

Research study to investigate the economic costs and benefits of easing Sunday trading restrictions in England and Wales

Project scope

Introduction

In 1994 the Government introduced the Sunday Trading Act which enabled large shops¹ to open (for the purpose of serving retail customers) for up to 6 continual hours on a Sunday, between 10am and 6pm in England and Wales. It has been over 10 years since this liberalisation of Sunday trading law.

The Government is committed to evaluating the impact of all legislation and identifying areas of regulation that can be simplified, so that regulatory burdens on business can be reduced.

Objective

The central aim of this study is to evaluate the economic costs and benefits of easing or removing Sunday Trading restrictions in England and Wales, quantifying impacts wherever possible.

Scope of the Study

The research project will assess and, as far as possible, quantify:

The impacts of extending opening hours for large shops and the impacts of a complete removal of Sunday trading restrictions for large shops.

There are a number of potential impacts, which the study will take into consideration, these include:

- The effects on retail firms in general, in particular the impact on wage costs and other variable costs, sales levels, profits, employment and trading patterns.
- The impact on consumers, which includes analysing the distributional effect on consumer spending throughout the week if shopping hours on Sunday are increased; and any changes to the amount they spend on shopping within a week if shopping hours are extended on a Sunday. Other consumer impacts include assessing the extent of consumer benefits achieved through wider product choice and increased convenience.
- Impact on small firms and competition. It should be noted that a large sized business may have retail outlets that are defined as small shops².

¹ A large shop is defined as a shop with an internal floor space greater than 280 square meters or 3,000 square feet. If the internal floor space is less than 280 square meters the shop is defined as a small shop.

² For example a large supermarket chain may have many outlets of which some may be classified as a small shop. Also conversely a small businesses may trade from a large shop. The analysis should bear this point in mind.

- Impact on the labour market.
- Potential externalities that affect other areas of the economy. For example assessing the impact on suppliers and wholesalers of retail goods.

The DTI will be conducting other strands of cost benefit analysis along side the external research project. The above list should not be considered as an exhaustive list of the potential impacts on easing Sunday trading hours.

End

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www.dti.gov.uk/ccp/topics1/sunday_trading.htm