

## ACS Submission: Devolution of Sunday Trading

### Executive Summary

- ACS (the Association of Convenience Stores) does NOT support proposals to devolve Sunday trading powers to local authorities or Metro Mayors.
- The existing Sunday trading laws are a valued compromise that allow consumers time to shop, retailers time to trade and shopworkers time to spend with their families.

### *Devolution and Local Impact*

- High streets would NOT benefit from the devolution of Sunday trading hours. 52% of local authority chief executives said they would extend trading hours for out of town retail parks, out of town supermarkets or large shopping centres.
- 45% of local authority Chief Executives said they would be more inclined to extend Sunday trading hours if a neighbouring local authority did so. This shows that there would be a “domino effect” across the country with each local authority extending trading hours to compete with their neighbouring authority.

### *Economic Implications*

- There is no evidence that increasing Sunday trading hours would increase overall retail sales. The 2012 suspension of Sunday trading rules coincided with a decline in retail sales, despite the large number of visitors to the UK, and academic studies are not conclusive.
- Oxford Economics has found there would be 8,800 jobs lost from the convenience sector and £870 million lost from sales as a result of Sunday trading devolution, based on an analysis of the change in rules in 1994 and the temporary suspension in 2012.

### *Consumer Views*

- New evidence from the polling agency Populus shows 67% of the British public support existing Sunday trading hours.
- 61% of the public believe that Sunday is different from the rest of the week as it enables shared time with family and friends.
- Only one in eight people don't think there is enough time to shop under current Sunday trading hours.

### *Social Implications*

- The devolution of Sunday trading hours has failed the Government's “Family Test”. New research from the Social Market Foundation shows that low and middle earning families would have less time to spend together.

- 58% of employees in large stores have come under pressure to work on Sunday despite legal protections for shopworkers to opt out of working Sundays – this will only get worse if the law is changed.

### *Evidence*

- Much of the evidence used in the consultation document is old, inconclusive, and should not be relied upon. Indepen's 2006 analysis of benefits from Sunday trading liberalisation was based on a very different retail market to that of today, and includes an assumption that Sunday premiums for staff will be eroded.
- The evidence from the Centre for Economic Performance is mis-represented in the consultation paper. This analysis shows a 0.14% increase in sales that could arise from these proposals – ACS contests this finding, but notes it is a far smaller figure than the one erroneously claimed in the consultation paper.

## **Introduction**

ACS (the Association of Convenience Stores) welcomes the opportunity to respond to the Department for Business, Innovation and Skills consultation on reform of Sunday trading legislation. An outline of the businesses that ACS represents and details of the size and nature of the convenience sector is available in an annex to this submission.

We would like to express our concern about the Government's approach to introducing this change in legislation and the consultation process. We believe that neither the Department for Business or the Department for Communities and Local Government have taken ownership of this issue, which has led to confusion about the purpose of the policy. In the media, the Government has posited numerous arguments for the introduction of changes to Sunday trading laws – support for high streets, increasing families' shopping choices, economic growth, productivity and increased employment – but has failed to quantify them or provide clear reasons why the existing laws need to change.

We have outlined in our response (see question 3) the weak, outdated and misrepresented data used in the consultation document and media to justify the devolution of Sunday trading hours. We will be seeking the advice from the Regulatory Policy Committee to understand if the consultation process and evidence used matches the usual high standard required from Government for effective public policy development. We have set out our responses to the consultation questions below.

### **Question 1: Should local areas have the power to extend trading hours on Sunday?**

No. ACS opposes the liberalisation of the current Sunday trading laws. Existing Sunday trading hours provide a popular and effective compromise, balancing the

needs of small and large shops, shopworkers, consumers and families. The current laws allow stores to open for six hours on a Sunday, giving people ample opportunity to shop while also maintaining Sunday as a different day of the week, with a distinct character.

### *High Street Impact*

We do not believe that liberalising Sunday trading would help high streets, as has been suggested in the consultation document and associated media comment. Many high street stores are under 280m sq and can therefore open for unlimited hours already. A higher proportion of large stores are situated outside high streets, and often in out of town retail parks, extending the trading hours of out of town locations would have a significant, detrimental impact on high street stores. We examine the likely decision-making process of local authorities in our response to Question 2 below.

### *Economic Impact*

We do not agree with the purported economic benefits accruing from liberalising Sunday trading hours. Instead, we believe such a move would simply spread existing trade across more hours, and displace trade from small stores to large stores. We append a report by Oxford Economics which models the potential impact of extending Sunday trading hours, based on experiences in the grocery (or “non-specialist”) retail sector in 1994 and 2012. This research supports a hypothesis that extended hours would displace existing trade, and finds no compelling evidence to support the hypothesis that extended hours would create or promote increased trade or jobs.

### *Evidence Used in Government Consultation*

We examine below the evidence base used in the consultation and associated public statements. This does not provide any compelling argument for these proposals bringing economic benefits. The two main evidence sources used contradict one another in their reasoning, and each have their own significant flaws. The Indepen research is outdated, makes a series of questionable assumptions, and makes inaccurate predictions on the changes that have taken place in the market since it was published. The Centre for Economic Performance research has been represented in a misleading way in the consultation, and its headline figure of 12.5% rise in food sales is not only inapplicable to these proposals, but is highly unlikely.

### *Detrimental Family Impact*

Liberalising Sunday trading would also have a detrimental impact on families. We note the Prime Minister’s establishment of a “Family Test” for new policies, and the attached research from the Social Market Foundation explains why Sunday trading liberalisation would flagrantly contradict this test. We urge the government to listen to representatives of shopworkers, family groups and others with an interest in keeping Sunday as a distinct day of the week.

## **Question 2: If the power is devolved, who do you think should be given the power to change Sunday trading rules?**

We believe the government's view of local decision-making on Sunday trading misunderstands the retail industry and the nature of competition within and across local authority and city boundaries. Retailers in one local authority area face significant competition from neighbouring areas, for example out of town retail parks adjacent to urban local authorities. Councils are therefore not taking these decisions in isolation, and the needs of smaller shops and retail diversity are likely to be forgotten as local authorities seek to match their nearest neighbours. This may lead to a "domino effect", whereby local areas swiftly follow one another towards full liberalisation of Sunday opening hours.

### *Local Authorities*

ACS sent out an online survey to all local authority chief executives across England and Wales and received 70 response from Local Authority chief executives between 6<sup>th</sup> August 2015 and 27<sup>th</sup> August 2015. The local authority areas covered in the survey represents 17% of the population of England and Wales. Included in the sample are both urban areas (for example a densely populated London borough) as well as rural locations and small towns (for example a small market town in Yorkshire). We undertook this survey as an attempt to understand the full implications of devolving Sunday trading laws and how local authorities may react to having this new power. We posed numerous questions about the impact on consumers, displacement of trade, what might influence their decision to extend Sunday trading hours and crucially, what locations they would seek to extend Sunday trading hours.

The findings of the survey show that 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.

### *The "Domino Effect"*

The survey confirms ACS' concerns that devolution of Sunday trading powers would cause a "domino effect", where local authorities are more inclined to remove Sunday trading hours as neighbouring local authorities do so. The survey shows that 45% of local authorities would be influenced by the decision of neighbouring authorities to deregulate Sunday trading hours. This means that the Government's proposal is highly likely to result in the extension of Sunday trading hours across the whole of England and Wales. There is also precedent for this in other countries where Sunday trading powers have been devolved to local or regional levels. 75% of

German states/regions have extended Sunday trading laws to 24 hours following the devolution of the policy.

### *Benefit for Out of Town*

The survey found that there is a clear bias towards reforming Sunday trading hours for large out of town retail developments. 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. In fact, reforms of the legislation will do the complete opposite, driving footfall to out of town locations and further exacerbating the high vacancy rates on UK high streets.

### *Local Authority Decision Making*

Local authority decision-making on other issues also leads us to be concerned about their ability to objectively and impartially decide on Sunday trading policy. For example, planning decisions have clearly been influenced by the power and persuasiveness of large supermarkets. ACS research "*Retail Planning Decision under the NPPF*"<sup>1</sup> found that 76% of retail floorspace was delivered out of town because local authorities failed to apply mandatory planning tests correctly. This example also shows the challenges faced by local authorities in devising effective strategic plans. More than three years after the introduction of the National Planning Policy Framework, a majority of local plans are either not up to date, are incomplete or simply do not exist.

With specific regard to high streets, measures introduced to provide support have been poorly taken up by local authorities, due to a combination of resource limitations, lack of leadership and vision, or poor awareness of the powers available to them. For example, through the Future High Streets Forum, ACS drafted and published a guide to local authorities on the use of discretionary rate relief as part of plans to support high streets. There is no evidence from Government that these powers are now being widely used.

The consultation paper talks at length about the need to support high streets, yet authority-wide liberalisation of Sunday trading would not achieve this because the biggest beneficiaries would be out of town retail parks made up of larger chain stores rather than the diverse patchwork of small stores that make up our high streets. The implication that Sunday trading hours could be liberalised for only part of a local authority area is too vague at present. If the Government wishes to use Sunday trading hours to support high streets only, then it should state in regulations (if Sunday trading decisions were to be devolved to local authorities) that this should apply only to areas defined in a local plan as town centres. This would provide some comfort for local shops concerned about the likely free-for-all in opening hours resulting from devolution of this power.

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<sup>1</sup> "Retail Planning Under the National Planning Policy Framework"

The Government should set out the process by which decisions can be made to protect against small numbers of councillors being unduly influenced by large businesses, and to mitigate against the conflicts of interest inherent in local authorities making decisions of this nature. The consultation does not set out proposals for how an impartial appeals process will be introduced to ensure communities have a fair say on changing Sunday trading laws. The Government must also consider the implications of devolving Sunday trading laws on other policies like planning, licensing and delivery restrictions.

### *Local Authorities and Communities*

The relationship between local and national Government has recently been characterised by more responsibilities being given to local authorities, which have struggled to implement these powers in the spirit in which they were granted. When such powers have been used, it has often been in a piecemeal and tactical way. It is therefore a huge leap of faith to expect local authorities to implement policies on Sunday trading as part of a coherent plan for the local economy and for high streets.

More generally, local authorities' priorities differ from local people and businesses. New research by ACS called "*ACS' Community Barometer<sup>2</sup>*" shows disconnect between the needs and priorities of the three groups who were separately polled by an independent agency. Councillors, retailers and consumers were asked a range of questions about what services they would most like to see in their community, what their policy priorities are and how they rate local authority's performance. Some of the key results from this research are:

1. Councillors policy priorities do not align with their local communities.

For consumers investment in improving amenities in local shopping areas (54%) and a reduction in car parking charges (46%) are the top two priorities. For councillors investment in shopping and reducing parking charges feature third and seventh in their list of priorities.

2. Consumers and retailers rate local councils poorly for management of economic development, implementing planning policy and managing parking.

Consumers and retailers rate local councils poorly for managing issue that most impact on retail businesses, high streets and town centres. Giving further powers to local authorities on the management of Sunday trading is unlikely to be popular with consumers or retailers.

According to councillors and consumers polled as part of the ACS Community Barometer, the top four services that have the most positive impact on their local area are post offices, convenience stores, pharmacies and coffee shops. Many of these services are based on high streets and local parades in the heart of the communities and are most likely to be harmed by the devolution of Sunday trading hours as trade is displaced to out of town locations.

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<sup>2</sup> [ACS Community Barometer 2015](#)

We are also concerned about conflicts of interest for local authorities, for example where they own land or facilities related to shopping centres and other retail locations. It would be extremely hard for local authorities to make a detached and fair decision on the trading hours of properties they own, or which may compete with properties they own.

ACS does not have a final view on the specific consultation question on the appropriate institution to make such decisions. While we have concerns over the ability of local authorities to make such decisions, city mayors would have authority over a much larger area, and only have access to some of the levers required to develop coherent local economic strategies. Retailing dynamics are local and specific, so making policy over a wider area would also be problematic.

As well as objecting to Sunday trading liberalisation in principle, we see delivering this at local level as hugely problematic.

### **Question 3: How would you be impacted by local changes to Sunday trading rules?**

#### *Supporting Local Shops and High Streets*

Stores under 280m sq, trading on high streets and local parades, currently have a crucial advantage early and late on Sundays. Shoppers are more likely to use convenience stores and other small format businesses when larger stores are closed, and the fact that local shops are open while out of town supermarkets are shut emphasises the difference of Sunday, with people shopping close to home and taking less time on shopping trips outside of core Sunday trading hours.

#### *Economic Impact*

ACS commissioned Oxford Economics to analyse the impact of the temporary suspension of Sunday trading restrictions during the 2012 Olympics and Paralympics. This research, based on sales data from 3,000 stores, showed a loss of convenience store sales depending to a large degree on their proximity to larger 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%. 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.

#### *Changing Shopping Habits*

The proposals to change Sunday trading hours should be viewed in the context of changing shopping habits in recent years. Since 2006, the grocery market as a whole has grown by 38%, while the convenience store sector has grown faster, by 50%<sup>3</sup>. This reflects lifestyle changes with 48% people stating they no longer tend to do a big weekly shop and only 19% of UK households planning their meals for the

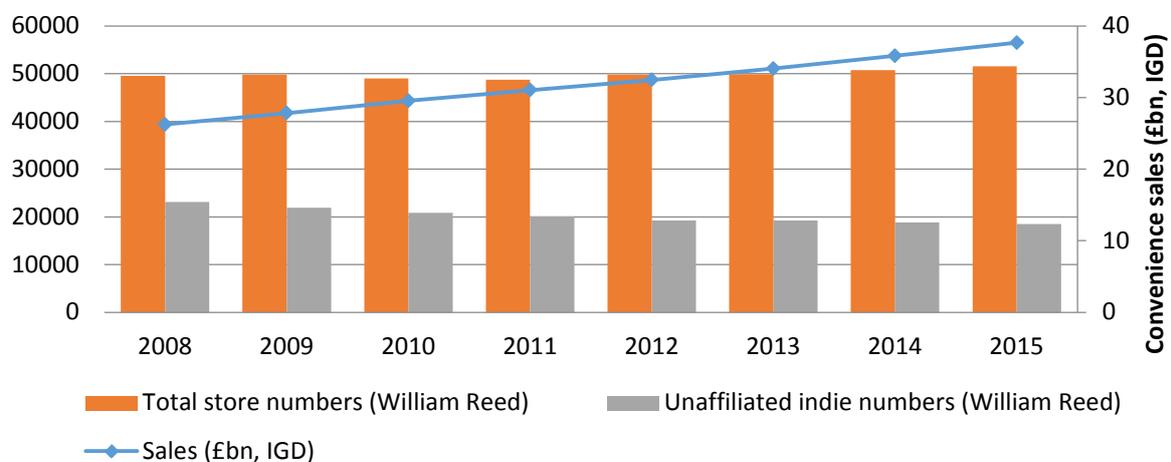
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<sup>3</sup> IGD Convenience Retailing Report; 2006; £24.9 billion, 2014; £37.9 billion

week ahead<sup>4</sup>. Other social factors have also played a part such as a growth in single person households, an ageing population, consumer demand for fresh food, and a desire to shop little and often to reduce waste and fit in with busier, less regimented lifestyles. During this time, larger companies have entered the convenience store sector and grown their estates of stores. This has led to increased competition, and despite the sales growth of the sector, the number of stores has remained about the same, and the number of unaffiliated independent retailers (those operating under their own brand) has declined.

### Impact On Independent Stores

## Convenience Sector; Sales, Store No. & Independent Retailer Store No.



<sup>5</sup>Small independent convenience stores are under sustained threat from larger competitors, regulatory costs, and the constant need to invest in their businesses when the funding to do so is limited. Extending Sunday trading hours to reduce the trade of independent stores, which often work on tighter margins, would lead to further closures of some of these stores.

Understanding that there is appreciable variation in terms of costs and sales between different types of shop, ACS commissioned Saïd Business School at Oxford University to model the costs of six shop typologies. The ACS Costs Barometer is based on the financial accounts of over 15,000 convenience stores.<sup>6</sup> Shop typologies vary in terms of location and ownership – for example, Treat stores are small multiple-owned shops without an alcohol licence while Local Supermarkets are large and fully licenced independent-owned stores. The impact of Sunday trading liberalisation on the sector is analysed in line with this independent model, and based on the Oxford Economics analysis of the impact of the 2012 suspension of Sunday trading restrictions below.

<sup>4</sup> Back to the Future 50 years of convenience retailing – July 15 – Pg 6

<sup>5</sup> Store numbers data is from IGD Convenience Report and Sales Data is from IGD Retail Reports

<sup>6</sup> ACS Costs Barometer 2015

## SUNDAY TRADING

	Commuter *	Treat *	Corner	Urban convenience	Local supermarket	Village
Loss of sales	£-	£-	£10,563	£8,336	£21,516	£6,839
Reduction in profitability per store	£-	£-	£2,077	£1,519	£5,224	£1,698
Reduction to all stores in typology	£-	£-	£8m	£12m	£37	£12m
<i>Total reduction to sector</i>	<b>£69m</b>					

The ACS Cost Barometer shows that stores most affected by reforms of Sunday trading legislation are “Local Supermarkets”. Local supermarkets are mostly run as part of a symbol group or multiple chain. These stores require a larger footprint than a typical store, which is reflected in the larger range available and their location, as they are typically in CORNER, POINT and CENTRE locations. With many fresh and chilled products available, as well as extra services (especially in forecourts – hot food to go, Wi-Fi, coffee etc), these stores have a MID to FULL product range and a high turnover of typically around £40,000 per week. These stores are often in direct competition with larger out of town stores and will be the most affected by Sunday trading devolution because of displacement of trade to larger stores.

We are clear that some stores will be put at risk by these proposals, but many businesses will take steps to mitigate these pressures. Our analysis of retailers’ responses when faced with the additional costs of a loss of sales is that they may cut back staff hours, delay or cancel planned investment, or raise prices. ACS’ Voice of Local Shops Survey of 1,200 retailers found that 23% of retailers would cut staff hours in their business in response to reduced sales from Sunday trading reforms. Our research<sup>7</sup> shows that consumers believe that convenience stores have a positive impact on their communities. Loss of convenience stores in communities will therefore be to the detriment of the local area and have serious implications in terms of people’s access to food and other essential services.

We have seen evidence from members that the extension of Sunday trading hours would cause convenience stores to review the provision of services offered, including Post Offices and bill payment services. These services are often run at a loss, particularly in rural areas, and the loss of trade due to these proposals could cause some of these services to be discontinued as the business seeks to recover its commercial position. Community and charity activity will also be reviewed by many convenience stores. Currently 83% of convenience stores take part in some

<sup>7</sup> ACS Community Barometer

form of community or charity activity<sup>8</sup> and this would be put at risk in some cases due to the loss of Sunday trade if current laws were liberalised.

#### **Question 4: Where did you hear about this consultation?**

ACS heard about plans to change Sunday trading laws on 6 July from journalists who were in receipt of a government press release embargoed for 7 July. This came as a surprise given the Prime Minister's confirmation<sup>9</sup> before the general election that he supported the current compromise. We also noted that Sunday trading reform did not appear in the Conservative Party manifesto.

After the announcement of the measure in the 8 July budget, we met with the Minister for Small Business, Anna Soubry who was unable to confirm the timetable, lead Government department or legislative mechanism in which this measure would be included. Large retailers were invited to a consultation meeting prior to the launch of the consultation on 5 August. ACS was sent the consultation by BIS officials at the time it was launched. ACS met with BIS officials and other groups on 11 August.

We believe that the Government's consultation to devolve Sunday trading powers has lacked clarity and purpose in explaining its intention to interested stakeholders and the general public. We believe that neither the Department for Business or Communities and Local Government have taken ownership of the policy which has led to a confused consultation process. Most notably the evidence used in the consultation and in the media has been inconsistent, confused, outdated and misrepresented.

#### **Evidence Base**

We are extremely disappointed by the poor quality, relevance and obsolete nature of much of the data used in the consultation document. The Indepen Report<sup>10</sup> around which so much of the consultation is based was conducted in 2006, since when the retail market has changed significantly. These changes are material to the value of the Indepen report in this context, notably:

##### *Internet Shopping:*

The Office for National Statistics (ONS) did not start collecting data on internet sales when the Indepen report was published in May 2006. The first ONS statistics on internet sales were published in November 2006 and showed online sales accounted for 2.8% of the retail sales. Online sales now account for 11.5% of retail sales.

##### *Convenience Shopping:*

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<sup>8</sup> ACS Voice of Local Shops Survey August 2015

<sup>9</sup> April 20<sup>th</sup> 2015 David Cameron's letter to Keep Sunday Special Campaign: "I can assure you that we have no current plans to relax the Sunday trading laws. We believe that the current system provides a reasonable balance between those who wish to see more opportunity to shop in large stores on a Sunday, and those who would like to see further restrictions."

<sup>10</sup> Indepen Report 2006

The convenience market has grown by 50% since 2006 from £24.9 billion to £37.4 billion in 2014, a much quicker rate than the overall grocery market which has grown by 38%.

*High Street Vacancy:*

Retail vacancy rates in 2006 were 7.3% but current vacancy rates are double that at 14.7%.<sup>11</sup>

*Prices / Deflation:*

Food prices rose by 18% in real terms between 2007 and 2012. They have declined between 2013 and January 2015 but still remain 7.7% higher in retail terms compared with 2007<sup>12</sup>.

It is also important to note that the Indepen report was drafted on the basis of full liberalisation of Sunday trading laws, not the devolution of decisions on opening hours as proposed in this consultation. Therefore costs and benefits – notwithstanding the many and serious challenges outlined in our response – could only apply to the areas where hours were liberalised, meaning the headline benefits figures stated at the time of the 2015 consultation launch assume that every local area will choose to fully liberalise hours.

Even at the time it was written, the Indepen report was flawed, and a full critique of the report conducted at that time is attached. The key flaws identified at that time were:

Assumptions used in the economic model are highly questionable, specifically:

- That 90% of cost savings secured by retailers would flow through to reduced prices.
- That extending Sunday trading hours will smooth out congestion in stores, car parks and roads, rather than merely move it to a different time of day.
- That environmental disbenefits will be neutralised by an offsetting improvement in resource usage productivity.
- That there will be no further shift in market power to large retail groups at the expense of others, and that competitive intensity will be maintained or increased.
- That the Sunday pay premium for shop employees will continue to fall in relative terms.
- That the inconvenience cost to households that lose access to a small store is £5 per shopping trip.

Some assertions or suggestions which, although they do not affect the modelling, cast doubt upon the objectivity of the analysis:

- That there is a majority of consumer support for extended Sunday hours for large stores.

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<sup>11</sup> [Colliers International; National Retail Barometer](#)

<sup>12</sup> [DEFRA Food Statistics Pocket Book 2014, Chart 2.1](#)

- That, in grocery, large stores alone supply fresh produce on a Sunday, and that fresh food is necessarily healthier food.
- That low income households will benefit disproportionately because they spend a greater percentage of income on food items.
- That online shopping offsets the possible loss of convenience shopping for an overwhelming majority of households (Indepen quotes Tesco's claim to be able to reach 98%).
- That small shops which are deemed to be "complementary" to large stores will gain from increased Sunday footfall. Indepen assumes elsewhere that shopping volumes will remain unchanged, which suggests that increased Sunday footfall will be offset by reduced footfall on other days.

Given these fundamental problems with the report, and its limited applicability to the proposals being brought forward at this time, the Government should commission a new cost benefit analysis before progressing with this consultation and with any plans to change Sunday trading laws.

### **Centre for Economic Performance**

We strongly object to the use of the data from the Centre for Economic Performance in the consultation. It is suggested that this report indicates that liberalising Sunday trading would lead to a 12.5% increase in consumer spending. We are astonished that such a figure has been publicly quoted, and to use this report in this way defines this consultation process as flawed, misleading, not objective, and showing a level of discomfort with misunderstanding of data which undermines the entire process.

The report defines five levels of regulation of Sunday trading, and helpfully tracks movement between these levels of regulation across different European countries. The UK is already at the second most liberalised level, and the benefits (notwithstanding further issues to be discussed below) accruing from moving to the most liberalised level on Sunday trading is a 0.14% sales increase. The 12.5% figure is the suggested benefit of a binary shift from regulation or no regulation, and relates only to food spending. To quote this figure in the context of this research and proposals in this consultation shows either incompetence on the part of officials and ministers in their ability to comprehend the report, or a deliberate attempt to distort the report for the purposes of this debate. In either case, this is a serious flaw that must be investigated and which we will raise with the Better Regulation Executive, the Regulatory Policy Committee, and select committees relevant to both the Department for Business and the Department for Communities & Local Government.

Even the 0.14% figures is questionable on the following grounds:

- The proposals to move to local decision-making would arguably move the UK from level 2 restrictions to level 3 restrictions, with local determination of Sunday opening hours.
- As with analysis of the Indepen report, the use of the Centre for Economic Performance (CEP) report is based on the assumption that there will be full liberalisation of Sunday trading as a result of the devolution of these decisions.

- The report states, “there is no systematic cross-country evidence on the impact of these changes.” It is therefore of limited value.
- It is counter-intuitive to suggest that people would buy more food as a result of liberalised Sunday trading, but not discretionary spend like clothing, which declined in this analysis. Consumers generally buy a similar amount of food, and a huge increase in food spend cannot just be caused by additional Sunday trading hours.

The CEP report also contradicts the Indepen Report, by finding, “no evidence of a significant impact on prices” due to Sunday trading liberalisation, yet finding evidence of a positive impact on employment. By contrast, the Indepen report is based on cost savings and increased productivity as the driver of overall benefit.

## **Polling**

Over the past three years ACS has commissioned ComRes to poll the public on their views on the Sunday trading legislation. Consumers were asked if they support or oppose existing Sunday trading hours that allow large shops to open for six hours on a Sunday. Since 2013 ComRes polling has consistently shown that 76% of the public support the existing compromise offered by Sunday trading legislation. Consumers (21%) that opposed existing Sunday trading legislation 60% favoured no Sunday opening hours or a reduction in existing trading hours. This is the most consistent polling that directly asks a question to the public on Sunday trading legislation. The full ComRes polling data is included in an appendixes to the submission.

Following the announcement of this consultation, ACS commissioned some further polling by Populus to look in more detail at public attitudes to Sunday trading. Some of the key findings of this work are:

- 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.

This new data shows clear opposition to the proposals in the Government’s consultation, and demonstrates how unpopular these proposals are.

## **2012 Olympic Experience**

ACS conducted analysis of the impact of the temporary liberalisation of Sunday trading hours during the 2012 Olympics and Paralympics on small shops. This found a marked displacement of trade from smaller to larger stores, and this is shown by the differing results from stores which have more large stores close by. The range of impact for stores with one or more large stores close by was 4% to 7%. Changing sales patterns in 2012 are likely to underestimate the impact of these changes if they

became permanent, because ingrained shopping habits evolve over time and are not fully established over a twelve week period.

The full report is appended.

During this period, overall sales data does not present a compelling case for the economic benefits of Sunday trading. According to BRC sales data on a like-for-like basis, which strips out new store openings, sales by value were down by 0.4% on the same month (August) a year ago<sup>13</sup>. Looking at the monthly picture from ONS Data, it is estimated that the amount of goods bought in retail stores (August 2012 compared with July 2012) fell by 0.2%.

This performance must be viewed in the context of 450,000 tourists staying in London, and 5.5m million day visitors to London during this period. It would be normal for sales to increase significantly due to this one-off phenomenon, but this was not the case.

The Government's initial July 2015 public statements on Sunday trading liberalisation referenced the New West End Company's data on the 2012 Olympics and Paralympics. The consultation does not quote these figures, and we have not been able to find them openly published anywhere. Does the government intend to use these figures, or have they been discredited hence their omission from the consultation and associated public statements of August 2015? Given the lack of compelling data provided by mainstream analysts of retail sales, the status of the information provided by the New West End Company – an organisation which actively campaigns for Sunday trading liberalisation – is of crucial importance and needs to be clarified at the earliest opportunity.

### **Oxford Economics 2015 Research**

ACS commissioned Oxford Economics to consider the economic impact of liberalising Sunday trading laws. This research found that:

- The economic evidence around Sunday trading liberalisation is limited and mixed.
- In 1994, the removal of full restrictions on Sunday trading to be replaced with the current rules led to a net decline of 1.9% in jobs in the grocery (or non-specialised retail) sector.
- Based on the shifts in sales from small to large stores during the temporary suspension of Sunday trading restrictions for the 2012 Olympics, ongoing liberalisation would lead to total loss of 8,800 jobs in the convenience sector and a net loss of -3720 jobs to the grocery sector.

### **Social Market Foundation Research**

Social Market Foundation have applied the Government's "Family Test" to show the impact that the devolution of Sunday trading laws will have on the amount of time shopworkers have to spend with their families and the wider social implications.

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<sup>13</sup> BRC/ KPMG Retail Sales 2012 August

The key findings from the Social Market Foundations report are:

- People working in retail already have some of the highest rates of working overtime and weekend working in particular. The proposed changes are likely to increase those rates further.
- This will take place in a context where only 25% of parents are content with the balance between work and home life and 77% report that work impinges on the time they could dedicate to core activities with their children, such as homework, taking them to clubs and putting them to bed.
- Single parents and those who do not have close family around them are likely to face particular problems in finding childcare if they have to work more on Sunday.
- Similar challenges exist in relation to caring for elderly relatives and preventing loneliness.
- While technically those working in retail have some protection to opt out of Sunday working, the pressure to work on Sunday is already increasing under the current rules. Liberalising Sunday trading will add to the problem.
- While more Sunday trading – and hence working – may provide some families with additional income and there may be greater convenience for families in general, these positive impacts are likely to be much more limited than the risks. For example, even Government's own study from 2006 which sets out the benefits of longer Sunday trading suggests that the time savings per family from the greater convenience will be 2 minutes per week.

## **Attachments**

***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

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## ABOUT ACS

### 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 made of a diverse group retailers from small independents 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% of 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 show how public policy developments affect them differently.

