

# REGULATORY IMPACT ASSESSMENT

## Revision of the Price Marking Order 1999

### Issue and Objective

**Issue:** The Price Marking Order (PMO) 1999 is concerned with consumer protection and aims to increase price transparency, making it easier for consumers to compare prices of similar products. Despite two public consultations before the Order was made, inaccuracies in its technical annex were belatedly identified by trade and enforcement interests. The annex was added at the request of the trade and it lists products that can unit price using non-standard units (usually 100g/ml depending on whether the product is primarily liquid or solid). The standard units for unit pricing purposes are primarily the kilogram and the litre.

Consultation on the proposed technical amendments to the PMO prompted lobbying from trade interests on a range of issues where they felt that amendment would be useful. In many of these cases, Directive 98/6/EC (from which this legislation stems) does not enable these requests to be met. However, in a few cases there is scope to reconsider and new arguments have been put forward that justify changes without adversely affecting consumer information. In such cases, those changes have been taken into account.

**Objective:** The proposed technical amendments to the PMO aim to meet trade and enforcement authority interests, without increasing the burden on retailers or reducing price transparency for consumers.

### Risk Assessment

A full Regulatory Impact Assessment (RIA) was prepared for the PMO (copy attached). The changes brought about by the Price Marking Order 2004 are technical, respond to trade lobbying and impose no additional costs. The consultation specifically stated this and invited dissent – none was forthcoming and a revised RIA is considered unnecessary.

### **Signed by the Minister**

**Responsible** .....

**(Parliamentary Under Secretary of State for  
Employment Relations, Competition and  
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**Date** .....

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**Date:** January 2004.

## REGULATORY IMPACT ASSESSMENT

### Implementation of Directive 98/6/EC on Price Indications: The Price Marking Order 1999

#### 1. (i) Issue and Objective

**Issue:** UK implementation of Directive 98/6/EC which is concerned with consumer protection and replaces earlier Directives on price indications. The Directive requires that the prices of goods offered by traders to consumers must be “unambiguous, easily identifiable and clearly legible”. This reflects existing UK legislation which requires that prices should be able to be seen and read, and that products should always be price marked before a consumer asks to see them rather than the price merely being written down when the consumer asks what it is. In addition, the consumer’s ability to see prices without having to ask what they are, i.e. visibility, is confirmed as a basic requirement of price marking.

The Directive also extends the existing requirement to unit price (i.e. include a cost per kilogram, litre, etc for goods sold by quantity) certain pre-packed products. The Directive affects consumers and is specifically targeted at the retail sector. It excludes services and allows products supplied in the course of the provision of a service to be exempted. It is the intention to exercise this exemption within the UK so restaurants, public houses etc will be excluded from the requirements. The problem the directive is trying to address is that consumers often have insufficient information to take appropriate decisions and so can be misled with their purchases.

**Objective:** The Order is concerned with consumer protection. Its aim is to increase price transparency and thus to assist consumers to compare prices of similar products, but without placing undue burdens on retailers.

#### (ii) Risk Assessment

The price information provided by retailers may not be easily and quickly absorbed by consumers. If this is the case, then consumers may not be making optimal purchasing decisions.

#### 2 (i) Options

These are constrained by the legal requirement to implement Directive 98/6/EC within the UK by March 2000 so the options of doing nothing or seeking to achieve the objective through voluntary means are not available.

The options available in implementing the Directive are:-

**Option 1** - apply the Directive across the board;

**Option 2** - Within its overall philosophy of ensuring effective price comparison information for consumers, the Directive allows Member States to

exercise discretion to exempt certain specified products and/or outlets from its price marking and/or unit pricing requirements. Exemptions which are not specifically provided in the Directive may **not** be granted by Member States on the grounds of the costs of implementation.

Major discretionary areas which we propose to exempt under this option are:-

- unit pricing pre-packaged products in small retail outlets and by itinerant traders;
- unit pricing of pre-packaged products in vending machines;
- price marking of works of art and antiques;

## **(ii) Issues of Equity or Fairness**

Is it fair on consumers - particularly the poorest and most vulnerable - to operate any of the exemptions allowed for by the Directive and consequently to restrict the transparency of information available to them?

Is it fair on consumers or larger retailers to use our national discretion to introduce, e.g., a small shops exemption from unit pricing pre-packaged goods and thus prevent unit price comparisons between small and larger retailers?

Would it be fair on small retailers not to use national discretion to exempt them from unit pricing pre-packaged goods when to require it would impact disproportionately on their costs compared to larger stores and, arguably, affect their viability.

## **3 (i) Benefits**

The benefits are increased transparency in the information made available to consumers which may then feed through to increased competition at the retailing and manufacturing level.

### **Option 1**

The aim of the proposal is to increase the level of information readily available to consumers to help them make more efficient choices. In particular the unit prices will enable consumers to make:-

- comparison of different brands of products or of similar products which are sold in one outlet (or in different outlets);
- comparison between different sizes of the same brand which are sold in one outlet (or in different outlets).

Consumers will therefore be better informed about the comparative value of different products where the packaging and different volumes in which they are sold currently restrict such comparisons.

To the extent that price is a factor when selecting a product this information will be valuable and enable consumers to choose products that better meet their needs. In using this additional information consumers will be signalling their tastes for competing products to manufacturers and retailers more accurately. This may provide the manufacturers and retailers with greater incentives to reduce costs so that they can reduce their prices and sell more to consumers.

## **Option 2**

There are arguments for exempting arts and antiques, vending machines and small retailers. It is not considered that exempting arts and antiques will reduce the overall level of benefits of the proposal significantly below those of option 1. Arts and antiques are not currently required to display a final selling price (unit pricing is irrelevant for these products). Generally, prices for such products are not readily comparable; they are also often reached through negotiation rather than being fixed sums.

There will be a reduction in the benefits associated with the introduction of the directive if small retailers and, to a lesser extent, if vending machines are exempt. It is not possible to quantify this reduction in benefit, but clearly the more small retailers that are exempt the lower the benefits.

## **4 Compliance Costs for Business**

There are no substantial changes in the price marking requirements of the Directive. The visibility requirement - i.e. that prices should be available to the consumer without having to ask what they are - should largely be cost neutral. Under existing UK law prices must be written on goods before they are offered to consumers and they must be able to be seen and read. Visibility may necessitate some changes in pricing practices for some retailers but considerable flexibility will be left to the retailer in the way in which he meets the overall requirement that prices must be unambiguous, easily identifiable and clearly legible, which should mitigate any additional short term costs. There is also expected to be some staff resource savings if consumers are able to see prices themselves without having to ask what they are on every occasion. Additional compliance costs are therefore expected to centre on the extension of unit pricing for pre-packed goods (goods sold loose from bulk and in variable quantities are already required to unit price).

Verdict Research Ltd investigated the cost implications of unit pricing in retail outlets with a net sales area of less than 280m<sup>2</sup> (see Annex C for details). The following calculations draw heavily from their report.

### **(i) Business Sectors which will be affected by unit pricing**

#### *Retail sector*

The main sectors likely to be affected are those selling the pre-packaged goods which are required to unit price by the Directive. Mail order catalogues will also be affected because the unit price will have to be displayed in the catalogue.

Results of the Verdict report have been used to estimate the numbers of outlets affected. It is expected that mainly DIY/hardware stores and to a lesser extent food (as supermarkets already unit price) are likely to be affected. The approximate number of outlets are shown in the table below (details can be found in the Annexes).

#### **Affected Outlets by Size**

<b>Type</b>	<b>No of Outlets</b>
DIY Superstores	1,000
Food Stores with a net sales area of over 280m <sup>2</sup> but excluding the major multiples	1,800
DIY Stores with a net sales area of over 280m <sup>2</sup> but excluding DIY Superstores	420
Stores under 100m <sup>2</sup>	78,000
Stores 100m <sup>2</sup> - 150m <sup>2</sup>	30,000
Stores 150m <sup>2</sup> - 200m <sup>2</sup>	17,000
Stores 200m <sup>2</sup> - 280m <sup>2</sup>	5,000

#### *Mail Order Houses*

There are about 9,700 Mail Order Houses in the UK.

#### *Vending machines operators*

There are about 358,000 machines in use across the UK.

#### *Art and antique retailers*

There are about 11,900 arts and antiques businesses in the UK.

#### **(ii) Compliance costs for a “Typical” business**

##### *Retail sector*

Calculation of compliance costs has been based on the least cost option. In the case of unit pricing this would be based on a manual rather than an electronic system. There are likely to be a number of benefits to an electronic system but it is not essential for unit pricing purposes.

The directive will affect different sized businesses in different ways. For example, many supermarkets already unit price and so should not face additional costs.

Type of Retailer	Typical Cost
<b>DIY Superstores</b>	Large hardware retailers may not generally already unit price their products.  It is assumed that such retailers already have the necessary computer technology to enable them to work out unit prices without having significant additional costs as a result of the directive (see Annex A)
<b>Food Stores with a net sales area of over 280m<sup>2</sup> but excluding the major multiples</b>	<u>£780 - £1000</u> per store p.a. (see Annex A, table 1)
<b>DIY Stores with a net sales area of over 280m<sup>2</sup> but excluding DIY Superstores</b>	<u>£1,500 - £1,800</u> per store p.a (see Annex A, table 2)
<b>Stores under 100m<sup>2</sup></b>	<u>£130</u> per store p.a. (see Annex C)
<b>Stores 100m<sup>2</sup> - 150m<sup>2</sup></b>	<u>£190</u> per store p.a. (see Annex C)
<b>Stores 150m<sup>2</sup> - 200m<sup>2</sup></b>	<u>£197</u> per store p.a. (see Annex C)
<b>Stores 200m<sup>2</sup> - 280m<sup>2</sup></b>	<u>£310</u> per store p.a. (see Annex C)

*Mail Order Houses*

Mail Order firms will face additional costs in calculating and incorporating the unit prices of goods covered by the directive, such as food and cosmetics, into the layout of their catalogues. Such costs are assumed to be minimal as the design of catalogues is likely to be carried out centrally.

Furthermore, any such costs are expected to be one-off and can be incorporated into new editions of catalogues. Whitbread, for instance, has indicated that mail order catalogues for their Drinks Direct business have a six months to one year lifespan. In such a case, if the directive comes into force in between a normal production run, there may be a need to reproduce the catalogues to comply with the directive. Thereafter, however, we do not anticipate recurring costs. For catalogues which have more frequent production runs, such as the three weeks suggested by the Cosmetics, Toiletry & Perfume Association (CTPA), compliance with the directive will not be difficult.

It is expected that the legislation will be finalised 6 months before coming into force which will give mail order catalogues time to prepare.

*Vending machines operators*

There are two types of machines: those which use electronic displays and those which don't. Information from the Automatic Vending Association of Britain (AVAB) has been used to calculate the compliance costs as follows (see Annex B):

<b>Type of Machine</b>	<b>Cost involved</b>
Machines where labels and hardware changes would be required.	£12 per machine
Machines where the electronics need to be redesigned and replaced.	£5000 per machine type.

### *Art and Antique Dealers*

The Society of London Art Dealers has indicated that the cost of attaching labels is negligible (as most items already have descriptive labels, it would simply be a matter of adding the price). It is not clear what the impact would be on sales. It has been suggested that there is an increased risk of theft (from the opportunist thief who in normal circumstances would be unable to distinguish valuable works from non-valuable items) of very high value items and the potential associated costs of increased security and insurance premiums.

Such costs are difficult to quantify as the products traded in the arts and antiques markets are not homogeneous and so insurance premiums would vary with each individual product and the extent to which a dealer already has security arrangements. It has been estimated by insurance brokers that requiring antiques dealers to indicate the selling price could lead to an increase in insurance premiums of between 25% and 33%.

### **(iii) Total Compliance Costs**

*OPTION 1* (see Annex A and C for details)

#### **Recurring costs**

<b>Type of Outlet</b>	<b>No of Outlets</b>	<b>Total Cost per Type</b>
<b>DIY Superstores</b>	1,000	negligible
<b>Food Stores with a net sales area of over 280m<sup>2</sup> but excluding the major multiples</b>	1800	£1.4 - £1.8 million p.a.
<b>DIY Stores with a net sales area of over 280m<sup>2</sup> but excluding DIY Superstores</b>	420	£0.6 million - £0.8 million p.a.
<b>Stores under 100m<sup>2</sup></b>	78,000	£10 million p.a.
<b>Stores 100m<sup>2</sup> - 150m<sup>2</sup></b>	30,000	£6 million p.a.

<b>Stores 150m<sup>2</sup> - 200m<sup>2</sup></b>	17,000	£3 million p.a.
<b>Stores 200m<sup>2</sup> - 280m<sup>2</sup></b>	5,000	£ 2 million p.a.
<b>Mail Order Houses</b>	9700	negligible
<b>Arts and Antiques</b>	11 900	Approximately 25% - 33% rise in premiums

#### One-off costs

<b>Type of Outlet</b>	<b>No of Outlets</b>	<b>Total Cost per Type</b>
<b>Vending Machines</b>	358,000	£3.9 million
<i>non-electronic</i>	280,000	<i>£3.4 million</i>
<i>electronic</i>	78,000	<i>£0.5 million</i>

#### OPTION 2

#### Recurring costs

<b>Type of Outlet</b>	<b>No of Outlets</b>	<b>Total Cost per Type</b>
<b>DIY Superstores</b>	1,000	negligible
<b>Food Stores with a net sales area of over 280m<sup>2</sup> but excluding the major multiples</b>	1800	£1.4 - £1.8 million p.a.
<b>DIY Stores with a net sales area of over 280m<sup>2</sup> but excluding DIY Superstores</b>	420	£0.6 million - £0.8 million p.a.

## 5 Consultation with Small Business: “The Litmus Test”

There has been extensive consultation with trade associations representing small shops in the retail sector both during negotiation of Directive 98/6/EC and subsequently. Details of the impact of the proposals across a diversity of small retailers have been gathered by an independent company, Verdict Research Ltd, and the compliance cost estimate reflects their data.

The Directive will not impact on charity events since it only applies to traders, i.e. those who sell or offer for sale products which fall within their commercial or professional activity. Those selling at garden fetes or charity events are likely to fall

outside the definition and will not therefore be subject to the requirements to indicate selling price and/or unit price.

## 6 Other Costs

No other costs have been identified. Local Authorities are already responsible for enforcing legislation on price indications. The proposals are not expected to add significantly to the work involved.

## 7 Results of Consultations

Two consultation papers were circulated. The first was sent to 66 major trade associations, consumer and enforcement bodies and a two month period was allowed for responses. The second consultation was sent to over 600 industry, consumer and enforcement interests and a further 2 month period was allowed for responses. This RIA was informed by the comments and data from the responses and other data. Responses are available for inspection in the Library, Department of Trade and Industry, 1 Victoria Street, London SW1H 0ET.

## 8 Summary and Recommendations

	<b>Option 1 Expected costs and benefits</b>	<b>Option 2 Expected costs and benefits</b>
Business	£23 million - £23.6 million pa plus the costs of price marking in the arts and antiques sector (unquantified)	£2.0 - £2.6 million pa
Consumers	One off costs of £3.9 million for vending machines The benefits are increased transparency in the information made available to consumers which may then feed through to increased competition at the retailing and manufacturing level.	The transparency benefits will be lower than in option 1 due to reduced information available as a result of exemptions.
Government	None	None

Our legal obligations under the EC Treaty oblige us to implement this Directive into UK law. After weighing up the options that are available under the terms of the Directive, Option 2 is recommended, with small shops with a floor area not exceeding 280 square metres being exempted from unit pricing. The exemption is provided because unit pricing would be an excessive burden on such shops because of the numbers of products routinely stocked, the shelf space available to accommodate unit pricing and the staff available to do it. Whilst it does not provide maximum transparency of price indications for consumers, the balance of advantage between costs and benefits indicates that Option 2 is the best alternative providing increased transparency in price information without imposing an undue burden on retailers and, consequently, their customers who would have to pay for it through increased prices.

## 9 Enforcement, Sanctions, Monitoring and Review

The Regulations will be enforced by local authority Trading Standards Departments. The existing penalties for failing to comply with Price Marking legislation - and which it is proposed will be continued - are those prescribed under the Prices Act 1974 as amended by subsequent legislation. They are - on conviction on indictment to an unspecified fine or, on summary conviction, to a fine not exceeding £5,000.

The Directive requires the European Commission to review and report on the application of the Directive, particularly the small shops exemption, and to provide a proposal to the European Parliament and the Council of Ministers by 2003. The Council and Parliament are required to act on the proposal within three years of its presentation.

**Declaration:**

**I have read the Regulatory Impact Assessment and I am satisfied that the balance between cost and benefit is the right one in the circumstances.**

**Signed by the Minister  
responsible .....**

**(Parliamentary Under Secretary of State for  
Consumers and Corporate Affairs)**

**Date .....**

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**Date 10 November 1999**

## Typical cost by type of retailer

Information from the Verdict report and Key Note Ltd publications has been used to assess the likely impact of unit pricing.

### *DIY Superstores*

It has been assumed that the DIY Superstores already have the computer technology which could be used to calculate unit prices and so recurring costs are not expected.

### *Food Stores stores with a net sales area of over 280m<sup>2</sup> but excluding the major multiples*

Table 1<sup>1</sup>

	Variable	Assumptions	Number
(a)	Number of stores	Using Verdict's estimate of the number of Food stores over 280m <sup>2</sup> in size and excluding the major food multiples from that figure.	1800
(b)	Incremental Lines to be price market per store	According to Verdict's estimates, food retailers with net sales areas of 200m <sup>2</sup> - 280m <sup>2</sup> have up to 2,700 product lines qualifying for unit pricing. The range here assumes that this category of food retailers could have up to 1000 product lines more per outlet.	3000 - 4000
(c)	Time taken to unit price	Based on Verdict estimate	15 seconds per product line (or 4 lines per minute across all size bands)
(d)	Incremental weekly time spent on unit pricing per store	(b) x (c)	12.5 - 16.5 hours (750 - 1000 minutes)
(e)	Percentage of lines to be unit priced during a weekly price update per store	Based on Verdict estimate	30%
(f)	Time taken for weekly update per store	(d) x (e)	3.75 - 5 hours
(g)	Hourly labour cost per store	National minimum wage plus NI at 12.2%	£4.04 per hour
(h)	Weekly labour cost per store	(f) x (g)	£15 - £20 per week
(i)	Annual labour cost per store	(h) x 52	£780 - £1,000 per annum

<sup>1</sup> Costs associated with any extra price guns and labels required are considered de minimis.

(j)	Total annual incremental cost	(i) x 1800	£1.4 - £1.8 million per annum
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***DIY Stores with a net sales area of over 280m<sup>2</sup> but excluding DIY Superstores and stores)***

**Table 2<sup>2</sup>**

	<b>Variable</b>	<b>Assumptions</b>	<b>Number</b>
(a)	Number of stores	Verdict's estimate of other DIY stores, as a percentage of their 'other' store type category, and the number of 'other' stores above 280m <sup>2</sup> has been used to estimate the number of medium sized DIY stores	420
(b)	Number of product lines per store	According to Verdict estimates 'other' retailers with a net sales area below 280m <sup>2</sup> stock up to 2,300 product lines and Table 1 gives an estimate for total product lines for DIY superstores as 18,000. We have therefore assumed that the number of product lines for DIY retailers in this category will lie within this range.	9,000 - 10,000
(c)	Incremental Lines to be price marked per store	Estimate that 67% - 80% of lines will need to be unit priced (using Verdict's estimate for % lines that qualify for unit pricing in DIY stores as a lower bound)	6,000 - 8,000
(d)	Time taken to unit price	Based on Verdict estimate.	15 seconds per product line (or 4 lines per minute across all size bands)
(e)	Incremental weekly time spent on unit pricing per store	(c) x (d)	25 - 30 hours (1500 - 2000 minutes)
(f)	Percentage of lines to be unit priced during a weekly price update	Based on Verdict estimate.	30%
(g)	Time taken for weekly update per store	(e) x (f)	7.5 - 9 hours
(h)	Hourly labour cost	National minimum wage plus NI at 12.2%	£4.04 per hour
(i)	Weekly labour cost per store	(g) x (h)	£30 - £36 per week
(j)	Annual labour cost per store	(i) x 52	£1500 - £1800 per annum
(k)	Total annual incremental cost	(j) x 420	£630,000 - £750,000 million per annum

Annex B

**Vending Machines (estimates from AVAB).**

<sup>2</sup> Costs associated with any extra price guns and labels required are considered de minimis.

The Automatic Vending Association of Britain (AVAB) has suggested 4 possible outcomes resulting from the directive. The scrapping of machines, replacing of doors, adjustment of electronics and label and hardware changes.

However, it is clear that where there is no need to adjust the electronics, labels can be used to make necessary adjustments. 20% of the vending machines require electronic adjustments and so in the following table it is assumed that the rest will need label and hardware modifications.

<b>Type of Machine</b>	<b>Cost involved</b>	<b>No of Machines affected</b>	<b>Cost</b>
Machines where labels and hardware changes would be required.	£12 per machine	280,000	£3.4 million
Machines where the electronics need to be redesigned and replaced.	Electronic design costs at £5000 per machine type. 25 companies designing 4 types each.	78,000	£500 000
	<b>TOTAL</b>	<b>358,000</b>	<b>£3.9 million</b>

## The Verdict Report

This study was conducted by Verdict Research in order to assess the cost implications of unit pricing in retail outlets with a net sales area less than 280m<sup>2</sup> within Great Britain. 1018 store managers/owners were interviewed by telephone and the sample was structured to be regionally representative of stores with less than 280m<sup>2</sup> across Britain using the ITV regions. The data was also separated into four 'net sales area' groups (under 100m<sup>2</sup>, 100m<sup>2</sup> - 150m<sup>2</sup>, 150m<sup>2</sup> - 200m<sup>2</sup> and 200m<sup>2</sup> - 280m<sup>2</sup>) and six store types (Food, CTN, Chemist, Off Licence, Forecourt and other) to obtain a more accurate estimate. The following is a summary of the methodology which they used.

- i. The respondents were asked how many product lines they sold within each of ten product categories audited. Combining this data with information on what proportion of the respondents were neither currently unit pricing nor planning to unit price, Verdict were able to estimate the number of incremental lines qualifying for unit pricing.
- ii. Questions were also asked to determine the amount of labour time which would be needed to comply with the directive. Verdict were then in a position to use the national minimum wage to calculate the costs of compliance per store and also the total costs of compliance for retailers with a net sales area of less than 280m<sup>2</sup>.
- iii. Finally, sensitivity analysis was conducted to assess the estimates as certain assumptions were changed.

## Summary of Findings

- The total cost of compliance with unit pricing for shops under 280m<sup>2</sup> is estimated to be just under £22 million per annum.
- The smallest store size band (under 100 square metres) will bear a significant proportion of the total potential cost of unit pricing compliance.
- This amounts to £10.4 million, or 48% of the total annual cost to shops under 280m<sup>2</sup>. They represent 59% of all such shops.
- The next size band (101m<sup>2</sup>-150m<sup>2</sup>) accounts for more than half - 59% - of the number of shops between 101m<sup>2</sup> and 280m<sup>2</sup> and a similar proportion - 55% - of the cost of compliance to shops between 101m<sup>2</sup> and 280m<sup>2</sup>.
- In fact, shops under 150m<sup>2</sup> account for 83% of the number of shops under 280m<sup>2</sup> and 77% of the total cost of unit pricing to shops under 280m<sup>2</sup>.
- The incremental cost per store size band ranges from £133 pa to nearly £313 pa.

### Shops per Size Band

	Total Shops	Under 100 m <sup>2</sup>	100 m <sup>2</sup> - 150 m <sup>2</sup>	150 m <sup>2</sup> - 200 m <sup>2</sup>	200 m <sup>2</sup> - 280 m <sup>2</sup>	Over 280 m <sup>2</sup>
Number of Shops	142,038	77,814	31,850	17,174	5,312	9,888

% of Shops	100.0	54.8	22.4	12.1	3.7	7.0
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**Cost per Store Size Band Ranges**

	Under 100m <sup>2</sup>	100m <sup>2</sup> - 150m <sup>2</sup>	150m <sup>2</sup> - 200m <sup>2</sup>	200m <sup>2</sup> - 280m <sup>2</sup>
Average Annual Cost per Store (£)	133.41	193.30	197.34	312.74

**Annual Incremental Cost per Store (£)**

Store Type	Under 100m <sup>2</sup>	100m <sup>2</sup> - 150m <sup>2</sup>	150m <sup>2</sup> - 200m <sup>2</sup>	200m <sup>2</sup> - 280m <sup>2</sup>
Food	222.98	361.60	530.10	682.34
CTN	167.37	261.42	275.38	420.68
Chemists	238.68	336.14	309.02	456.28
Off Licence	271.36	263.13	276.86	207.00
Forecourt	132.67	147.46	134.45	145.47
Other	42.69	58.82	66.04	85.84
Average Annual Cost per Store (£)	133.41	191.30	197.34	312.74

**Annual Incremental Cost (£,000)**

	Total Shops	Under 100m <sup>2</sup>	100m <sup>2</sup> - 150m <sup>2</sup>	150m <sup>2</sup> - 200m <sup>2</sup>	200m <sup>2</sup> - 280m <sup>2</sup>
Incremental Annual Cost per Size Band	21,525	10,382	6,093	3,389	1,661