

New Year's Day Trading in Large Retail Stores

**Report On Economic Impact & Impact on
Family Life**

October 2021

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1. Background

The Christmas Day and New Year's Day Trading (Scotland) Act 2007 prohibits large shops from opening for the purpose of retail trading on Christmas Day and confers power on Scottish Ministers to prohibit such shops from opening on New Year's Day. Since the Act came into force in 2007 large stores have closed for the purposes of making retail sales on Christmas Day, however trading on New Year's Day has not yet been restricted.

This economic and family life report sets out the estimated impact on businesses if legislation were to be passed that would close large retail stores to the public on New Year's Day, exploring both the potential impact on the Scottish economy and family life. Metrics to understand the retail sector's fair work principles are considered in relation to alternative means of supporting those employed in the sector. This report also explores the current economic climate and the recent and ongoing impact that Covid-19 has had on the retail sector.

Under the Christmas Day and New Year's Day Trading (Scotland) Act 2007, a large retail store is defined as one with a trading floor area exceeding 280 square metres (3,000 square feet). As a result, data on the direct businesses that would be impacted by this legislation are limited as the majority of official statistics do not define businesses in this manner. It should also be noted that some exemptions may be applied to specified trades or businesses and shops at specified places. It is difficult to use standard definitions of business size such as employee size and turnover given that the physical size of a store does not easily align with these definitions and is likely to overlap.

2. Summary

- According to estimates, 1,353 large retail outlets could be required to close on New Year's Day under the legislation potentially affecting an estimated 141,000 employees, roughly 61% of retail employment in Scotland – although this is an overestimate and it is likely that some staff may be required to work even if the store is not allowed to trade.

- The retail sector in Scotland has faced varying impacts from the Covid-19 pandemic as sectors faced different restrictions to contain the spread of the virus. Impacts differed across retail sub-sectors with non-essential retail stores (e.g. clothing) required to close for prolonged periods while essential retail (e.g. food) stores were able to trade throughout.
- The overall economic impact of restricting trade of large retail stores on New Year's Day is not expected to be significant when considering the possible options faced by consumers. Closing large retail stores, however, may have differing impacts on certain businesses, for example, those unable to trade online being disadvantaged.
- The campaign to close large retail stores on New Year's Day anticipates a wellbeing benefit of allowing employees to take 1 January as a holiday. The majority share of retail employees who responded to the Scottish Government's consultation were in favour of this, but it should be noted that some employees may still be required to work, not receive paid leave and some employees may be financially penalised as they can no longer access premium payments or overtime for working on New Year's Day. The benefits of additional time off over the festive period have been recognised by some retailers who have announced plans to close on Boxing Day.
- The retail sector generally performs below average in regards to some fair work metrics explored in this report such as employee pay. It is found that increased adoption of fair work principles leads to improved outcomes, such as improved mental wellbeing, reduced in-work poverty, increased real wage growth, and increased productivity.

3. Recent Trends for Retail Sector in Scotland

The retail sector is defined by the Standard Industrial Classification (SIC 2007) division 47 (Retail trade, except of motor vehicles and motorcycles). The retail sub-sector falls under the broader wholesale, retail, repair of vehicles sector as (SIC 2007) section G. Statistics are a mixture of both definitions but are shown for SIC 47 where possible.

The following data sets out the key economic trends for the retail sector in Scotland. It should be noted that due to the nature of some these statistical publications data lags exist and some figures may refer to different years or periods. The statistics set out in this note are the most recent data available at time of writing.

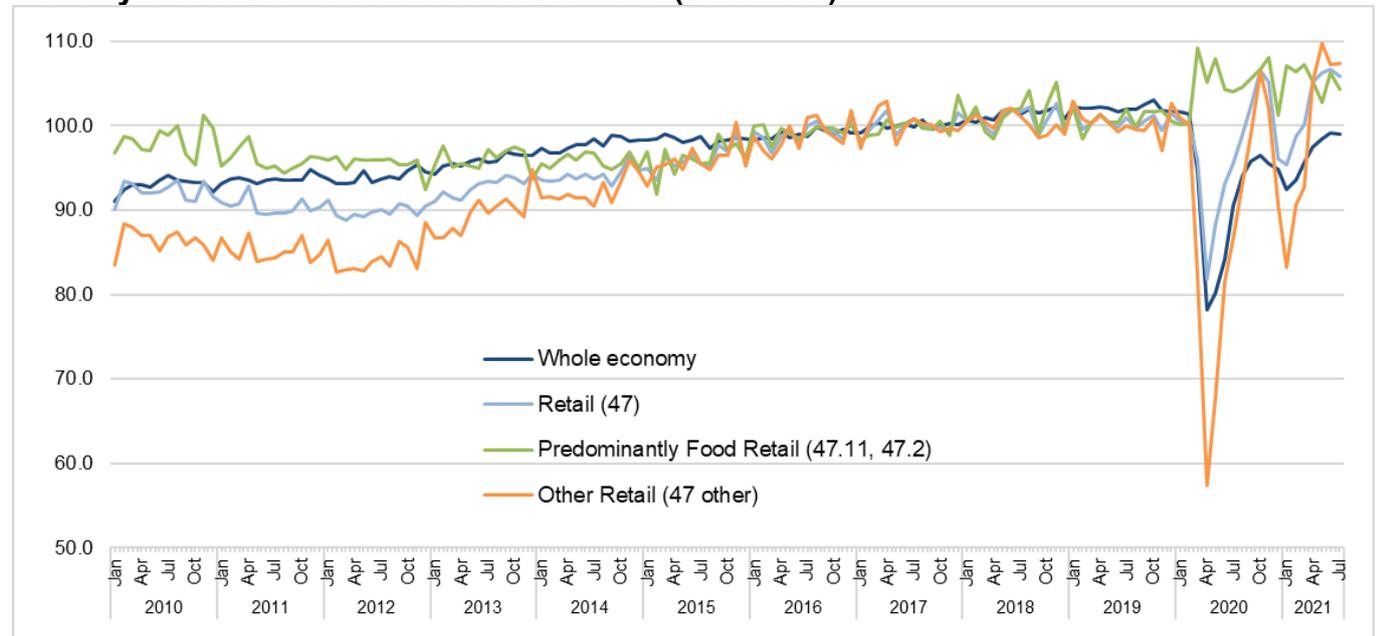
Monthly GDP¹ (July 2021)

While the Covid-19 pandemic is first and foremost a health crisis, it has also had an unprecedented impact on businesses and the economy since March 2020. The public health measures introduced to contain the spread of the virus necessitated the temporary closure of many retail businesses during multiple lockdown periods and required others to restrict or change how they operate. Chart 1 below shows how severely the Covid-19 pandemic has affected Scotland's retail sector over the past

¹GDP Monthly Estimate: July 2021 - gov.scot (www.gov.scot) [experimental official statistics].

year and a half in terms of GDP². Two significant dips can be seen as retail output fell 14.8% in April 2020 compared to March 2020 due to the first national lockdown and fell again in December 2020, however to a lesser extent (down 8.7% compared to November 2020).

Monthly Gross Domestic Product Estimate (2017=100)³



In the retail sector, total output is estimated to have decreased by 0.9% in July 2021 compared to June 2021, following increases of 0.5% in June and 1.0% in May, and further increases of 5.0% in April and 1.6% in March. In regards to GDP, the retail sector as a whole has now recovered from the pandemic with output now 10.8% higher than 12 months ago (July 2020) and 4.8% higher than in July 2019, before lockdown measures were introduced. While the retail sector has bounced back according to monthly GDP statistics, it should be noted that there will be varying experiences at a business level.

The chart above shows the varying impacts faced by the two main sub-sectors of the retail sector during the Covid-19 pandemic. The predominantly food retail sub-sector saw an increase in output at the beginning of the pandemic (up 8.8% in March 2020 compared to February 2020) as consumers stocked up on groceries. The other retail sub-sector – which includes clothing and other retail stores that were required to close for some periods under the Scottish Government’s Covid-19 restrictions – saw a decline in output of 17.9% in comparison (March 2020 compared to February 2020). Both sub-sectors have since seen a recovery with predominantly food retail reporting an increase of 2.4% and other retail an increase of 7.3% compared to July 2019.

² Gross Domestic Product (GDP) is the main indicator of economic activity in Scotland by measuring the size and health of the economy over a period of time. GDP covers the activities of households, businesses and government as both producers and consumers. Changes in GDP are estimated using the output of each industry.

³ Note: seasonally adjusted chained volume measures presented in real terms (adjusted to remove inflation) and relate to Scotland’s onshore economy (which does not include offshore oil and gas extraction).

In July 2021, the output of the Scottish onshore economy as a whole is provisionally estimated to have decreased by 0.2% compared to June 2021. This fall in output comes after increases of 0.8% in June, 0.9% in May, 1.9% in April and 2.3% in March. Despite these recent increases, Scotland's output remains 2.4% below the level in February 2020, prior to the lockdown measures.

Employment⁴ (2019)

Sector	Employment	% Part-time Employees
Retail Trade, except of motor vehicles and motorcycles (SIC 47)	233,000	63.1%
Predominantly Food Retail (SIC 47.2 and SIC 47.11)	98,000	69.8%
Non-food/ Other Retail (SIC 47 excl. SIC 47.2 and SIC 47.11)	135,000	58.1%

In 2019, total employment in the Scottish retail industry was 233,000, accounting for 9.0% of all employment in Scotland. There has been no change in retail employment compared to 2018. The Scottish retail sector accounts for 8.1% of total retail employment in Great Britain (2,863,000 jobs in 2019).

63.1% of employees in the retail sector in Scotland worked part-time⁵ in 2019 compared to 34.0% of the total employee population. The proportion of part-time employees in the retail sector has remained broadly stable since 2015. Employees working in the predominantly food retail sub-sector (69.8%) are more likely to work part-time than those in other retail (58.1%).

- In Jan-Dec 2020, it was estimated that 94.5% of employees aged 16+ in the retail sector in Scotland were in contractually secure employment (employees employed on a permanent contract), slightly lower than all sectors in Scotland (94.6%)⁶.
- In Jan-Dec 2019, it was estimated that 13.9% of those working in the retail sector were self-employed compared to 12.4% for all sectors in Scotland⁷.

Turnover and GVA⁸ (2018)

The following official statistics for turnover and GVA⁹ refer to 2018 due to time lags in collecting and producing this data. The Scottish Government has developed timelier, experimental statistics such as monthly GDP to help track the rapidly changing picture during the pandemic.

⁴[Business Register Employment Survey \(BRES\) 2019](#)

⁵ Part-time employees are defined here as those working 30 hours or less per week.

⁶ Annual Population Survey, Jan-Dec 2020.

⁷ Annual Population Survey, Jan-Dec 2019.

⁸ [Scottish Annual Business Statistics 2018 - gov.scot \(www.gov.scot\)](#)

⁹ Gross value added (GVA) represents the amount that individual businesses, industries or sectors contribute to the economy. It is the value of an industry's outputs less the value of intermediate inputs used in the production process.

In 2018, Gross Value Added (GVA) in the Scottish retail sector was £5.8 billion (7.9% of UK total), whilst turnover stood at £23.6 billion (6.2% of UK total). GVA in the Scottish retail sector fell by 7.9% between 2017 and 2018 (from £6.3 billion to £5.8 billion).

Retail is an important contributor to the services sector and was the largest services sector contributor to GVA in 2018 (excludes the financial sector and parts of the public sector). Within services, the three largest contributions came from retail trade [SIC 47] at £5.8 billion (10.2% of total services GVA), wholesale trade [SIC 46] at £5.1 billion (9.0%) and architectural & engineering activities [SIC 71] at £4.6 billion (8.1%).

The local authority areas contributing most to total GVA within retail in 2018 were Glasgow City (13.5%), City of Edinburgh (10.0%) and Aberdeen City (7.4%). These three local authority areas together accounted for around 30% of the business sites, 32% of employment, 31% of turnover and 31% of GVA in the Scottish retail sector.

Earnings¹⁰ (2020)

Median weekly pay – excluding overtime – for full-time employee jobs in the retail industry (SIC 2007 – division 47) in Scotland was £393 in April 2020. This is significantly lower than the equivalent median value across all industries and services in Scotland, which stood at £576¹¹.

In 2019, 42.5% of employees aged 18+ in the Wholesale, retail, repair of vehicle industry (SIC Section G) earned less than the real living wage (£9.00), compared with 16.9% of all employees in Scotland.

Enterprises¹² (2020)

Sector	Number of Registered Businesses	Micro Registered Businesses (0-9 employees)	Small Registered Businesses (10-<49) employees)	Medium-Sized Registered Businesses (50-<249 employees)	Large Registered Businesses (250+ employees)
Retail Trade, except of motor vehicles and motorcycles (SIC 47)	13,790	11,930	1,300	245	310
Predominantly Food Retail (SIC 47.2 and SIC 47.11)	4,690	4,104	545	30	10
Non-food/ Other Retail (SIC 47 excl. SIC 47.2 and SIC 47.11)	9,100	7,826	755	215	300

¹⁰ [Annual Survey for Hours and Earnings \(ASHE\): 2020 - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)

¹¹ Further detail on earnings in the retail sector is set out in Section 6.

¹² [Businesses in Scotland: 2020 - gov.scot \(www.gov.scot\)](https://www.gov.scot)

In March 2020, 13,790 registered enterprises¹³ operated in the Scottish retail sector (SIC 47 - Retail trade and repairs). This is a rise from 13,715 registered enterprises in the prior year. Despite this recent increase the total number of registered enterprises operating in the retail sector in Scotland has decreased from 14,675 in 2014 to 13,790 in 2020. Two thirds (66%) of registered businesses in the retail sector were in the non-food/other retail sub-sector¹⁴.

Small enterprises (0-49 employees) accounted for 95.9% of businesses in the sector, but only 25.1% of employment and 18.1% of turnover. Large enterprises (250+ employees), which comprised around 2.2% of enterprises, accounted for 69.6% of employment and 76.8% of turnover.

Demographics of the retail sector¹⁵

- Women are more likely than men to work in the retail sector. In Jan-Dec 2020, it was estimated that women made up 60.7% of those in employment aged 16+ in the retail sector in Scotland, up slightly from 60.5% in 2019.
- A comparatively high proportion of the workforce are young people. In Jan-Dec 2020, it was estimated that young people (16-24) made up 28.7% of those in employment in the retail sector in Scotland compared to 11.1% for all sectors in Scotland. In Jan-Dec 2019, it was estimated that 26.0% of those in employment in the retail sector were aged 16-24 compared to 12.3% for all sectors in Scotland.
- In Jan-Dec 2020, it was estimated that 28.9% of those in employment in the retail sector in Scotland were aged 50 or over compared with 33.0% for all sectors in Scotland. In Jan-Dec 2019, it was estimated that 25.6% of those in employment in the retail sector were 50 years old or older compared with 33.0% for all sectors in Scotland.
- In Jan-Dec 2020, it was estimated that 6.2%¹⁶ of those in employment aged 16+ in the retail sector in Scotland were minority ethnic compared with 4.5% for all sectors in Scotland. In Jan-Dec 2019, it was estimated that 6.4% of those in employment in the retail sector were minority ethnic compared with 4.3% for all sectors in Scotland.
- In Jan-Dec 2020, it was estimated that 27.9% of those in employment aged 16-64 in the retail sector in Scotland had a condition/illness lasting 12 months or more, compared with 27.2% of workers in all sectors in Scotland. In Jan-Dec 2019, it was estimated that 28.5% of those in employment in the retail sector in Scotland had a condition/illness lasting 12 months or more, compared with 27.5% of workers in all sectors in Scotland.
- In Jan-Dec 2019, it was estimated that 27.6% of those in employment aged 16-64 in the retail sector in Scotland were parents of dependent children aged 0-18, slightly lower than the share for all sectors in Scotland (31.8%).

¹³ Excludes central and local government.

¹⁴ Further detail on enterprises in the retail sector is set out in Section 5.

¹⁵ Annual Population Survey, Jan-Dec datasets, ONS

¹⁶ This estimate may be less precise and should be used with caution.

- In Jan-Dec 2019, it was estimated that 17.2% of those in employment aged 16-64 in the retail sector in Scotland were Equality Act Disabled, higher than the share for all sectors in Scotland (13.6%).

Women-led SME employers (2019)¹⁷

(Defined as controlled by a single woman or having a management team of which a majority were women.)

- 14% of SME employers in Scotland were women-led, broadly in line with the prior year (15%) and the UK as a whole (15%).
- 17% of SME employers in the Retail, Transport and Accommodation (SIC G, H & I) sector in Scotland were women-led.

MEG-led SME employers (2019)

(Defined as controlled by a minority ethnic or having a management team of which a majority are ethnic minority groups.)

- 4% of SME employers in Scotland were MEG-led, broadly in line with the UK as a whole (5%) and the prior year (2%).
- 6% of SME employers in the Retail, Transport and Accommodation (SIC G, H & I) sector in Scotland were MEG-led.

4. Impact of Covid-19 on the Retail Sector

While the Covid-19 pandemic is first and foremost a health crisis, it has also had an unprecedented impact on businesses and the economy since March 2020. The public health measures introduced to contain the spread of the virus necessitated the temporary closure of many businesses during multiple lockdown periods and required others to restrict or change how they operate. As a result, impacts differed across sectors with non-essential retail stores (e.g. clothing) required to close for prolonged periods. On the other hand essential retail (e.g. food) were allowed to trade and saw increased output throughout this period (see monthly GDP data in Section 3). Businesses that were able to trade online will have also had an advantage. These varying impacts should be noted as the following data cannot be broken down to compare these retail sub-sectors.

Business Insights and Conditions Survey (BICS)

The Business Insights and Conditions Survey (BICS) is a UK-wide fortnightly business survey, published by the Office for National Statistics (ONS), that captures businesses' responses on how their turnover, workforce, prices, trade and business resilience have been affected by the Coronavirus pandemic over two week reference periods. The results in this note relate to wave 40 of the survey covering the two week period 20 September – 3 October 2021.

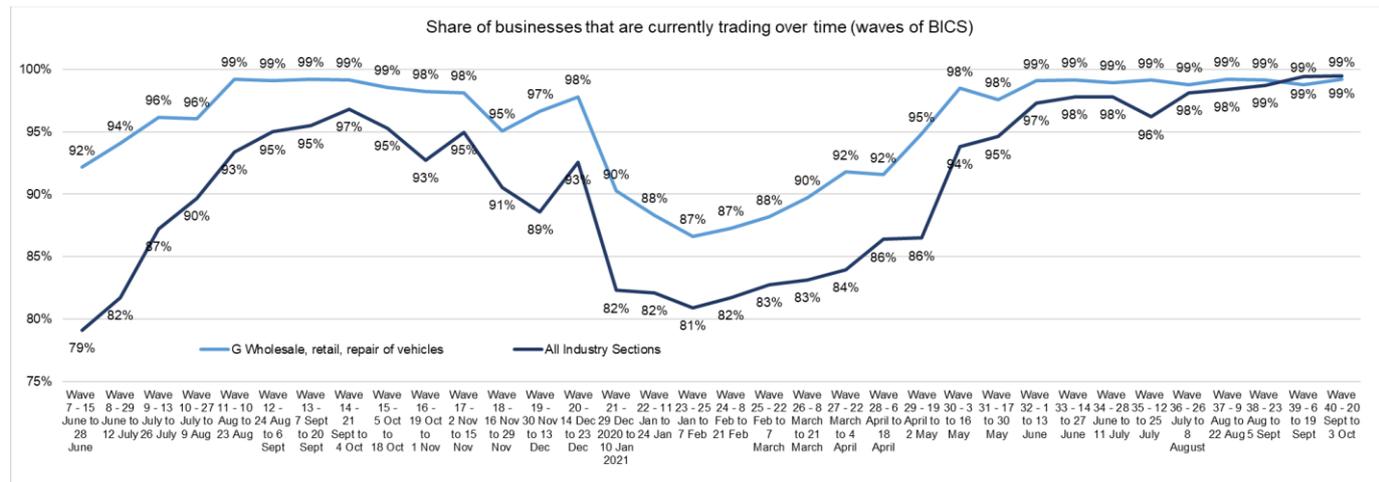
The results for Scotland presented here have been weighted using the Office of the Chief Economic Adviser's (OCEA) own weighting system to be more representative

¹⁷ Small Business Survey Scotland 2019

of the business population in Scotland. Note that in some cases the weighted data for Scotland cannot be compared to the published UK data.

The data is for businesses with 10+ employees with a presence in Scotland. The coverage of micro businesses (1-9 employees) in BICS for Scotland is currently not robust. The results for Scotland, particularly the sectoral results, should be treated with caution given small sample sizes. Where possible, it is corroborated with other sources to test for robustness.

Ability to trade



At the time of wave 7 of the BICS, when initial lockdown measures were still in place, 92% of wholesale, retail, repair of vehicles firms with a presence in Scotland were trading, above the average for all sectors (79%). The lowest point of activity for the wholesale, retail, repair of vehicles sector was during the nationwide lockdown at the beginning of 2021 when 87% were trading. Despite this, businesses in the wholesale, retail, repair of vehicles sector were more likely to continue to trade across all waves of the survey compared to all businesses in Scotland.

Almost all (99%) wholesale, retail, repair of vehicles firms were trading in the most recent wave (20 September – 3 October 2021) of the survey as non-essential retail restrictions eased in Scotland on 26 April 2021.

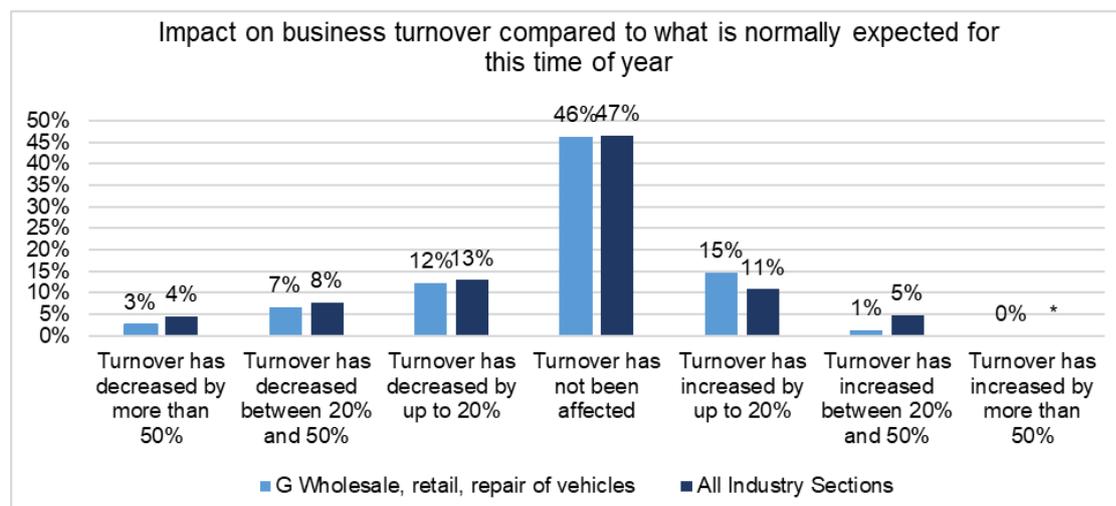
Turnover¹⁸

21% of wholesale, retail, repair of vehicles firms with a presence in Scotland reported that their turnover has decreased compared to what is normally expected for this time of year, lower than the average for all businesses (25%). 16% reported increased turnover. 46% of wholesale, retail, repair of vehicles firms reported that turnover has not been affected.

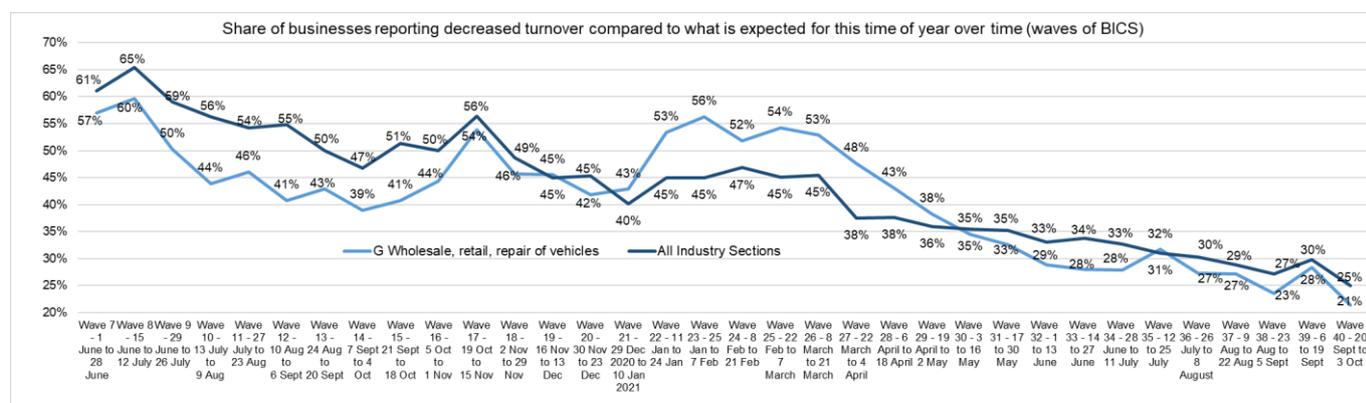
Over a third (35%) of wholesale, retail, repair of vehicles firms with a presence in Scotland reported that the main reason for their business's change in turnover is the

¹⁸ * proportion less than 1% or base count less than 25.

Covid-19 pandemic. A quarter (25%) stated both the pandemic and the end of the EU transition period as the reason, and 18% stated other.



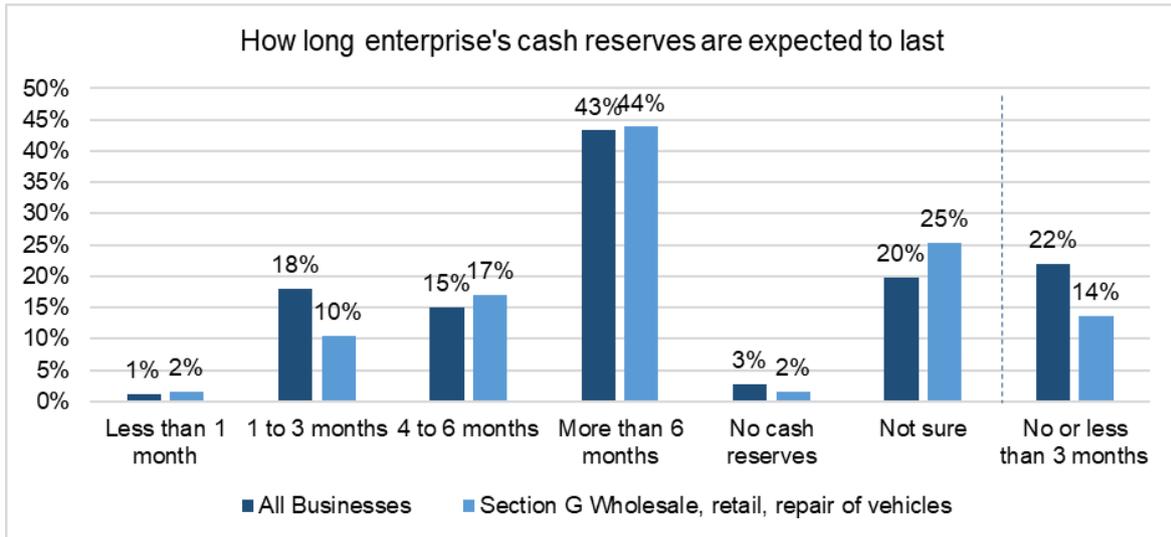
Across the period June 2020 to October 2021, businesses in the wholesale, retail, repair of vehicles sector have faced varying restrictions due to the Covid-19 pandemic which is reflected by the share reporting decreased turnover in the chart below. A peak of 56% wholesale, retail, repair of vehicles businesses reported decreased turnover during the national lockdown at the beginning of 2021. This has now fallen to a low of 21% businesses during the most recent wave of the survey (20 September to 3 October 2021).



Cashflow

14% of businesses in the wholesale, retail, repair of vehicles sector that had not permanently stopped trading reported having no or less than 3 months cashflow in the period 6 to 19 September 2021 (Wave 39¹⁹), compared with 22% for the economy overall. 2% reported having no cash reserves.

¹⁹ This question was not asked in the most recent wave of BICS (Wave 40).



Staffing

Only 1% of the workforce were on furlough leave in wholesale, retail, repair of vehicles sector in the latest wave of BICS, for which we have robust data (Wave 39²⁰), compared to 6% of all businesses. This is a decline from 26% at its peak when Covid-19 restrictions were in place at the beginning of 2021 for non-essential retail.



7% of the workforce were working remotely for a business in the wholesale, retail, repair of vehicles sector compared to 18% of the workforce for all businesses.

Only 2% of wholesale, retail, repair of vehicles firms were expecting to make any of their workforce redundant over the next three months compared to 3% for all businesses.

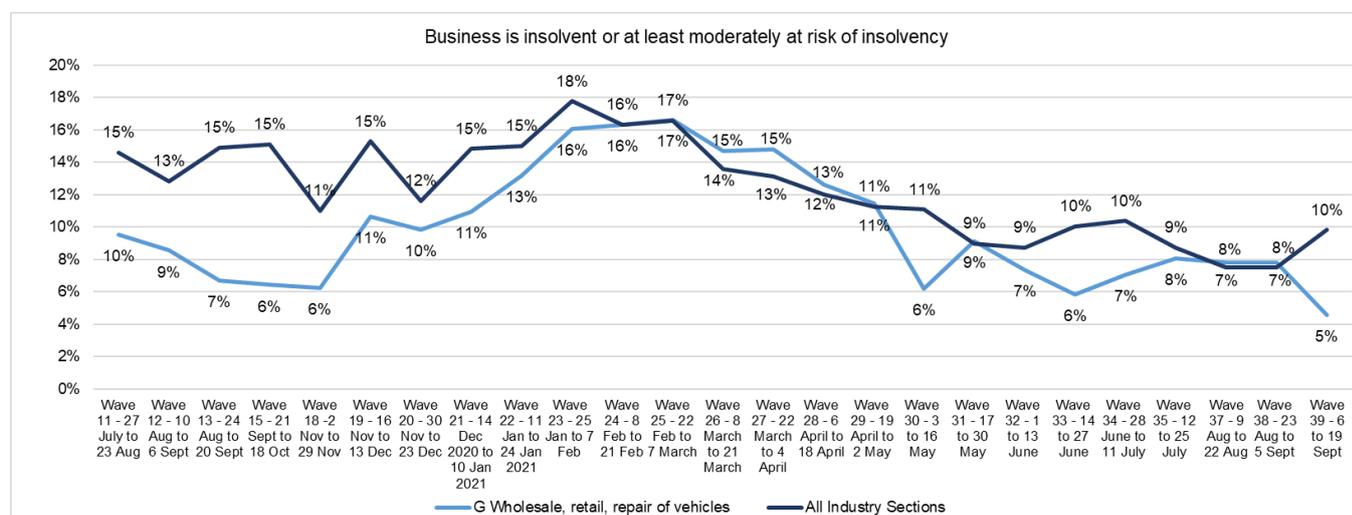
Insolvency

5% of wholesale, retail, repair of vehicles firms with a presence in Scotland that had not permanently stopped trading reported to be insolvent or at least moderately at risk of insolvency in the period 6 to 19 September 2020 to 7 February 2021 (Wave 39²¹), compared to

²⁰ Data for the Wholesale, Retail, Repair of Vehicles sector was disclosive in Wave 40 of BICS.

²¹ This question was not asked in the most recent wave of BICS (Wave 40).

10% for all businesses. Wholesale, retail, repair of vehicles firms were less likely to be insolvent or at least moderately at risk of insolvency compared to all industries in the first lockdown in 2020, however this was reversed in the lockdown at the beginning of 2021.



Impact on sales²²

According to the Scottish Retail Consortium’s (SRC) latest data the retail sector in Scotland is still experiencing low sales compared to pre-pandemic (prior to March 2020). Total retail sales increased by 1.3% in September 2021 compared to the previous year (September 2020). Total food sales in September 2021 increased by 0.4% as well as non-food sales that increased by 2.1% compared to the year before. On a two-year basis, however, total sales continued to perform below pre-pandemic levels with sales down 9.1% compared to September 2019.

Impact on retail footfall

SRC’s Footfall Monitor shows that footfall decreased by 19.9% in September 2021 compared to pre-pandemic (September 2019), but saw an increase of 1.3% from August 2021²³. The chart below shows the varying impact on footfall for the two retail sub-sectors (grocery & pharmacy stores vs retail & recreation) across the pandemic in the UK. The number of visitors to retail stores and recreation businesses over the pandemic saw a greater decline than grocery and pharmacy stores. This is because grocery and pharmacy stores were deemed essential during lockdown and could remain open. Other retail and recreation businesses will have therefore experienced lower footfall during this period.

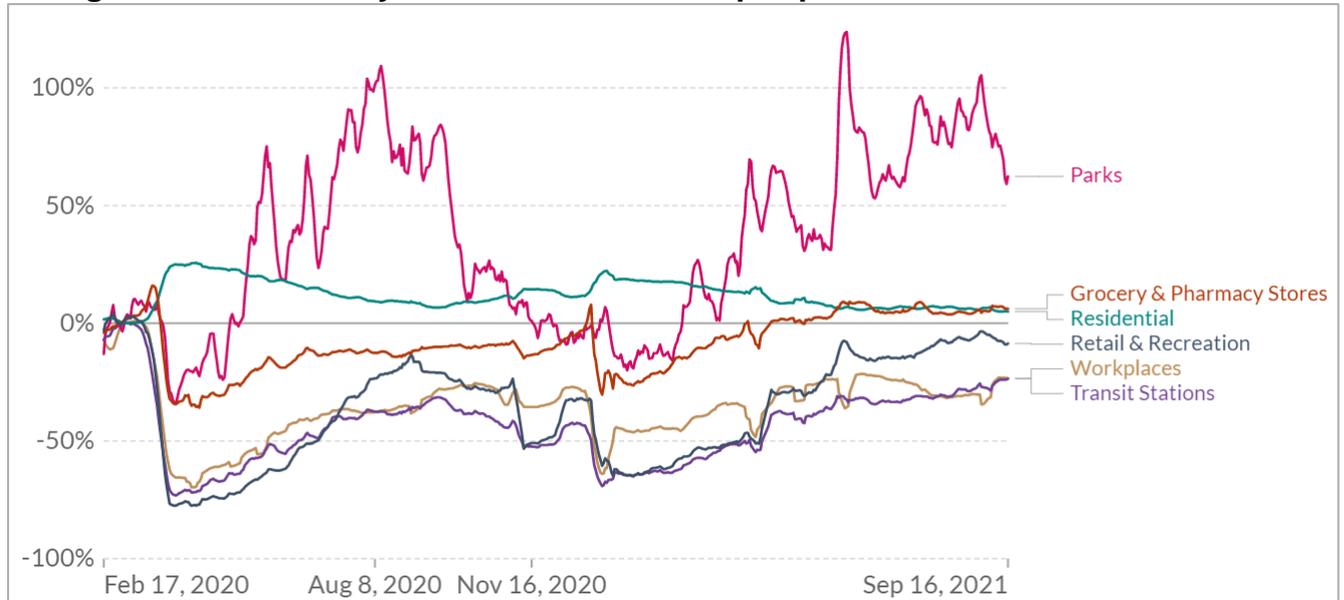
On 1 January 2020 (New Year’s Day), retail and recreation footfall was down 59% and grocery and pharmacy was also down 27% compared to pre-pandemic average. This was the second lowest point during the pandemic, however this will have been heavily influenced by nationwide lockdown restrictions imposed at the start of 2021 and will not reflect usual trading activity. It should also be noted that many

²² SRC-KPMG Scottish Retail Sales Monitor – September 2021

²³ As above.

businesses voluntarily closed on New Year's Day. *Note: Google Mobility data is not available pre-pandemic and has been made available for Covid-19 analysis.*

Change in UK community movement relative to pre-pandemic



Source: Google Mobility data, September 2021

Impact on Online sales

The considerable impact of the Covid-19 pandemic on e-commerce activity has been evident. Due to lockdown measures, online retail sales as a percentage of total retail sales has seen record highs across the UK with a peak of 36.5% in January 2021. Online sales made up 25.9% of retailing in the UK in September 2021. Despite the recent decline, online sales are still significantly higher than February 2020's pre-pandemic levels. The chart below also shows the spike every November before Christmas 2020 when online sales' share of total retail sales is at its highest.

Internet sales as a % of total retail sales (ratio) in the UK, September 2021



Source: ONS Retail Sales Index

5. Economic Impact of New Year's Day Closure of Large Retail Stores

Due to lack of statistical evidence, it is difficult to estimate the direct economic impact of large retail stores (> 280 square metres) closing annually on New Year's Day in Scotland. Thirteen leading business representative groups and industry bodies including CBI Scotland, Scottish Retail Consortium and Scottish Chambers of Commerce have jointly written to Scottish Ministers urging them to reject the legislation as they believe it will add to the economic pressures already facing retailers due to the pandemic: *"Curtailing [trading] through legislation would diminish consumer choice and add to the economic pressures facing retailers, their supply chain, and our town and city centre economies"*²⁴. There are possible outcomes, in relation to sales, of the potential closure of these stores:

- **Displacement:** if large retail stores are closed then spend from that day could simply be displaced in time to the same shop/company. Consumers will either plan ahead and shop before the required closure, or delay spend until the following day(s). As a result, larger retail businesses will not face an overall financial loss as consumers spread their spending - which is easier to do for retail goods than, for example, hospitality as the public celebrate events on certain days. If employees that will now have the day off are planning to celebrate on New Year's Day by hosting a family gathering, this may even increase spending on groceries preceding the closure.
- **Displacement to smaller shops** (< 280 metres squared) which can open on New Year's Day according to the legislation. These smaller retail stores are more likely to be local to consumers and employ fewer staff than larger stores. As a result, smaller businesses may see a financial gain at the loss of the larger stores. This, however, is not expected to be significant from one day's trading activity. Note: large companies may have smaller premises that may remain open if they meet the terms of the legislation (trading floor < 280 metres squared).
- Retail spending could be **diverted to online sales**. Non-food retail businesses are more likely to be financially impacted by this outcome given the large share of other retail online businesses (e.g. clothing and homeware). It is likely that if a consumer shops for food online it will be with a large retailer that has both a large bricks & mortar and online presence.
- Consumers can **save their money** that they may have spent in retail stores on New Year's Day which can be displaced into **other sectors** such as hospitality which can remain open, or there may be a very small increase in saving.
- Staff who would have worked in large stores may lose out on overtime pay, so have **less to spend/save** on retail or other sectors. On the other hand, the overall cost for retail businesses with large stores may be levelled out by lower labour costs.

²⁴ [SRC: Industry bodies unite to call for rejection of New Year Trading Ban \(brc.org.uk\)](https://www.brc.org.uk/news/industry-bodies-unite-to-call-for-rejection-of-new-year-trading-ban)

Given these potential outcomes, it is unlikely that the closure of large retail stores will have a significant negative impact on Scotland's overall economy. It can, however, have an impact on affected retailers' profits but again this may not be significant if consumers simply delay their spending. While official data does not allow us to analyse retailers' turnover by day, New Year's Day does not tend to experience the same high levels of activity seen on the weeks leading up to Christmas Day and other sales days like Black Friday and Boxing Day. Some large retailers have already made the decision to close their stores on Boxing Day 2021 such as Morrison's²⁵. Many large retailers also made this decision in 2020 to close on Boxing Day for their staff as a thank you for their response to the Covid-19 pandemic.

There are expected to be sectoral differences with regard to impact when comparing food and non-food/other retail. In regards to food retail, consumers can pre-plan and delay spending before or after the closure of the large stores. If they decide to shop online it is likely that one of the large food retailers will be used given this saturated market. Smaller grocery stores may also benefit from shoppers that require groceries on New Year's Day as they are not required to close under the legislation. On the other hand, non-food/other retail has a more competitive online market e.g. clothing retail. As a result larger non-food/other retail stores that rely on bricks and mortar shops may not stand to benefit. While non-food/retail businesses tend to have sales in January, potential spending on New Year's Day can also be displaced to other trading days.

CEBR Bank Holiday research

There is limited analysis on the economic impact of this type of sectoral closure on a specific day such as New Year's Day, which is traditionally seen as more of a national holiday in Scotland than the rest of the UK, given the importance of Hogmanay, first footing and other specifically Scottish traditions. Studies have been undertaken on the impact of bank holidays such as a recent update (May 2020²⁶) to a renowned study by the Centre for Economic and Business Research (CEBR) in 2012, which estimated a cost of £2.3 billion per bank holiday to the UK economy. The updated analysis by CEBR in 2020, however, found that there may not be an overall negative economic impact through lost productivity on a bank holiday, due to increased flexibility in working practices since the original research and the balancing effect of increased trading to retail, hospitality and catering sectors.

Lost output on bank holidays is from sectors such as business services and manufacturing that are likely to close on a bank holiday, however retailers and service industries benefit from increased footfall on bank holidays as they are generally open. This research found that retail sales are boosted by 15% per day for a UK bank holiday with a bias towards furniture, gardening and DIY. The New Year's Day legislation, however, will see a different impact than the standard bank holiday given that only large retail stores will be required to close. Other service sectors such as hospitality and visitor attractions may therefore still see an additional boost. The CEBR did note that the only reason why an additional UK bank holiday might cause

²⁵ <https://www.bbc.co.uk/news/business-58167627>

²⁶ <https://cebr.com/reports/an-october-bank-holiday-may-even-boost-the-economy-but-does-that-mean-we-should-move-to-a-4-day-week/>
<https://www.bbc.co.uk/news/business-17654781>

problems is if the additional costs to employers damaged financial positions that have in many cases already experienced hardship due to the Covid-19 pandemic, however these effects could be minimised as long as employees negotiate flexibly over pay and shift premiums.

Daily Turnover

While we do not have data for specific trading days for the retail sector in Scotland, estimations have been made on the average daily turnover per business and per shop (retail unit) for 2018. The average daily turnover for the retail sector as a whole in Scotland is £64.6 million and £2,905 per site (shop), however this is not constant and will vary by day as well as by type of retail.

Retail food stores' (SIC 47.11) average total daily turnover is £30.5 million and £6,663 per site (shop), which is higher than retail as a whole. Daily turnover per site (shop) increased by size as defined by number of employees. Daily turnover is also higher for food retail stores that are part of an enterprise group (e.g. supermarket chain).

Estimated Average Daily Turnover of Retail (SIC 47) Stores

Type of Business	Number of Sites (Shops)	Annual Turnover (£m)	Daily Turnover Average (£m)	Daily Turnover Average per site (shop) (£)
Retail (SIC 47)	22,240	23,584.6	64.6	2,905.4
Scotland total (exc. Financial sector and parts of public sector)	191,065	240,294.5	658.3	3,445.6

Source: Scottish Annual Business Statistics 2018

Estimated Average Daily Turnover of Food Retail Stores by Employee Size

Size of Site (Shop)	Number of Sites (Shops)	Annual Turnover (£m)	Daily Turnover Average (£m)	Daily Turnover Average per Site (Shop) (£)
0-4 employees	2,799	694	1.9	679
5-9 employees	342	317	0.9	2,542
10-14 employees	464	508	1.4	2,998
15-49 employees	670	1,823	5.0	7,453
50+ employees	308	7,805	21.4	69,425
Total	4,583	11,147	30.5	6,663

Sector definition: SIC07 47.11 Retail sale in non-specialised stores with food, beverage or tobacco predominating - in Scotland in 2018

Source: Scottish Annual Business Statistics 2018

Estimated Daily Turnover of Food Retail Stores by Type of Business

Type of Business	Number of enterprise groups (e.g. Companies)	Annual Turnover (£m)	Daily Turnover (£m)	Daily Turnover Average by Enterprise Group (£)
Not part of an Enterprise Group - e.g. Independent Corner Shop	2,853	873	2.4	838
Part of an Enterprise Group (e.g. Supermarket or Shop Chain)	49	10,273	28.1	574,414
Total	2,902	11,147	30.5	10,523

Sector definition: SIC07 47.11 Retail sale in non-specialised stores with food, beverage or tobacco predominating - in Scotland in 2018

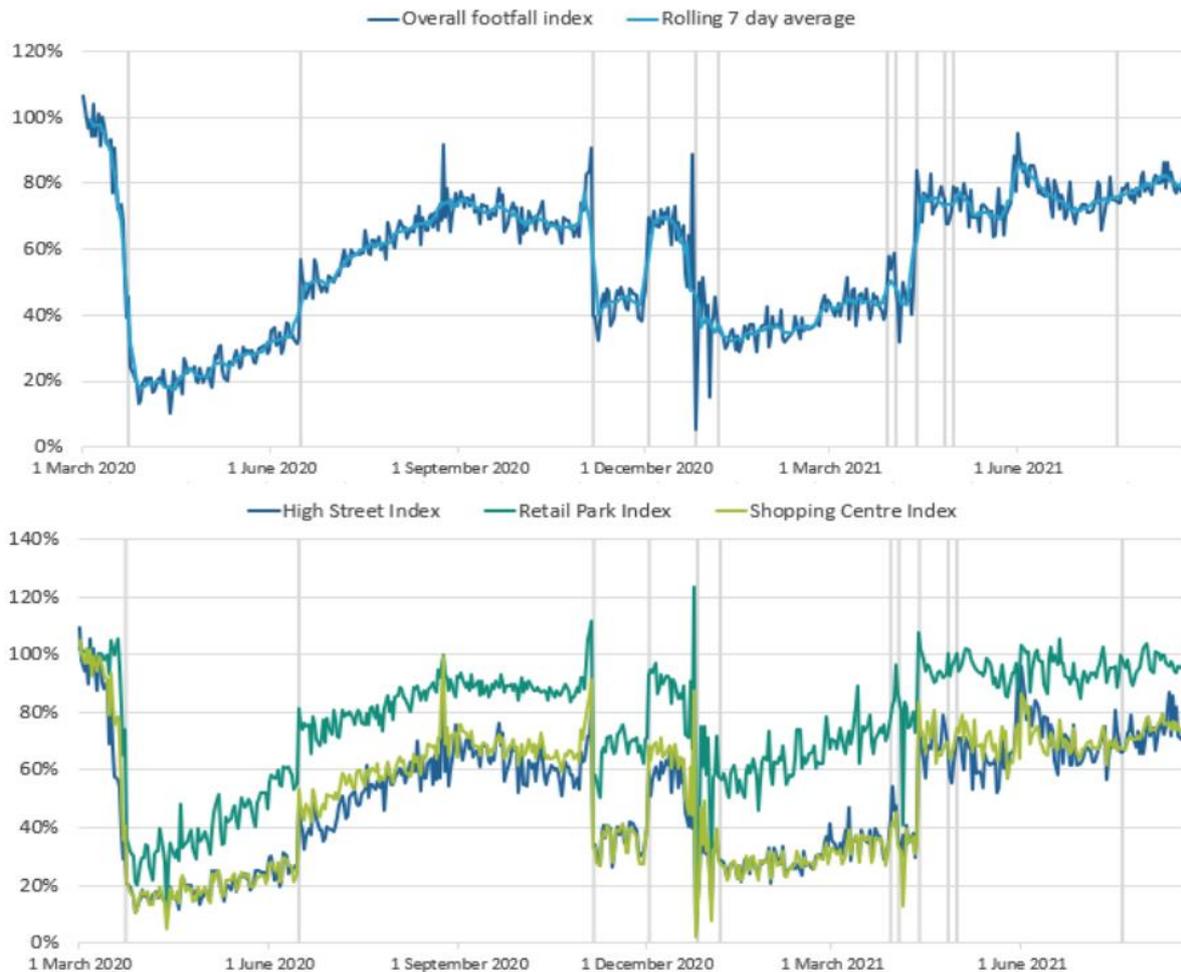
Source: Scottish Annual Business Statistics 2018

New Year's Day Footfall

Given the restrictions placed on retail businesses since March 2020 due to the Covid-19 pandemic, footfall data on 1 January 2021 will not be an accurate representation of usual trade for New Year's Day as non-essential retail was required to close. Some essential retail businesses may have voluntarily closed on New Year's Day as well.

Footfall data is not available pre-March 2020 as data was made available to monitor the pandemic. The chart on the following page shows a significant decline in activity compared to the equivalent day in 2019 for the beginning of January 2021 mostly due to Covid-19 restrictions.

Volume of overall daily UK retail footfall, percentage compared with the equivalent day of the equivalent week of 2019, 1 March 2020 to 21 August 2021



Source: ONS: Economic activity and social change in the UK, real-time indicators.

Number of Stores impacted – estimation (approx. 1,353 outlets)

The lack of data on floor size for all retailers in Scotland means that an estimate is required for the number of stores whose floor-space is in excess of 3,000 square feet (280 square metres). Analysis was undertaken in 2006 by the British Retail Consortium for the Christmas Day and New Year’s Day Trading Bill using an estimation of retail outlets in excess of 3,000 square feet. This was estimated to be approximately 6%.

	2005		2020	
	Total	6% of Total	Total	6% of Total
Total Retail Outlets in Scotland	23,760	1,426	22,550	1,353
Total Retail Enterprises in Scotland	14,435	866	13,790	827

Source: Inter-departmental Business Register 2020

This translated to an estimation of 1,426 outlets in 2005. If we apply this same assumption to more up-to-date data for 2020 – assuming the general size of retail

properties has remained stable – approximately 1,353 outlets would be required to close on New Year’s Day in Scotland.

While only 6% of units are estimated to close according to this estimation, these larger retail premises are expected to have a greater share of total retail employment and turnover in Scotland. When defining business size by number of employees, large retail enterprises (250+ employees) in Scotland comprised around 2.2% of enterprises, yet accounted for 69.6% of employment and 76.8% of turnover.

Number of employees impacted – estimation (approx. 141,000 employees)

Due to data limitations it is not possible to estimate the share of employees that would be able to take the holiday if large stores, as defined by trading space over 280 square metres, were required to close on New Year’s Day. It may also be the case that some staff may be required to work even if the store is not allowed to trade e.g. warehousing, restocking shelves, cleaning. What is required to estimate employment of large retailers is information on average staffing per square foot of retail space: in conjunction with data on square footage of all retail outlets, this could then be used to estimate the total number of employees in stores with floor-space above 280 metres squared. Such data is not available for Scotland.

However, at a very crude level, given the likely relationship between floor-space and staffing requirements, one approach would be to take this estimate of 6% and assume that this holds roughly for staffing levels as well: the top 6% of retailers by floor-space are also the top 6% of retailers by staffing levels. Looking to the table below on numbers of outlets by staffing levels, the estimated top 9% of outlets by numbers of staff are those that have 20 or more employees (*note: due to data limitations 6% cannot be established exactly*). This leaves the remaining 91% of stores with between 0-19 employees.

Number of retail outlets by business size (no. employees), Scotland, 2020

Number of employees	Number of retail outlets in Scotland 2020
0 to 4	11,430
5 to 9	5,785
10 to 19	3,310
20 to 49	1,405
50 to 99	305
100 to 249	240
250 to 499	75
500 to 999	0
1000+	0
Total	22,550

Source: IDBR 2020

To estimate the number of employees affected by the legislation, we take a midpoint from each category of staff numbers 20-49, 50-99, 100-249, 250-499, 500-999 and 1000+ and then multiply it by the number of firms in that grouping. This is a simple way to approximate the numbers of affected staff. This method obtains a figure in the region of 141,000 employees, roughly 61% of retail employment in Scotland. It

should be noted that a share of these employees will work in outlets exempted from the legislation or will still be required to work on New Year's Day even if the store cannot trade (note: this figure will also be inflated as it covers the top 9% of outlets rather than 6%).

As previously mentioned, it may also be the case that some staff will be required to work even if their large retail store is closed to trade e.g. to work on warehousing, restocking shelves, cleaning. The table below sets out the types of occupations in the wholesale, retail, repair of vehicles and accommodation and food sectors (SIC Section G & I)²⁷. In this sector grouping, the greatest share of employees are in sales and customer service occupations (32%), which would likely be given the day off if the store was unable to trade. 23% of employees, however, are in elementary occupations that includes general labouring and cleaning, security, storage, transportation duties.

Share of employment by occupation and industry, Scotland, April 2020 – March 2021

Occupation (SOC 2010)	Sector (SIC 2007)	
	G, I – 'Wholesale and Retail Trade, Repair of Vehicles' and 'Accommodation and Food Service Activities'	Total Services
Managers, Directors and Senior Officials	14%	9%
Professional Occupations	3%	25%
Associate Prof & Tech Occupations	5%	16%
Administrative and Secretarial Occupations	6%	10%
Skilled Trades Occupations	10%	5%
Caring, Leisure and Other Service Occupations	1%	11%
Sales and Customer Service Occupations	32%	10%
Process, Plant and Machine Operatives	5%	4%
Elementary occupations	23%	10%

Source: Annual Population Survey, April 2020 – March 2021

Geographical Impact – retail employment (2019)

The following figures by geography cannot be disaggregated by size of premises as defined by the legislation (280 metres squared or more of floor-space).

The Local Authorities with the greatest share of total retail sector employment in Scotland were Glasgow City (15.0%), City of Edinburgh (11.6%) and Fife (5.6%).

²⁷ Disaggregated data for retail not available.

The Local Authority with the highest share of retail employment in 2019 was East Dunbartonshire where 13.5% of the population worked in the retail sector. This was followed by Clackmannanshire (13.3%), Midlothian (12.5%) and West Lothian (11.5%).

Local Authority	Total Employment	Retail Employment (SIC 47)	Retail as % of Total Employment in Local Authority	% of Total Retail Employment in Scotland
Aberdeen City	174,000	11,000	6.3%	4.7%
Aberdeenshire	112,000	9,000	8.0%	3.9%
Angus	39,000	4,000	10.3%	1.7%
Argyll and Bute	41,000	3,500	8.5%	1.5%
City of Edinburgh	349,000	27,000	7.7%	11.6%
Clackmannanshire	15,000	2,000	13.3%	0.9%
Dumfries and Galloway	67,000	6,000	9.0%	2.6%
Dundee City	75,000	8,000	10.7%	3.4%
East Ayrshire	42,000	4,000	9.5%	1.7%
East Dunbartonshire	26,000	3,500	13.5%	1.5%
East Lothian	33,000	3,000	9.1%	1.3%
East Renfrewshire	22,000	2,500	11.4%	1.1%
Falkirk	67,000	5,000	7.5%	2.1%
Fife	137,000	13,000	9.5%	5.6%
Glasgow City	420,000	35,000	8.3%	15.0%
Highland	128,000	12,000	9.4%	5.2%
Inverclyde	27,000	3,000	11.1%	1.3%
Midlothian	32,000	4,000	12.5%	1.7%
Moray	39,000	4,000	10.3%	1.7%
Na h-Eileanan Siar	16,000	1,000	6.3%	0.4%
North Ayrshire	42,000	5,000	11.9%	2.1%
North Lanarkshire	137,000	11,000	8.0%	4.7%
Orkney Islands	13,000	1,000	7.7%	0.4%
Perth and Kinross	69,000	6,000	8.7%	2.6%
Renfrewshire	87,000	9,000	10.3%	3.9%
Scottish Borders	47,000	4,500	9.6%	1.9%
Shetland Islands	16,000	1,250	7.8%	0.5%
South Ayrshire	48,000	5,000	10.4%	2.1%
South Lanarkshire	121,000	12,000	9.9%	5.2%
Stirling	51,000	4,500	8.8%	1.9%
West Dunbartonshire	31,000	3,000	9.7%	1.3%
West Lothian	78,000	9,000	11.5%	3.9%
Scotland Total	2,602,000	233,000	9.0%	100.0%

Source: Business Register Employment Survey (2019)

Note: Data by business size not available.

Geographical Impact – retail businesses (2020)

The Local Authorities with the greatest share of total registered retail sector enterprises in Scotland were Glasgow City (11.7%), City of Edinburgh (11.5%) and Aberdeenshire (7.9%).

The Local Authority with the highest share of retail enterprises in 2019 was Glasgow City where 10.9% of registered enterprises were in the retail sector. This was followed by Inverclyde (9.7%), Argyll and Bute (9.0%), and Dundee City (8.5%).

Local Authority	Total Business Count	Retail Business Count (SIC 47)	Retail as % of Total Businesses in Local Authority	% of Total Retail Businesses in Scotland
Aberdeen City	9,555	390	4.1%	5.3%
Aberdeenshire	14,200	560	3.9%	7.9%
Angus	4,155	280	6.7%	2.3%
Argyll and Bute	4,040	365	9.0%	2.3%
City of Edinburgh	20,715	1,320	6.4%	11.5%
Clackmannanshire	1,250	90	7.2%	0.7%
Dumfries and Galloway	6,685	420	6.3%	3.7%
Dundee City	3,925	335	8.5%	2.2%
East Ayrshire	3,550	265	7.5%	2.0%
East Dunbartonshire	3,145	210	6.7%	1.8%
East Lothian	3,410	235	6.9%	1.9%
East Renfrewshire	2,790	185	6.6%	1.6%
Falkirk	4,215	305	7.2%	2.3%
Fife	10,460	765	7.3%	5.8%
Glasgow City	20,965	2,290	10.9%	11.7%
Highland	11,480	685	6.0%	6.4%
Inverclyde	1,805	175	9.7%	1.0%
Midlothian	2,720	140	5.1%	1.5%
Moray	3,565	230	6.5%	2.0%
Na h-Eileanan Siar	1,250	85	6.8%	0.7%
North Ayrshire	3,570	275	7.7%	2.0%
North Lanarkshire	8,390	645	7.7%	4.7%
Orkney Islands	1,535	80	5.2%	0.9%
Perth and Kinross	6,585	410	6.2%	3.7%
Renfrewshire	5,255	405	7.7%	2.9%
Scottish Borders	5,275	355	6.7%	2.9%
Shetland Islands	1,580	85	5.4%	0.9%
South Ayrshire	3,840	290	7.6%	2.1%
South Lanarkshire	9,645	710	7.4%	5.4%
Stirling	4,305	275	6.4%	2.4%
West Dunbartonshire	2,185	175	8.0%	1.2%
West Lothian	5,300	345	6.5%	3.0%
Scotland Total	179,460	13,380	7.5%	100.0%

Source: Inter Departmental Business Register (2020)

Geographical Impact – retail business units (2020)

The Local Authorities with the greatest share of total local units registered under the retail sector in Scotland were Glasgow City (15.9%), City of Edinburgh (10.9%) and Fife (6.1%).

The Local Authorities with the highest share of large units as defined by employee size (250+ employees) in 2020 were Glasgow City where nearly 1 in 5 (18.8%) large units were located, followed by Edinburgh at 12.5%. This was also the case for medium sized businesses (50 to 49 employees) where Glasgow City (16.5%) and City of Edinburgh (11.0%) had the greatest share of units.

Local Authority	Total Retail (SIC 47) Units	% of total retail units in Scotland	Micro (0-9 employees)	Small (10-49 employees)	Medium (50 - 49 employees)	Large (250+ employees)
Aberdeen City	870	3.9%	600	240	25	5
Aberdeenshire	830	3.7%	600	200	30	0
Angus	430	1.9%	340	80	10	0
Argyll and Bute	495	2.2%	435	60	5	0
City of Edinburgh	2,460	10.9%	1,865	525	60	10
Clackmannanshire	170	0.8%	125	35	5	0
Dumfries and Galloway	690	3.1%	520	160	15	0
Dundee City	680	3.0%	525	130	20	5
East Ayrshire	415	1.8%	320	85	10	0
East Dunbartonshire	330	1.5%	260	55	15	0
East Lothian	340	1.5%	265	65	5	0
East Renfrewshire	285	1.3%	220	60	5	0
Falkirk	515	2.3%	385	115	15	0
Fife	1,380	6.1%	1,065	285	30	5
Glasgow City	3,575	15.9%	2,795	675	90	15
Highland	1,205	5.3%	930	245	25	0
Inverclyde	285	1.3%	220	60	5	0
Midlothian	250	1.1%	190	45	10	5
Moray	395	1.8%	300	80	10	0
Na h-Eileanan Siar	110	0.5%	80	25	0	0
North Ayrshire	480	2.1%	355	110	10	0
North Lanarkshire	1,035	4.6%	785	220	25	5
Orkney Islands	105	0.5%	70	35	0	0
Perth and Kinross	680	3.0%	550	115	15	0
Renfrewshire	695	3.1%	495	170	30	5
Scottish Borders	560	2.5%	450	100	10	0
Shetland Islands	110	0.5%	70	40	0	0
South Ayrshire	540	2.4%	410	115	10	0
South Lanarkshire	1,140	5.1%	865	240	30	5
Stirling	490	2.2%	380	100	10	0

West Dunbartonshire	335	1.5%	255	75	5	0
West Lothian	670	3.0%	485	170	10	5
Scotland Total	22,550	100.0%	17,215	4,715	545	80

Source: Inter Departmental Business Register (2020)

6. Social Impact of New Year's Day Closure of Large Retail Stores

It could be argued that the social benefit of increased public holidays, and other fair work principles, outweighs the potential economic impact in terms of wellbeing. While many large retailers are opposed to their stores closing on New Year's Day, many of their employees appear to have the opposite opinion. This is evident through the consultation responses from employees ([see the consultation report published alongside this paper](#)) and other similar surveys undertaken asking retail staff if they want to take certain holidays²⁸.

A quarterly survey undertaken by YouGov measures New Year's Eve's popularity and fame based on 4,500 nationally representative interviews of Great Britain's (GB) population²⁹. Equivalent results are not available for New Year's Day, but those who celebrate New Year's Eve are arguably more likely to like the subsequent day's holiday. Results for Q2 2021 found that 59% of respondents liked the holiday while 13% disliked it and 25% were neutral. Popularity increased by age with 59% of millennials liking the holiday compared to 55% of baby boomers. Women were also more likely to like the holiday more than men. 62% of women liked the holiday compared to 57% of men. Data for Scotland is not available.

Another survey undertaken by YouGov asked the public if they celebrated certain holidays³⁰. 61% of the Scottish public celebrate New Year, in line with GB as a whole. Residents of Scotland, however, were more likely to rate the holiday as very important to them compared to GB as a whole (17% compared to 11% for GB as a whole).

The Union of Shop, Distributive and Allied Workers (Usdaw) undertook a survey in 2019 of more than 12,000 of its members who are shop workers³¹. This survey found that 97% of respondents opposed Boxing Day trading and 98% wanted stores to close early on Christmas Eve. The union has also campaigned for New Year's Day to be a holiday and for stores to close by 4 p.m. on New Year's Eve (Hogmanay). A separate survey of Scottish retail workers found that only 3% of them were happy to work on New Year's Day³². A key issue highlighted in the survey was the lack of public transport during the festive season that impacts shop workers who rely on it to get home.

²⁸ Note: these responses do not represent the whole retail employee population in Scotland.

²⁹ [New Year's Eve popularity & fame | YouGov](#)

³⁰ [YouGov - Christianity study.xlsx](#)

³¹ [97% shop workers oppose Boxing Day trading - survey - Retail Gazette](#)

³² [USDAW - New Year's Day Working in Scotland](#)

Wellbeing gain

The UK's minimum of eight public holidays a year is very low by international standards. Research published by Mercer HR suggested there was a statutory minimum of 14 in Spain, 13 in Portugal, 12 in Greece, 11 in France, and 9 in Germany and Ireland³³. Outside Europe, it found US and Australian workers get 10 public holidays, Canadians 9, Chinese 11 and Japanese 15. However, there are regional variations in many of these countries and employment laws differ as to whether workers should be paid for these holidays.

The benefits of holidays to employees' mental health and safety is promoted by health charities³⁴. Research also sets out the benefits to businesses of time off and shorter working weeks for staff job retention, increased productivity, engagement and motivation³⁵. A recent study by WHO found that working long hours increases heart disease and stroke³⁶.

Increased adoption of fair work principles, as defined by the Scottish Government, in general aim to improve the wellbeing of employees by improving security, respect, opportunity, fulfilment and effective voice. International evidence shows that implementing such fair work leads to improved outcomes, such as improved mental wellbeing, reduced in-work poverty, increased real wage growth, and increased productivity³⁷. This is backed by recent analysis that found that higher employee wellbeing is associated with higher productivity and firm performance, including customer loyalty, profitability and staff turnover³⁸.

The Covid-19 pandemic has also had a profound impact on both the population's health and wellbeing. A particular issue relating to wellbeing was the restrictions on seeing friends and family during lockdown periods and the resulting mental health impacts. Many retail employees were classed as key workers if they worked in stores defined as essential retail (e.g. food retail), so were required to work in an often stressful environment. New results from a Mental Health Foundation study show that one year on, the crisis has had wide and deep emotional impacts on Scottish adults³⁹. According to the survey, the share of Scottish adults reporting that they were lonely has risen from 11% of those surveyed in March 2020 to 29% in February 2021. Young adults (18-24 year olds), full-time students, single parents, people who are unemployed and those with pre-existing problems with their mental health are significantly more likely to be feeling distressed, across a range of measures, compared with Scottish adults generally.

The Scottish Government published a report in December 2020 setting out how the pandemic has affected progress towards Scotland's National Outcomes⁴⁰. It was

³³ <https://www.mercer.us/newsroom/public-holiday-entitlement-varies-greatly-around-the-world.html>

³⁴ [Why holidays are good for employees' health | Bupa UK](#)

³⁵ [No Vacation Nation Revised \(cepr.net\)](#)

³⁶ [Long working hours killing 745,000 people a year, study finds - BBC News](#)

[Why Taking Vacation Time Could Save Your Life \(forbes.com\)](#)

³⁷ <https://www.fairworkconvention.scot/wp-content/uploads/2020/12/Fair-Work-in-Scotland-Report.pdf>

³⁸ [Happy employees and their impact on firm performance | LSE Business Review](#)

³⁹ [Pandemic one year on: landmark mental health study reveals mixed picture in Scotland, as anxiety falls but loneliness rises | Mental Health Foundation](#)

⁴⁰ [NPF Impact of COVID-19 December 2020.pdf \(nationalperformance.gov.scot\)](#)

found that isolation and loneliness have established impacts on health outcomes and during lockdown periods loneliness increased dramatically with 40% reporting feeling lonely compared to 21% pre-Covid-19. Young people and women in particular found the restrictions on socialising and meeting with friends and family difficult. Other groups, such as those who were shielding, also found lockdown had negatively impacted on their life even when they thought they were coping well. A recent update to the Covid-19 Mental Health Tracker Study covering the period 4 February to 9 March 2021 found the mean score for loneliness was 5.01 out of a maximum of 9 (where a higher score means higher loneliness), which is the highest reported across the pandemic⁴¹.

Many large retailers have already committed to closing stores during holiday periods as a thank you to their staff for working during the pandemic. Large retailers such as Asda, Marks & Spencer, Aldi, Lidl, and Pets at Home closed on Boxing Day 2020 (26 December) to give their staff a day off. Other retailers such as Tesco, Sainsbury's and Morrisons remained open, but offered benefits to staff such as reduced opening hours, bonuses and increased pay⁴². However, Morrisons, Sainsbury's and other large retailers have announced that their stores will be closed on Boxing Day 2021 to reward staff⁴³. This demonstrates that many large retailers have acknowledged the benefit to their employees of having an additional holiday to relax, and providing the opportunity to spend the day with their family and friends.

Impact on employee pay

While many employees would welcome an additional day off and the opportunity to spend New Year's Day with friends and family, holidays, pay and overtime are contractual agreements between employees and employers and the Act does not require that the day is a paid holiday. This may particularly impact employees with part time or casual contracts who may rely on working on a holiday date for additional pay.

Employees in the retail sector are paid less than average and are less likely to earn the real living wage than the average for all industries in Scotland. In 2019, 42.5% of employees aged 18+ in the wholesale, retail, repair of vehicle industry (SIC Section G) earned less than the real living wage (£9.00), compared with 16.9% of all employees in Scotland⁴⁴.

Median weekly pay – excluding overtime – for full-time employee jobs in the retail industry (SIC 2007 – division 47) in Scotland was £393 in April 2020. This is significantly lower than the equivalent median value across all industries and services in Scotland, which stood at £576. Part-time employees in the retail industry earned £159 compared to £212 across all industries and services in Scotland.

Pay was lower for those employed in the retail sector across all measures of pay (hourly, annual etc.) as seen in the following table.

⁴¹ [Scottish COVID-19 Mental Health Tracker Study: Wave 4 Report - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/covid-19-mental-health-tracker-study-wave-4-report/pages/10.aspx)

⁴² [Tesco and Morrisons defy call to shut on Boxing Day - BBC News](https://www.bbc.com/news/health-56841441)

⁴³ <https://www.retailgazette.co.uk/blog/2021/09/all-the-retailers-that-will-be-closed-on-boxing-day-this-year/>

⁴⁴ [Annual Survey for Hours and Earnings \(ASHE\): 2020 - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk/people-in-work/earnings-and-payments/articles/annual-survey-for-hours-and-earnings-ashe-2020)

Median Employee Pay by Industry, Scotland

	Median Weekly Pay (excluding overtime), £		Median Overtime Pay, £		Median Gross Hourly Pay, £		Median Gross Annual Pay, £	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Retail (SIC 47)	392.9	158.6	*	*	10.10	9.18	20,784	9,544
Scotland All Service Industries	580.8	210.8	49.9	30.7	15.91	10.77	31,027	11,772
Scotland Total	575.7	212.3	53.1	31.0	15.62	10.82	31,605	11,920

Source: Annual Survey of Hours and Earnings 2020

* Data disclosive

Men that are in full-time employment in the retail sector in Scotland earn more than women in terms of median weekly pay (excluding overtime). Men earn £423 per week compared to £364 for women. Women, however, earn slightly more than men when looking at median weekly pay (excluding overtime) for part-time employees.

Median Employee Pay by Industry and gender, Scotland

	Full-time Median Weekly Pay (excluding overtime), £		Part-time Median Weekly Pay (excluding overtime), £	
	Male	Female	Male	Female
Retail (SIC 47)	422.9	364.2	151.8	159.5
Scotland All Service Industries	606.6	558.4	183.9	219.9
Scotland Total	594.1	552.6	185.5	221.2

Source: Annual Survey of Hours and Earnings 2020

Median weekly paid hours worked by employees in the retail sector are broadly in line with the average for all service industries and all industries in Scotland. While slight, retail employees were more likely to work longer hours than average if they were on a full-time contract, but less likely to work more hours than average if they were part-time. Overtime hours worked by retail employees is disclosive, however the average for service industries as a whole was three hours every week.

Weekly Paid Hours Worked by Industry, Scotland

	Median Paid hours worked TOTAL		Median Paid hours worked Basic		Median Overtime Hours Worked	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Retail (SIC 47)	38.2	19.3	37.5	16.7	*	*
Scotland All Service Industries	37.5	20.0	37.0	19.1	3.0	3.0
Scotland Total	37.5	20.0	37.4	19.3	3.1	3.0

Source: Annual Survey of Hours and Earnings 2020

* Data disclosive

Men work more hours per week in the retail sector for both full-time and part-time work compared to women. The median paid hour worked total for men in full-time employment in retail was 39.0 hours compared to 37.5 for women. Men in part-time employment worked 20 hours compared to 18.6 for women.

Weekly Paid Hours Worked by Industry and Gender, Scotland

	Full-time Median Paid hours worked TOTAL		Median Paid hours worked Basic	
	Male	Female	Male	Female
Retail (SIC 47)	39.0	37.5	20.0	18.6
Scotland All Service Industries	37.5	37.0	18.0	20.0
Scotland Total	37.5	37.0	18.0	20.0

Source: Annual Survey of Hours and Earnings 2020

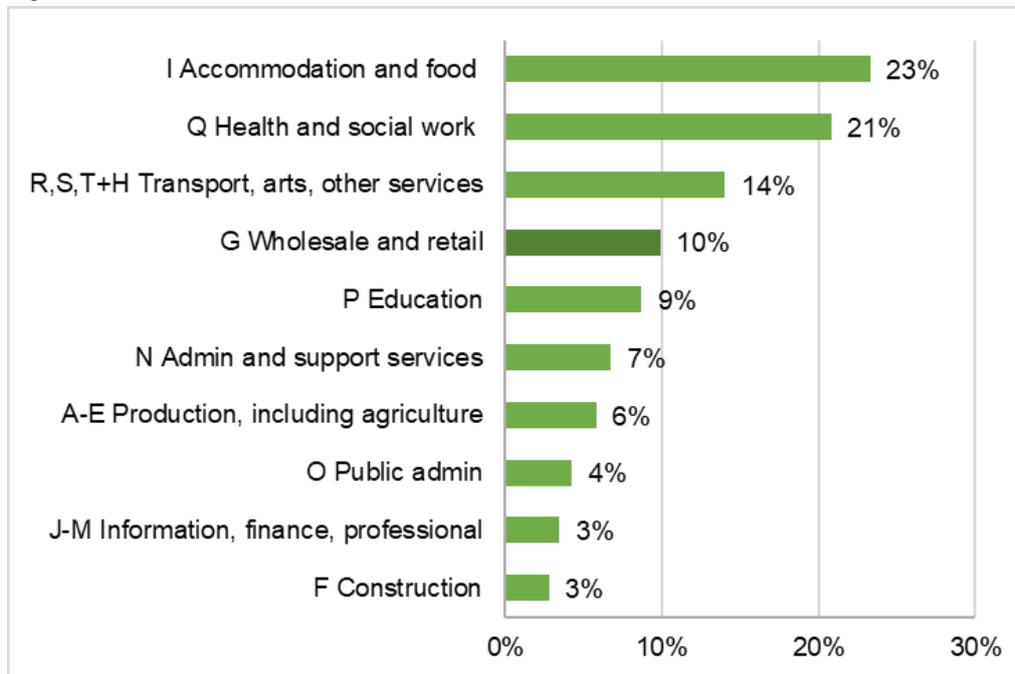
The gender pay gap median for the retail sector in Scotland stood at 5.8 in 2020 compared to 10.9 for Scotland as a whole. The gender pay gap is estimated here as the difference between average hourly earnings (excluding overtime) of men and women as a proportion of average hourly earnings of men. In this case, a median gender pay gap of 5.8 for the retail sector means that women earn 5.8% less, on average, than men.

The chart on the following page sets out the sectors with the highest concentration of zero-hour contracts in the UK (data for Scotland not available by sector). In the period April to June 2021, 10% of employees were on zero hours contracts in the wholesale and retail sector in the UK compared to 23% in admin and support services and 21% in accommodation and food. Furthermore, large employers are more likely to make use of zero hours contracts than smaller firms. In November 2017, 28% of employers with at least 250 employees made some use of zero hours contracts, compared with 5% of employers with fewer than 10 employees⁴⁵.

Around a third (34%) of workers in the UK on zero hours contracts were aged 16-24 and 57% were women in April-June 2021. In Scotland, 2.3% of people in employment were on a zero hours contract compared to 2.8% for the UK as a whole.

⁴⁵ [Zero-hours contracts \(parliament.uk\)](https://www.parliament.uk)

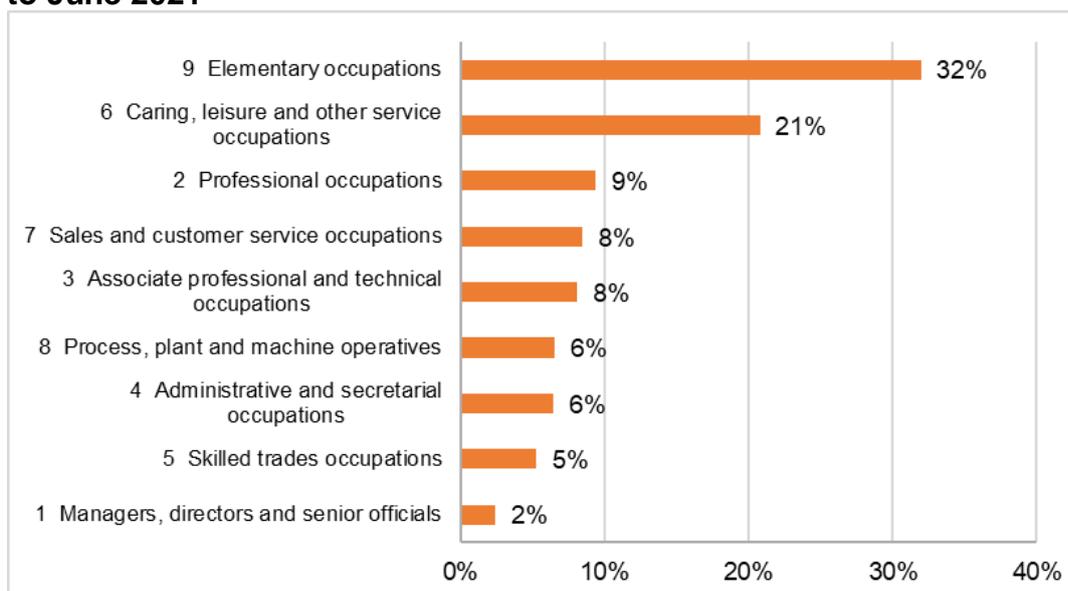
Share of employees on zero hours contracts by industry, UK April to June 2021



Source: ONS Labour Force Survey.

The chart below shows the difference in zero hours contracts by occupation within a certain industry. Managers, directors and senior officials (2%) are least likely to have a zero hour contract whereas sales and customer service occupations and process, plant and machine operatives are more likely (both 8%).

Share of employees on zero hours contracts by occupation SOC 20, UK April to June 2021



Source: ONS Labour Force Survey.



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