The Committee will meet at 2.00 pm in Committee Room 4.

1. **Items in private**: The Committee will consider whether to take items 4 and 5 in private.

2. **Legal Profession and Legal Aid (Scotland) Bill**: The Committee will consider the Bill at Stage 2 (Day 2).

3. **Subordinate legislation**: The Committee will consider the following negative instrument—

   The Regulation of Investigatory Powers (Prescription of Offices, Ranks and Positions) (Scotland) Amendment Order 2006 (SSI 2006/466)

4. **Custodial Sentences and Weapons (Scotland) Bill**: The Committee will consider its approach to the Bill.

5. **Christmas Day and New Year's Day Trading (Scotland) Bill**: The Committee will consider a draft Stage 1 report.

Tracey Hawe/Alison Walker
Clerks to the Committee
Papers for the meeting—

**Agenda Item 2**

1st Marshalled List of Amendments for Stage 2 (Day 2) – to follow

Groupings – to follow

Members are reminded to bring with them copies of the Bill, Explanatory Notes and Policy Memorandum, available from Document Supply or from the Parliament’s website [http://www.scottish.parliament.uk/business/bills/56-legalProfession/index.htm](http://www.scottish.parliament.uk/business/bills/56-legalProfession/index.htm) together with any papers from the Stage 1 process that are considered relevant (such as the Committee’s Stage 1 Report).

**Agenda Item 3**

Note by Clerk (including SSI and Executive Note)  J2/S2/06/25/1

**Agenda Item 4**

Note by Clerk (PRIVATE PAPER)  J2/S2/06/25/2

**Agenda Item 5**

Draft report (PRIVATE PAPER)  J2/S2/06/25/3

Supplementary evidence  J2/S2/06/25/4

Additional SPICe briefing  J2/S2/06/25/5

**Documents circulated for information only**—

Letter to Convener from Stewart Mackenzie, dated 20 September 2006

Audit Scotland studies

**Documents not circulated**—


An electronic copy of the above document can be found at: [http://www.scotland.gov.uk/Publications/2006/09/25161609/0](http://www.scotland.gov.uk/Publications/2006/09/25161609/0)

Please contact Document Supply to obtain a hard copy.

**Forthcoming meetings**—

- Tuesday 24 October 2006, Committee Room 2
- Tuesday 31 October 2006, Committee Room 1
JUSTICE 2 COMMITTEE

23rd Meeting 2006 (Session 2)

Tuesday 3 October 2006

SI title and number: The Regulation of Investigatory Powers (Prescription of Offices, Ranks and Positions) (Scotland) Amendment Order 2006 (SSI 2006/466)

Type of Instrument: Negative

Meeting: 3 October 2006

Date circulated to members: 28 September 2006

Justice 2 Committee deadline to consider SSI: 30 October 2006

Motion for annulment lodged No

SSI drawn to Parliament’s attention by Sub Leg Committee: No

1. This instrument amends the Schedule to the Regulation of Investigatory Powers (Prescription of Offices, Ranks and Positions) (Scotland) Order 2000 to add a suitably qualified civilian member of staff to those in the Scottish Drug Enforcement Agency who can authorise directed surveillance and the use of covert human intelligence sources.

2. The Subordinate Legislation Committee considered the instrument at its meeting on 19 September 2006. No points arose.

3. If members have any queries or points of clarification on the instrument which they wish to raise with the Scottish Executive in advance of the meeting, please could these be passed to the Clerk of the Committee as soon as possible, to allow for sufficient time for a response to be received in advance of the Committee meeting.

Clerk to the Committee
27 September 2006
Christmas Day and New Year's Day Trading (Scotland) Bill:
Supplementary evidence

1. Please find attached supplementary evidence on the Christmas Day and New Year’s Day Trading (Scotland) Bill from the following:
   - Scottish Retail Consortium
   - VisitScotland
   - Karen Whitefield

2. Also attached is a letter from the Convener of the Finance Committee on their scrutiny of the Bill alongside responses received from the Scottish Retail Consortium and the Federation of Small Businesses.

Clerk to the Committee
28 September 2006
Further Submission from Scottish Retail Consortium for the Christmas Day and New Year’s Day Trading (Scotland) Bill

In response to your request for additional information:

1) Estimated value of retail sale - New Year’s Day/Bank Holiday:

A normal day’s trading is estimated at £56 mn, based on The Scottish Executive’s estimate of total annual turnover in the retail sector, divided by 365 days. Trading on a Bank Holiday could be as high as £88bn, based on the Executive’s turnover data and with adjustments made for the busy Easter and Christmas period, the distribution of sales throughout the week, and sales on Bank Holidays being on average 80% higher than on normal days.

There is no overall rule for estimating the impact of a bank holiday on sales, as it depends on the time of year and the type of retailer. For instance, a DIY retailer could benefit from a 100% increase in sales on May Bank Holiday, but is less likely to experience this type of boost from a bank holiday in winter. However, department stores, high street retailers and fashion retailers would anticipate more of a boost, with some reaching up to 80% increases.

Formula for calculation of £56 – £88 million:

Using the monthly data that is collected by the:
- RBS, SRC Scottish Retail Sales Monitor
- The Scottish Executive retail turnover figures
- Footfall measurements
- Knowledge of the patterns of shopping during the year, especially during December and on Bank Holidays.

2) Seasonal workers:

ONS shows retail employment in Scotland in Q4 of the past 3 years is 5% higher than in the average of Q1-Q3. I have attached the official ONS data from Nomis just in case it’s needed.
employee job estimates by industry - unadjusted

ONS Crown Copyright Reserved [from Nomis on 13 September 2006]

<table>
<thead>
<tr>
<th>Date</th>
<th>Total</th>
<th>Full Time Workers</th>
<th>Part Time Workers</th>
<th>Av Q1-3 Q4: % above Q1-3 ave</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 200</td>
<td>246,345</td>
<td>97,316</td>
<td>149,029</td>
<td>3.1</td>
</tr>
<tr>
<td>June 2003</td>
<td>244,982</td>
<td>97,310</td>
<td>147,672</td>
<td></td>
</tr>
<tr>
<td>September</td>
<td>243,374</td>
<td>96,823</td>
<td>146,551</td>
<td>147,751</td>
</tr>
<tr>
<td>December</td>
<td>256,243</td>
<td>103,918</td>
<td>152,325</td>
<td></td>
</tr>
<tr>
<td>March 200</td>
<td>241,373</td>
<td>95,207</td>
<td>146,166</td>
<td></td>
</tr>
<tr>
<td>June 2004</td>
<td>240,527</td>
<td>96,562</td>
<td>143,965</td>
<td></td>
</tr>
<tr>
<td>September</td>
<td>237,963</td>
<td>92,948</td>
<td>145,015</td>
<td>145048.7</td>
</tr>
<tr>
<td>December</td>
<td>254,348</td>
<td>102,085</td>
<td>152,263</td>
<td>5.0</td>
</tr>
<tr>
<td>March 200</td>
<td>240,934</td>
<td>91,118</td>
<td>149,816</td>
<td></td>
</tr>
<tr>
<td>June 2005</td>
<td>241,647</td>
<td>92,721</td>
<td>148,926</td>
<td></td>
</tr>
<tr>
<td>September</td>
<td>240,229</td>
<td>91,657</td>
<td>148,572</td>
<td>149104.7</td>
</tr>
<tr>
<td>December</td>
<td>247,570</td>
<td>90,833</td>
<td>156,737</td>
<td>5.1</td>
</tr>
<tr>
<td>March 200</td>
<td>238,979</td>
<td>89,843</td>
<td>149,136</td>
<td></td>
</tr>
<tr>
<td>June 2006</td>
<td>239,421</td>
<td>90,533</td>
<td>148,888</td>
<td></td>
</tr>
</tbody>
</table>
28 September 2006

Steven Tallach  
Assistant Clerk  
Justice 2 Committee  
The Scottish Parliament  
EDINBURGH  
EH99 1SP

Dear Mr Talloch

VisitScotland Supplementary Evidence

Thank you for your letter of 12 September 2006, to Riddell Graham requesting additional information from VisitScotland in relation to the Christmas Day and New Year’s Day (Scotland) Bill, I have been asked to reply.

I have outlined below our response to each of the points raised in your letter and email of 20 September.

a) an estimate of how many ‘tourist-focused’ retail stores would be affected by the Bill;

Unfortunately, it is not possible to provide an estimate of ‘tourist-focused’ retail stores that would be affected by the Bill as we do not have any data on the size of retail businesses. In addition, we do not measure tourist retail spending in what can be described as ‘tourists-focused’ retail stores for example, 7% of UK tourist spend in Scotland was on general shopping and 8% on clothes shopping. This would include spend in stores such as Harvey Nichols, which would probably not be included in the definition of a ‘tourist-focused’ store, but nonetheless contributes to Edinburgh’s attractiveness as a destination.

b) a breakdown of the reasons why tourists come to Scotland over the winter season;

The key research VisitScotland carries out in this area is our Tourism Attitudes Survey which was conducted between July and October 2005 to assess the attitudes of both domestic (UK including Scotland) and international (German, French, Swedish and Italian) visitors to Scotland. The main objective of the research is to understand visitor’s expectations of their visit to Scotland and the extent to which these expectations were met. As this survey was carried out between July and October and covers the interviewees most recent holiday in Scotland, it is not possible to isolate information in relation to the winter season. However, we would be happy to supply more general information, if this would be helpful to the Committee.
c) any information on the impact the Christmas Day (Trading) Act 2004 may have had in England and Wales

VisitScotland does not have any information on the impact of the Christmas Day (Trading) Act 2004 in England and Wales. We have also sought this information from colleagues at VisitBritain, but they do not have any information on the impact of the Act.

d) any information on whether retailers abroad are open on Christmas Day and New Year’s Day.

VisitScotland does not have any information on whether overseas retailers are open on Christmas Day and New Year’s Day and we have also consulted VisitBritain on this and it is not information they hold, or an area that they have done any work. In addition, there does not appear to be one central organisation that holds this information.

e) Is it possible, to obtain any information on the average length of stay in Scotland (and more specifically in Edinburgh and Glasgow) over the Christmas/Hogmanay period. Is this information that VisitScotland would have?

VisitScotland do not have this information. The data we collect has trips and nights per month, which can provide average length of stay for the months of December and January, but we cannot break this information down to the festive period itself.

I hope this information is helpful, however, if the Committee requires any further information, or has questions about our supplementary evidence please let me know.

Yours sincerely

Chris Maguire
Corporate Affairs Executive
Following the recent email from Steve Tallach, I hope that the additional information provided will be of some use to members of the Committee.

The figures provided by Usdaw are as follows:

- There are approximately 261,000 retail workers in Scotland (Average of over 3,500 per constituency).
- There are approximately 26,500 retail outlets in Scotland (average 363 per constituency).
- On average there 10 shopworkers per store.
- 85% of all stores are small (less than 280 square metres).
- Usdaw estimates that the average small store employs 3 people.
- Therefore 72% (approximately 190,000) of shopworkers are in large stores affected by my Bill (average over 2,500 per constituency).

In addition, I would like to highlight that my Bill is supported by a number of large retailers, including Waterstones, Ottakars, HMV, Scotmid, Habitat and Argos.

Yours sincerely

Karen Whitefield MSP
Airdrie & Shotts Constituency

cc Steven Tallach, Clerk to the Justice 2 Committee
David Davidson MSP  
Convenor  
Justice 2 Committee  
The Scottish Parliament  

26 September 2006  

Dear David  

Following my letter of 21 September there are a couple of further points on which I can provide additional information that I hope may assist members. On the issue of competition/competence I note that the DTI carried out a Regulatory Impact Assessment in 2003 (for England and Wales) and concluded that "the proposed regulation would not impact on the competitive process" and furthermore "the legislation will not impact adversely on any particular firms more than others". [Regulatory Impact Assessment, "Regulation of opening of large shops on Christmas Day", DTI, December 2003].

On the connected but wider issue of competence it is worth noting that both the Executive and the U.K. government have stated that the matter is within competence. This is also the view of the Presiding Officer. The Minister as I recall said as much to the committee last week, and the DTI have indicated the regulation of Christmas Day trading to be a devolved matter via their website on a page of FAQs on Christmas Day Trading (for link to latter see http://www.dti.gov.uk/consumers/Fact%20Sheets/page10578.html)

One other issue that arose in the committee meeting was the possibility of a large shop opening a limited area of its store and whether such an approach would be considered to be flouting the Bill. My view on this is very simply that a large shop is a large shop - easily identifiable, high profile and if intending to open on Christmas Day and New Year's Day then more than likely to advertise the fact. We know who these shops are - as do the police, employees, public, press, unions etc.

It is difficult to envisage Debenhams for example trying to pass themselves off as a smaller shop for the days in question (and they've certainly not stated any intention of doing so) or to foresee how the profit motive could drive them to open on Christmas day or New Year's day but only to open a very restricted part of their store.

Yours sincerely

Karen Whitefield MSP  
Airdrie & Shotts Constituency  

Karen.Whitefield.msp@scottish.parliament.uk
Dear David

Christmas Day and New Years’ Day Trading (Scotland) Bill

The Finance Committee considered its approach to the Financial Memorandum of the above bill and agreed to adopt level 1 scrutiny.

This level of scrutiny is applied where there appears to be minimal additional costs as a result of the legislation. Applying this level of scrutiny means that the Committee will not take oral evidence, nor will it produce a report. It will, however, seek written comments from relevant organisations through its agreed questionnaire (attached), and then pass these comments to your committee. These organisations are listed below:

- CBI Scotland;
- The Federation of Small Businesses in Scotland;
- Scottish Retail Consortium;
- STUC; and
- Association of Chief of Police Officers in Scotland.

Yours sincerely

Convener

Enc: Finance Committee standard questionnaire
QUESTIONNAIRE
This questionnaire is being sent to those organisations that have an interest in, or which may be affected by, the Christmas Day and New Year's Day Trading (Scotland) Bill. In addition to the questions below, please add any other comments you may have which would assist the Committee’s scrutiny.

Consultation
1. Did you take part in the consultation exercise for the Bill, if applicable, and if so did you comment on the financial assumptions made?

2. Do you believe your comments on the financial assumptions have been accurately reflected in the Financial Memorandum?

3. Did you have sufficient time to contribute to the consultation exercise?

Costs
4. If the bill has any financial implications for your organisation, do you believe that these have been accurately reflected in the Financial Memorandum? If not, please provide details.

5. Are you content that your organisation can meet the financial costs associated with the Bill? If not, how do you think these costs should be met?

6. Does the Financial Memorandum accurately reflect the margins of uncertainty associated with the estimates and the timescales over which such costs would be expected to arise?

Wider Issues
7. If the Bill is part of a wider policy initiative, do you believe that these associated costs are accurately reflected in the Financial Memorandum?

8. Do you believe that there may be future costs associated with the Bill, for example through subordinate legislation or more developed guidance? If so, is it possible to quantify these costs?
Consultation
1. Did you take part in the consultation exercise for the Bill, if applicable, and if so did you comment on the financial assumptions made?

The SRC took part in the consultation process for the Bill, and provided oral evidence on the Bill to the Justice 2 Committee.

PLEASE NOTE, ALL RESPONSES WITHIN THIS DOCUMENT RELATE TO NEW YEAR’S DAY ONLY. THE SRC HAVE NOT TAKEN A POSITION ON CHRISTMAS DAY AND HAS NO COMMENT TO MAKE ON THE ASSUMPTIONS IN THE FINANCIAL MEMORANDUM RELATING TO CHRISTMAS DAY.

2. Do you believe your comments on the have been accurately reflected in the Financial Memorandum?

The SRC would question a number of financial assumptions made within the Financial Memorandum especially sections 34, 37 and 38.

Furthermore the SRC do not accept the premise made in section 39, “…that there can only be a finite amount of consumer…” The future value of New Year’s Day trade for non-displaced sales (i.e. tourist spend) should not be underestimated. It is hard to estimate future sales but, using monthly data collected by the SRC/Royal Bank of Scotland Scottish Retail Sales Monitor and knowledge of the patterns of shopping across the UK, including New Year’s Day, it can be estimated sales could be worth up to £56 - £88 million for a full trading day.

The SRC would also question the assumptions made in section 40. The SRC believe that not only is the proposed legislation discriminatory in terms of giving retail staff working in larger stores more rights than those working in smaller stores, but employees would lose out on opportunities to work at times when they would be earning premium overtime payments.
3. Did you have sufficient time to contribute to the consultation exercise?

Yes.

Costs
4. If the Bill has any financial implications for your organisation, do you believe that these have been accurately reflected in the Financial Memorandum? If not, please provide details.

Please see response to question 2.

5. Are you content that your organisation can meet the financial costs associated with the Bill? If not, how do you think these costs should be met?

Yes.

6. Does the Financial Memorandum accurately reflect the margins of uncertainty associated with the estimates and the timescales over which such costs would be expected to arise?

No.

Wider Issues
7. If the Bill is part of a wider policy initiative, do you believe that these associated costs are accurately reflected in the Financial Memorandum?

The SRC does not take a view on this matter.

8. Do you believe that there may be future costs associated with the Bill, for example through subordinate legislation or more developed guidance? If so, is it possible to quantify these costs?

The SRC believes it is difficult to quantify costs associated with subordinate legislation at this time.
1.1 The Federation of Small Businesses is Scotland’s largest direct member business organisation, representing over 18,000 members, and campaigns for a social, economic and political environment in which small businesses can grow and prosper.

1.2 The Federation’s most recent membership survey *Lifting the Barriers to Growth 2006* shows that 21% of our members are retail businesses. We therefore welcome this opportunity to comment on the Christmas Day and New Year’s Day Trading Bill.

1.3 In general terms the FSB is broadly supportive of the proposals; however, we are sympathetic to some of the points raised by other business organisations during the original consultation. In particular, some have argued whether it is fair to regulate now, for a problem which may arise at some point in the future.

1.4 Rather than respond to each of the questions in the Finance Committee’s questionnaire, it may be easier to summarise our views by saying that we have no specific concerns in relation to the Financial Memorandum of the Bill. It is possible that costs for publicising the proposed legislation, if passed, have not been accurately defined, particularly costs for affected businesses, in terms of internal communication and preparation.

1.5 We cannot foresee any additional costs to small businesses as a result of the Bill.

---

For further information on any of the points raised in this submission, please contact Susan Love, Policy Development Officer, on scotpu.policy@fsb.org.uk or 01259 723713
How many shop workers would be caught by the bill?

There appears to be no definitive source of data readily available to answer this question. However a number of sources of information help inform the picture.

Data from the Annual Business Inquiry provides a breakdown of retail units (referred to as data units) by employee size band. Table 1 below provides the statistics, whilst Figures 1 and 2 provide an illustration of these statistics. This indicates that 63% of retail units (with employees) have between 1 and 4 employees (approximately 16,000 of the 26,000 total).

<table>
<thead>
<tr>
<th>Sizeband</th>
<th>data units</th>
<th>employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>number</td>
<td>percent</td>
</tr>
<tr>
<td>Total</td>
<td>26,122</td>
<td>100%</td>
</tr>
<tr>
<td>1-4 employees</td>
<td>16,452</td>
<td>63%</td>
</tr>
<tr>
<td>5-10 employees</td>
<td>5,382</td>
<td>21%</td>
</tr>
<tr>
<td>11-24 employees</td>
<td>2,807</td>
<td>11%</td>
</tr>
<tr>
<td>25-49 employees</td>
<td>772</td>
<td>3%</td>
</tr>
<tr>
<td>50-99 employees</td>
<td>381</td>
<td>1%</td>
</tr>
<tr>
<td>100-199 employees</td>
<td>161</td>
<td>1%</td>
</tr>
<tr>
<td>200-299 employees</td>
<td>91</td>
<td>0.3%</td>
</tr>
<tr>
<td>300-399 employees</td>
<td>29</td>
<td>0.1%</td>
</tr>
<tr>
<td>400-499 employees</td>
<td>22</td>
<td>0.1%</td>
</tr>
<tr>
<td>500 or more employees</td>
<td>25</td>
<td>0.1%</td>
</tr>
</tbody>
</table>

The above figures appear to imply that a majority of retail employees would indeed be caught by the bill, and that this might even be as high as 80-90%. However a number of caveats should be borne in mind:

- There is no definitive source of evidence to link the number of employees in a shop to the size of the store. With above figures it is necessary to assume for example that the majority of stores of 280 square metres or under will employ 4 people or fewer.
- The above figures refer to employees only and do not include owner/employers.
- The above figures include those working in stores in the exemption categories.
Figure 1 illustrates the breakdown of retail units by size band. Some 16,000 of 26,000 retail units employ 1-4 employees.

**Figure 1 Breakdown of retail units by size band**

- 500 or more employees: 25
- 400-499 employees: 22
- 300-399 employees: 29
- 200-299 employees: 91
- 100-199 employees: 161
- 50-99 employees: 381
- 25-49 employees: 772
- 11-24 employees: 2,807
- 5-10 employees: 5,382
- 1-4 employees: 16,452

Figure 2 below draws on the same data source, but provides figures for the numbers of employees in each retail unit size band.

**Figure 2 Breakdown of number of employees by retail unit size band**

- 500 or more employees: 16,417
- 400-499 employees: 9,860
- 300-399 employees: 9,918
- 200-299 employees: 22,794
- 100-199 employees: 21,944
- 50-99 employees: 26,318
- 25-49 employees: 25,918
- 11-24 employees: 44,960
- 5-10 employees: 39,694
- 1-4 employees: 38,422
Retail and tourism activity on and around New Year’s Day?

Hotel occupancy figures are provided on a monthly basis for the tourist board areas. Data is not available for periods less than a month. The hotel room occupancy figures for December 2005 are indicated in the chart below and at least provide some context:

Data is available on the average length of stay (nights stayed) of all visitors and specifically for overseas visitors. Again however this data is not available for periods less than a month. The average length of stay of all visitors, and overseas visitors in December 2005, is indicated below.
VisitScotland reports that it is difficult to provide data on the level of spend by ‘visitors’ on Scottish retail generally and that specific figures for the days around New Year’s Day are not collected. They do point out the inherent difficulties in identifying tourism related retail stores. They state that over the course of the year that:

- 7% of UK tourist spend in Scotland was on general shopping and 8% on clothes shopping

In their response the Tourism Attitudes Survey is described by VisitScotland as the key research in this area. The survey is conducted between July and October and the following table outlines how visitors to Scotland rate the country on different characteristics.

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>English %</th>
<th>Scottish %</th>
<th>USA %</th>
<th>German %</th>
<th>French %</th>
<th>Italian %</th>
<th>Spanish %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beautiful scenery</td>
<td>94</td>
<td>91</td>
<td>96</td>
<td>94</td>
<td>90</td>
<td>97</td>
<td>95</td>
</tr>
<tr>
<td>Friendly people</td>
<td>82</td>
<td>74</td>
<td>85</td>
<td>87</td>
<td>77</td>
<td>77</td>
<td>86</td>
</tr>
<tr>
<td>Good place to relax</td>
<td>85</td>
<td>81</td>
<td>87</td>
<td>72</td>
<td>63</td>
<td>61</td>
<td>75</td>
</tr>
<tr>
<td>Interesting history/culture</td>
<td>76</td>
<td>72</td>
<td>87</td>
<td>86</td>
<td>44</td>
<td>73</td>
<td>78</td>
</tr>
<tr>
<td>Good for hiking/walking</td>
<td>66</td>
<td>62</td>
<td>71</td>
<td>79</td>
<td>70</td>
<td>46</td>
<td>49</td>
</tr>
<tr>
<td>Plenty to do and see</td>
<td>64</td>
<td>40</td>
<td>81</td>
<td>69</td>
<td>70</td>
<td>55</td>
<td>71</td>
</tr>
<tr>
<td>Slower pace of life</td>
<td>57</td>
<td>63</td>
<td>47</td>
<td>41</td>
<td>45</td>
<td>65</td>
<td>57</td>
</tr>
<tr>
<td>Good places to eat out</td>
<td>40</td>
<td>44</td>
<td>50</td>
<td>15</td>
<td>15</td>
<td>13</td>
<td>14</td>
</tr>
<tr>
<td>Local products to eat and drink</td>
<td>39</td>
<td>44</td>
<td>40</td>
<td>27</td>
<td>27</td>
<td>21</td>
<td>34</td>
</tr>
<tr>
<td>Good pubs</td>
<td>26</td>
<td>26</td>
<td>45</td>
<td>75</td>
<td>51</td>
<td>48</td>
<td>49</td>
</tr>
</tbody>
</table>

VisitScotland report (on the Scot Exchange website) changing demands from consumers. For example the following is taken from their “snapshots of the future” research, conducted by the Henley Centre for Scottish Enterprise. The research findings are quite generalised but include the following in relation to changing aspirations for Christmas:

<table>
<thead>
<tr>
<th>What did you want for Christmas?</th>
<th>1980</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clothes</td>
<td></td>
<td>Time</td>
</tr>
<tr>
<td>Books</td>
<td></td>
<td>Sleep</td>
</tr>
<tr>
<td>Electricals</td>
<td></td>
<td>Holiday</td>
</tr>
<tr>
<td>Toiletries</td>
<td></td>
<td>Rest</td>
</tr>
<tr>
<td>Humorous novelties</td>
<td></td>
<td>Sex</td>
</tr>
<tr>
<td>More fattening food</td>
<td></td>
<td>Calm and quiet</td>
</tr>
<tr>
<td>More alcohol</td>
<td></td>
<td>Fun</td>
</tr>
</tbody>
</table>
Displacement and additionality of retail spending

Two sources of evidence are provided here to illustrate the degree of displacement and additionality from investment in the retail sector:

**Regional Selective Assistance eligibility criteria – guidance**

“You must be able to demonstrate that the project's employment impact within your business will not simply be offset by job losses elsewhere in the Assisted Areas.

Most firms will not meet this criterion, because most firms operate in a local market. There is nothing wrong with businesses and projects aimed at local markets - but that is not the objective of the RSA scheme. Businesses wholly or mainly competing in a local market will not qualify - the retail and catering sectors are examples of this - and nor will projects aimed at an already well served market. Examples of markets that are, generally, well served include double glazing, general printing, locally-focussed recycling plants, general joinery, small-scale customer service/order fulfillment operations and locally-focussed food production.

Through RSA, we aim for real gains in net employment in Scotland, not just to shuffle jobs between businesses. We are therefore much more likely to assist projects which service markets wider than Scotland only, and/or where competitors aren't largely based in the Assisted Areas.”

**English Partnerships Additionality Guide** used for appraising the potential value of public investment

The table below implies a slightly lower multiplier effect at the local and regional level for new retailing investment than for other types of development. (NB: Multiplier effects depend on there being spare capacity (eg unemployment) in the economy in order for the full effect to ripple through).

<table>
<thead>
<tr>
<th>Project type</th>
<th>Local area</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>B1 Office</td>
<td>1.29</td>
<td>1.44</td>
</tr>
<tr>
<td>B2/B8</td>
<td>1.20</td>
<td>1.44</td>
</tr>
<tr>
<td>Recreation</td>
<td>1.38</td>
<td>1.56</td>
</tr>
<tr>
<td>Retailing</td>
<td>1.21</td>
<td>1.38</td>
</tr>
</tbody>
</table>

*Source: Based on Rhodes et al. (1994) and Enterprise Zone research (HMSO, 1995)*

The scale of local income and supply linkage multiplier effects vary according to the mix of economic activity that exists in an area and the type of project that is being undertaken. Table 4.7 is based on the extensive evidence generated by a number of studies including the Evaluation of the Enterprise Zone Experiment. It provides composite income and supply linkage multiplier estimates that are appropriate for four types of property related activity, namely B1 Office, B2/B8 (general industrial/warehousing), Recreation and Retailing. The estimates are provided for the local area and regional level. At the local level the range is between 1.21 and 1.38. At the regional level the range is between 1.38 and 1.56. Generally speaking retailing projects generate the lowest combined income and supply linkage effects.

Simon Wakefield  
SPICe Research  
September 2006