government is consulting on the measures as part of a new national planning policy framework unveiled last week.

This said that town centres should be recognised as the heart of their communities and policies should be pursued to support their viability and vitality.

Eric Pickles, communities secretary, said on Monday that centrally imposed limits on town-centre parking spaces would be scrapped helping to provide a boost to struggling high streets.

Pickles said: "Families and local firms face a parking nightmare under existing rules. Stressed-out drivers have to run the gauntlet of parking fines, soaring parking charges and a lack of parking spaces. These parking restrictions have hit small shops the hardest, creating 'ghost-town' high streets which can't compete with out-of-town supermarkets."

Mike Holling, retail operations director of Derby-based Birds the Confectioners, and chairman of NAMB, said he welcomed this.

"I would think this is a great way of getting people back into high streets and into town centres. Supermarkets have nearly 800 parking spaces and charge nothing so it's an unlevel playing field."

He said he also expected parking to be one of the major issues the Mary Portas review into town centres identified.

Anthony Kindred, of Kindred Bakery in Caterham Hill, Surrey, and a member of the London and South East Region of the NAMB, said at least half the problems high streets experienced were down to the parking restrictions including high charges and controlled parking zones.

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## High street bakers squeezed as consumers turn to lunchboxes

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The return of the adult lunchbox and escalating raw material costs could hit high street bakers like Greggs for as long as the consumer downturn continues, analysts at Oriel Securities have warned.

Analysts Jonathan Pritchard, Eithne O'Leary and Ben Hunt said the Greggs' interims on 9 August would show a fall in earnings and they feared the underlying picture was getting worse.

They cited research published in *British Baker* sister publication *The Grocer* that showed adult lunchbox consumption was up 3% year-on-year overall and up 5.6% among 17- to 34-year olds.

"The average constituents of a lunchbox cost £1.40. In our view, while the £1.99 meal deal at Greggs is attractive, it not only must be squeezing internal gross margins, it is at risk of being undercut by those choosing to make their own lunches," the analysts said in a note on the company, entitled *Can they stand the heat?*

The analysts acknowledged there would be those who "trade down" to Greggs, but their view was that if people were willing to trade down from Asda to deep-discounters Lidl or Aldi, then many would surely also be willing to cut their own sandwiches to save 50p a day.

They cited recent warnings from Cranswick and CSM about higher raw material costs. CSM, the world's largest supplier of bakery products, reported "some loss of volume as the market adjusted to higher prices". Cranswick suggested raw material costs increased during the second quarter – an important statement bearing in mind about a third of Greggs' sales are in the savoury market, according to Oriel.

However, Pritchard told *British Baker* Greggs had done well by moving into the breakfast and coffee markets. He said the market was cyclical and, if there was a consumer upturn, the lunch box trend would be reversed.

A spokeswoman for Greggs said the company did not comment on anything analysts wrote.