

Annex C – Islands Community Impact Assessment

New Year's Day Trading Consultation - Island Communities Impact Assessment – Initial scoping Template

Title of Policy, Strategy or service	Consultation on New Year's Day Trading for large retailers
Policy - New or revision	New
Directorate: Division: Team:	Economic Development Directorate Retail Division Retail Policy Team
Lead Official	Paula Cassells
Minister	Minister for Public Finance, Planning and Community Wealth

Islands (Scotland) Act 2018: -

An ICIA must be prepared in relation to a policy, strategy, or service, which, is likely to have an effect on an island community which is significantly different from its effect on other communities (including other island communities).

1 Define the Policy

Purpose and intended effect:

The Scottish Government has agreed to hold a consultation on New Year's Day trading for large retail businesses. The consultation will include seeking the views of retail organisations, trade unions, retailers and employees on whether large stores should be closed by law from trading on New Year's Day, as they currently are on Christmas Day.

Legislative Background:

The Christmas Day and New Year's Day Trading (Scotland) Act 2007¹ prohibits large shops from opening for the purpose of retail trading on Christmas day and confers power on Scottish Ministers to prohibit such shops opening on New Year's day.

The Act does this by:

- Making it a criminal offence for a large shop to open for the purpose of making retail sales on Christmas day.
- Conferring power on the Scottish Ministers to make it a criminal offence, by order to be approved by the Parliament, for a large shop to open for the purpose of making retail sales on New Year's day, following a consultation, the making of a report on the economic impact and impact on family life on

¹ [Christmas Day and New Year's Day Trading \(Scotland\) Act 2007 \(legislation.gov.uk\)](https://www.legislation.gov.uk)

large stores opening on New Year's Day, and the submission of a statement of reasons to the Parliament

- Defining a large shop as one with a trading floor area exceeding 280 square metres.
- Exempting specified trades or businesses and shops at specified places
- Defining who commits the offence and providing a due diligence defence.²

2 Understand the Situation

1. Is there potentially an effect on an island Community, Demographics, Economic, Social?

There may be an impact on island communities if an Order was made under the Act. Depending on the location, the closing of large stores on New Year's Day where there is no alternative small store nearby could result in restrictions in accessing essential goods on that day.

2. If Yes, would can be done to mitigate for this?

Mitigations could be in ensuring the intended closure is widely promoted amongst island communities so that consumers are able to plan ahead, as they do for Christmas Day.

3. Data and Identify Stakeholders

1. What data is available about the current situation in the islands?

The numbers of shops that are greater than 280 square metres and therefore affected by any change in legislation is not known. However there is some data on the numbers of wholesale retail businesses in rural areas.

The majority of retail businesses operating in Scotland are micro and small businesses. It is estimated, based on the Inter-Departmental Business Register 2020 and 2019 Business Register and Employment Survey that there are 13,790 business units in the retail sector in Scotland, employing directly 233,000 people. Table 1 below shows a Scotland-level disaggregation of characteristics of areas of the retail sector that may be affected by the measures discussed including estimates of employment, number of businesses and business sites and number of premises.

Table 1: Breakdown of the Scottish retail sector

Sector	Employment (2019)	Number of Registered Businesses (2020)	Number of Registered Business Sites (2019)

² [Section 2 of the Christmas Day and New Year's Day Trading \(Scotland\) Act 2007](#)

SIC 47 Retail Trade, except of motor vehicles and motorcycles	233,000	13,790	22,340
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Source: Business Register and Employment Survey; Businesses in Scotland, NDR roll.

Sector	Number of Registered Businesses	Small Registered Businesses (<49 employees)	Medium-Sized Registered Businesses (50-<249 employees)	Large Registered Businesses (250+ employees)
SIC 47 Retail Trade, except of motor vehicles and motorcycles	13,790	13,230	245	310

Source: Businesses in Scotland 2020.

The number of registered wholesale, retail and repair businesses in Scotland, their total Scottish employment and turnover by urban/rural classification

	Number of businesses	Total Scottish employment	Total Scottish turnover (£m)
Large Urban Areas	8,945	141,060	28,738
Other Urban Areas	8,265	146,130	28,625
Accessible Small Towns	1,990	19,620	3,344
Remote Small Towns	1,335	15,440	2,544
Accessible Rural	2,965	26,230	5,340
Remote Rural	1,940	12,340	1,881

Source: Business in Scotland 2020

Retail businesses with a rateable value above £51,000 tends to be concentrated in cities. Those local authorities that have island communities within their boundaries are highlighted in bold in the table below.

Business Units

	% Rateable Value above £51000	% Rateable Value eq below £51000
Aberdeen City	15%	85%
Aberdeenshire	5%	95%
Angus	3%	97%
Argyll and Bute	3%	97%
Clackmannanshire	5%	95%

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Dumfries and Galloway	5%	95%
Dundee City	11%	89%
East Ayrshire	4%	96%
East Dunbartonshire	7%	93%
East Lothian	5%	95%
East Renfrewshire	4%	96%
City of Edinburgh	13%	87%
Na h-Eileanan Siar	1%	99%
Falkirk	6%	94%
Fife	6%	94%
Glasgow City	10%	90%
Highland	8%	92%
Inverclyde	5%	95%
Midlothian	10%	90%
Moray	6%	94%
North Ayrshire	5%	95%
North Lanarkshire	6%	94%
Orkney Islands	3%	97%
Perth and Kinross	6%	94%
Renfrewshire	11%	89%
Scottish Borders	4%	96%
Shetland Islands	2%	98%
South Ayrshire	6%	94%
South Lanarkshire	8%	92%
Stirling	10%	90%
West Dunbartonshire	9%	91%
West Lothian	13%	87%

Source: OCEA

2. Are there any data gaps, how will these gaps be filled?

The exact numbers of retailers and employers that may be affected is not known, but each of the local authorities highlighted will be directly consulted.

3. Appropriate Stakeholders and Island communities to consult with

The consultation is open to all retailers and shop workers and will be promoted widely including by asking national business organisations to promote through their internal channels.