

ACS Submission: Public Bill Committee - Enterprise Bill

ACS (the Association of Convenience Stores) welcomes the opportunity to submit evidence to the Public Bill Committee for the Enterprise Bill. ACS represents 33,500 local shops across the UK including the Co-operative Group, Spar UK, Costcutter Supermarkets, One Stop and thousands of independent retailers.

This submission to the Public Bill Committee focuses on New Clause 21 tabled by Anna Soubry MP on 9 February devolving Sunday trading rules to local authorities. We believe that if passed into law, this new clause would have significant detrimental impact on convenience stores and high streets.

In this submission we focus the significant weakness in the Government's arguments for the reforming Sunday trading legislation, flaws in the government's response to the public consultation on this policy, and the groundswell of public, business and community support for the existing Sunday trading legislation.

Key Evidence

The British Public Support Existing Sunday Trading Legislation (Populus September 2015)

- 67% of people support the current Sunday trading laws, while only 23% of people oppose the current rules.
- The majority of people 61% agree that Sunday is different to the rest of the week as it enables shared time with family and friends, while only 14% of people disagreed with this statement.
- Only one in eight people think that there is not enough time to shop under current Sunday trading hours.

Sunday Trading Reforms Will Not Help High Streets Compete With On Line Retailers (Populus January 2016; ACS January 2016)

- Populus spoke to a representative samples 2,008 consumers in a telephone omnibus survey on the weekend of 16 / 17 January 2016. They asked respondents whether they had shopped on line during the Christmas period, with two-thirds stating that they had. Not a single respondent identified Sunday trading restrictions as a reason why they shopped on line during this period.
- ACS analysis of 50 high street retailers' sales over the Christmas period showed that no companies, industry analysts or media commentators mentioned Sunday trading as a reason for poor trading results in response to the publication of sales figures.

Additional Sunday trading hours do not generate additional sales (ONS 2012; BRC 2012; Oxford Economics 2015)

- During the suspension of Sunday trading restrictions for the 2012 Olympics, retail sales fell by 0.2% according to the ONS, and 0.4% according to the BRC sales monitor
- Oxford Economics' analysis of Sunday trading laws conclude that additional opening hours do not lead to additional overall net sales, because spending power is determined by household income and costs.

Sunday Trading Devolution Will Harm Small Business and High Streets (Oxford Economics 2012, 2015)

- Oxford Economics reviewed sales data from 3,000 convenience stores during the temporary removal of Sunday trading laws during the 2012 Olympics. This clearly shows that abolishing Sunday trading will not act as a growth measure but it only serves to displace trade from small stores to large stores.
- Convenience stores with one or no supermarkets in a one mile radius saw a 4% sales decline on the relevant Sundays, while those with two supermarkets within a mile saw a 4.8% decline. Stores with five or more supermarkets in a two mile radius saw a decline in Sunday sales of over 7%.
- Based on this primary data, Oxford Economics modelled the impact of ongoing liberalisation and concluded this would lead to total loss of 8,800 jobs in the convenience sector and a net loss of 3720 jobs to the grocery sector.

Local Authorities Will Help Out of Town Retailers (ACS Local Authority Survey of 70 Local Authority Chief Executives, 2015)

- 52% of local authority chief executives included large shopping centres, out of town retail parks and out of town supermarkets as their first or second preference for deregulation of shopping locations. This undermines the Government's numerous assertions that Sunday trading reform would support high streets' competitiveness.
- 64% of local authority chief executives are concerned about the confusion that devolution of Sunday trading will cause consumers. With the potential for different trading hours for locations in close vicinity there will be difficulties in communicating this to consumers and businesses.
- 69% of local authority chief executives were also concerned about the displacement of trade that differing trading hours cause from some areas, such as high streets, within their local authority.

Sunday Trading Reform Will Harm Families and Disregards The Government's Family Test (Social Market Foundation 2015)

- Despite the commitment by Government to consider the impact of all policy changes on family life, no such assessment has yet been offered of the plans to liberalise Sunday trading. The proposed changes come at a time when only 25 per cent of parents are content with the balance between work and home life and 77 per cent report that work impinges on the time they could dedicate to core activities with their children.

Shopworkers Do Not Want A Change to Sunday trading Law (Usdaw 2015)

- A survey of over 10,000 retail staff at large stores carried out by USDAW has shown that 91% would be against the Government plans to relax the current laws.
- 58% of shop workers in large stores are already under pressure to work more hours on Sundays.

Government Consultation Response

We are extremely disappointed by the Government's response to the Sunday trading consultation, which has fundamental flaws in the age of much of the data used, the partial analysis and disclosure of this data, and the appropriateness of the data. The overall impression is of an analysis produced with the aim of justifying the government's position set out in its original consultation paper, rather than of an objective assessment of the evidence for and against the proposals.

Age of data

- The government included no new data in its response to the consultation process. The secondary data used was often old, and was itself analysis of older secondary data, meaning that the original information being used dated back many decades. Notably, this included a reference to the deregulation of Sunday trading in Sweden in 1972, which was used in the government's press release as their flagship statistic.
- In its initial consultation document, the government relied on the Indepen report conducted in 2006. This report sought to identify costs and benefits based on a retail market that has changed to become unrecognisable in the intervening decade.
- This contrasts with the canon of up to date primary research, such as that outlined above, which was provided by ACS and other consultees and all but completely ignored in the government's analysis of responses.

Partial disclosure

- The Government response ignores the majority of evidence they have received and instead focuses on the evidence from large businesses that are likely to gain the most. Out of the 7,000 responses received by the Government in relation to Sunday trading the consultation response only provides analysis of three groups; local councils, large businesses and business representative bodies of which 76% support devolution of Sunday trading powers. There is no mention of the number of responses from small businesses, shop workers or faith groups.
- There has been no disclosure of how many of the 7,000 responses were in favour of the government's proposals.
- Ministers had given reassurances that an assessment of these proposals in relation to the government's recently announced family test would be published alongside the consultation response. This, and other impact assessments, have not been published at the time of writing. This contradicts both the principles of better regulation supposedly championed by the Department for Business, and the Prime Minister's own intentions as stated at his launch of the family test in 2015.

Appropriateness of evidence

- The evidence that the government has drawn on to justify its position is provided by the New West End Company (NWECC) and relates to large businesses in central London and is not representative of the whole country. Moreover, there are significant methodological concerns with the NWECC report, notably that there is no transparency on the sampling methods used, there are highly arguable assumptions made in extrapolating sales impacts, and the research itself was not independently published for scrutiny.
- The government's response leans heavily on research conducted by LSE (including the reference to deregulation in Sweden in 1972). This report has been misinterpreted by the government in that potential benefits have been stated as if the

government was proposing to move from no Sunday opening hours to full deregulation, when this is not the current or proposed position.

- This contrasts with the evidence provided by ACS and others using third party research firms and expert analysts, disclosing results for scrutiny by government and the public. This makes the decisions to ignore this evidence in favour of less valid and credible evidence highly questionable.

Parliamentary Process

We believe that changes to Sunday trading legislation requires full scrutiny of both House of Parliament. The Enterprise Bill has already passed through the House of Lords meaning peers will have very little time to scrutinise and debate the Government's amendments.

The Government consultation on devolving Sunday trading rules closed six months ago in September 2015. The Government have had adequate time to consider consultation responses, meet with consultees and table a standalone Sunday trading Bill that could be debated by both Houses. Instead Sunday trading reforms are being tacked onto a bill that covers business specific issues such as primary authority partnerships and business rates administration reforms. While there is considerable disagreement over the right policy on Sunday trading, there is a wide consensus that this is an important political, economic and social issue that deserves detailed consideration as a separate bill. The rushed process to date, and inadequate debate this will inevitably produce, is unacceptable.

The proposals to devolve Sunday trading were not included in the Conservative 2015 general election manifesto. For many MPs, this issue is a matter of conscience and has traditionally been subject to a free vote, which is not currently planned for these amendments.

Appendix:

[*Economic Impact of Deregulating Sunday Trading.*](#) Oxford Economics, September 2015

[*The Impact of Olympic Sunday Trading Liberalisation on Convenience Store Turnover.*](#) Oxford Economics, November 2012

[*Sunday Trading: Applying the Family Test.*](#) Social Market Foundation, September 2015

[*Europe Economics' appraisal of a report "The economic costs and benefits of easing Sunday shopping restrictions on large stores in England and Wales" by Indepen Consulting Limited for the DTI.*](#) European Economics, May 2006

[*Sunday Trading Hours Polling.*](#) ACS-ComRes, September 2013

[*Sunday Trading Hours Polling.*](#) ACS-ComRes, March 2014

[*Sunday Trading Hours Polling.*](#) ACS-ComRes, February 2015

[*Parliamentary Attitudes towards Sunday Trading.*](#) ACS-Populus, September 2015

[*Public Attitudes towards Sunday Trading.*](#) ACS-Populus, September 2015

[*Local Authority Chief Executives Sunday Trading Survey.*](#) ACS, September 2015

[*Online Shopping Over Christmas.*](#) ACS-Populus. January 2016

[*Analysis of Retailer Christmas Trading Results.*](#) ACS. January 2016

ACS (the Association of Convenience Stores)

ACS (the Association of Convenience) lobbies on behalf of over 50,000 convenience stores across the country on public policy issues that affect their businesses.

ACS' membership is comprised of a diverse group of retailers from small independent retailers owning one shop to large multiple convenience retailers running thousands of stores, regional Co-operative groups and forecourt retailers.

The sector is still dominated by entrepreneurs with 75% of local shops owned and operated by small business owners.

The Convenience Sector

There are 51,524 convenience stores across mainland United Kingdom

Convenience stores trade in all locations; rural (39%), urban (37%), Suburban (24%) and on petrol forecourts (17%).

The convenience sector provides flexible local employment for 407,000 people across mainland United Kingdom.

The sector as whole is worth £37.7 billion to the UK economy and in the first half of 2015 invested £117 million in their developing their businesses.

25% if independent retailers work more than 70 hours per week and 20%

ACS Research

To increase understanding of the convenience sector ACS has a suite of research to understand the value of retailer to their communities and the issues that retailers face

Local Shop Report – ACS' annual report providing an overview of the sector, its value to the economy, the jobs we provide and the makeup of entrepreneurs that run shops.

Voice of Local Shop Survey – A quarterly survey of 1,200 retailers tracking optimism, staff hours, retail crime, charitable contribution and specific policy questions

Community Barometer – ACS report that captures the view of retailers, consumers and councillors about the services they most value in their local area.

Cost Barometer – Created in partnership with Oxford Economics this report segments different types of convenience stores to shows how public policy developments affect them differently.