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16 Deputy S.Y. Mézec of the Minister for Economic Development, Tourism, Sport and Culture regarding measures taken for which a tangible benefit for small businesses in the Island could be demonstrated: [1(94)]

What individual measures, if any, has the Minister taken since taking office for which a tangible benefit for small businesses in the Island can be demonstrated?

Senator L.J. Farnham (The Minister for Economic Development, Tourism, Sport and Culture):

The strong performance of the small business sector in reality is a team effort. Benefit starts right here in the Assembly and manifests in the departments responsible for the economy, namely the Chief Minister's Department, the Treasury and my department, with other departments and States Members playing a strong supporting role. The majority of individual measures taken to support business flow through our partners, who include Visit Jersey, Digital Jersey, Genuine Jersey and shortly to be joined by Farm Jersey, and, of course, Jersey Business. Jersey Business provides advisory support to a growing number of small businesses across all sectors of our economy on a daily basis. The number of clients they are actively working with today is 211, which is an increase of nearly 60 per cent in the last few years. In addition my department provides support for small business on a case-by-case basis at weekly meetings of the Housing and Work Advisory Group and just last week I launched a full consultation process on a new tourism law that will cut red tape and allow businesses to be much more flexible in that sector. In late September 2016 the Statistics Unit reported that the majority of non-finance sectors of the economy recorded real term growth in G.V.A. (Gross Value Added) and productivity in 2015. Our focus has and will continue to be for these figures to show further growth when the figures for 2016 are released later this year. All this support helps to deliver tangible benefits for small businesses, is provided free of charge and is a key part of our enterprising grant strategy.

4.16.1 Deputy S.Y. Mézec:

Supplementary. When I have spoken to business people in the last few weeks, many of whom are finding it particularly difficult right now, in particular the smallest businesses and those that are just trying to get up on their feet, and I think of one businessperson who is worried that in the next few months he will have to end his business activity because he has not felt like he has had the support getting his business up on its feet. What radical ideas does the Government and, in particular, this Minister have to look at things like our social security contribution system, look at these other elements to see what can be done for those businesses in their starting days that is perhaps thinking a bit outside the box or is not connected purely to setting up a quango or something like that to offer advice but something really radical and tangible? What discussions has he had and what ideas does he think would be worth putting out there to consider that would help those businesses in their early days?

Senator L.J. Farnham:

I have had numerous discussions with various representative bodies of commerce and business sectors, but I would recommend to any business, small, medium or large, that are having difficulties and need help to visit Jersey Business. It is a completely changed and reformed, productive and forward thinking organisation that does provide real, tangible assistance to businesses so any businesses struggling I urge them to go and talk to Jersey Business.

4.16.2 Deputy M. Tadier:

One of the tangible benchmarks that residents and businesses in my constituency use is the number of empty shops there are and it has to be said that in the Le Quennevais area, and Le Quennevais precinct in particular, the number of empty shops, about 5 or 6, has not gone down significantly in the last year since I raised it previously with the Minister here. Could the Minister clarify what steps, if any, he thinks he could or has used to address this issue of high rents, particularly in the St. Helier semi-urban or urban areas?

Senator L.J. Farnham:

I think one of the best things Government can do to support small business is stay out of the way and, of course, these shops are often empty not because of Government economic policies but simply because the way the marketplace is performing at the moment in terms of competition. We are working with retailers to develop a new retail strategy and will be supporting them in establishing their own retail group aligned to a similar group in the U.K. which will enable them to drive their own policies and grow their own business sector. As I said, I cannot be held responsible for empty shops but I will say that I will be prepared to sit down with the Deputies in any constituency where there is concern about the way local companies are performing and discuss ideas that might improve the situation. I would be really keen to help where I can and do everything I can to help that particular area.

4.16.3 Deputy M. Tadier:

The Minister says the best thing that Government can do to help small businesses is to stay out of the way. If only the Minister and his Council of Ministers had adopted those wise words when it came to the Innovation Fund then perhaps we would be a couple of million pounds the richer and that money could have been put to much better use. Does the Minister agree that perhaps the statement from another free market liberal essentially which says as much market as possible but as much state as necessary is the way forward here, certainly for people of his own political disposition. The Minister has let down small businesses because on the one hand it has blown away millions of pounds worth of money in a high-risk gamble to businesses that do not even exist yet and are not yet established. Yet when it comes to pre-existing, long-established Jersey businesses that are going through a hard patch there does seem to be enough being done for that. Would the Minister comment on that last part that we should be doing more for local businesses that are long-established, maybe going through a tough patch, facing the wall and that help needs to be given to those?

Senator L.J. Farnham:

I am not sure I really understand the question and I did not expect to receive a lecture on helping the economy from a member of the Reform Jersey party. I would love to ask them exactly, other than protest just about at everything we do, what they have ever done for small business. I would think the Deputy could write on the back of a stamp what he knows about small business. But anyway, the innovation support and funding, notwithstanding the current situation of the Innovation Fund, remains incredibly important and this Government and this Assembly must continue to support small business with innovation in the future. The Deputy's speech was quite rambling. I am not sure what the question was.

The Deputy Bailiff:

As I understood it, what more could be done for small businesses in this difficult economic climate?

Deputy M. Tadier:

May I just clarify that the Minister seems to want to have it both ways, saying on the one hand Government should stay out of the way but ...

The Deputy Bailiff:

Could you either ask a question in terms of: "Will the Minister?" Otherwise we are going to get nowhere there. Deputy Andrew Lewis.

4.16.4 Deputy A.D. Lewis:

The Minister will be aware that small businesses are the engine room of our economy. We have over 4,000 of them, if not more than that. Their greatest raw material is people. That is their only raw material and if you talk to many small businesses at the moment they will complain they do not have enough of them, those that are highly skilled; those that are essential to the progress of their business to grow that business, to create more jobs and to grow the economy. That is where the growth is going to come from. What is the Minister doing to work with the Minister responsible for population control to ensure that small businesses get their fair crack of the whip for licences, because I am consistently being asked by small businesses: "What can you do for me because I cannot employ the skills that I need to make my business a success?" What is the Minister doing about that?

Senator L.J. Farnham:

That is a good question and it is a difficult question answer because we have a number of policies that are clashing here. We have population policy versus the interests of business and our department through the efforts of Deputy Murray Norton, who represents the department on the Housing and Work Advisory Group, is fighting the corner of small business on a case-by-case basis, on an often more than weekly basis to try to make sure small businesses especially are properly staffed. We will continue to do that but it is difficult when you have a number of policies clashing against each other but I am sure, as the Assistant Chief Minister will testify and other members of the Housing and Work Advisory Group, my department through Deputy Norton and myself occasionally provides strong support and back-up for small businesses and we fight their corner as best we can, always and we always will do.

4.16.5 Deputy A.D. Lewis:

Does the Minister, though, accept that many of the larger businesses get licences and the smaller businesses do not? The higher value jobs get more licences. If I could just finish, does he not accept that unless you have a service sector that is supporting those larger businesses the people that cut the hair, dig the gardens and do other things, if you do not have those you do not have those high value jobs as well? One has to support the other so what is the Minister doing to balance that?

Senator L.J. Farnham:

I do wholeheartedly agree and fight that corner on a regular basis but it is simply not true that businesses are treated differently because of their size. In fact, I know that the department is working very closely with a number of larger businesses to help them reduce their reliance on non-qualified people. I wish at this stage I could delegate the answer to Deputy Norton who works on a daily basis with some of these people but I can assure Deputy Lewis we are doing all we can and businesses are treated fairly across the piece.

4.16.6 Deputy S.Y. Mézec:

The Minister says the best thing the Government can do is to stay out of the way but there are obviously clear examples where the opposite is true because the very nature of the free market is

that bigger businesses can sometimes use their dominance to act in an anti-competitive way that is unfair on small businesses and forces them out of their position in the market, which is why government intervention can be essential to secure those small businesses' ability to operate. I want to know what sort of government intervention could be considered as a good way forward to helping those small businesses when they are struggling with things like, as Deputy Tadier referred to, the cost of commercial rents where there probably is not enough regulation to ensure those businesses are able to feel secure in the long-term future of their premises and they can operate so they can invest in what they are trying to do. What thinking is the Minister having on those lines of positive government intervention to help those small businesses? If it is possible to answer in such a way that does not include a childish snide at another Member who has quite a good business record I would be most grateful for that.

Senator L.J. Farnham:

It seems that the Deputy can give out plenty of childish snides but does not like to receive them.

The Deputy Bailiff:

Is there an answer to the question?

Senator L.J. Farnham:

Yes, Sir. It reminds me of the scene from the famous Monty Python film, "The Life of Brian": "What have the Romans ever done for us?" How about 211 live cases of support from Jersey Business? Weekly case-by-case support for small businesses at the Housing and Work Advisory Group, a new tourism law, a new rural economy strategy, excellent inward investment support and job creation by Locate Jersey, Visit Jersey supported by Events Jersey, increase of its visitor numbers and growing the economy. The Tourism Development Fund working to support innovation in that sector, Digital Jersey the Digital Hub providing essential support and facilities for the digital sector; all of this growing the economy and providing more business for more small businesses and we are going to continue to do more of that.