SUNDAY TRADING

Consultation on devolving Sunday trading rules

AUGUST 2015
Contents

Consultation on devolving Sunday trading rules .................................................. 3

What the consultation aims to achieve ................................................................. 3

Foreword .................................................................................................................. 4

Executive Summary ............................................................................................... 6

How to respond ...................................................................................................... 8

Confidentiality & Data Protection ........................................................................... 9

Help with queries .................................................................................................. 9

What happens next? ............................................................................................... 9

Chapter 1 – Purpose of these proposals ............................................................... 10

The need for change ............................................................................................. 10

Christmas Day and Easter Sunday ....................................................................... 12

Protecting workers' rights .................................................................................... 12

Loading and unloading of vehicles at large stores .............................................. 13

Planning restrictions ............................................................................................ 13

Chapter 2 – The options ...................................................................................... 14

Devolving powers to local areas .......................................................................... 14

Devolving powers to local leaders, e.g. metro mayors through 'devolution deals' .......................................................... 14

Devolving to local authorities more generally .................................................... 15

Chapter 3 – Consultation questions ................................................................... 16

Annex A: Consultation principles ......................................................................... 17

Comments or complaints on the conduct of this consultation .......................... 17

Annex B: Response form for consultation on devolving Sunday trading rules .... 18
Consultation on devolving Sunday trading rules

What the consultation aims to achieve

Large shops (those with a relevant floor area of over 280 square metres / 3,000 square feet) have restricted opening hours on a Sunday, but smaller shops can open all day. This consultation seeks views on whether the Government should devolve Sunday trading rules as part of its localism agenda in order to give local areas greater control of their local economy and improve the well-being of local citizens.

Issued: 5 August 2015

Respond by: 16 September 2015

Enquiries to: sunday.trading@bis.gsi.gov.uk

Sunday Trading Team
Consumer & Competition Policy
Department for Business, Innovation and Skills
1 Victoria Street
London SW1H 0ET
Tel: 020 7215 5000

This consultation is relevant to: retail businesses of all sizes, consumers, employers, employees, consumer law enforcers, unions, religious organisations.
Foreword

Getting businesses delivering for their customers is at the heart of this Government’s agenda, whether it’s helping them develop the new products customers demand, giving employees the skills to serve customers better, or supporting local shops through local measures so businesses can better meet their customers’ needs.

The arrival of the internet has changed our habits radically and many of us have got used to the freedom to buy what we need at any time that suits us. Online businesses and smaller retailers have the flexibility to respond to this demand but the rules on Sunday trading for our high street stores and bigger outlets haven’t changed for over twenty years. This is damaging to bricks and mortar stores and frustrating for customers. These restrictions are also holding back productivity in the retail sector which is increasing prices for all of us.

This Government wants to support local high streets, which need to adapt and change in order to thrive in this internet age. Of course there are many factors to consider in deciding whether to extend Sunday trading hours and in some places communities may prefer to retain the current limited Sunday trading hours. No two places are the same and the people who live, work and do business locally know best what their area needs to prosper and grow. That is why this Government believes that such decisions are best made at the local level.

Our major cities compete internationally for tourists. 50 million international tourists visit London’s West End each year, but they can only shop for a limited time on Sundays unlike in other major cities such as New York and Dubai. If we are to compete for this lucrative trade we need to consider modernising our trading laws in London and elsewhere.

That is why in this consultation we are proposing to devolve the new power to determine retail opening hours on Sundays to local areas, for example to elected mayors, through ‘devolution deals’ as part of a wider set of powers ranging from transport and housing to health and policing. This consultation sets out a second option as to how we might empower local authorities to set the Sunday trading rules locally. These proposals sit alongside our wider package of policies to support high streets - from cuts in business rates for small shops to stopping over-zealous parking practices. Delegating these powers to local areas would give them greater control of their local economy and improve the well-being of local citizens.
We welcome the views of all those with an interest in these proposals.

Brandon Lewis MP
Minister of State for Housing and Planning
Department for Communities and Local Government

The Rt Hon Sajid Javid MP
Secretary of State
Department for Business, Innovation & Skills
Executive Summary

1. The Government aims to make Britain the best place in Europe, and one of the top five worldwide, to do business by 2020. We will do this by building a strong economy which benefits all parts of the country. In particular, the Government aims to support local high streets in an internet age. In order to achieve this, the Government is committed to devolving far-reaching powers and budgets to cities and towns. This would help those cities and towns to become economic powerhouses, and help to back businesses so they create jobs and greater prosperity, and to enable our major cities to compete for international tourism.

2. The current Sunday trading rules were established over 20 years ago in the Sunday Trading Act 1994 (the 1994 Act). They limit the opening hours of large stores (those with a relevant floor area over 280 square metres / 3,000 square feet) to 6 hours on a Sunday. Smaller stores can open all day. But in the 20 years since the 1994 Act the internet has come of age and consumers can now order goods online 24 hours a day, 7 days a week. Internet sales now account for 11.5 per cent of all retail sales compared to just 2.8 per cent nearly a decade ago when this data was first collected, with the value of internet retail sales averaging £734 million a week in May 2015.

3. Extending Sunday trading rules is estimated to result in benefits equivalent to £1.4 billion per year.\(^1\) Extending Sunday trading hours would improve productivity by freeing retailers to make better use of large stores, allowing them to sell more without a proportionate increase in costs. However there are strong and diverse views as to whether removing Sunday trading restrictions is the right thing to do.

4. Devolving Sunday trading rules would offer consumers more choice about when to shop locally, offer businesses more flexibility on opening hours, and offer shop workers more opportunity to work on Sundays. Extending shopping hours would mean that consumers would have access to a wide range of products from large stores and would be able to shop in those stores earlier or later in the day than at present. A study by the London School of Economics, which compared the effects of a extending Sunday trading hours in a number of European countries, found that the amount people spent on non-durable retail products, such as food, rose by up to 12.5 per cent following deregulation.\(^2\) On the other hand, some people may oppose any changes, for example, because they consider Sundays to be special.

5. Consistent with its focus on localism, the Government believes that local areas should have the opportunity to decide for themselves what the right approach to Sunday trading is in their area. Therefore, the Government is consulting on two options for devolving Sunday trading rules locally:

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\(^2\) Evaluating the Impact of Sunday Trading Deregulation, Centre for Economic Performance CEP Discussion Paper No 1336, Christos Genakos, Svetoslav Danchev, London School for Economics, March 2015, Link: [http://eprints.lse.ac.uk/61156/1/ lse.ac.uk_storage_LIBRARY_Secondary_libfiles_shared_repository_Content_Centre_for_Economic_Peformance_Discussion_papers_dp1336.pdf](http://eprints.lse.ac.uk/61156/1/ lse.ac.uk_storage_LIBRARY_Secondary_libfiles_shared_repository_Content_Centre_for_Economic_Peformance_Discussion_papers_dp1336.pdf)
- Devolving powers to local areas, for example to metro mayors, through ‘devolution deals’; and/or
- Devolving powers to Local Authorities more generally across England and Wales.

6. It is not proposed to change the rules relating to Sunday Trading on Easter Sunday nor trading on Christmas Day.

7. We are consulting large and small businesses, Unions, consumers, religious organisations, local authorities and the public. Sunday trading is devolved to Scotland and transferred to Northern Ireland. The 1994 Act applies to England and Wales so the proposals in this consultation could affect England and Wales. The consultation closes on 16 September 2015.

8. This consultation is available online to enable as many people to respond to it as possible. Your responses will be used to inform the outcome of the consultation. You should make it clear whether all or part of your response is confidential.
How to respond

9. When responding please state whether you are responding as an individual or representing the views of an organisation. If you are responding on behalf of an organisation, please make it clear who the organisation represents by selecting the appropriate interest group on the consultation form and, where applicable, how the views of members were assembled.

10. You can reply to this consultation online at: https://bisgovuk.citizenspace.com/ccp/devolving-sunday-trading-rules.


   Sunday Trading Team
   Consumer & Competition Policy
   Department for Business, Innovation and Skills
   1 Victoria Street
   London SW1H 0ET
   Tel: 020 7215 5000
   Email: sunday.trading@bis.gsi.gov.uk

12. You may make printed copies of this document without seeking permission.

13. BIS consultations are digital by default but if required printed copies of the consultation document can be obtained from:

   BIS Publications Orderline
   ADMAIL 528
   London SW1W 8YT
   Tel: 0845-015 0010
   Fax: 0845-015 0020
   Minicom: 0845-015 0030
   https://www.gov.uk/government/publications?departments%5B%5D=department-for-business-innovation-skills

14. Other versions of the document in Braille, other languages or audio-cassette are available on request.
Confidentiality & Data Protection

15. Information provided in response to this consultation, including personal information, may be subject to publication or release to other parties or to disclosure in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004). If you want information, including personal data that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence.

16. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

Help with queries

17. Questions about the policy issues raised in the document can be addressed to:

Sunday Trading Team
Consumer & Competition Policy
Department for Business, Innovation and Skills
1 Victoria Street
London SW1H 0ET
Tel: 020 7215 5000
Email: sunday.trading@bis.gsi.gov.uk

The consultation principles are in Annex B.

What happens next?

18. Following closure of the consultation, the Government will fully analyse and consider all responses. Depending on the outcome of the consultation, the Government will bring forward final proposals in its response for possible inclusion in Primary legislation as Parliamentary time allows. The Government will also issue a full summary of views expressed and reasons given for decisions finally taken. This will be published on the .gov.uk website.
Chapter 1 – Purpose of these proposals

Key Points

- Devolving Sunday trading rules would provide consumers, businesses and shop workers greater choice, opportunities and convenience.
- Devolving the power to local areas so they can decide for themselves as to the right approach to Sunday trading hours would drive competition, productivity and local economic growth, as well as helping our major cities compete for international tourism.
- Delegating these powers to local areas would ensure that the rules reflect local preferences, shopping habits and economic conditions.

The need for change

1.1 The current Sunday trading rules were established 21 years ago in the Sunday Trading Act 1994 ("1994 Act"). It limits the Sunday trading hours of shops with a relevant floor space\(^3\) in excess of 280 square metres in England and Wales to six continuous hours between 10am and 6pm on a Sunday and not at all on Easter Sunday. Smaller shops have no restrictions on Sunday opening. Exemptions apply to certain shops such as off-licences, pharmacies and motorway service stations. There are no equivalent restrictions in Scotland, but there are similar restrictions in Northern Ireland.\(^4\)

1.2 Since the 1994 Act was passed the consumer environment has changed significantly. Figure 1 below shows the growing competition faced by high street stores by online sales. Despite this increase, Sunday trading restrictions continue to limit shopping on the high street, whereas consumers can buy from online retailers at any time.

1.3 Devolving Sunday trading rules would give greater choice to consumers as to when and where they shop, irrespective of the size of the store. It would also give businesses a greater choice as to when to open their stores. It would also give those shop workers who wish to work on a Sunday greater choice, whilst protecting those workers who do not. This may encourage increased footfall in high streets on Sundays to the benefit of all local businesses, large and small, and to those dependent on public transport. And it could offer particular advantages to working families who may be most able to do their shopping at the weekends.

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\(^3\) The area of the shop used for serving customers or displaying goods

\(^4\) See Shops (Sunday Trading &c.) (Northern Ireland) Order 1997 (S.I. 1997/2779)
Figure 1: The rise of online retail sales

The Office for National Statistics, in its Retail Sales Index publication, has been collecting data on internet sales on a monthly basis since November 2006.

- The value of internet retail sales averaged at £734 million a week in May 2015 compared to just £156 million a week in November 2006.
- Total retail sales averaged £6.4 billion a week in May 2015. Internet sales now account for 11.5 per cent of all retail sales compared to just 2.8 per cent in nearly a decade when this data was first collected.
- Just under half of all internet retail sales are made by "non-store retailers" (those retailers without a traditional shop premises, such as mail order or specialised internet retailers).
- Predominantly food retail stores, such as grocers and supermarkets, make a relatively small amount of internet sales with only 4.1 per cent of their sales occurring online in May 2015, up from 2.2 per cent in January 2009. This compares with 8.5 per cent of predominantly non-food retail stores sales being made online.

1.5 There are also potentially significant economic benefits to extending Sunday trading hours. Extending Sunday trading hours across England and Wales has been estimated to result in benefits equivalent to £1.4 billion per year. This is generated from lower prices as a result of increased efficiency from shops being able to make more use of existing stores. This amounts to £64 per household. Extending Sunday trading hours would improve productivity by freeing retailers to make better use of large stores allowing them to sell more without a proportionate increase in costs.

1.6 An Office of National Statistics survey also found that 15 per cent of individuals would shop later on a Sunday at a supermarket. This represents around 6.1 million adults. Evidence from a comparison of the effects of extending Sunday trading hours in a number of European countries indicated that spend on non-durable retail products, such as food, rose by up to 12.5 per cent following deregulation. Paris has recently extended its Sunday trading hours in areas of international tourism and Dubai and New York shops open into the evening seven days a week. The Government is keen to ensure that our major cities are able to effectively compete on the global market. During the London Olympic Games the Government temporarily extended Sunday trading hours to facilitate more convenient shopping hours on Sundays during this period. Around 450,000 foreign tourists stayed in London during the Games and there were a further 5.5 million day visitors.

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6 The economic costs and benefits of easing Sunday shopping restrictions on large stores in England and Wales, A report for the Department of Trade and Industry, Brian Williamson, John Hargreaves, Justine Bond and Helen Lay, Indepen, May 2006
9 Oxford economics estimates, Link: http://www.oxfordeconomics.com/
1.7 On the other hand, Sundays are special to some people for religious reasons, and the Government is sensitive to the religious significance of Sunday and values the role that religion and religious communities play in our national life.

1.8 The Government is committed to building a healthy economy which benefits all parts of the country. The Government is committed to devolving far-reaching powers and budgets to cities and towns. This would help those cities and towns to become economic powerhouses, and help to back businesses so they create jobs and greater prosperity, and to enable our major cities to compete for international tourism.

1.9 This Government also aims to support local high streets, which need to adapt and change in order to thrive in an internet age. A crucial element in boosting local growth is devolving powers and budgets to local areas. Devolving powers to local areas is part of our wider package of policies to support high streets - from cuts in business rates for small shops to stopping over-zealous parking practices. As the needs of local areas varies from place to place, the people who live, work and do business locally know best what their area needs to grow. Therefore, the Government believes that local areas are best placed to determine the right approach to Sunday trading in their locality.

1.10 Extending Sunday trading hours would not only support competition and drive economic growth across the country, it would also contribute to the Government's goal of reducing regulation over the next Parliament.

1.11 In launching this consultation the Government is seeking views on devolving Sunday trading rules to local areas and we welcome comments from as many interested parties as possible.

Christmas Day and Easter Sunday

1.12 Currently, large stores are not permitted to open at all on Easter Sunday and the Government is minded not to make any changes to this position. Large shops are also not permitted to open at all on Christmas Day. This is regulated through separate legislation which the Government is not minded to change.  

Protecting workers' rights

1.13 The Employment Rights Act 1996 contains protections for shop workers from having to work on a Sunday. Shop workers who started their employment before 26 August 1994 and have to date remained continuously in that employment cannot be required to work on a Sunday, subject to certain exemptions. All other shop workers (except those only employed to work on a Sunday) can give their employer an opting-out notice which, with effect from three months beginning on the day that the notice was given, gives them the right to opt out of Sunday working. Again, we are not proposing to make any changes to this protection other than that which might be required to ensure the same level of protection applies following any amendment to the current Sunday trading restrictions.
Loading and unloading of vehicles at large stores

1.14 The 1994 Act also imposes restrictions on loading and unloading of vehicles at large stores situated in a loading control area before 9am on a Sunday. However, consent can be obtained from the local authority to load and unload before this time. Again, we do not propose changing these provisions.

Planning restrictions

1.15 There may also be existing restrictions on opening hours of individual premises imposed through planning permissions. These would also remain in place, unless the local authority decided to permit a change.

Question 1: Should local areas have the power to extend trading hours on Sunday?
Chapter 2 – The options

Key Points

We are seeking views on whether the power to extend Sunday trading rules should be devolved, for example, to metro mayors and/or local authorities, so that they can decide for themselves the right approach which benefits their local area.

2.1 The Government is consulting on whether to devolve the power to set Sunday trading rules, for example, to metro mayors and/or local authorities. The options for doing this are set out below.

Devolving powers to local areas

2.2 Devolving the power to extend Sunday trading hours to local areas, such as elected metro mayors or local authorities, enables those areas to determine what the Sunday trading hours should be in their local area. Local decision-makers are accountable to their local communities and understand the wishes of their local citizens and the needs of local businesses. Devolving this power to local areas means that they can ensure that the rules reflect local preferences, shopping habits and economic conditions. This would meet the Government’s objective of devolving powers and budgets to local areas and giving them greater flexibility to make decisions for themselves.

2.3 Large stores already have some flexibility to open for six continuous hours between 10am and 6pm. Therefore, there is already some variation in opening times across the country with some stores perhaps opening between 10am and 4pm and others between 12 midday and 6pm. These proposals enable further flexibility in shop opening hours according to the needs of the local economy, for example, depending on the level of international tourism and the availability of public transport, and subject to the wishes of the local community.

Devolving powers to local leaders, e.g. metro mayors through ‘devolution deals’

2.4 In this option it is proposed that the Secretary of State would devolve the power to extend Sunday trading hours to local leaders, for example, elected metro mayors, through ‘devolution deals.’ This will allow the Government to devolve this power as part of bespoke deals with local areas which will drive economic growth and promote strong, accountable leadership.

2.1 Devolving Sunday trading rules in this way would give these local leaders the power to extend Sunday trading hours within their area or within specific parts of their area, such as shopping centres, town centres, or particular high streets. A local leader could therefore, choose to allow longer Sunday trading in those specific localities where they want to grow their economy or attract more shopper footfall, in support of their local economic development strategies.
2.2 Providing cities with more flexibility of shop opening hours would help our major cities, such as London, to capitalise on the economic benefits of local growth as well as international tourism.

Devolving to local authorities more generally

2.3 This option would give all local authorities the power to extend Sunday trading hours in their local area or in specified areas within it. Local authorities would have the discretion to zone which part of their local authority area would benefit from the longer hours, allowing them to boost high streets or a Business Improvement District (BID), and potentially exclude out of town supermarkets if they wish.

2.4 This means local authorities could choose to allow longer Sunday trading in those specific localities where they want to grow their economy or attract more shopper footfall, in support of their local economic development strategies.

2.5 To ensure the power to extend Sunday trading hours would be managed consistently with other elements of the 1994 Act (including the loading and unloading provisions, and enforcement of the Act), the power would be given to Unitary Authorities, where there they exist, or District Councils. The benefits of this approach are that these authorities already enforce planning, licensing, street trading and parking. Local authorities are accountable to the local community and understand the wishes of their local citizens and the needs of local businesses.

2.6 We would welcome views on how the proposals could be implemented locally.

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

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

Question 4: Where did you hear about this consultation?

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12 A BID is a business led partnership within a defined area and which is created through a ballot process to deliver additional services to local businesses. A levy is charged on all business rate payers in addition to the business rates bill which is used to develop projects which will benefit businesses in the local area. Link: [https://www.gov.uk/business-improvement-districts](https://www.gov.uk/business-improvement-districts)
Chapter 3 – Consultation questions

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

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

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

Question 4: Where did you hear about this consultation?
Annex A: Consultation principles

The principles that Government departments and other public bodies should adopt for engaging stakeholders when developing policy and legislation are set out in the consultation principles.


Comments or complaints on the conduct of this consultation

If you wish to comment on the conduct of this consultation or make a complaint about the way this consultation has been conducted, please write to:

Angela Rabess
BIS Consultation Co-ordinator,
1 Victoria Street,
London
SW1H 0ET

Telephone Angela Rabess on 020 7215 1661
or e-mail to: angela.rabess@bis.gsi.gov.uk
Annex B: Response form for consultation on devolving Sunday trading rules

There is no obligation to use this form when responding, but doing so will make your responses easier to analyse. There is also no obligation to answer all the questions. We look forward to receiving your feedback. The Department may, in accordance with the Code of Practice on Access to Government Information, make available, on public request, individual responses.

The closing date for this consultation is 16 September 2015.

Please return completed forms to:

Sunday Trading Team
Consumer and Competition Policy
Department for Business, Innovation and Skills
1 Victoria Street
London SW1H 0ET
Tel: 020 7215 5000
email: sunday.trading@bis.gsi.gov.uk

Name:
Organisation (if applicable):
Address:

Please use the tick box from the list of options that best describes you as a respondent.

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

☐ Yes  ☐ No  ☐ Not sure

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

☐ It should be devolved to e.g. elected metro mayors as part of 'devolution deals'

☐ It should be devolved to all local authorities

☐ Not sure

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

☐ Positively – the changes would benefit me

☐ Negatively – the changes would cause me problems

☐ No difference

Please provide evidence:
**Question 4: Where did you hear about this consultation?**

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Thank you for taking the time to let us have your views. We do not intend to acknowledge receipt of individual responses unless you tick the box below.

Please acknowledge this reply  □

At BIS we carry out our research on many different topics and consultations. As your views are valuable to us, would it be okay if we were to contact you again from time to time either for research or to send through consultation documents?

□ Yes  □ No