

ANNEX C: REGULATORY IMPACT ASSESSMENT (Proposal 1)

Title of the Proposed Measure

The Regulatory Reform (Sunday Trading) Order 2004 (*Proposal 1*)

Issue and Objective

1. Currently under the Act, a large shop (as defined and with certain exceptions) that wishes to open on a Sunday must notify its local authority two weeks before commencing opening on Sunday, or two weeks before varying previously notified opening hours, stating the intended hours of opening within the limits specified by the Act (up to six continuous hours between 10.00am and 18.00pm). A notice must also be displayed, both within and outside the shop, stating the hours that have been notified. Each local authorities, for its part, must maintain a register of notified Sunday opening hours and keep them available for inspection by members of the public. Local authorities are under a duty to enforce the Act, which also prohibits large shops from opening on Easter day or on Christmas day when it falls on a Sunday.

2. The number of “large shops” in England and Wales (defined as having an internal floor area, used for serving customers or displaying goods, over 280 square metres) varies. The size of the area, for example small county town we spoke to has approximately 40 large shops, whilst two cities we spoke to have approximately 300 large shops each, which open on Sundays and are therefore required to register their Sunday opening hours with local authorities. We do not have a total number of registered shops.

3. The objective of this proposal is to reduce the burden on large shops by lifting the requirement to notify local authorities of their Sunday opening hours and reduce the cost of local authorities by removing the requirement to maintain a notification register, whilst retaining existing restrictions on Sunday opening hours.

Risk Assessment

4. Maintaining the notification and registration procedure imposes unnecessary burden on businesses without any gain to the public. There is no evidence of any material use of this information and its removal simply eliminates a bureaucratic burden.

5. Options

Option 1: Do nothing

Option 2: The proposed Regulatory Reform Order (RRO) would repeal paragraphs 4 and 5, amend paragraphs 2(3), 6 and 8 of Schedule 1 and paragraph 1(a) of Schedule 3 of the Sunday Trading Act 1994. This would simply remove the notification and registration requirement of the Sunday opening hours of large shops in England and Wales, whilst retaining existing

restrictions on Sunday opening hours including the prohibition on large shops to opening on Easter day or on Christmas day when it falls on a Sunday.

Equity and Fairness

6. The proposal would reduce burdensome “red tape” on large shops by removing the legal requirement on large shops of notifying the local authorities of their Sunday opening hours and removing the requirement on local authorities, to maintain the register of notifications, this would be an equitable decision which could provide more resources to do more important work such as enforcement, health and safety.

Benefits

7. Option 1 - The ‘no change’ option would preserve an essentially unused and virtually unknown facility for members of the public to inspect a register of Sunday opening hours at a single location in each local authority area. It would not cause any additional implementation or policy cost.

8. Option 2 - Adopting this option would remove the legal requirement and costs of the notification and registration procedures, which currently involve retailers and local authorities in the administrative work of sending and receiving notifications. It would save the staff time taken up in letter-writing, acknowledgement, filing and storage, as well as storage, stationery and postage charges. It will also eliminate certain costs for local authorities who are currently required to maintain a register of notifications and provide public viewing facilities whether they are used or not. Based on information from respondents to the consultation, the administrative costs for handling notifications were broadly similar for businesses and local authorities at around £10 to £12.50 per notification handled. This change would also allow large shops to adjust their opening hours at much shorter notice than currently because they will not have to give 2 weeks advance notice of changes in planned opening hours. This may be of benefit to businesses and consumers.

9. Ignoring completely the large numbers of the notifications issued when this requirement was first introduced, information from respondents and direct research indicates that each local authority currently handles around 10 notifications per annum. With approximately 300 local authorities in England and Wales, this equates to at least 3,000 notifications being issued each year with the cost to retailers and local authorities broadly equal at £30,000 to £37,500 each. Hence the overall cost saving of Option 2 is approximately £60,000 to £75,000 every year.

Costs

10. Option 1 would result in large shops and local authorities continuing to bear the cost outlined above.

11. Option 2 would remove the costs identified above and not impose any additional or alternative costs. However under both options large shops will continue to be required to display their Sunday opening hours in notices inside and outside their premises, and local authorities will continue to be under a duty to enforce the remaining provisions of the Act in respect of Sunday trading hours and the prohibition against large shops opening on Easter day or on Christmas Day when it falls on a Sunday.

Consultation with small business: “The Small Firms Impact Test”

12. This proposal would not affect small businesses. Under the Sunday Trading Act 1994, small shops are free to trade at any time on Sundays. Responses from associations representing small and medium size retailers confirm that abolishing the notification and registration procedure would not have any impact on their members businesses.

Competition assessment

13. Maintaining the status quo under Option 1 would not create any concerns for competition. We do not expect that the proposal under Option 2 would have any adverse effect on competition since it will not create costs for business. However, if implemented the Regulatory Reform Order will reduce administrative burdens on large shops. Small businesses will not be affected by this proposal.

Impact on consumers

14. The proposal would remove the obligation on local authorities to maintain a register of notified Sunday opening hours and to make this available for public inspection. This would produce a theoretical disadvantage for consumers in terms of the loss of this amenity. In practice, however, instances of these inspections are non-existent and confirmed by direct research and local authority responses. Therefore, we believe that no consumer detriment would arise as a result of implementing this proposal.

Enforcement, Sanctions, Monitoring

15. Neither enforcement nor sanctions will be required, since the proposal is for the repeal of the relevant provisions of the Sunday Trading Act. No additional monitoring is envisaged in connection with this Regulatory Reform Order.

Summary and Recommendations

16. The need to reduce burdens on business and remove unnecessary ‘red tape’, are all compelling reasons for removing the current notification and registration requirements in respect of the Sunday opening hours of large shops in England and Wales by means of a Regulatory Reform Order.

The following table summarises the costs and benefits of the available options.

	Costs	Benefits
Option 1 – Do nothing	Existing costs to business and local authorities of around £60 - £75,000 per annum would continue to accrue.	The 'no change' option would preserve an essentially unused and virtually unknown facility for members of the public to inspect a register of Sunday opening hours at a single location in each local authority area. It would not cause any additional implementation or policy cost.
Option 2 - The proposed Regulatory Reform Order (RRO) would repeal paragraphs 4 and 5, amend paragraphs 2(3), 6 and 8 of Schedule 1 and paragraph 1(a) of Schedule 3 of the Sunday Trading Act 1994. This would simply remove the notification and registration requirement of the Sunday opening hours of large shops in England and Wales, whilst retaining existing restrictions on Sunday opening hours.	Nil	Save £60,000 to £75,000 annual administrative costs currently borne by businesses and local authorities.

Declaration

I have read the Regulatory Impact Assessment and I am satisfied that the benefits justify the costs

Signed by the responsible Minister

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Date.....

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