States of Jersey
States Assembly

États de Jersey
Assemblée des États

Economic Affairs Scrutiny Panel

Retail Policy

Presented to the States on 30th June 2014

S.R.6/2014

Contents

1. PANEL MEMBERSHIP AND TERMS OF REFERENCE

1.1 The Economic Affairs Scrutiny Panel is comprised of the following members:

Deputy S.G. Luce, Chairman

Connétable M.J. Paddock, Vice-Chairman

Connétable S.W. Pallett

Connétable J. E. Le Maistre

1.2 The following Terms of Reference were established for the Review:

1. To establish the full range of challenges facing Jersey's diverse retail sector.

2. To establish the current policies and actions of the Minister for Economic Development towards the retail sector.

3. To examine whether the Minister's policies and actions represent an appropriate response to the challenges facing the retail sector.

2. CHAIRMAN'S INTRODUCTION

2.1 The full range of challenges facing Jersey's retail sector are many and diverse. Parking, buses, customer service, the whole "shopping experience"…they all play their part. It would be wrong, however, not to highlight the internet as the single most important threat that local shops face in this day and age. It is a well-known fact that the speed of technological innovation gets faster and faster as time progresses, and it is therefore of no surprise that the threats, but more importantly opportunities, posed by the internet grow bigger every day.

2.2 In past decades everything we bought on a day-to-day basis came from the local retail sector. It is, however, becoming increasingly common for the residents of Jersey to make their normal everyday purchases online. Nappies, dog food and breakfast cereals have now been added to the growing list of "normal" items such as books and electronic goods. Households in Jersey now spend approximately £7000 online every year….an astounding amount given the relatively young age of internet shopping. Given that level of spend, we are hugely fortunate that the shops in King Street and Queen Street are still fully occupied and, apart from Oxford Street in London, we are perhaps one of the only places in the British Isles that can still boast 100% occupancy. However, the resilience shown by retailers to achieve this fact must not lead us into complacency….the online challenge is still there, it grows stronger by the week, and it is not going to disappear.

2.3 Internet shops are open '24/7….365', and with numbers of laptops now in decline and "mobile devices" in the ascendency, ordering retail goods is being done on the sofa, on the bus, in the waiting room…..at any moment when the purchaser has 30 seconds or so to spare. Increasing the level of spend each time you "visit" is the only thing that online retailers are worried about, and they constantly strive to make it easier and easier for consumers to dispose of their hard earned money online. Finding ways to compete against this fact is hugely difficult, but compete we must. Failure to address the threat of the internet will render our retail centres barren….with nothing but coffee shops and tattoo parlours to offer the high street visitor.

2.4 To keep our retail areas alive and vibrant we all need to work together, as there is no "one off" solution to these problems. We will need to involve a range of stakeholders including a real cross section of the Council of Ministers. Planning, Environment, Home Affairs, Transport, Economic, Treasury, not to mention the Constables, all have a part to play in working together to make visiting St. Helier and other retail areas a positive and worthwhile experience. More than ever before we need to work together to encourage local residents off their sofas, out of their homes and into shops. We must make local shopping an experience…one that cannot be replicated on the internet.

2.5 While this review does not advocate “interference” with free market business practices, Government needs to recognise that its job is to encourage people into the Island’s shops, and the retailers job is to (once they are there) get those shoppers to spend money “on the high street”. In order to achieve this partnership, the retail sector needs a champion, and that person needs to be a politician. It needs to be someone who has direct access to Ministers, other politicians, senior civil servants and the leaders of industry…those people who make things happen. The “Champion” will also need support, and it seems clear that this support is best provided by the Economic Development Department. There should be no doubt that the retail industry is important enough to have a specified politician to lead this vital work.

2.6 Readers will find that this review has been extensive in its evidence gathering, and while it does not come up with a unique solution to solve the problem, it does go a long way towards demonstrating how we must all accept a small part of the responsibility for the retail sector, and genuinely work together to give it a real hope for a bright and vibrant future.

Deputy S.G. Luce
Chairman, Economic Affairs Scrutiny Panel

3. EXECUTIVE SUMMARY

3.1 Retail remains an important sector of the Jersey economy, accounting for approximately 7% of the total GVA and nearly 8000 employment positions. However, the value and volume of retail sales have notably declined since 2008 and there are signs that this trend is likely to continue, particularly with regard to non-food products. Indeed, it focuses attention to see that the volume of retail sales in the predominantly non-food sector was about 16% lower than the peak volume recorded in early 2008, and statistics comparing GVA levels year on year in the wholesale and retail sector show the latest available figure from 2012 to be the lowest since such records began in 1998

3.2 It is absolutely clear that online competition represents the most significant challenge to Jersey's 'high street' retailers. It is estimated that 35,350 (85% of the total) Jersey households are purchasing products and services online, with the total online spend in 2013 amounting to £258million, and the average annual online household spend in Jersey in 2013 was just over £7,000. Research demonstrates that mobile tablets and, particularly, smart phone devices have become increasingly important as a means of purchasing products and services online. The trend in '24/7' purchasing culture is expected to continue to develop as mobile technology increasingly facilitates anytime-anywhere shopping. In general, however, the online sales platform and marketing/social media presence of local retailers has not adequately developed to meet the challenge of off-island online retailers, although some creditable and co-ordinated platforms have begun to emerge. Jersey's high street retailers can continue to aspire to a positive future, but to help achieve this must harness the opportunities provided by ever improving technology, and will need to develop multi-channel retail models. To assist retailers, the Panel has recommended that the Minister for Economic Development should work with retail representatives to identify the most appropriate way to assist the retail sector to embrace technology. Support might include the funding of a feasibility study into an appropriate, co-ordinated on-line sales platform, and the provision of appropriate training opportunities and shared practice workshops.

3.3 Other significant challenges that retailers face include issues around planning processes, parking constraints and the uneven playing field for local retailers against off-Island online competition created by the introduction of GST and the associated 'de minimis' level. The Panel has recommended actions to be undertaken by a number of Ministers to try to address and alleviate these challenges. Amongst these, the Minister for Treasury and Resources is requested to undertake an immediate (and subsequently on an ongoing basis) review of the de minimis provision, to ensure that it is set at the lowest appropriate rate, and a feasibility study into entering agreements with off-island online retailers for the collection of GST relating to sales to Jersey based customers. The Transport and Technical Services Minister is charged with making a clear decision on the future provision of north of town car parking, rolling out of automatic number plate recognition systems (or similar) in all covered car parks to end the pre-dominance of scratch cards and reviewing all initiatives, including charging structures, that might encourage a more appropriate distribution of commuter and shopper parking amongst other actions. It is recommended that the Minister for Planning and Environment assesses the merits of revising or clarifying the current strategies relating to development in town, notably with regard to their relevance to retail. This will be essential in providing a structure to the south-westerly shifting town footprint and potentially contracting retail core.

3.4 There is also room for improvement in other areas that could help retailers attract customers. For instance, face to face customer service is widely regarded as one of the opportunities for 'high street' retailers to gain advantage over online competition. However, the quality of customer service in Jersey has been found to be highly variable. Retail owners and managers are ultimately responsible for improving this situation, but can be assisted by government. Additionally, in general Jersey retailers have not fully reacted to changing customer habits and are potentially restricting shopping opportunities through outdated '9 to 5' opening hours. Later closing times on a more regular basis have been identified as being attractive to shoppers. The Panel believes that amending current weekday/Saturday trading hours would appear to be a greater priority than changes to Sunday trading. It could provide greater positive consequences for a larger number of retailers and consumers than a Sunday trading trial with significantly less contention.

3.5 Maximising the physical attraction and the ease of moving through town were identified as important means of encouraging people to choose to shop in town. However, inadequate pavements and clumsily placed bollards and street furniture were cited as examples of existing physical barriers that negatively impact on the ability of people to enjoy the experience of shopping in town. Linked to this, the Panel found that the covered markets should be a 'jewel in the crown' of Jersey's retail sector, acting to stimulate footfall in town and attracting shoppers to a vibrant retail core. Presently however, whilst architecturally attractive, the markets fail to live up to such expectations and radical change has been widely called for to improve on the tired atmosphere and generally underwhelming offering. The Panel has called for a clear strategy to be developed by the Minister for Treasury and Resources (the Landlord) regarding the covered Markets. This should be informed by consultation with all relevant stakeholders on the wide range of initiatives and views held, and include assessment of a fundamental overhaul of the interior layouts and retail offering. Changes must also be considered to outdated opening hours.

3.6 It is clear that no single solution exists that will reverse the fortunes of the retail sector in Jersey, but it is equally apparent that significant collaborative work led by the Minister or Economic with a wide range of stakeholders, including a number of colleagues on the Council of Ministers, could lead to a positive future for ‘high street’ retailers. Immediate initiatives could see some immediate success in turning the tide away from off-island on-line sales. It is crucial that the Minister for Economic Development does not underestimate the challenges faced by the retail sector and should, as a priority, continue to engage with retailers in a structured manner, and underpin future plans through a new, more relevant and comprehensive overarching Retail Strategy.

4. FINDINGS

4.1 Finding 1:

Retail remains an important sector of the Jersey economy, accounting for approximately 7% of the total GVA and nearly 8000 employment positions. However, the value and volume of retail sales have notably declined since 2008 and there are signs that this trend is likely to continue, particularly with regard to non-food products.

4.2 Finding 2:

The overarching retail policy since 2006 has been the Retail Framework, which has focused predominantly on food retailing, food price competition and supermarket operators. It was last updated in 2010.

4.3 Finding 3:

Although slow to react, since August 2013 the Minister for Economic Development has recognised and begun to act on the need to engage with retailers to develop initiatives and plans to help address the downward economic trends and challenges associated with the on-island retail sector.

4.4 Finding 4:

The Chief Executive of Jersey Business, who has played a significant role working with the Economic Development Department on the development of the draft Retail Development Plan, is leaving the organisation. It is unclear if this will have an impact on any of the draft initiatives currently proposed to involve Jersey Business.

4.5 Finding 5:

Doubts about the positive outcome of a free parking trial on Saturdays were raised amongst TTS, EDD and the Town Team. The approximate cost of such a trial (£300,000) has since been earmarked to assist alternative retail initiatives.

4.6 Finding 6:

The Economic Development Department created avoidable confusion and delays to its own and the Panel's work in relation to retail, by developing the draft Retail Development Plan with inadequate inclusion of and communication with other stakeholders, and failing to notify the Panel of the ongoing work despite procedural requirements to do so.

4.7 Finding 7:

Despite the highly promising purpose and membership of the Town Team, its future is uncertain. There are proposals from the Economic Development Department for the Town Team to be incorporated within or perhaps even replaced by a new ‘Retail Jersey’ brand via the Retail Development Plan.

4.8 Finding 8:
Online competition represents the most significant challenge to Jersey’s ‘high street’ retailers.

4.9 Finding 9:
Online retailers are notably more appealing than traditional bricks and mortar retailers around the issues of price and shopper convenience.

4.10 Finding 10:
It is estimated that 35,350 (85% of the total) Jersey households are purchasing products and services online, with the total online spend in 2013 amounting to £258million.

4.11 Finding 11:
The average annual online household spend in Jersey in 2013 was just over £7,000.

4.12 Finding 12:
Research demonstrates that mobile tablets and, particularly, smart phone devices have become increasingly important as a means of purchasing products and services online. The trend in ‘24/7’ purchasing culture is expected to continue to develop as mobile technology increasingly facilitates anytime-anywhere shopping.

4.13 Finding 13:
82% of respondents to a shopping habits survey said they would welcome the opportunity to spend more money with local retailers if only they had suitable e-commerce websites. In general, however, the online sales platform and marketing/social media presence of local retailers has not adequately developed to meet the challenge of off-island online retailers, although some creditable and co-ordinated platforms have begun to emerge.

4.14 Finding 14:
Jersey’s high street retailers can continue to aspire to a positive future, but to help achieve this must harness the opportunities provided by ever improving technology.

4.15 Finding 15:
The Minister for Economic Development is broadly supportive of the general concept of the Jersey Chamber of Commerce’s ‘Jamazon’ initiative, but is not convinced that it represents the best value or most suitable option to deliver the desired outcome for the Island’s retailers.

4.16 Finding 16:

Retailers in Jersey will need to continue to develop ‘multi-channel’ retailing models combining bricks and mortar, online sales/booking, click and collect and/or home delivery.

4.17 Finding 17:

Jersey’s many small retailers may require significant co-ordination and some government assistance to overcome the challenges of scale and cost in developing ‘multi-channel’ retailing models.

4.18 Finding 18:

Face to face customer service is widely regarded as one of the opportunities for ‘high street’ retailers to gain advantage over online competition. However, the quality of customer service in Jersey has been found to be highly variable. Retail owners and managers are ultimately responsible for improving this situation, but can be assisted by government.

4.19 Finding 19:

In general, Jersey retailers have not fully reacted to changing customer habits and are potentially restricting shopping opportunities through outdated ‘9 to 5’ opening hours. Later closing times on a more regular basis have been identified as being attractive to shoppers.

4.20 Finding 20:

Sunday trading remains a contentious matter. Opinion on the Minister for Economic Development’s Sunday trading trial has been split, with 54% of respondents to the associated White Paper not in favour of the trial.

4.21 Finding 21:

It is not clear whether current Sunday trading restrictions are a significant barrier to retail in Jersey. Very few retailers are currently restricted from opening on Sundays.

4.22 Finding 22:

Relaxation of Sunday trading restrictions appears to be of more obvious potential economic benefit to certain out-of-town retailers, such as garden centres, than retailers in town.

4.23 Finding 23:

Amending current weekday/Saturday trading hours would appear to be a greater priority than changes to Sunday trading. It could provide greater positive consequences for a larger number of retailers and consumers than a Sunday trading trial with significantly less contention.

4.24 Finding 24:

At the end of Minister for Economic Development's proposed 'liberalisation' trial of Sunday trading legislation, although the legislative position would revert to the current situation restricting those with a sales area of more than 700m², there is concern that it would be difficult culturally to 'turn the clock back'.

4.25 Finding 25:

Certain negative impacts that might result from the proposed Sunday trading trial, such as small business closures due to increased competition from larger retailers, could be irreversible.

4.26 Finding 26:

Local retailers are effectively forced to compete on an uneven playing field with off-island/online retailers, due to the application of 5% GST on the price of locally sold goods and the existence of the £240 de minimis level under which imported goods attract no GST.

4.27 Finding 27:

Potential GST revenue is being missed out on by the Treasury, and increasingly so, with the growing trend in off-island, online shopping.

4.28 Finding 28:

Reducing or removing the de minimis level would not be straightforward. For instance, although it is estimated that its removal would achieve an increase in GST collection of approximately £800,000, at Jersey Post alone it would necessitate at least an extra 241,000 consignments (averaging 660 per day) requiring customs clearance per year. This would represent an increase in workload of approximately 28%, which would require funding.

4.29 Finding 29:

Amending the de minimis rules with a view to the States forming agreements with off-island online retailers to collect GST on its behalf for sales to Jersey based customers, has been raised as an idea to help 'level the playing field'. Nevertheless, such a solution holds challenges and potentially significant, if unintended, negative consequences.

4.30 Finding 30:

It is widely agreed that the Retail sector would benefit from the attention provided and generated by an appropriate 'Retail Champion'. To carry the required authority and ability to influence on retail related matters within the States, it was identified that the 'Retail Champion' should be a sitting politician.

4.31 Finding 31:

The 'Retail Champion' should be supported with suitable executive support on a day to day basis. This role would include much of the retail related work currently undertaken within the Economic Development Department, and additional work emerging from initiatives such as the proposed activity and co-ordination around an events calendar (see also 7.8.2). Regular liaison through a comprehensive stakeholder group, such as the current Town Team, remains important.

4.32 Finding 32:

Within the draft Retail Development Plan, the Minister for Economic Development Department is considering the establishment of a 'Jersey Retail' brand within Jersey Business, through which support to the retail sector could be delivered. The merits of such a structure are not apparent to the Panel.

4.33 Finding 33:

Building on current practice, there is wide support for increased retail activity to be undertaken linking directly into a range of current and potentially new events and/or themed days. It has been widely agreed that this should be actively co-ordinated, with necessary scheduling and focus provided by a dedicated events calendar for retailers.

4.34 Finding 34:

It is not unusual for event organisers to be required to complete significant processes in order to obtain permissions to hold events. The requirements do not always appear to be in proportion to the size or nature of the event.

4.35 Finding 35:

There can be restricted access for events during the year in some of the more suitable and attractive sites.

4.36 Finding 36:

Although visually attractive and creating an often improved atmosphere, it is difficult to strike the right balance between pedestrianisation and the needs of retailers to service premises. Pedestrian priority initiatives, already seen in some parts of the Island, appear to provide an appropriate compromise.

4.37 Finding 37:

Maximising the physical attraction and the ease of moving through town were identified as important means of encouraging people to choose to shop in town. However, inadequate pavements and clumsily placed bollards and street furniture were cited as examples of existing physical barriers that negatively impact on the ability of people to enjoy the experience of shopping in town.

4.38 Finding 38:

The covered markets should be a 'jewel in the crown' of Jersey's retail sector, acting to stimulate footfall in town and attracting shoppers to a vibrant retail core. Presently however, whilst architecturally attractive, the markets fail to live up to such expectations and radical change has been widely called for to improve on the tired atmosphere and generally underwhelming offering.

4.39 Finding 39:

Although there have been recent moves towards the creation of a trader's association, there has been a lack of cohesion and collaboration amongst the covered market traders that has been a barrier to progress in the markets

4.40 Finding 40:

Issues regarding parking featured in almost all submissions received by the Panel during the Review. Parking matters present a very real challenge to retailers, but there are workable initiatives that could help improve the situation.

4.41 Finding 41:

Overall capacity amongst town's car parks is adequate to accommodate demand from commuters and shoppers, but the geographic distribution of spaces is not. The north of town is under-served by the current car parking provision, and Pier Road car park is too frequently under-capacity.

4.42 Finding 42:

Minden Place is a vital shopper car park, but, as with others, it is outdated and requires significant refurbishment, modernisation, or complete replacement.

4.43 Finding 43:

There continues to be significant frustration with the scratch card system, whilst the automatic number plate recognition system in Sand Street has been widely welcomed.

4.44 Finding 44:

There is wide acknowledgement and support for more bus services to be provided to help people access town at points other than Liberation Station, along with a service that would link urban areas whilst penetrating towards the town centre. The latter could encourage more shoppers to visit town and other retail areas such as Les Quennevais Parade.

4.45 Finding 45:

There is some confusion over the status and continued relevance of existing planning strategies for town, notably the North of St Helier Master Plan.

4.46 Finding 46:

The current withdrawal of proposals for development around Bath Street by Le Masurier's has been a significant setback for retail regeneration opportunities in that area.

4.47 Finding 47:

The town footprint and retail core is shifting south-westerly with the influence of the developing waterfront area. Additionally, there are indications that the town retail core could contract due to the challenging trading conditions, to be increasingly anchored by King Street and Queen Street.

4.48 Finding 48:

Despite certain improvements in Planning application processes, retailers continue to face challenges relating to change of use policies. The challenges can disproportionately affect small businesses and retailers with small premises. The time taken to gain relevant permissions and compliance with bye-laws such as those relating to the provision of toilet facilities were identified as being particularly challenging, Due to the impact of the shifting town footprint in increasing the number change of use applications, such occurrences may become more frequent.

4.49 Finding 49:

King Street and Queen Street have retained almost un-paralled full occupancy levels over recent years despite the challenging retail environment.

4.50 Finding 50:

Rents have not been identified as currently being a leading challenge to retailing in Jersey. It appears that a number of landlords recognise the challenging retail environment, generally leading to rents being established at levels that have not deterred tenancies being taken.

4.51 Finding 51:

Whilst King Street and Queen Street have retained robust occupancy levels, there have been instances of short and, more significantly, long term unoccupied shops outside of the retail core. There is currently no States policy designed to help address such detrimental occurrences.

4.52 Finding 52:

Retail, tourist, traffic and general information signage is too often underwhelming, inconsistent and outdated. This is a matter that requires the co-operation and co-ordination of a number of stakeholder groups to improve, including retailers themselves and authorities such as Jersey Tourism (ED), other relevant States Departments and the Parish of St Helier.

4.53 Finding 53:

Increased use of flags and banners has been identified as a relatively quick and inexpensive means of refreshing and animating retail areas, although concerns were raised about the possible nature of the associated planning process including by the Planning and Environment Minister.

4.54 Finding 54:

Despite related reviews, there are no clear signs that the challenges of avoidable government bureaucracy is easing. This challenge to retailers is amplified by the fact that the majority of retailers are small businesses, often owner run and often with a workforce of below five.

4.55 Finding 55:

The continued presence of undue government bureaucracy can in no small part be attributed to a lack of co-ordinated cross-departmental working within the States. Whilst reform has been slow, there are some positive signs emerging in the form of initiatives such as ‘tell us once’ and ‘unique user id’s’ that are intended to reduce such avoidable over-bureaucracy.

5. RECOMMENDATIONS

5.1 Recommendation 1:

The Minister for Economic Development must not underestimate the challenges faced by the retail sector and should, as a priority, continue to engage with retailers in a structured manner.

5.2 Recommendation 2:

Working with the stakeholders, the Minister for Economic Development should progress initiatives and plans to help address the challenges associated with the on-island retail sector, and develop a new, more relevant and comprehensive overarching Retail Strategy.

5.3 Recommendation 3:

The Minister for Economic Development should work with retail representatives to identify the most appropriate way to assist the retail sector to embrace technology. Support might include the funding of a feasibility study into an appropriate, co-ordinated on-line sales platform, and the provision of appropriate training opportunities and shared practice workshops.

5.4 Recommendation 4:

The Minister for Economic Development should work with relevant Ministerial colleagues, and potential private sector providers, to put in place and promote suitable learning and training opportunities for retailers in areas such as high quality customer service.

5.5 Recommendation 5:

The Minister for Economic Development should extend the one-off 2013 Mystery Shopper customer experience audit into an annual piece of research. This will help inform the need for and nature of relevant future training initiatives.

5.6 Recommendation 6:

The Minister for Economic Development should seek to co-ordinate an agreement amongst retailers to be more flexible in their approach to opening hours where benefit can be accrued. Particular attention might focus on later closing times on a more regular basis, and, in a more targeted fashion, achieving more flexibility in opening hours during peak summer tourist season and events.

5.7 Recommendation 7:

If the States approve the proposed 18 month trial of liberalised Sunday trading, the Minister for Economic Development must ensure a robust process for monitoring and recording of all associated aspects (including economic, employees' welfare, social and cultural impacts).

5.8 Recommendation 8:

Specific attention should be paid by the Minister for Economic Development to mitigate the potential loss of small businesses due to increased competition from larger retailers during any trial period of Sunday trading.

5.9 Recommendation 9:

In order to inform possible strategies to alleviate undue negative impacts of the uneven playing field associated with the de minimis level, the Minister for Treasury and Resources is recommended to undertake the following studies:

- An immediate (and subsequently on an ongoing basis) review of the de minimis provision, to ensure that it is set at the lowest appropriate rate;

- A feasibility study of entering agreements with off-island online retailers for the collection of GST relating to sales to Jersey based customers.

5.10 Recommendation 10:

To provide suitable focus to the role of 'Retail Champion', the Minister for Economic Development should either more actively assume responsibility for promoting economic development within the retail sector, or formally delegate the role to an Assistant Minister. If delegating, this should be clearly reflected within the title of the Assistant Minister.

5.11 Recommendation 11:

The executive support for the 'Retail Champion' should be provided by the Economic Development Department, with industry input continuing to be sought through a comprehensive stakeholder group, such as the current Town Team, or an equivalent body.

5.12 Recommendation 12:

The Economic Development Department should undertake the active co-ordination and promotion of an event calendar linked retail initiatives in conjunction with all the necessary stakeholders.

5.13 Recommendation 13:

The Minister for Economic Development (or delegated 'Retail Champion'), should examine the current processes related to event permissions and identify any work that might be undertaken or support that can provided to reduce avoidable barriers to such initiatives. Similarly, any restrictions to the use of event friendly sites, such as the Royal Square, should be identified and addressed where appropriate.

5.14 Recommendation 14:

Pedestrian priority initiatives should continue to be implemented, and a feasibility study of such a scheme in Halkett Place from Amyson Corner along the length of the Central Market should be co-ordinated as a priority by the Minister for Transport and Technical Services, with input from the Town Team or equivalent comprehensive stakeholder organisation.

5.15 Recommendation 15:

Through the Town Team or equivalent body, the Minister for Economic Development should co-ordinate a plan to identify and implement relevant improvements to the physical town environment, including removal of ‘physical barriers’ that negatively impact on the ability of people to circulate easily through town.

5.16 Recommendation 16:

A clear strategy should be developed by the Minister for Treasury and Resources (the Landlord) regarding the covered Markets. This should be informed by consultation with all relevant stakeholders on the wide range of initiatives and views held, and include assessment of a fundamental overhaul of the interior layouts and retail offering. Changes must also be considered to outdated opening hours.

5.17 Recommendation 17:

The Minister for Treasury and Resources (the Landlord) should explore the immediate revision of outdated opening hours within the markets to better reflect customer expectations relating to the both the overall and individual retail offerings. Thursday afternoon closing should be removed as a priority.

5.18 Recommendation 18:

The Minister for Transport and Technical Services should undertake the necessary work with colleagues and other stakeholders to achieve the following:

- A clear decision on the future provision of north of town car parking
- The roll out of automatic number plate recognition systems (or similar) in all covered car parks to end the pre-dominance of scratch cards
- A fully developed strategy for the phased modernisation and refurbishment of all car parks
- A review of all initiatives, including charging structures, that might encourage a more appropriate distribution of commuter and shopper parking.

5.19 Recommendation 19:

The Minister for Transport and Technical Services should work with Liberty Bus to develop proposals for more buses to access town at points other than Liberation Station and a service that would link a range of urban areas whilst also penetrating towards the town centre.

5.20 Recommendation 20:

The Minister for Transport and Technical Services should work with Liberty Bus to develop a service that would link a range of remote areas to bus routes that access urban shopping districts.

5.21 Recommendation 21:

The Minister for Planning and Environment should assess the merits of revising and/or clarifying the current strategies relating to development in town, notably with regard to their relevance to retail. This will be essential in providing a structure to the south-westerly shifting town footprint and potentially contracting retail core.

5.22 Recommendation 22:

The Minister for Economic Development should work with the Town Team or equivalent body, and the Constable of St Helier, to develop plans that could help address and discourage long term empty shop occurrences.

5.23 Recommendation 23:

The Minister for Economic Development should work with the Town Team or equivalent body, and notably the representative from the Environment Department, to ensure that change of use processes and laws are as appropriate and efficient as possible.

5.24 Recommendation 24:

The Minister for Economic Development should address the issues of underwhelming, inconsistent and outdated signage with the Town Team (or equivalent) to help improve the town experience for all users.

5.25 Recommendation 25:

The Planning and Environment Minister should examine the planning process and legislation associated with flags and banners to ensure that they are as appropriate and efficient as possible.

5.26 Recommendation 26:

In his lead role in the States Modernisation Programme, the Minister for Economic Development should demonstrably tackle the issue of a lack of co-ordinated cross-departmental working within the States. Furthermore, he should ensure that initiatives such as ‘tell us once’ and ‘unique user id’s’ significantly assist in reducing the bureaucratic burden placed particularly, although not exclusively, on small businesses including many of the island’s retail sector.

6. INTRODUCTION

6.1 The total value of retail sales in Jersey in calendar year 2013 (excluding the motor trades) was approximately £710 million. It as an important sector of the Jersey economy, accounting for approximately 7% of the total GVA, with nearly 8000 people employed in wholesale and retail positions. It is, as a result, the second largest sector by employment. [1]

6.2 Recent years have proven difficult for local retailers. Specific challenges within the sector have coincided with the global economic downturn from 2008 and falling visitor numbers to further compound matters. Statistics published in June 2014 show that on an annual basis the volume of retail sales in the predominantly non-food sector was marginally lower (by less than 1%) than in the corresponding quarter of 2013 and about 16% lower than the peak volume recorded in early 2008.[2] The downturn in the fortunes of the sector is further illustrated in the following spread of GVA figures, from the first recorded level in 1998 up to the latest available figure from 2012:

GVA by sector, constant (2003) values, £million [3]

Sector	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	**2012**
Wholesale & retail	224	223	220	214	209	210	209	216	220	229	215	212	209	214	**195**

6.3 During the course of the Review, a number of recurring areas were identified amongst the stakeholders as the main challenges facing the Island's retail sector. This report will focus on those key areas, outlining the views expressed and the ideas for overcoming those challenges. The context of the difficult trading conditions resulting from the economic downturn from around 2008 is of course noted, but has not in itself been considered amongst the more specific and localised challenges that need to be addressed within the local retailing environment.

6.4 There was growing concern on our part during 2013 that the Minister's existing retail policy might be out of date and potentially inadequate in the face of increasing evidence of the negative impact of the challenging retailing environment. Towards the end of the year, during a period of high profile media focus on the struggles of local retailing, the Minister responded

[1] Jersey Retail Sales Q4 2013
[2] Jersey Retail Sales Q1 2014
[3] Jersey In Figures 2013 and 2009, and Jersey Statistics Unit

by publically announcing a number of initiatives that he was pursuing or considering developing. It was in this context that the Panel considered it timely to undertake its Review, and invited the Minister to provide us with up to date details of his retail policies.

6.5 Whilst there is a focus from the Panel in this report on the policy and actions of the Minister for Economic Development, the evidence taken in a Review of this scope has inevitably lead us to observe and comment on relevant actions and policies of other Ministers and, on occasion, other stakeholders. We have also striven to ensure that this Review is reflective of retailing across the Island, not solely focusing on the town offering. Inevitably given the scales involved, the evidence taken is weighted in relevance more towards town but in compiling this report we have striven to ensure that the evidence gathered from, and in relation to, out of town retailers is suitably considered.

6.6 All of the evidence that the Panel has gathered and considered through public hearings and written submissions, and that has lead to the findings and conclusions presented in this report, can be viewed on the Scrutiny website at www.scrutiny.gov.je or by contacting the Scrutiny Office.

Finding:
Retail remains an important sector of the Jersey economy, accounting for approximately 7% of the total GVA and nearly 8000 employment positions. However, the value and volume of retail sales have notably declined since 2008 and there are signs that this trend is likely to continue, particularly with regard to non-food products.

7. ADDRESSING THE KEY RETAIL CHALLENGES

7.1 Introduction

7.1.1 Most of the challenges identified during the Review are unlikely to come as a particular surprise, but some are certainly more significant than others. Whilst there are a number of ideas to help overcome these issues, it is clear that resolving one challenge alone will not offer a 'silver bullet' solution to reversing the fortunes of the retail sector in Jersey. Rather, it is apparent that there is much work to do across a number of areas involving collaborative working within and between the States and private sector stakeholders.

7.2 Overview of the Retail Policies of the Minister for Economic Development

7.2.1 The Panel's Review has focused on examining the policies and actions of the Minister for Economic Development towards the retail sector. The full written submission made by the Minister to the Panel in December 2013 detailing his position towards retail can be seen in the Review section of the Scrutiny website (www.scrutiny.gov.je). Key steps are outlined as follows: [4]

- **Retail Framework 2006 (updated 2010)**

7.2.2 The Economic Development Department's Retail Framework has acted as the overarching retail policy since 2006, and is focused predominantly on food retailing, food price competition and supermarket operators. It was updated in 2010, and outlines that:

'The States should not intervene to prevent change in the retail market, and should avoid restricting entry by new firms into the retail sector, whether they come from outside or within the Island'

The key policy aims are-

- *There should be no barrier in the Island Plan to the consideration of applications by new large food store operators. The Minister supports a 'sequential test' to protect Island Planning objectives and to consider whether there is an appropriate site for any potential entrant.*
- *In order to avoid establishing an 'uneven playing field', all applications for retail developments should be treated in a similar manner, and no special concessions should be granted to arriving operators.*

[4] Written Submission, EDD

In every case, an application should be treated on its merits, balancing social environmental and economic issues.

In addition to the aims as above, EDD will also-

- *Investigate with the JCRA what powers it would require to address competition and issues of market structure in the retail sector. entry by new firms into the retail sector, whether they come from outside or within the Island.'* [5]

- **Jersey Retail Business Development Strategy: August 2013**

7.2.3 In August 2013 the Economic Development Department produced a Jersey Retail Business Development Strategy, summarising the current situation and plans for areas to be addressed. The Strategy was about exploring business development opportunities to support Jersey retailing, with particular interest in St Helier, and not about proposing changes to the existing States' Retail Policy which essentially remains about the Island being open to competition and about supporting the Economic Growth & Diversification Strategy (EGDS). [6]

- **The Town Team: 2013-present**

7.2.4 Following the production of the Strategy the 'Town Team' was formed, which included representation from the Economic Development Department. It has comprised the following members:

Mike King – CEO EDD
Andy Scate – CEO Environment
John Rogers – CEO TTS
Ray Foster – Director, Property Holdings
Cedric Bird – EDD
Gerald Voisin – Voisins
Andrew Hosegood – Mange Tout
Jeffery Chinn – Hettich
Tony O'Neill – Sandpiper
Richard Mackenzie – Town Centre Manager
David Cullen – Roulette Clothing

7.2.5 Its purpose has been to consider tactical issues affecting the retail sector in Jersey. Amongst its initiatives it undertook a Town Centre Customer Experience Audit, and has further focused on the following areas:

[5] EDD Retail Framework 2006 (updated 2010)
[6] Written Submission, EDD

- Car Parking Initiatives
- Trading Hours
- GST Visitor Refund Scheme
- Training and Development
- Feedback
- Investment Plan
- Jersey Retail Development
- Retail Seminar [7]

7.2.6 Despite this work and the promising premise and membership of the Town Team, its future is uncertain. The Panel is aware that meetings of the complete Town Team have been difficult to achieve and are now infrequent. There are proposals from the Economic Development Department for the Town Team to be incorporated within or perhaps even replaced by a new ‘Retail Jersey’ brand via the Retail Development Plan (‘RDP’ - see 7.2.10).

- **Retail Workshop: February 2014**

7.2.7 A retail development workshop hosted by ED and facilitated by Result Marketing was held on 5th February 2014. Thirty senior retailers and industry leaders were invited to explore some of the key issues facing the future of Jersey retailing, to help develop serious ideas and opportunities for the sector.

7.2.8 Following the Retail Workshop, ED communicated to attendees that they would analyse the output and plan next steps based on a number of key ideas that had emerged from the session. These were outlined as below, and form the basis of the ongoing drafting Retail Development Plan (see below Section 7.2.10):

1. *A Retail Champion to support, promote and market the sector*
2. *A professional promotional calendar and communication plan*
3. *Local online shopping & information portal*
4. *Coaching & Mentoring support for smaller traders*
5. *Island-wide delivery service*
6. *The need for St Helier to have a focal point for retail and to use it to demonstrate ‘new’*
7. *The need to make it as easier for people to shop with Jersey Retailers* [8]

[7] Written Submission, EDD
[8] E-mail correspondence, EDD, 6 Feb 2014

- **Sunday Trading: Quarter 1 2014**

7.2.9 Development and consultation on an 18 month Sunday trading trial was undertaken in the first Quarter of 2014, and the necessary legislation to enable the trial to go ahead has been lodged for States debate in July 2014. (see also Section 7.5.8)

- **Retail Development Plan: drafting Quarter 1 2014 – present**

7.2.10 On 27th March 2014, just ahead of the concluding Public Hearing that had been arranged with the Minister for ED to wrap up the Panel's Review into the Minister's retail policies, the Panel's attention was drawn by a stakeholder to the existence of a 'Retail Development Plan' (RDP), which had been circulated by the Economic Development Department to Jersey Business and the Jersey Chamber of Commerce (JCoC) for comment. The circulated RDP detailed the 'options and tactics' of the Department to support the retail sector in Jersey for 2014 and beyond, and contained high, medium and low priority initiatives with funding estimated at up to £397,000 for 2014. It carried no suggestion that it was in any way a confidential or draft plan.

7.2.11 Indeed, accompanying correspondence that was seen by the Panel also outlined that the Chief Officer had already approved £150,000 of funding associated with the delivery of certain initiatives by Jersey Business, whose Chief Executive had played a significant role in assisting with the development of the RDP. Furthermore, it explained that, subject to the final Service Level Agreement with Jersey Business being completed, it was planned to begin activity related to the plan at the earliest opportunity, certain initiatives were scheduled to begin in April, with an official launch of a new Retail Jersey marketing brand on 10th June, just ahead of Enterprise Week. [9]

7.2.12 The Panel sought an immediate explanation from the Department about the development of the RDP and why it had not seen fit to inform the Panel about the existence of such a document that threatened to fundamentally undermine its Review, and the time and effort of those stakeholders who had engaged with us. The States approved Code of Practice for Scrutiny Panels outlines that it is beneficial for the overall Review process for the Executive to provide any additional relevant information, whether or not this is specifically requested, to ensure that all aspects of the topic are comprehensively covered. Having received unsatisfactory answers to its questions as to what the precise status of the RDP was, who had been consulted to that point and what further consultation ED was planning to carry out on it, and the related timetable, the Panel reluctantly felt there was no alternative but to cancel its

[9] Email correspondence, EDD/JCoC

planned wrap up Hearing to have time to fully reflect on the implications of the RDP and consider re-launching its Review to reflect the revised policies.

7.2.13 Subsequent correspondence placed the current status of the RDP some way less 'final' than was apparent from the originally circulated RDP and implied by the accompanying correspondence. Within that developing context the Panel re-arranged its Hearing with the Minister for ED, and questioned him about the situation. He confirmed that the document was in fact a draft which was in the development stage, explaining:

'Chairman, can I just say that I certainly concede that there was an error in a lack of proper branding on the document with regard to "draft" and "confidential". That document, as pointed out, was shared with one of the partners in this arrangement to look at retail, which was the Chamber of Commerce. Clearly the lack of proper confidential branding and draft identification on the document allowed it to reach other hands. That is unfortunate. It is in the development stage. There is no wish to hide anything from yourself'

The Connétable of Grouville:
Could you tell us when policy will be the final article? It is draft now. When do you see the new policy being available for us to scrutinise? You must appreciate we have been scrutinising the existing policy without knowledge that you were developing a new one, which means that to some extent we do not know where to go here. Do we stop and wait for the new policy to come and then scrutinise that?

The Minister for Economic Development:
…the intention was around the event, the Jersey Enterprise Awards, in June. We are creating an Enterprise Week and the original target, going back some time, was that we wanted to be in a position to be able to publish this around that time to coincide with Enterprise Week.

The Connétable of Grouville:
You see our position. We are scrutinising an existing policy and you are developing a new one without telling us, which has put us in a pretty strange position.

The Minister for Economic Development:
I do fully understand that. My understanding was that you were aware we were doing it. I was not fully sighted on the fact that you had no knowledge whatsoever. I have made public statements about the fact that we were seeking to develop a plan to support the retail sector and that goes back months and months and months. We have been working in partnership with various groups, including Chamber, as I have mentioned, and other representatives from

the private sector. So there was no secret from our point of view. If there was a lack of communication in terms of what has gone to yourselves as a Scrutiny Panel then I apologise for that. That certainly was not the intent.' [10]

7.2.14 Subsequent to the Hearing, the Panel understands that the RDP's status is uncertain. We note that the Chief Executive of Jersey Business, who played a key role in its development, has announced his departure from that organisation. Furthermore, ED has advised us that the RDP is subject to ongoing re-drafting (as of 26th June no updated version yet forwarded to the Panel) and that it would no longer be suitably advanced to be finalised for publication during Enterprise Week. The Panel has also been assured that the Minister would not wish to publicise or launch a redrafted RDP in advance of the Panel publishing its Report and without him having taken into account the Panel's findings and recommendations. Within that context, we have continued the Review, content with the relevance of the evidence gathered.

7.2.15 Reaction to the Minister's Policies

7.2.16 With regard to our 2nd and 3rd Terms of Reference examining whether the Minister's policies and actions represent an appropriate response to the challenges facing the retail sector, whilst there was recognition that there were limits to the expected role of ED within some responses, there has been some criticism from stakeholders, as illustrated below. This has included from members of the Town Team itself.

7.2.17 The Panel received comments from a number of stakeholders that echoed our own initial concerns that the Minister for Economic Development had perhaps not reacted with sufficient speed or adequate action to the emerging challenges faced by the retail sector, relying for too long on the Retail Framework that itself was in any case heavily focused on food retail, food price and the 'third supermarket' matter. It is acknowledged that there are limitations to the scope, depth and indeed merits of government intervention in the retail (or any other) market. However, it is the case, accepted by the Minister as shown by the initiatives above, that he does have the ability to try to alleviate challenges through a number of levers within his reach.

7.2.18 The mixture of views is illustrated below:

CEO Sandpiper CI:

'It would appear that ED... have finally woken up to the threat, having recently set up a working party and provided seedcorn monies of £300k to plug the holes in the dyke. Whilst this is welcome, it is a silo based approach and cannot be viewed in any sense as strategic. It is

[10] Public Hearing Transcript, Minister for ED

consistent with the lack of an island plan which is in need of updating now that the fixation of having a third supermarket has been dealt with.' [11]

Mr K. Keen:

'To my knowledge the latest retail policy was issued in 2010 and was essentially aimed at providing support for bringing retailers like Tesco to Jersey. Based on the latest report from CICRA there now seems to be a desire to encourage the likes of Aldi and Lidl to enter the local market, given the smaller store sizes operated by these retailers if they wished to enter the market they could presumably do so. Whether these retailers would or not and what prices they would charge is unknown....From what I understand EDD are now turning their attention to providing support for local retailers to sell online and evaluating other ways they can assist. This is to be welcomed but speed of action and some risk taking will be required.' [12]

Jersey Chamber of Commerce:

'It is the view of the Chamber of Commerce that there is no meaningful plan for the retail industry. The previous 'Retail Framework'…was mainly concerned with the provision of a third supermarket and is therefore mainly concerned with food retailing. We now understand that EDD has recognised the need for a vibrant on-island retail sector and is engaging with the Chamber of Commerce and other interested parties in order to develop a revised 'Retail Framework' that deals better with non-food retailing.

The Chamber of Commerce is currently in a formal dialogue with officers from EDD to identify short term actions to help islanders and this is seen as very positive and welcome. The Town Team has been revitalised, again to directly address the issues in St Helier on which the Chamber has a fromal presence. The mere fact that dialogue of this nature and action points are emerging is, in the Chamber's view, to be appluaded, however, it is at an early stage in this process.' [13]

7.2.19 The former CEO of the Channel Islands Co-operative Society, Mr J Hopley, observed that he saw certain difficulties for EDD in the matter:

'It is a very difficult situation for E.D.D. to come up with a retail policy. I do not think that is totally government's prerogative. They certainly should have an overarching framework but the level of influence that the government should exert, of course, should be fairly limited....

[11] Written Submission, CEO Sandpiper CI
[12] Written Submission, Mr K. Keen
[13] Written Submission, Jersey Chamber of Commerce (JCoC)

I think other witnesses who have sat here in the last few days or couple of weeks have brought reference to the lack of perhaps joined up government in some ways. They can only do so much, they have to work and co-operate with other departments and so forth. But I think you are right to say that the totality of government, I would not particular hang that around E.D.D., at the moment have been a little bit slow to actually do some very simple things that might alleviate the import of what you say' [14]

Finding:
The overarching retail policy since 2006 has been the Retail Framework, which has focused predominantly on food retailing, food price competition and supermarket operators. It was last updated in 2010.

Finding:
Although slow to react, since August 2013 the Minister for Economic Development has recognised and begun to act on the need to engage with retailers to develop initiatives and plans to help address the downward economic trends and challenges associated with the on-island retail sector.

Finding:
The Chief Executive of Jersey Business, who has played a significant role working with the Economic Development Department on the development of the draft Retail Development Plan, is leaving the organisation. It is unclear if this will have an impact on any of the draft initiatives currently proposed to involve Jersey Business.

Finding:
Doubts about the positive outcome of a free parking trial on Saturdays were raised amongst TTS, EDD and the Town Team. The approximate cost of such a trial (£300,000) has since been earmarked to assist alternative retail initiatives.

Finding:
The Economic Development Department created avoidable confusion and delays to its own and the Panel's work in relation to retail, by developing the draft Retail Development Plan with inadequate inclusion of and communication with other stakeholders, and failing to notify the Panel of the ongoing work despite procedural requirements to do so.

[14] Public Hearing Transcript, Mr J Hopley

Finding:

Despite the highly promising purpose and membership of the Town Team, its future is uncertain. There are proposals from the Economic Development Department for the Town Team to be incorporated within or perhaps even replaced by a new ‘Retail Jersey’ brand via the Retail Development Plan.

Recommendation:

The Minister for Economic Development must not underestimate the challenges faced by the retail sector and should, as a priority, continue to engage with retailers in a structured manner.

Recommendation:

Working with the stakeholders, the Minister for Economic Development should progress initiatives and plans to help address the challenges associated with the on-island retail sector, and develop a new, more relevant and comprehensive overarching Retail Strategy.

7.3 Online Competition

7.3.1 The challenge posed to local retail by the growth of online retailing is a fundamental one. The impact that it has had and threatens to have is well outlined within the evidence that we have considered. Without labouring the statistics within the body of this report, a number of overarching observations help to crystalise the scale of the challenge.

7.3.2 According to Island Analysis research from 2012:

'Latest internet shopping trends in Jersey continue to reflect very similar patterns to those being seen in the UK and other island jurisdictions. Data from the Office of National Statistics reported that two thirds of adults in the UK accessed the internet every day or almost every day. This is nearly double the 2006 level. Together with this expansion, there has been a dramatic increase in spending online presenting a challenge for those bodies monitoring consumer spending, business spending and prices. In the UK, the number of adults who bought and ordered goods and services online within the last twelve months reached 31m. These internet shoppers represented 62% of all adults. However, from other research undertaken by Island Analysis, there are some distinct differences between the UK and the Channel Islands as follows:

- *the greater number of households which have access to the internet in Jersey and Guernsey as compared to the UK;*
- *the wider range of products that are purchased online by islanders as compared to UK residents;*
- *the higher per capita spend on products in Guernsey and Jersey as compared with a mainland resident;*
- *due mainly to access issues, there have been a number of online retailing services which have not been available to CI residents. However, this is changing rapidly with many companies now offering online shopping facilities to CI residents.*

In terms of usage, there is still a large divide between the young and the old with nearly 100% of those under 25 years of age accessing the internet while still only just a majority over 65 going online. However, this latter percentage is radically changing as more and more people now reaching retirement age (post-war 'baby boomers') have been using the internet and computers at work and at home.' [15]

[15] Island Analysis, Jersey and Guernsey Retail Research, July 2012

7.3.3 Indeed, in the latest figures available in this area, released just in advance of our report being published, Island Analysis findings relating to online shopping habits in the Crown Dependencies illustrated the growing trend in online shopping. These included:

- *Two out of three respondents in each of the islands indicated that their expenditure level of online shopping had 'increased' or 'increased a lot' in 2013 over 2012.*
- *'Convenience', 'price', and 'product range and choice' continue to be the dominant reasons for shopping online.*
- *The average annual online household spend was just over £7,000 in each of the islands.*
- *If the overall market size of goods and services (including food and groceries) that could theoretically be bought online is used, it is estimated that the above spend is equivalent to 29% of maximum market size in the Isle of Man, 28% in Guernsey, and 24% in Jersey.*
- *Just over one in three respondents (slightly higher ratio in Jersey than in the IOM and Guernsey) indicated that they 'frequently' or 'very frequently' visited a local shop to view a product but then buy it online.*
- *Tablets and, particularly, smart phone devices were becoming increasingly important as a means of purchasing products and services online.*[16]

7.3.4 It is estimated that 85% of households are purchasing products and services online, representing some 35,350 households in Jersey, with the total online spend in 2013 amounting to £258million. [17]

7.3.5 Further illustrating this trend, the Panel was informed by Jersey Post that in 2012 the volume of parcels and packets delivered by Jersey Post increased by 28%, with the overall volume continuing to increase in 2013. This is all the more notable given the reduction in inward DVD and CD traffic due to digital substitution by services such as ITunes.[18]

7.3.6 The online challenge shows itself in number of ways, but perhaps most significantly through price and convenience, with ability to buy products twenty four hours a day, seven days a week ('24/7') from any location on a tablet device or on the computer in the comfort of home. As one submission we received summed up,

[16] Island Analysis, Island Online Purchase Trends, May 2014
[17] Island Analysis, Island Online Purchase Trends, May 2014
[18] Written Submission, Jersey Post

'It is entirely understandable that Jersey consumers want the almost infinite choice provided by the Internet and the lower prices that massive scale can bring and will have very limited sympathy for any business that cannot provide that, local or otherwise.'

7.3.7 The Panel has heard from a number of stakeholders, including retailers, who suggest that it is retailers themselves who have to take significant responsibility in this area to address the issues faced. The challenge is well known, yet there is evidence that shows retailers have arguably been slow to adequately react, continuing to sell predominantly through the traditional 'mortar' channel, with limited online sales presence and associated click and collect or delivery options. For instance, this can be summed up by the apparent contrast seen by Jersey Post between the volume of inward parcels and those locally generated:

'*We did see substantial growth of local parcel deliveries in 2013 but this was from a barely measurable base and still represents only a tiny fraction of the parcels we handle*.' [19]

7.3.8 A submission from Webreality regarding linked research it undertook in 2010 and 2012 on customer attitudes emphasises both the scale of the challenge and opportunity in the online area:

The results indicate an obvious opportunity for Jersey retailers in certain sectors to capitalise on growing internet usage, conservative Sunday trading legislation and opening hours, and evident online buying appetite from Jersey consumers, by establishing online retail channels.

- *82% of respondents said they would welcome the opportunity to spend more money with local retailers if they had e-commerce websites.*

- *Although most respondents said that price was a "vital" or "important" factor, 63% of respondents said that they would spend 10% or more in excess of a typical UK online price if there was something they needed to buy urgently and they couldn't wait for delivery from the UK.*

In summary, the results of the survey indicated an obvious opportunity for Jersey retailers in certain sectors to capitalise on evident online buying appetite from Jersey consumers.[20]

7.3.9 There has been some collaborative work between certain stakeholders to try to address the online challenge. The Panel notes for example the emergence of the ShopJersey.je website,

[19] Written Submission, Jersey Post
[20] Written Submission, Webreality

whose background and aims were outlined to us by Webreality which partners Jersey Post in the initiative:

The current www.shopjersey.je was launched in March 2013. It started with approximately 30 stores listed and very rapidly climbed to over 100, through a combination of submissions from customers, submissions from online retailers, Facebook comments, and our own ongoing research to uncover other online retailers. Inclusion criteria mirrored those intended to be applied to the eventual transactional platform. At today's date there are 122 online retailers listed on the website. The website's Facebook following reached 500 in three weeks, and 1000 two weeks later. It currently stands at 1600.

The listings site has proven firstly that there are a lot of potential participants in the intended transactional platform who are already trading online, without counting the very many established offline retailers who have not taken their own first step into the online channel. Secondly, the www.shopjersey.je website traffic has proven, even without substantial investment in marketing, that there is a market of local online shoppers to be addressed. Multi-channel retailers remain the exception in Jersey, in the face of mounting evidence that multi-channel cannot be ignored by retailers looking for a prosperous future. The proposed ShopJersey.je transactional platform is intended to make it easier for established retailers to adopt a multi-channel approach. Work is ongoing to make it a reality before the end of 2014. [21]

7.3.10 Whilst there is some uncertainty over the future development of ShopJersey.je itself, Jersey Post told us of some encouraging signs in this area:

'Towards the end of 2013 we became aware of a number of initiatives aimed at offering consumers the opportunity to buy locally and online. We expect that a number of others will be established in 2014 which is why at this stage we have not pursued further development of Shopjersey.je . We will however be doing our best to support the growth of local retailers selling online both on and off Island throughout 2014 using our extensive delivery network and relationships with other postal organisations around the world.' [22]

7.3.11 The Panel notes also the Jersey Evening Post's Boutique Jersey initiative to improve the online presence of local retailers by creating what it terms:

'an online high street that showcases local retailers, their wares and services.' [23]

[21] Written Submission, Webreality
[22] Written Submission, Jersey Post
[23] www.boutiquejersey.com

7.3.12 The site is designed:

'to offer an online presence for those outlets that may not have their own website or simply want to extend the reach of their current online activity. There is now, for the first time, a fully transactional, dedicated site for Jersey retailers to offer their range of niche products or services to potential shoppers, both here and further afield. Prior to the launch, around 20 shops had already signed up to join the website, which gives users the chance to order items to be delivered or collected from the store.' [24]

7.3.13 The JEP is also exploring options including same-day delivery for any products ordered on the site, in conjunction with Jersey Post.

7.3.14 In addition, a third similar platform for local retailers to establish a firmer online sales presence is available through anina.je. Its purpose is outlined as follows:

'Anina is a Jersey company offering shoppers an opportunity to buy a wonderful selection of products sold in Jersey. Anina's aim is to support the local high street by allowing vendors to sell online while maintaining their bricks and mortar business.' [25]

7.3.15 The Panel is also aware of the Jersey Chamber of Commerce (JCoC) initiative to improve the online sales presence of local retailers through an initiative that it has provisionally called 'Jamazon'. The JCoC has been in discussion with the Economic Development Department seeking funding regarding proposals to develop a Jersey Amazon-type operation, where products would be listed and available to click, buy and have delivered on the same day. The Panel was updated as to the status of the proposals by the Chief Executive of the JCoC, Mr I. Taylor:

'Where we are is we have now successively agreed that a feasibility study will be undertaken by an independent body or an independent person to provide the information that we require, whether it is going to work or not, how much it will cost, resource, et cetera…which will give us all much more an informed opinion as to where we go.

Mr G. Voisin:

Can I just explain why this is important…the larger businesses in Jersey probably already have an internet presence. But the smaller businesses do not and for the smaller businesses to do this on their own will represent a very significant cost to them. People say: "Oh, get a web page up and running and sell online" but it is very easy to say, much more difficult to do,

[24] www.jerseyeveningpost.com, 3 February 2014
[25] www.anina.je

especially when you are talking about the sort of people who are independent retailers…The internet is a completely different language, a completely different discipline, and those people do need a helping hand to get online…They are still going to have to get the right product, they are still going to have to get the right price and they are still going to have to provide the right customer service for their customers.' [26]

7.3.16 Given his Department's role in the development of the initiative, the Panel sought the views of the Minister for ED. The Minister informed us that whilst supportive of the broad concept, alternative options to the Jamazon proposal were being considered as the Jamazon proposal itself appeared to be expensive and he had yet to be convinced that it represented the best value and best option in order to deliver the desired end result. A final decision had yet to be made, although he indicated possible concerns that needed to be overcome:

'The idea of Jamazon, which is a somewhat curious description, is to create a local environment. So it is purely, as you will have seen…focused on-Island; whereas the Amazon marketplace that I was referring to was opening up the whole world to local retailers to sell their products.' [27]

7.3.17 We also heard from the Town Centre Manager about the need for retailers to better seize the communications opportunity offered by the internet and modern technology. He explained the joint working with ED on Town Team initiatives in this area:

'Number one is to make a far greater awareness on social media, and social media is a very inexpensive way of getting yourself on to the internet, because now retailing is not a mutual thing. You cannot just do it on the high street, you have got to interact with social media. You have all heard - and I have put on there - John Lewis talk about clicks and bricks, and that is a very common thing. You cannot just trade out of your brick centre, you have got to interact. By interacting with Facebook and Twitter, which are things probably some of us do not use very often, but the younger generation are almost addicted to it, you can then participate there.' [28]

7.3.18 He continued:

'We are also looking at something that I am very keen on, which is a virtual high street…If we could actually provide a virtual high street and you could click on the door of a departmental store…that took you straight into that website, that would allow you to do the comparative

[26] Public Hearing Transcript, JCoC
[27] Public Hearing Transcript, Minister for ED
[28] Public Hearing Transcript, PoSH

shopping...The internet is not always the cheapest option, but we are not telling our customers where the best place to go is, and you have got to have that ability to communicate with them electronically as well.' [29]

7.3.19 As the above 'multi-channel' approaches to retailing outlined above demonstrate, this challenge does not play out as an either/or scenario, and the end of the 'high' street in Jersey is not apparent. Indeed we note with interest the Island Analysis report on online shopping trends in the Crown Dependencies which found that:

'The retail offer varies a lot between the islands but in terms of choice, Jersey has the greatest retail offer' [30]

7.3.20 It has been clear from evidence taken during the Review that retailers can successfully adapt a bricks and clicks approach to sales, and there are strong examples of this within the Island. Indeed, some of the best known examples are from online retailers who have sought to establish a high street presence. The Minister for ED also outlined the possible opportunity associated with the internet challenge:

'*The retail revolution and that is exactly what it is…does not have to necessarily be a threat. It can be an opportunity. Many retailers in local areas see the internet as a threat. I would like to view it more as an opportunity and, if you look at Amazon as an example, they have got their Amazon marketplace where small traders at low cost have an opportunity to trade their products and open their marketplace up not just to their local jurisdiction but to the world. You see individuals who can make a living purely by utilising the services offered by Amazon. Amazon is just one example of ways in which retailers could enhance their offering or perhaps change their business model to recognise that certain products are more applicable for the high street and some more so for the internet and they perhaps need a combination of the two.'* [31]

7.3.21 Research in the UK by the British Property Federation in 2013 regarding the bricks v's clicks challenge, highlighted that the high street had to adapt, and quickly, to meet the changing demands and habits of shoppers. However, if it could, then the future for high streets was 'safe' as many shoppers value those aspects that online retailers can't deliver. Commenting on the report, leading industry magazine Internet Retailing itself observed that:

[29] Public Hearing Transcript, PoSH
[30] Island Analysis, Island Online Purchase Trends, May 2014
[31] Public Hearing Transcript, Minister for ED

'whilst most people like to go to shops…that's a long way from saying they don't want to shop online. What we've discovered in recent years is that, indeed, people like to shop online or in store, wherever or however is most convenient to them at any given moment. We believe the high street will do best when it adapts to the reality of multichannel and online shopping.' [32]

7.3.22 Also in the UK, in a move with notable underlying principles, Network Rail has announced its first ecommerce parcel shop which is open to all retailers and all carriers;

'...and high streets would do well to incorporate such shops in to their landscape. Multichannel retailers find that when shoppers visit their stores to pick up Click and Collect orders they see those shoppers spending more in store. The same is even true when items are returned. Surely, then, high streets as a whole could also benefit from such an innovation.' [33]

Finding:
Online competition represents the most significant challenge to Jersey's 'high street' retailers.

Finding:
Online retailers are notably more appealing than traditional bricks and mortar retailers around the issues of price and shopper convenience.

Finding:
It is estimated that 35,350 (85% of the total) Jersey households are purchasing products and services online, with the total online spend in 2013 amounting to £258million.

Finding:
The average annual online household spend in Jersey in 2013 was just over £7,000.

Finding:
Research demonstrates that mobile tablets and, particularly, smart phone devices have become increasingly important as a means of purchasing products and services online. The trend in '24/7' purchasing culture is expected to continue to develop as mobile technology increasingly facilitates anytime-anywhere shopping.

Finding:
82% of respondents to a shopping habits survey said they would welcome the opportunity to spend more money with local retailers if only they had suitable e-commerce websites. In general, however, the online sales platform and marketing/social media presence of local

[32] www.internetretailing.net/2013/12/high-streets-must-change-if-they-are-to-thrive-study
[33] www.internetretailing.net/2013/12/high-streets-must-change-if-they-are-to-thrive-study

retailers has not adequately developed to meet the challenge of off-island online retailers, although some creditable and co-ordinated platforms have begun to emerge.

Finding:
Jersey's high street retailers can continue to aspire to a positive future, but to help achieve this must harness the opportunities provided by ever improving technology.

Finding:
The Minister for Economic Development is broadly supportive of the general concept of the Jersey Chamber of Commerce's 'Jamazon' initiative, but is not convinced that it represents the best value or most suitable option to deliver the desired outcome for the Island's retailers.

Finding:
Retailers in Jersey will need to continue to develop 'multi-channel' retailing models combining bricks and mortar, online sales/booking, click and collect and/or home delivery.

Finding:
Jersey's many small retailers may require significant co-ordination and some government assistance to overcome the challenges of scale and cost in developing 'multi-channel' retailing models.

Recommendation:
The Minister for Economic Development should work with retail representatives to identify the most appropriate way to assist the retail sector to embrace technology. Support might include the funding of a feasibility study into an appropriate, co-ordinated on-line sales platform, and the provision of appropriate training opportunities and shared practice workshops.

7.4 Quality of Customer Service

7.4.1 There were many observations made during our Review regarding customer service, with a consistent recognition that high quality customer service was an essential requirement for retailers in helping to compete against the online retailers. This was widely regarded as one of the advantages that the ‘high street’ retailer could have against the online competition, an argument illustrated by the CEO of Sandpiper CI:

...clearly the challenge of the internet is colossal, but one of the things we do have is the personal service and if we can enfranchise the people that work in our shops across the Island ... what is that old adage? Somebody who has bad service will tell 8 people, but if they have good service, they will tell one person, and it multiplies out. The issue is of course that the Island needs to be consistent in its delivery, so if I am a visitor and I have one bad experience, then it is that bad experience I am going to tend to remember, as opposed to all the other good experiences that I have had. But you are absolutely right, personal customer service is our unique selling proposition that we should be able to build upon. [34]

7.4.2 He also explained the comprehensive and structured ways in which his own company approached training and monitoring in order to try to achieve high and consistent levels of customer service. In addition, the CEO outlined how he believed that some of the instinctive criticism of customer service in the Jersey was perhaps undue. He told us:

‘*My own view is we can always do better…there is no sense at all of any complacency here. I do not think our standards are good enough consistently as they should be, but I think if we compare ourselves to other parts - and I have worked for big organisations in the U.K. for 30 years - our standards…are better on a consistent basis day in, day out.*’ [35]

7.4.3 However, it was not in isolation that the Panel heard criticism about the general level of customer service to be found in Jersey, with criticism coming from across the stakeholders, including customers, States Members, representative organisations and even retailers themselves. Whist good practice can of course be found, it appears one possible advantage local retailers could have is too often turned into a disadvantage, not out of keeping with the risk identified above by the CEO of Sandpiper. This was further illustrated to the Panel by the Jersey Consumer Council, who told us:

[34] Public Hearing Transcript, CEO Sandpiper CI
[35] Public Hearing Transcript, CEO Sandpiper CI

Chairman, Jersey Consumer Council:

It varies from what I have experienced and what I know people have said to us. There are some stores where clearly training is needed...

Executive Officer, Jersey Consumer Council:

It was raised when we took the Consumer Council out on to the High Street last summer, and that is one of the topics that passers-by commented on was the customer service. Sometimes they feel it is not as good as it should be and it does become a barrier and a deterrent to some people. When they are trying to source a particular item there was a lack of interest on occasions, language barrier comes up that they feel that culturally there are different expectations. ..I think it is in different pockets but from what people have said to us it is not endemic in a big store or a small store. It is across and it is something that could be improved dramatically because you notice when you go in and have particularly good customer service how good you feel about it, and how you feel better about the purchase. You generate a loyalty. You begin to have that rapport, relationship which is all important in such competitive times.' [36]

7.4.4 In the final Quarter of 2013, as part of the Town Team initiative the Economic Development Department commissioned a local Mystery Shopping firm to undertake an audit of customer experiences in town centre retail outlets and cafes. The associated report outlines how, by undertaking this work, EDD hoped to achieve the following:

1. *Benchmark independent local retailers against larger UK franchises trading in St Helier*
2. *Identify product and service provision gaps*
3. *Identify staff training gaps*
4. *Identify gaps in selling opportunities*
5. *Measure the 'customer ordering experience' i.e. the ability for customers to order items that are not in stock*
6. *Understand if there is a difference between the weekday and Saturday experience* [37]

7.4.5 The findings contained in the report produced from the survey showed scores for 'performance' (measured across themes of general approach, sales opportunity and service, with 0% being the most negative possible score and 100% being the most positive possible) ranging from 22% to 84% across the outlets surveyed. The overall score for the 55 units surveyed was 68%, which is below what is considered good performance or acceptable in

[36] Public Hearing Transcript, Jersey Consumer Council (JCC)
[37] EDD, Town Centre Customer Experience Audit, Q4 2013

similar UK mystery shopper audits. The report concluded that Jersey should set a performance target of 80% as a benchmark for similar future audits. [38]

7.4.6 The question of who should be responsible for improving customer service where poor practice is evident, in order to raise standards as recommended by the ED survey, was commented on by and raised with a number of stakeholders. Whilst there is agreement that the ultimate responsibility must rest with the retailers to recognise and improve poor customer service, there is also recognition that the States can have a significant supporting role to play in improving standards.

7.4.7 Jersey Business outlined to us that:

The overall perception of customer service in retail, based on a variety of reviews over the years and more recently a survey carried out by EDD in 2013, is that it is poor. There are a number of reasons that are likely to lead to such a result including; poor management capability in the sector, lack of investment in people including in training; and perceived high staff turnover.

In the past there have been several attempts to encourage an improvement in staff training, in particular the Retail Training Network (RTN) set up under the Training & Employment Partnership (TEP). As far as I know, the last of these faded out some years ago.

There are frameworks for the provision of retail training in the UK both for management and customer service such as The National Skills Academy for Retail which operate along the same lines as Investors in People (IIP). The framework sets standards for achievement and provides recognition for organisations that achieve accreditation. There is then a renewal assessment that seeks to ensure that standards are maintained.

7.4.8 Indeed beyond customer service, as well as its own government grant funded business advice services, the States provided wider skills development opportunities, including:

Skills Jersey is a body that provides strategic oversight in respect of the need and supply of a skilled workforce. Through their program, "Skills Accelerator", they provides financial support towards the cost of training and development of individuals across all sectors, including retail, of up to 75% of the cost, capped at £5,000. As a positive initiative to remove the cost barrier to gaining skills, this program is extremely welcomed. However, I suspect that a difficulty lies in

[38] EDD, Town Centre Customer Experience Audit, Q4 2013

persuading small retail business owners to invest their own time in making such a commitment. [39]

7.4.9 The Minister for ED outlined that he believed customer service should be better, and that whilst ultimate responsibility rested with the individual businesses, the States did have a supporting role to play. He explained:

'Clearly, just about anybody in business will realise that customer service is one of the most important...That is something that relatively easily most businesses should be able to focus on themselves and do something about in terms of giving advice to people that they employ and training to the people that they employ to improve that experience. A lot of it is quite simple.How often have you been into a shop... the worker is looking at the floor, ignoring you, they do not smile at you, they do not ask you can they help you? The product knowledge...they do not know how it works. It is all that type of stuff... There is a responsibility, in my view, for the business owner, the retailer, to make sure that the staff can do the basics and I think that would improve the experience.

The Deputy of St. Martin:
Is there a role for Government here or would that be too much interference?

The Minister for Economic Development:
There is a role for government, and that is why we established Jersey Business Limited...the ingredients are there with Jersey Business to provide free advice to largely S.M.E.s which, as I said, is principally the retail sector, and it is there for them to access and they will go in and they will look at the business, they will give some advice.

The Deputy of St. Martin:
But when it comes to staff training, is that not a job of departments like the Education Department or Social Security Department to provide people who already have that ethos of wanting to help customers, rather than just say: "I turn up, take my money and go home"?

The Minister for Economic Development:
Yes, but it comes back to the word I used, which is about responsibility. If it is your business, your investment, you are going to do everything, one would have thought, to make it work and you are going to start with the basics...You get the right product at the right price, you present it

[39] Written Submission, Chief Executive, Jersey Business

in the right way and part of that is the staff and making sure that they are there, smiling, happy, right product knowledge and so on.' [40]

Finding:
Face to face customer service is widely regarded as one of the opportunities for 'high street' retailers to gain advantage over online competition. However, the quality of customer service in Jersey has been found to be highly variable. Retail owners and managers are ultimately responsible for improving this situation, but can be assisted by government.

Recommendation:
The Minister for Economic Development should work with relevant Ministerial colleagues, and potential private sector providers, to put in place and promote suitable learning and training opportunities for retailers in areas such as high quality customer service.

Recommendation:
The Minister for Economic Development should extend the one-off 2013 Mystery Shopper customer experience audit into an annual piece of research. This will help inform the need for and nature of relevant future training initiatives.

[40] Public Hearing Transcript, Minister for ED

7.5 Trading Hours

7.5.1 Weekday (and Saturday) Trading Hours

7.5.2 There is no compulsion or legal restriction presently in place for the majority of shops in Jersey to open or close at any particular time. The evidence gathered in this area by the Panel presents a clear theme that traditional 9(30)am to 5(30pm) shop opening hours favoured by many retail outlets appear to be an unnecessary barrier to trade. There have been calls for changes to be made by retailers to make their core opening hours less restrictive and inconvenient to modern customer habits and expectations. An often cited example of customer unfriendly opening hours was the Central Market, which shuts its gates on possible customers each and every Thursday afternoon. Some favour changes to be made on a day to day, year round basis, to better counter some of the challenges created by the internet competition with its 24/7 opening times, as outlined in the previous section. Evidence provided by the Town Centre Manager and Connétable of St Helier for instance, reflected such calls:

Town Centre Manager:
I think we do have to review our trading hours, because at the moment, we have got to realise that there is a 30 per cent increase in internet sales year on year, and that will not go away. What we have got to be, as a retail sector, is more convenient for our customer… If we continue with our current trading patterns, we are forcing people who work on to the internet, because their shopping opportunity is reduced…Retail has shifted over the years and it will never stay the same and it will keep moving. We have got to be aware of how we compete with our competition. At the moment, the number one competitor - and I think if you spoke to any retailer - is the internet.' [41]

7.5.3 He continued:

The big leader of this will always be the larger units. I am currently having meetings with them and asking them to reconsider their hours…they are going to come back to discuss this and see if their opening hours are appropriate to their customer base. When we think that the large proportion of the working people on the Island work in St. Helier and they are walking probably down King Street or up King Street to get to their mode of transport - and this would be about 5.30 p.m. - and what they are greeted by is people closing doors…

[41] Public Hearing Transcript, PoSH

The Connétable of St. Helier:

Can I also add to that…the thing you cannot do on the internet is meet friends, listen to live music and have a meal…socialise… watch street theatre or listen to music. It is those kind of activities, particularly in the early evening, that need to be promoted.' [42]

7.5.4 From a consumer perspective, the Chairman of the Jersey Consumer Council agreed that revised opening hours should be looked at and 'tweaked', particularly retailers remaining open beyond typical office closing times. The Chairman explained that more shops being open until around 7.00 p.m., could encourage shoppers to use local retail outlets where there is currently little choice or opportunity, and could encourage younger people amongst others to remain in time much in the way envisaged by the Connétable of St Helier. [43]

7.5.5 Others, whilst agreeing that opening hours could be more flexible, suggest more targeted extended opening hours particularly around specific events, dates and time of year to better serve potential customer demand would be more appropriate. This would reflect both local and tourist demand. The Chief Executive, SandpiperCI for example, explained:

We do open late on a Thursday night, for example, but look, outside of July and August, you walk down King Street at 7.00 p.m. at night, the only thing that is missing is the tumbleweed. There is just nobody in town. It is not the way we are built here…It is undoubtedly frustrating when you see tourists milling around. You can spot them from 8.00 a.m. on a Saturday morning, can you not? They are all sort of huddled and looking pinched and they have got their backpacks on. We open our M&S store at 8.00 a.m. in the morning, so we try and make sure we understand when the ferry is in, we are sort of opening for them…' [44]

7.5.6 Similarly, the former Chief Executive of the Chanel Islands Co-operative Society, Mr J Hopley, also urged some caution around excessive change to opening hours. Although agreeing that retailers need to provide a service at a time people want to shop, he commented that he was not aware of a strong demand or desire for significantly extended hours, particularly in the context of food retailing. He told the Panel:

'I think there is enough provision at this moment in time in the main for people to do the shopping at times that they want to do it within reason. There are some issues…If you have a job which is concentrated in daylight hours perhaps or during the daytime and you want to buy something specific and you want to get a washing machine, et cetera, not many of that type of store is open at the point in time that you want to shop and is that an inducement for you to buy

[42] Public Hearing Transcript, PoSH
[43] Public Hearing Transcript, JCC
[44] Public Hearing Transcript, CEO Sandpiper CI

it off the internet because it is that much easier and so forth. But, no, I do not see any real need in the Island for 24/7 shopping at all.' [45]

7.5.7 The Minister for Economic Development is strongly in favour of later opening hours, particularly in the key summer months when tourist numbers increase. It could help improve the experience both for visitors to Jersey and indeed people working within St. Helier. He further explained:

'There are opportunities for retailers, I think, to gain some incremental growth in their revenues without significant additional costs. We used to see it back in the 1970s; retailers typically were open until 9.00 p.m. or even later. I accept there were significantly more visitors to the Island at that stage but, nevertheless, I think an extended opening period would be very valuable. We tried to encourage some retailers to run a trial last summer and it was limited in success because the take up was not as good as it should have been.' [46]

Finding:
In general, Jersey retailers have not fully reacted to changing customer habits and are potentially restricting shopping opportunities through outdated '9 to 5' opening hours. Later closing times on a more regular basis have been identified as being attractive to shoppers.

Recommendation:
The Minister for Economic Development should seek to co-ordinate an agreement amongst retailers to be more flexible in their approach to opening hours where benefit can be accrued. Particular attention might focus on later closing times on a more regular basis, and, in a more targeted fashion, achieving more flexibility in opening hours during peak summer tourist season and events.

7.5.8 Sunday Trading

7.5.9 Due to the ongoing process of the Minister for Economic Development's consultation on a Sunday Trading trial period during the Review, the Panel's attention in this area has focused more on its most immediately significant aspect - the trial period - rather than the pro's and con's per se of Sunday trading which are being actively and publically discussed elsewhere through the trial period consultation and States debate (that may be held before the publication of this report). At the time of writing, draft legislation that if passed would temporarily amend

[45] Public Hearing Transcript, Mr J Hopley
[46] Public Hearing Transcript, Minister for ED

the existing Sunday trading rules for an 18 month trial period, is scheduled to be debated by the States before the summer recess this year.

7.5.10 Nevertheless, and perhaps not unsurprisingly given the strength of feeling on the matter, the general aspects of Sunday trading have still featured to a degree within the submissions made and evidence gathered through the Review. There was not a consensus view on the merits or otherwise of Sunday trading within the submissions we received, reflecting the position that has also been seen when the matter has been discussed publically through the media and other forums. Indeed, as the Report accompanying the draft legislation outlines (P.76/2014 Draft Shops (Regulation of Opening) (Amendment) (Jersey) Regulations 201-.):

'The Minister for Economic Development acknowledges that trading on a Sunday is an emotive issue and not just about the economic benefits and costs. This was clearly demonstrated by the response to the public consultation which ran during February and March of this year. One hundred and fifty-one responses to the consultation were received and opinion was split fairly evenly with 54% of respondents not in favour of the trial.' [47]

7.5.11 A notable point that was made to the Panel by stakeholders was that the current restrictions relate to a significant minority of shops. At present a large majority of shops are able to open on Sundays on the same terms as any other day of the week, it is only those with a sales area of more than 700m² that are currently restricted from opening every Sunday. Despite this, most choose not to, although it was suggested to us that from a commercial perspective this might change if larger anchor/ department stores opened their doors.

7.5.12 Whilst that may be the case, it was not evident from all of the submissions we received from large town retailers that they would be inclined to open and trade on Sunday even if afforded the opportunity to do so[48]. Indeed, it has been observed that it might be out of town retailers who perhaps stand to gain more commercially by opening on Sundays. The expectation of a number of stakeholders is that the proposed trial period might, if approved by the States, at least provide some clarity around these and the other commercial debates[49], as well as those relating to the 'Social Argument'.[50]

7.5.13 Regarding the trial, a key matter that the Panel sought to address was whether or not it the trial period would in fact prove to be an irreversible step into 'permanent' liberalisation of legislation regarding Sunday trading. There was some acknowledgement that it may be difficult to turn

[47] P.76/2014
[48] Written Submission, Mr G Voisin
[49] CEO Sandpiper
[50] Written Submission, Mr G Voisin

back the clock in practice, perhaps even more so if the trial proved to be popular amongst consumers and had been commercially productive for retailers. However, responding to such concerns, the Minister for ED told the Panel:

'The way it is being proposed is that it would automatically revert back. The trial would allow for the legislation effectively to be suspended for the period of the trial. At the end of the trial period it would automatically revert back to the existing legislation. So it would not be a case that you start a trial and then we forget to do anything about it and it just carries on.' [51]

7.5.14 He further explained:

'The States Assembly would have to make a decision under the way it is currently being conceived. It has not been finalised yet, so you would have to take what I am saying with a pinch of salt, but if it is put forward and presented in this way, then of course it would revert back automatically at the end of the period. That is why the trial period, although I have described it at 18 months, in reality is a 12-month trial and a 6-month assessment period to allow, if necessary, to go back to the States and say: "We have done the trial for 12 months. We have assessed it. These are the results. We believe it merits a permanent change" and therefore that would allow time for the States to then consider having another debate on it to make a permanent arrangement.' [52]

Finding:
Sunday trading remains a contentious matter. Opinion on the Minister for Economic Development's Sunday trading trial has been split, with 54% of respondents to the associated White Paper not in favour of the trial.

Finding:
It is not clear whether current Sunday trading restrictions are a significant barrier to retail in Jersey. Very few retailers are currently restricted from opening on Sundays.

Finding:
Relaxation of Sunday trading restrictions appears to be of more obvious potential economic benefit to certain out-of-town retailers, such as garden centres, than retailers in town.

Finding:
Amending current weekday/Saturday trading hours would appear to be a greater priority than

[51] Public Hearing Transcript, Minister for ED
[52] Public Hearing Transcript, Minister for ED

changes to Sunday trading. It could provide greater positive consequences for a larger number of retailers and consumers than a Sunday trading trial with significantly less contention.

Finding:
At the end of Minister for Economic Development's proposed 'liberalisation' trial of Sunday trading legislation, although the legislative position would revert to the current situation restricting those with a sales area of more than 700m², there is concern that it would be difficult culturally to 'turn the clock back'.

Finding:
Certain negative impacts that might result from the proposed Sunday trading trial, such as small business closures due to increased competition from larger retailers, could be irreversible.

Recommendation:
If the States approve the proposed 18 month trial of liberalised Sunday trading, the Minister for Economic Development must ensure a robust process for monitoring and recording of all associated aspects (including economic, employees' welfare, social and cultural impacts).

Recommendation:
Specific attention should be paid by the Minister for Economic Development to mitigate the potential loss of small businesses due to increased competition from larger retailers during any trial period of Sunday trading.

7.6 GST and the 'de minimis' level

7.6.1 The application of GST has been consistently raised as a notable challenge to retailing in Jersey amongst the stakeholders that engaged with us during the Review. The arguments relating to the lack of a level playing for local retailers crated by our own government will perhaps be familiar. GST adds 5% to the price of almost all goods sold in the Island, in turn placing a further challenge on retailers already trying to compete in the internet retailing era where price has such a notable influence on consumer decisions. Added to this, local retailers can often find themselves facing the 'double whammy' within this challenge that in choosing to purchase off-island via the internet, not only can a customer be attracted by a VAT reduced item but also be further encouraged by there being no application of GST to imported products under £240 – the 'de minimis' level. The frustration of retailers in this area was reflected by the CEO of the CI Co-operative Society, who said:

'The other significant challenge is GST. With the de minimis level on individual imports set as it is, local retailers are being forced to compete on an uneven playing field…States policy is creating an advantageous situation for companies outside of the UK to transact without local population…The solution, although understandably unpalatable from a political perspective is to level that playing field, with all imports, regardless of retail value, being subjected to the same GST that local retailers are compelled to pay. At this point it is worth highlighting the significant loss of revenue to the States purse by ignoring internet/catalogue imports. With the popularity of this method of buying set to rise further in future, there is a risk that further erosion of tax receipts will put further upward pressure on GST rates….' [53]

7.6.2 Identifying the challenges of GST and the de minimis level, and agreeing that they represent a real and present sense of frustration amongst retailers is relatively straightforward judging by the high degree of consensus that we witnessed on the matter. Addressing those challenges, despite clear ideas such as those illustrated above, has appeared to be a more difficult proposition, even where there may be consensus, due to 'bigger picture' complexities.

7.6.3 At a Public Hearing, the Panel discussed a number of themes raised by stakeholders with the Minister for Treasury and Resources. He extensively outlined to us the scope of the issues that his Department faced, and beyond that the Island's politicians, amongst the potentially competing interests of retailers on the one hand and those of consumers on the other, when considering initiatives as lowering or scrapping the de minimis level to try to create a more level playing field. He said:

[53] Written Submission, CEO, CI Co-operative Society

*'…the traditional wisdom has been that you should effectively try and minimise your administrative burden in collecting tax,… a de minimis amount was effectively agreed as an amount (*over which*) G.S.T. would be payable…since G.S.T. went up to 5 per cent obviously it is £240 G.S.T. free amount…I have not said this in public before, but I was on the point of saying that we needed to look at it when the former Chamber of Commerce President announced that it should be effectively reduced. I think we were all incredibly struck, certainly I was, at the public vociferousness of the fact that they wanted to be able to continue to shop online and they regarded the de minimis limit almost as a vital part of their own consumer choice options of shopping. Now, it is interesting that you say that it is retailers that are calling for this. I think…our primary political objective must be to consider consumers, consumer welfare. The second order issue: businesses exist to serve consumers. We serve the public. So sometimes we do things that are unpopular. Sometimes we have to do that, but I think that if you are going to listen and you are going to make recommendations about the de minimis limit and we are going to take account of de minimis limits, we have to understand the strength of public feeling on this. That is that, yes ... and I know that there are trade-offs and I know there are difficulties, but consumers I have no doubt will respond in a similar way that they did (to) the Chamber President.'* [54]

7.6.4 He further explained to us the increasingly achievable prospect of being able to balance the cost of administering the de minimis level should the rate reduce, saying:

'Collection of G.S.T. becomes easier the more administratively mechanised and the more technology is used. When I have been down to Jersey Post, I have been and looked and seen what happens…Retailing online is going up. That is what people want to do and it is going to carry on going up…It is clear that the 80/20 rule is applying in terms that the majority of inward parcels and retail online purchases are through the dominant retail operators, i.e. Amazon. Most of it is manifested so probably it is going to be easier to collect G.S.T. as time goes on. G.S.T. collection is perhaps not as acutely parcel by parcel cost. One has this visual image of a customs officer at the border checking every single parcel. The reality is that most parcels are on big manifests and you can do electronic systems. I buy stuff on the internet, like we all do. I compliment our G.S.T. collection team on the way that you now register and pay your G.S.T. for items over £240 and I rarely hear any comments about it. We are going to have to reduce it, I know, in the longer term. It is inevitable.' [55]

[54] Public Hearing Transcript, Minister for T&R
[55] Public Hearing Transcript, Minister for T&R

7.6.6 Customs Officers work in conjunction with Jersey Post on the ground at the Rue des Prés sorting office to try to identify importations above the de minimis level that should be attracting GST. Where electronic manifests are provided and/or packages routinely and reliably contain descriptions of the contents and value (such as Amazon), the task is relatively straightforward and collection of GST robust. However, there is still considerable room for ‘seepage’ where neither such identification might be in place (eg see below submission regarding Royal Mail/Parcel Force), with reliance placed then on the experience of postal workers and Customs Officers identifying by eye ‘suspect’ parcels going through the sorting process that might then be examined further by Customs.

7.6.7 The Panel requested information from the Treasury and Resources Department and Customs Service about the level of revenue that is ‘lost’ by having the *de minimis* level in place, as opposed to the position if there was no such level. In a constructive response, the information provided outlined that, based on 2012 data and calculations regarding manifested importations for which Customs have records, plus the number of packages manually extracted by Customs officers at the Jersey Post sorting office as being over £240 in value, the result of removing the de minmius level would be:

‘an extra 241,000 consignments requiring customs clearance per year, an average of 660 per day. This would represent an increase in workload of approximately 28%. It is estimated that this would achieve an increase in GST collection of approximately £800,000.

*…these figures do not take into account all Royal Mail/Parcel Force data as the (*UK*) Post Office does not manifest these goods so this information is not available to us. (We are working with the Post Office with a view to trying to get this traffic manifested, but… the customs rules worldwide in relation to postal traffic do not currently require Postal Operators to provide this information).*

*Customs collect just over £3 million on imports by non-registered GST companies, (*additionally*) the GST Team at the Taxes Department collect the GST applicable where goods are imported from UK companies registered for GST such as those companies who sell catalogue goods over the internet.’* [56]

7.6.8 The correspondence also commented on additional related factors that might be taken into consideration on the matter:

[56] Email correspondence, Customs and T&R, June 2014

'The impact on Jersey Post/freight companies would be significant both from a resource point of view and more particularly because they have a limited warehouse storage capability. Based on comments previously received from these companies on the subject, and prior to the introduction of GST, …(the Department) would anticipate that they would strongly oppose any such proposal. From a consumer point of view this would mean that all importers of goods into the Island would have to go online and declare their goods and pay the relevant GST. A 28% increase in workload is unlikely to be able to be absorbed within the current Customs staffing resources.' [57]

7.6.9 It was also put to the Minister for T&R that he might consider negotiating with online retailers such as Amazon with a view to them applying and processing GST for the Island's authorities on Jersey related sales as they do, for example, for the UK regarding VAT. In responding, the Minister noted the possibilities, but highlighted potential issues with such a solution:

'It might interest you to know that I understand that the…biggest postal retailer or online retailer with inward goods into Australia is Amazon.co.uk. So they have exactly the same issue to a great extent. We are in a similar place to other places …But the other issue that is the difficulty is that you cannot have one rule for Amazon and John Lewis and no rules for everybody else. It needs to be consistent. The problem is an administrative one. The well-intentioned effect of reducing the de minimis to collect Amazon, who could do it probably relatively easily, although we would need to talk to them because some of what you are doing is you are buying on a trading platform and somebody else is supplying the goods. One would need to understand more about how Amazon works because it is not just a retailer. It is a marketplace that is going to other retailers. Now, the point is that we are so small you could have the unintended effect of effectively, if you set a de minimis rule low and said all retailers outside the rule need to collect G.S.T., you could get those retailers to say: "Well, we are not going to supply Jersey. It is just simply not worth our while. We would like to but the administrative systems for a tiny marketplace for us as a business is not worthwhile." The danger could be that this well-intentioned policy that we put in place of putting the burden on the retailer could end up restricting further consumer choice for Islanders, and that would be bad.' [58]

7.6.10 Responding to the direct challenge posed to Island retailers by the application of 5% GST, and the question of whether it was simply fair that they faced such challenge, the Minister again reflected the fact that what appears to be a simple problem does not come with an easy solution, and highlighted that the influence of GST in contributing to the often remarked 'high

[57] Email correspondence, Customs and T&R, June 2014
[58] Public Hearing Transcript, Minister for T&R

price' of goods in Jersey should be placed in the context of the complex, and potentially more significant, additional influences:

'It is a very good question and politicians cannot and should not ... pretend that we can solve and create solutions to all of these difficult trade-offs. The first thing is it is not a binary issue of St. Helier prime retailing versus Amazon importing. There are all sorts of other ways of serving consumers in Jersey.' [59]

7.6.11 He continued:

'It is really difficult. Of course the Constable of St. Helier is right, we need to protect and do whatever we can to put in place policies to ensure retail ... and is it actually only retail? Town centre vitality. High streets are changing. They have always changed …The only thing is now, uncomfortably, change happens faster and we cannot hold back that tide of change. We cannot be protectionist. Our primary duty has to be consumer welfare. It is difficult. Markets do not operate perfectly and you need to put some rules in place to make markets work better. I have been described as making candyfloss comments yesterday in the Chamber of Commerce President's remarks about the U.K./Jersey price comparisons. There is nothing candyfloss in my remarks about the high cost of groceries, alcohol and tobacco compared to where they ought to be in a properly functioning market. …It is real and we have to do something about that. I think what we have to do is hold true to the principles that markets change. We have to enable change. We have to make markets work. Competition delivers the best consumer choice. We have obligations to consumers to allow their money to go as far as possible to allow choice. There is no accident, I am afraid, that when we introduced, for example, the Competition Law we had inflation in Jersey running until 2005 higher than the U.K. to a great extent. We brought the Competition Law in and it stopped and it has been unwinding ever since and that process is difficult. There are painful choices sometimes for businesses that are adapting.

The Deputy of St. Martin:
What you are saying, Minister, is not going to be music to the ears of some of St. Helier's retailers.

[59] Public Hearing Transcript, Minister for T&R

The Minister for Treasury and Resources:

Well, no, it is not. I think we should do everything possible to assist retailers but not be protectionist. Doing so, holding back tides of change that are absolutely inevitable, ends up causing more problems in the longer term.' [60]

Finding:

Local retailers are effectively forced to compete on an uneven playing field with off-island/online retailers, due to the application of 5% GST on the price of locally sold goods and the existence of the £240 de minimis level under which imported goods attract no GST.

Finding:

Potential GST revenue is being missed out on by the Treasury, and increasingly so, with the growing trend in off-island, on-line shopping.

Finding:

Reducing or removing the de minimis level would not be straightforward. For instance, although it is estimated that its removal would achieve an increase in GST collection of approximately £800,000, at Jersey Post alone it would necessitate at least an extra 241,000 consignments (averaging 660 per day) requiring customs clearance per year. This would represent an increase in workload of approximately 28%, which would require funding.

Finding:

Amending the de minimis rules with a view to the States forming agreements with off-island online retailers to collect GST on its behalf for sales to Jersey based customers, has been raised as an idea to help 'level the playing field'. Nevertheless, such a solution holds challenges and potentially significant, if unintended, negative consequences.

Recommendation:

In order to inform possible strategies to alleviate undue negative impacts of the uneven playing field associated with the de minimis level, the Minister for Treasury and Resources is recommended to undertake the following studies:

- An immediate (and subsequently on an ongoing basis) review of the de minimis provision, to ensure that it is set at the lowest appropriate rate;
- A feasibility study of entering agreements with off-island online retailers for the collection of GST relating to sales to Jersey based customers.

[60] Public Hearing Transcript, Minister for T&R

7.7 Promoting Local Retail: A 'Retail Champion'?

7.7.1 The Chairman of the Panel attended the Retail Workshop in February 2014 organised by the Economic Development Department and facilitated by Result Marketing, attended by around 30 retail stakeholders. The idea of the retail champion idea was one of the key ideas emerging from the Workshop, and the Panel took the opportunity to raise it for discussion during the Review, in particular to gauge further opinion about the benefits that a dedicated 'Retail Champion' could bring to the local retail sector about the precise purpose and status of the role.

7.7.2 Whilst it appeared at the Workshop that most foresaw a role for a political champion, there were a number of variations or alternative suggestions aired. This was also reflected in the evidence gathered by the Panel. There was a general recognition of the authority that could be brought to the role by an active Minister or Assistant Minister, a view point summed up for instance by the Chairman of the Jersey Consumer Council who spoke of the necessary 'clout' this would provide to the role. [61]

7.7.3 Within the broad agreement that there should be a political retail champion, there were consistent calls for this to be accompanied by support from an appropriate industry partner. The partner could provide inside expertise and understanding of the sector, as well assist in developing and delivering on projects and initiatives on more day to day basis. There was no particular consensus on who that partner might be with a number of views expressed, as illustrated in the following example submissions:

Assistant Minister for Treasury and Resources:
' I would like to think that a Minister or an Assistant Minister of Economic Development would take that under their wing in the similar way that under a property view I have taken the rediscovering and redevelopment of Fort Regent under my wing because it is a property matter. Similarly, with the markets…

The Connétable of St. Ouen:
Do you feel that that should be political because things would get done? If it was an independent person do you think that they would not get things done? Do you think that needs to be a political role?

[61] Public Hearing Transcript, JCC

Assistant Minister for Treasury and Resources:
I think most of these things it needs to be someone's day job but you do need probably a political champion to help them fulfil that role.

The Connétable of St. Ouen:
Otherwise you do not think things would get done?

Assistant Minister for Treasury and Resources:
I think it is easier with a political champion than an individual or a group of individuals on their own. [62]

Town Centre Manager:
'Can I come in on that, because as someone who came from the private sector, you come in and it is fine if you have the knowledge, but you do have to have the in with the politicians, and I do not believe you can have one without the other. I think you might even have to put a plural in front of that now, retail champions. I think your retail champion would have to have a very close relationship with a politician, because without that, nothing would get done. But I think it is vital that they do have the retail knowledge, because then they will have the credibility with the people they are working with, but there is probably no one that has got both, and you would need both as a partnership. I find in my job if I did not have the Constable's support, I could not do half of what I want to do.' [63]

Mr. J. Hopley:
'…it does need a political champion. Somebody within the House who is going to stand up ...they are there to fight their corner and to push forward that. But obviously then you would need some sort of consortium. I think the Chamber of Commerce and I.O.D (Institute of Directors) would have a role to play in terms of representing retail interests and so forth.' [64]

Chairman, Jersey Consumer Council:
'I think probably to have clout, because in some ways Chamber do what they can, it does need to be someone in Government. … whoever it is they have to have an understanding of retail but also a passion for the benefits that retail can give to the Island.' [65]

7.7.4 The Connétable of St. Helier's view reflected an alternative take on the nature of the retail champion, explaining that:

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[62] Public Hearing Transcript, Assistant Minister for T&R
[63] Public Hearing Transcript, PoSH
[64] Public Hearing Transcript, Mr J Hopley
[65] Public Hearing Transcript, JCC

'Personally, I do not think it should be a politician, I think it should be a dedicated officer that can do the kind of banging together of heads, pulling down of silos that is necessary to get a much more co-ordinated approach to retail in St. Helier than currently exists between various States departments.

The Deputy of St. Martin:
Do you think that officer would have to be within the Civil Service?

The Connétable of St. Helier:
Not necessarily. Jersey Business was at the seminar and I have read their submission to you. They are very keen on getting involved, possibly taking the town centre management function under their wing, so I think Jersey Business might well be a good independent arm's length place for that champion to work from.

The Deputy of St. Martin:
Do you think the champion, if they were based at Jersey Business, would have enough clout politically? Would they be able to open the doors that a politician would?

The Connétable of St. Helier:
I think the political support, as with anything, as with tourism, as with agriculture, as with health, there will be States Members who get behind these particular initiatives. I have certainly been banging the drum for retail in St. Helier, I have been trying to stop the spread of retail out of town….I think political champions do their work … it is not a die in a ditch for me.' [66]

7.7.5 The position of the ED Minister was outlined at Public Hearing in April 2014. He explained that ultimately it was the role of the Economic Development Department and the Minister to be the champion. In addition, work was underway within the drafting of the Retail Development Plan to examine the possibility of Jersey Business providing the service of being the conduit to support the retail sector. This would include Jersey Retail, a potential brand name through which support would be delivered. Asked whether the champion for retailers was more a role for a senior politician, the Minister explained:

'…*ultimately …an organisation such as Jersey Business, if they identify problems within the area and the remit that they have responsibility for - in that regard it is supporting S.M.E.s - then they would feed that back to me as the Minister for Economic Development. We established Jersey Business to be independent, to support S.M.E.s in the Island. If they find issues that are proving to be a barrier to investment, to growth, to development, to job creation*

[66] Public Hearing Transcript, PoSH

and so on, then they feed that back to me as the Minister and I would act accordingly and raise it up, eventually, ultimately with the Council of Minister and more broadly with the States if there was the requirement for a policy change in a particular area. I think that is absolutely appropriate. Independence is important as well. There needs to be confidence within the private sector of whoever it is who is delivering support, and Jersey Business, being independent, being grant funded, having an independent and professional private sector board, I believe gives confidence to S.M.E.s and that is good. That is a positive move.' [67]

7.7.6 Commenting more broadly on the matter, Jersey Business told us:

A key message that arose from the recent Retail Workshop was the need for a Retail Champion. This could take the form of a brand such as "Jersey Retail" that should have the dual role of representing the sector and of its promotion.

An extension to this, (which was not discussed at the Retail Workshop), would be the potential to incorporate the existing Town Centre Manager's role into an overall Retail Focused body. At the very least, one would expect that there would be extremely close working between the two functions. [68]

7.7.7 The Chief Executive Officer, SandpiperCI, addressed us about the important role that Jersey could play in relation to assisting small business with the challenges they face in the retail sector:

'...I think this is where Jersey business has a role to play, does it not? If they can bring something to the party, it has to be that, how you can ... business like us to a degree need less help, but they should have the skillset, should have the resource, should have some capital to be able to work with and identify a group of retailers to give them assistance. Frankly, some of the fair basics that they are not understanding, you know, multi-channel is coming, customer service is important, how do you merchandise your stock? The whole breadth really, people need some help and advice from and if Jersey businesses have a role in this community, it is doing that, in my opinion, in the retail sector.

The Deputy of St. Martin:
...That could just fall out of hopefully your political champion who can cut away all these silos, because it is interesting, you went for the first thing I put on the top of your list of things to talk to you about, silo mentality, and it is quite obvious that you feel that Government cannot work properly when you cannot ...

[67] Public Hearing Transcript, Minister for ED
[68] Written Submission, Chief Executive, Jersey Business

Chief Executive, SandpiperCI:

I have never seen it happen, not once in all the conversations I have had with all departments. I have never seen once an effective cross-party working situation, but I tend to steer away from politics and just run my business.' [69]

Finding:

It is widely agreed that the Retail sector would benefit from the attention provided and generated by an appropriate 'Retail Champion'. To carry the required authority and ability to influence on retail related matters within the States, it was identified that the 'Retail Champion' should be a sitting politician.

Recommendation:

To provide suitable focus to the role of 'Retail Champion', the Minister for Economic Development should either more actively assume responsibility for promoting economic development within the retail sector, or formally delegate the role to an Assistant Minister. If delegating, this should be clearly reflected within the title of the Assistant Minister.

Finding:

The 'Retail Champion' should be supported with suitable executive support on a day to day basis. This role would include much of the retail related work currently undertaken within the Economic Development Department, and additional work emerging from initiatives such as the proposed activity and co-ordination around an events calendar (see also 7.8.2). Regular liaison through a comprehensive stakeholder group, such as the current Town Team, remains important.

Finding:

Within the draft Retail Development Plan, the Minister for Economic Development Department is considering the establishment of a 'Jersey Retail' brand within Jersey Business, through which support to the retail sector could be delivered. The merits of such a structure are not apparent to the Panel.

Recommendation:

The executive support for the 'Retail Champion' should be provided by the Economic Development Department, with industry input continuing to be sought through a comprehensive stakeholder group, such as the current Town Team, or an equivalent body.

[69] Public Hearing Transcript, CEO Sandpiper CI

7.8 Improving the 'Town Experience'

7.8.1 A clear theme amongst the submissions that we received was that shopping in town was an unappealing experience for too many Islanders, the general experience acting as a barrier to trade. When faced with such challenges as the comfort, ease and price of internet shopping, it is argued that more could and should be done to make shopping in town appealing by creating a more animated and attractive town centre. This position was also reflected at ED's Retail Seminar held in February 2014, with one outcome being the objective for the development of a professional promotional calendar and communication plan.

7.8.2 Events and Calendar Co-ordination

7.8.3 An independent town retailer outlined her vision to us, the themes of which were reflected in many other submissions:

'Obvious and simple things like free wifi would attract young people into town….The way people shop and interact is changing but they still need a place to come to eat, shop, meet etc. So turn the town into that place. Put on events in the Town Centre, make it easier for shops to put on events. We have plenty of ideas but need to be supported. Make it a place for families to come easily and spend the day….In a nut shell . Town has to be more than a place where commerce is done . It needs to have ease of parking and a lot more entertainment going on in the way of buskers and street acts .If people feel good they will spend money.' [70]

7.8.4 It was suggested, and widely supported, that as well as increasing, improving and co-ordinating day to day street entertainment, the same principles could be better applied to events acting as a draw into the retail centre (and other retail areas where applicable). Whilst there was consensus on the positive possibilities of events, there was acknowledgement that co-ordination of the events in terms of calendar, themes and, crucially, the active participation of retailers must be improved to help deliver the intended outcomes for industry. The JCoC outlined its views on the potential benefits of an improved events offering for retailers:

Mr. G. Voisin:
'…if we are going to have events in town to get people into town you do not want one place to have the event. You want the event to be held in various places. The lanes, the other side of the market, is a nice place there and there should be events held there as well so that that gets people into that part of town….I do not know that tourism is the right place for it because I think it has to also link into retailers in town. At the end of the day the event is going to be a way of

[70] Written Submission, Mrs C. Clarke

getting the retailers to reconnect with the public, and I think that is key….Most retailers already will link into Mother's Day, Easter, Father's Day and ...... it is question of broadening that…Also the Boat Show attracts many thousands of people, why not encourage those people to come back into town afterwards or for retailers to join in with the Boat Show and have a representation of their product that people can then come into town and see the full range of later on…I think the important thing is it has to link in with the retailers in town as well. And also the retailers themselves have got to support it.' [71]

7.8.5 The Chief Executive of Jersey Business was also very supportive of such initiatives, and pointed out the potential for the principles to be extended across the Island's retailers:

'A specific proposal from the recent Retail Workshop was the development of a Retail Calendar to help energise operators to maximise potential opportunities. The creation of a retail calendar is an important start as it creates a series of moments, effectively small peaks that encourage shoppers to go to a location or to participate in, an event.

A Retail calendar should include focussed events/themes for the Island as a whole; St Helier; St Aubin and Gorey, and work seamlessly between Retail and Tourism. It would include small generic peaks such as say "Coffee week" and include major events such as "Battle of Flowers" ' [72]

7.8.6 The question of who may be best placed to undertake the co-ordination of events role was also considered. Whilst there was no general consensus, a number of options were suggested, including Jersey Business and Jersey Tourism. Any co-ordinator would need to ensure that, if the point of the event was to encourage retailing, retailers are suitably represented. The Minister for Economic Development referred us to RDP which explores the possibility of Jersey Business playing a prominent role in this area, and wider as the retail champion/marketing co-ordinator, which it would consult on further with Jersey Business and the JCoC. In reference to events, he also told us:

'I think that is extremely positive. It acts as a magnet. You could always do more, never say that you cannot do more, and I think part of the term "experience" that I used was about the fact that retail is not just about coming into town and going to a shop, doing some shopping and going home again, it is about spending time, meeting family, friends and these sort of market experiences that go on in places like the square are fabulous. I think that we should seek to do more of those, if we possibly can….within that document (draft RDP) it talks about

[71] Public Hearing Transcript, JCoC
[72] Written Submission, Chief Executive, Jersey Business

the importance of communication and it talks about social media, developing those sort of channels, because nothing is more powerful than word of mouth, apart from perhaps social media, which is like word of mouth on steroids; it is fantastic. We talk about that within that document, utilising multiple channels of communication as a key part of assisting retailers. They need to help themselves, by the way, in all this.' [73]

7.8.7 Although the desire to see more events established on various scales and themes is apparent, some words of caution were aired. The Chief Executive of Genuine Jersey, whilst also broadly supportive, outlined a challenge that his organisation had faced regarding its own events:

'There is this balance between what they can produce and what they sell. Clearly, they have to be making as much as they are selling. If we created too many events, then we are just going to reduce the amount of members that attend each event, and you see that the markets are not well attended, which then drives people away because they are not particularly interesting. You have to get the balance right.' [74]

7.8.8 Additionally there were also some who questioned the theory that events would lead to positive outcomes for retailers. Mr. D. Dodge of Vienna Bakery explained:

'In my opinion, just on that, this events management is candy floss retail in my opinion. That is my own specific. So you can do something bold one day a year… It is fantastic but a huge amount of work goes into it and what return do you get? And I think that might be an experience shared by tourism. A huge amount of event, it looks great in the brochures but does it give you everyday sales?' [75]

Finding:

Building on current practice, there is wide support for increased retail activity to be undertaken linking directly into a range of current and potentially new events and/or themed days. It has been widely agreed that this should be actively co-ordinated, with necessary scheduling and focus provided by a dedicated events calendar for retailers.

Recommendation:

The Economic Development Department should undertake the active co-ordination and promotion of an event calendar linked retail initiatives in conjunction with all the necessary stakeholders.

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[73] Public Hearing Transcript, Minister for ED
[74] Public Hearing Transcript, Chief Executive, Genuine Jersey
[75] Public Hearing Transcript, JCoC

7.8.9 Obstacles to Events

7.8.10 Concern was also raised about the 'Authority' barriers to events that would need further consideration to ensure they do not act unnecessarily to discourage such events, with a number of people citing the Bailiff's permit process as an example. One St Helier retailer explained her experience:

Our Street is buzzing with entrepreneurs, who are keen to make St Helier a vibrant, social place to be and I am one of them, but time and time again we find ourselves battling against bureaucracy that make it incredibly difficult to make our businesses successful or indeed to make the town vibrant and inviting. We tried to organise, what had been in the past few years, a hugely successful Christmas Party on the Street, but this year we were curtailed at every step with Licencing issues. For example we had lined up someone to play on an acoustic guitar who was going to collect for Charity, he was not going to charge anything, and yet he wasn't allowed to play. This was just one of a catalogue of barriers put in our way that meant the party was a flop and the Street was dead on that evening. We weren't asking for money, just support, as we tried to boost footfall in St Helier.

7.8.11 Barriers in this area were further illustrated by the Connétable of St Helier, who told us:

'Licensing: we have to go cap in hand to various licensing authorities, masses of red tape involved in licensing events, entertainment. What we are currently looking to do, we are in discussion with the Bailiff's panel just to see if we can get delegated authority as a Parish so that we can make decisions about what events happen without having to go through this extraordinarily long and expensive process of getting a Bailiff's permit to do things. After all, I am the accountable person and I can be removed from office, the Bailiff cannot, and it seems to me that it is a far more accountable process. It will be a much cheaper and quicker process for the retailers if they can come to the Parish, or possibly their trader group will simply have the delegated power from me, and they can just get on with it and they can have events happening every weekend, early evening and so on.' [76]

7.8.12 The Chief Executive, Genuine Jersey commented on an issue, also raised by others, about the restrictions placed on the use of certain events friendly locations such as the Royal Square, where court proceedings and States Assembly can limit the allowed use. He told us:

'This year, I think we have 12 or 13 Saturday markets out here. It is sometimes problematic getting the space. We always do it through Jersey Tourism, they are the event organiser. We have sometimes felt that it is not necessarily available all the time. Clearly, you have the

[76] Public Hearing Transcript, PoSH

States sittings and so on, but it is a great place for local producers to have markets, and that is something we really want to continue.' [77]

Finding:
It is not unusual for event organisers to be required to complete significant processes in order to obtain permissions to hold events. The requirements do not always appear to be in proportion to the size or nature of the event.

Finding:
There can be restricted access for events during the year in some of the more suitable and attractive sites.

Recommendation:
The Minister for Economic Development (or delegated 'Retail Champion'), should examine the current processes related to event permissions and identify any work that might be undertaken or support that can provided to reduce avoidable barriers to such initiatives. Similarly, any restrictions to the use of event friendly sites, such as the Royal Square, should be identified and addressed where appropriate.

7.8.13 Improving the Physical Environment

7.8.14 Further to the above matters, it was also drawn to our attention that creating a positive experience is also about creating a physical environment that is attractive and provides people with the general ability to move around as easily and as safely as possible without coming across unnecessary 'obstacles' that undermine a positive experience. This would include inadequate pavements or a proliferation of bollards. Some positive work may come out of the planned 'Future St Helier' project, aimed at developing a vision for our capital which begins with a seminar next month. Professionals with experience of urban regeneration will lead discussions on how to make Jersey a better place to live and work in and visit. Other work has already been undertaken by the Parish of St Helier and TTS in town in particular to improve the physical environment, for example in the Charing Cross area, and St Aubin is currently the beneficiary of part of TTS's village improvement scheme, although there does need to be a balance between commercial interests and those of other users. An example of such need for balance can be seen in the use of pavements for al fresco cafes and restaurants. Recent changes in Broad Street are particularly illustrative of how a well-intentioned and popular al fresco area might unintentionally become a possible barrier to easy pedestrian flow. The room

[77] Public Hearing Transcript, Chief Executive, Genuine Jersey

for improvement regarding the physical environment was illustrated by the Town Centre Manager:

'Conway Street is now experiencing a 30 per cent increase in footfall and what we find is that if you analyse Conway Street, you have got a wide pavement and a narrow pavement. If I were to tell you that 75 per cent of the people use the narrow pavement because that is the side they want to be, so we have got one pavement that is not fit for purpose and one that is over-engineered. It is very important that when you get into town it is a very comfortable walking experience…I think simply if you were to remove the bollards in (part) of Colomberie, you would be amazed how much more comfortable you would feel and you would not be dodging around a bollard, walking in the road, thinking: "Oh, is that a bus coming down?"... You can do some quite simple things. For example, if we move back to Conway Street, if you extended the pavement by 2 feet on one side, suddenly you are giving the people the pavement walking area they want if you took the bollards off. We are not talking about rocket science here…t is all about being comfortable from the time you get into town, which includes your parking experience - and we alluded to that - to the time you go out and it is a nice experience and it is not dodging around obstacles that are created.

The Connétable of St. Helier:
…There were some cycle stands as you walk up the King Street/Queen Street and you get to Les Jongleurs. T.T.S. had put a line of cycle stands, effectively a barrier towards going up Colomberie, and we said: "Can you move the cycle stands?"

They said: "No, we cannot, because we want to encourage cyclists into town." "Yes, but not there." There was literally a physical barrier that you had to walk around to get up Colomberie, and finally - and it has taken 2 years - we have got them to remove, I think, 3 of the cycle stands so that there is now a clear pedestrian line up into Colomberie.

The Deputy of St. Martin:
So we made the case, I think, for a bit more joined-up Government when it comes to retail.

The Connétable of St. Helier:
I would just like the Parishes to have more delegated power over these kind of issues. It is nonsense for central Government to be worrying about where cycle stands go. That should be a matter the parochial authorities are responsible for.' [78]

[78] Public Hearing Transcript, PoSH

7.8.15 Whilst pedestrianisation and wider pavements are clearly appealing, it appears difficult to strike the right balance between providing those whilst not increasing already existing criticism, not least from retailers and shoppers, about the barrier to trade created by a lack of short term, on street parking close to shops in town. Such schemes might also provide challenges regarding deliveries. When we spoke to the Minister for TTS and his Officers at a Public Hearing regarding the concerns raised including pavements, pedestrianisation and bollards, they outlined the challenge:

Chief Officer, Transport and Technical Services:
‘ St. Helier town centre is in some places magnificently beautiful and in other places none of those things. I think it has evolved; it has not been designed from the start, which makes it interesting and quirky but also very difficult for accessibility. The on street parking provision has disappeared over the last 10 years ...I think the provision for the pedestrian is either really good in the pedestrianised areas or are quite poor in the non-pedestrianised areas, and I think you are absolutely right, some form of more elegant shared space, areas where perhaps you can put public transport through there, but not normal vehicles, is something you could think about doing. It is a real fine balance, because the more you do of those things, the more you cut off the centre, and you start cutting off the market, which is in the hub of it. So, you have got this balance.’ [79]

7.8.16 The Minister for TTS added:

‘…we would like to make pedestrians a priority throughout, but if you increase the width of pavements, then you are probably going to make that road possibly a one-way road, because the width would encroach too much. Over time in the last few years, the team have done great work in Broad Street, where instead of having huge railings separating cars from pedestrians, it is all on the same level now. People know that this is a road where people are going to be crossing the road, even though there is a zebra crossing there. It is a seamless blend, if you like.

The Deputy of St. Martin:
Yes, I think Broad Street works very well, and what I am intimating is we would like, we are suggesting, that maybe that type of facility could be offered in Halkett Place, Beresford Street and ...

[79] Public Hearing Transcript, Minister TTS

Director of Transport:
You could potentially create a shared space down those roads and give it a sort of St. Malo feel, I guess, where you have the retail and the road space, pedestrians and vehicles mingle. To do that, you would definitely need, particularly around the jewel of the town, the markets, you would need to use high quality materials, and that would come with a price tag. However, in terms of investment into the product that is Jersey, it could make Jersey a very attractive place to visit.' [80]

7.8.17 The Connétable of St. Helier has advocated the principle of 'pedestrian priority' as opposed to absolute pedestrianisation, but outlined the ongoing challenge to overcome the strong as opposition, that we also saw raised within our submissions, from retailers. He explained:

'I tend to call it pedestrian priority, because pedestrianisation is a kind of red rag to a bull for a lot of retailers, even people who trade in King Street, some of them hark back to the days when you could drive up and down and collect your stuff, which I find quite incredible…Successive Island Plans have identified a cordon zone in St. Helier which would, between the hours of say 10.00 a.m. and 5.00 p.m., 6.00 p.m. be pedestrianised, and then would be open to traffic. That has never been implemented, because successive Ministers for Transport and Technical Services - and I probably include myself years ago as the President of Public Services - have not been able to get that through because of the opposition not just from retailers, but from the Central Market as well. But there is no doubt that every single particularly historic town and historic tourist town in Europe that has increased pedestrianisation has seen increased activity in terms of retail…'

7.8.18 He continued:

'If you take an area like Halkett Place, where we have a number of restaurants, Halkett Place has had quite a high level of empty shops, it has been one of the most difficult streets to animate. We have a Halkett Place traders' group and half of those traders are insistent they will not lose one parking space, which of course can presumably accommodate about 6 people in the course of the day, so you are going to get 6 people into that space, and the other half of the traders want to see that parking space turned into an alfresco dining area, which presumably will bring in tens, if not hundreds, of people into that same area, so in terms of democratising road space, there is a very good argument for getting the parking into the car parks and using the streets for entertainment, for dining out and so on.' [81]

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[80] Public Hearing Transcript, Minister TTS
[81] Public Hearing Transcript, PoSH

7.8.19 The Minister for ED, talking about the possible detrimental impact of excessive pedestrianisation observed:

…the more you provide pedestrianisation, the more difficult it is for people to get close to the shopping area. The other critical point of course is with an ageing population in particular, we have got more and more elderly people who need to be able to park in disabled parking and suchlike, and that creates more of a problem if you spread out your pedestrianisation.'

(Car parking, whilst linked to the shopping 'experience', is covered in detail in Section 7.9)

Finding:
Although visually attractive and creating an often improved atmosphere, it is difficult to strike the right balance between pedestrianisation and the needs of retailers to service premises. Pedestrian priority initiatives, already seen in some parts of the Island, appear to provide an appropriate compromise.

Recommendation:
Pedestrian priority initiatives should continue to be implemented, and a feasibility study of such a scheme in Halkett Place from Amyson Corner along the length of the Central Market should be co-ordinated as a priority by the Minister for Transport and Technical Services, with input from the Town Team or equivalent comprehensive stakeholder organisation.

Finding:
Maximising the physical attraction and the ease of moving through town were identified as important means of encouraging people to choose to shop in town. However, inadequate pavements and clumsily placed bollards and street furniture were cited as examples of existing physical barriers that negatively impact on the ability of people to enjoy the experience of shopping in town.

Recommendation:
Through the Town Team or equivalent body, the Minister for Economic Development should co-ordinate a plan to identify and implement relevant improvements to the physical town environment, including removal of 'physical barriers' that negatively impact on the ability of people to circulate easily through town.

7.9 Town's Covered Markets: Jewels in the Retail Crown

7.9.1 Concerns about St Helier's covered markets (Central Market and Fish Market) were consistently raised by stakeholders during evidence gathering. There is clearly significant desire amongst stakeholders to see the markets flourishing, not least acting as a significant draw to encourage local and tourist shoppers into St Helier in line with the 'Town Experience' improvement arguments in the previous section, but the criticism that we saw was strong and wide ranging, with concerns over poor layout, underwhelming atmosphere, unsigned leases, out-dated opening hours, mismanagement, lack of strategic planning, uninspiring offering and uncleanliness amongst others. A written submission for the CEO of Sandpiper CI reflected such concerns:

'The Central Market should be developed as the 'Jewel in the Crown' of our retail offer. At the moment, the offer is poor, the management is inadequate and there is no strategic vision for the place.' [82]

7.9.2 Amongst the many other submissions related to the markets, those below outline a number of the themes that emerged:

Town Centre Manager:
'The Market - the market is a stunning building that typifies the heritage of the island. However it is stuck in a time warp and represents an offer that was relevant in the 1960s. It has no strategy and does not appeal to the current shopper…An excellent report was produced by U.K. experts several years ago, yet no action has been taken.' [83]

Chairman, Jersey Consumer Council:
'If the market is going to survive and attract younger consumers apart from the food outlets which I know they do use, there does need to be a coherent strategy. At the moment there is not and it is a real shame.

The Connétable of St. Ouen:
It has been suggested that maybe some entertainment could help draw tourists and people into the market. Do you think there is any merit in that?

Chairman, Jersey Consumer Council:
I think there is always merit in some entertainment. Although it is not quite the same you only have to look at 2 examples I know, Covent Garden where there are always entertainers and

[82] Written Submission, CEO Sandpiper CI
[83] Written Submission, Town Centre Manager

Belfast city centre which is really well known for having groups of entertainers. Whether they attract people into the town I do not know. They probably mean that people perhaps stay longer, and I guess that links into one thought I had, because I lived in London when Covent Garden was first revamped, on opening hours. It is not just Sunday, it is also about getting people perhaps in town certainly in the long summer evenings as well. Entertainment could help to do that.

Executive Officer, Jersey Consumer Council:
It helps to forge that public spirit that you were talking about. People are coming and enjoying it, dwell time and good customer service.

Chairman, Jersey Consumer Council:
Local crafts, and that is how part of the Covent Garden market has built itself up.' [84]

Chief Executive, Genuine Jersey:
'You have to have criteria for traders in the central market. There would be an overriding panel, made up of both States and traders, who could decide who should be allowed to trade and what criteria it is. They would pay into a fund. Some of that would be taken out as rent, other could be used as marketing money, and that marketing money used to promote the brand, being the central market. So, the model that we have is one that works for Genuine Jersey as a producer association. Could it also be morphed to work for a group of retailers working in a central location? It would be an interesting one to explore. I am sure there are ... I think there have been quite a lot of reports done, also, on the central market, and probably far greater minds than mine have come up with some suggestions. But it does seem to have stagnated.' [85]

7.9.3 Evidence provided to us by the JCoC further reflected the strong opinions amongst the submissions:

Mr. G. Voisin:
'It is the important part of town. It is historical. It provides something different as well. Let us not forget that it is the small shops, it is the small businesses in St. Helier that gives Jersey, gives St. Helier, that little bit of difference, so that is small businesses whether in the market or outside, but Chamber's view is that the markets are important, that they really could be very special but I am afraid we think that they have been mismanaged over many, many years.

[84] Public Hearing Transcript, JCC
[85] Public Hearing Transcript, Chief Executive, Genuine Jersey

Mr. I. Taylor:

Undoubtedly the markets do require a great deal of focus. There was a report done in 2010 and many of those action points have not been acted on but it is also a wider issue about the events and the vibrancy of St. Helier and if you can make the markets that focal point and then use that as a basis for events and vibrancy that has to be a benefit.' [86]

7.9.4 The report referred to by the Town Centre Manage and JCoC is the Jersey Markets Review 2010 commissioned by Jersey Property Holdings, acting on behalf of the States of Jersey – landlord of the markets. The report was highly critical of a number of aspects of the markets, with very similar themes to those that have emerged during this Review, and outlined a series of short and long term recommendations to improve the markets.

7.9.5 Commenting on the markets, Jersey Business observed:

'Over the last ten years or so, there have been three significant reviews of Jersey's Central and Beresford Street markets, the last in 2010; the recommendations of which have yet to be implemented. This is such a missed opportunity. The current operation and retail offer is no longer fit for purpose and, year on year, the gap between what the market could be and what it is, grows.

I do not have access to any information about the existing management of the markets but from an outsider's perspective, they appear to be run as a property asset with maintenance of the fabric of the building being the primary objective but without the passion and commitment to the adventure that should be going on inside it.

I would love to see the statement on Jersey.com of the "Central Market being the vibrant heart of St Helier" come true. Moreover, I do believe that it can happen and that every islander would support it.

In recent times the States of Jersey have appointed "shadow" Boards to oversee Harbours and Airport and separately, the Tourism sector. Imagine what could be achieved if a similar structure was put in place to take strategic responsibility of the markets and implement the findings of the 2010 Jersey Markets Review?' [87]

7.9.6 The Panel challenged the Assistant Minister for Treasury and Resources, who has responsibility for the markets, on some of the key areas highlighted within our evidence and the contents of the 2010 report. The evidence gathered has pointed towards the need for an

[86] Public Hearing Transcript, JCoC
[87] Written Submission, Chief Executive, Jersey Business

almost root-and-branch revamp of the markets, potentially incorporating redesigned layout, new types of tenant, potentially new types of shops, space seating and lighting for entertainment, attractive signage amongst other initiatives to create a more vibrant atmosphere. The Assistant Minister told us that recent work had included replacing the roof, replacing the floor and improving lighting and signage in the Fish Market. He was also working with T.T.S. to improve short-term parking in the area including possible number plate recognition in Minden Place and additional parking spaces around the markets for drop off and pick up, and assessing the feasibility of maybe for the Fish Market and the Central Market to expand into one of the nearby streets for special events and maybe a Sunday market or weekend trading time. [88]

7.9.7 He continued:

'We could take the view of the landlord and enforce change but that change will probably fail. All we need to do is work in a partnership with the tenants and with them make the changes. It is not about a landlord with a big stick saying you will do this, you will do that. It is about us working with them to find out what their issues are, what our issues are. At the end of the day we provide something that the public want and that is sustainable and vibrant and viable.

The Deputy of St. Martin:
But, Assistant Minister, do you know what the issues are? We have got a long list of them, December 2010 and it has been 3 years working out that the list is right or wrong.

Assistant Minister for Treasury and Resources:
There are many things in that report that are correct and there are many things in that report that have been addressed and continue to do so.' [89]

7.9.8 Regarding the unsigned leases situation that was brought to our attention he explained that all market-tenants' leases had expired and they were effectively operating on a roll-over basis while negotiations for new 9-year lease were ongoing. The Assistant Minister continued:

'With the new leases there is some flexibility in there with the backing of the markets tenants' association, whereby we put some flexibility to reconfigure the market, to provide additional event space and so forth. If you are talking about in the actual terms of costs of going forward we have had that independently looked at over the summer and changed it to the basis of amount per square foot, depending on if it is prime retail or secondary retail for storage. In quite many instances the new rents will be lower than the existing rents. We have not gone

[88] Public Hearing Transcript, Assistant Minister for T&R
[89] Public Hearing Transcript, Assistant Minister for T&R

and bucked the trend in terms of increasing rental, so it is a lot more expensive for market traders. We have tried to keep a cap on that. Some who are occupying more area whereby they used to get the area, effectively, for nothing because they have effectively encroached on public areas, they may have a slight increase in their rental but they are now being charged for the space they use.' [90]

7.9.9 We heard criticism about the lack of cohesion amongst the traders that had made change and improvements difficult to achieve to achieve. This point was addressed by one market trader, Mr. D. Dodge, who told us:

'I think crisis is bringing us together again. We are at that point now. I know again there were very good talks yesterday afternoon with Property Holdings and there is progress being made. But I have got staff on hold. I have got people on temporary contracts. I have got some fantastic people that have come to us with other bad events in the local trade and I want to hang on to them. But if I cannot look to the future and invest back into my business I have to withdraw. It is getting that serious.' [91]

7.9.10 The Director of Estates, Jersey Property Holdings explained to us the steps being taken to address this particular matter, telling us that:

'…we have been meeting regularly with representatives of the market stallholders. At the moment they do not have a Tenants Association and official voice. We very much would like to talk to somebody who represents the tenants and I think that the tenants would like to have that official channel. We are in the process of assisting and facilitating the Tenants Association being formally constituted. Clearly, it is a matter for the Tenants Association and it is a matter for the tenants to become constituted as a body. They are in the process of creating a constitutional document with proper legal advice. That document will then form a basis that they will have a constitution to work from. The tenants can then be members of that association and can voice their views and opinions through the association at regular monthly meetings and any ad hoc meetings with representatives from Property Holdings as the landlord.' [92]

7.9.11 Should changes be made to the markets, consideration would need to be given to the Planning matters. The Minister for Planning and Environment told us that if the theme of the central market changed slightly to become more of a centre for people to meet more often and

[90] Public Hearing Transcript, Assistant Minister for T&R
[91] Public Hearing Transcript, JCoC
[92] Public Hearing Transcript, Assistant Minister for T&R

included for instance an area for entertainment and other such things, that it would inevitably be a planning issue:

'It would be a planning issue and you might need a change of use if you were going to turn it into a bandstand, which it would probably be closer to, or an entertainment centre like a covered café. But then again, we have allowed a lot of the florists to move out of the central section, which was protected at one stage by the market organising committee to ensure that you had your core trades..' [93]

7.9.12 Commenting more generally on such calls for a re-think in the approach to the offering of the markets, he cautioned:

'I think with historic buildings we have an issue and, depending on a person's preferences, we all tend to hone in on a particular period of a building's existence where we think it is the bee's knees and nothing must be done to change it…it is a historic perspective that chimes with me. Others prefer the more modern up-to-date thing… When we look at the markets, we have an issue. I can remember trading down there with my father a number of years ago, many, many years ago, when the market aspects of the market were more of a market. Since then…over a number of years we have had a drift out of the, in essence, prime reason for having the covered market structure, which was to have open markets, into the shops and then the shops, although we have had restrictions being placed on what could be sold - it had to be in the meat trade or the veg trade or the flower trade or whatever - have moved into selling boots and selling ... there is one place that even sells windows, I think. We have had a whole host of things. The essence of the building has changed. The building structure has not too much. What we have put inside it has. So when people start getting all rose-tinted glasses and saying: "Okay, we should be protecting the essence of the market" I think it is absolutely vital that people define exactly what it is that ticks their box before we all agree that that is what we are going to do.' [94]

Finding:
The covered markets should be a 'jewel in the crown' of Jersey's retail sector, acting to stimulate footfall in town and attracting shoppers to a vibrant retail core. Presently however, whilst architecturally attractive, the markets fail to live up to such expectations and radical change has been widely called for to improve on the tired atmosphere and generally underwhelming offering.

[93] Public Hearing Transcript, Minister for P&E
[94] Public Hearing Transcript, Minister for P&E

Finding:
Although there have been recent moves towards the creation of a trader's association, there has been a lack of cohesion and collaboration amongst the covered market traders that has been a barrier to progress in the markets

Recommendation:
A clear strategy should be developed by the Minister for Treasury and Resources (the Landlord) regarding the covered Markets. This should be informed by consultation with all relevant stakeholders on the wide range of initiatives and views held, and include assessment of a fundamental overhaul of the interior layouts and retail offering. Changes must also be considered to outdated opening hours.

Recommendation:
The Minister for Treasury and Resources (the Landlord) should explore the immediate revision of outdated opening hours within the markets to better reflect customer expectations relating to the both the overall and individual retail offerings. Thursday afternoon closing should be removed as a priority.

7.10 Parking and Transport

7.10.1 Parking

7.10.2 There is a point of principle outlined to us by Jersey Business regarding parking and transport that is hard to dispute:

'It is essential that consumers can get in and out of town with the least amount of inconvenience.' [95]

7.10.3 The issue of parking can be a 'marmite' matter, splitting opinion strongly along a number of lines, but perhaps not least between those who advocate car use and those favouring arguably more 'sustainable' transport. However, critical observations relating to inadequate parking provision in town for shoppers featured routinely and prominently within the evidence gathered during our Review. The negativity that surrounds the issue of parking, whether for actual or perhaps in some cases more perceived reasons, clearly creates a challenge to retail. Addressing whether issues identified as parking barriers to retailing are in fact real or more a perception issue is not straightforward, the parking issue being more complex than it may seem. Either way it would appear that the impact is similar in that the experience of parking or the potential to have a negative experience simply puts some people of trying and potential sales are lost.

7.10.4 Amongst the recurring areas of frustration were the many aspects relating to scratch card system, a broad lack/loss of parking spaces, lack/loss of parking spaces close to the retail centre and insufficient short stay on-street parking. A selection of the parking criticisms and ideas for solutions that we received are outlined below to illustrate the depth of feeling and the scope of concerns.

Mr A. Hosegood, Mange Tout
'In our early days in Colomberie, cars would pull up outside and customers would come into us for their lunch, or run across the road to pick up something from the clothes shop or drop dry cleaning off. Then the bollards came and that market dried up. It's the same across Town. All the old stopping places have gone and we all drive round and round with nowhere to go, being chased off by stab-jacketed Parking Control Officers. We have to improve access to Town if we are to stand a chance of getting shoppers to come back.' [96]

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[95] Written Submission, Chief Executive, Jersey Business
[96] Written Submission, Mr A Hosegood, Mange Tout

Mrs J. Cadin, member of the Public:

'11am, Friday 22 d November, a long queue at Minden Place car park. Slowly navigated the town to Sand Street car park where I slowly drove round and round to the 12th floor. Shopped In town and back within one hour but had to pay for an hour. Not an exciting experience. More parking and machines which recognise half hour parking stays. Then, and only then will you encourage people into town to shop. Came home and ordered three items on the Internet with no hassle no parking and no feelings of harassment. Two of these already despatched.' [97]

Mr R. Davison, member of the Public:

'Parking always produces great reaction and feelings when the question is up for debate, I know how difficult it is to try and find a balance to accommodate all the requirements of government and the wish of the public that can at times seem at opposite ends of the spectrum….Parking in St Helier is the main debate of most Islanders and there are in my opinion two main categories :

1) The working Commuter.
2) Public visiting for shopping , the life blood of a town, restaurants , theatre , Hospital etc.

We must always consider the Commuter as we rely on the Tax generated by this sector more than any so we must not punish them…

The requirements of the second groups are much more complicated and it is no good thinking that people will go into town and support the local shops and help to maintain the vibrant life required in a town if you ask them to struggle with shopping to the Bus and then from the Bus stop to their home. Taxi's are very expensive and not for most an alternative to the car….Allowing shoppers and those wishing to visit Town by car is good but should be controlled and this can be by charging or providing free parking at times when the Commuter is at work, weekends can provide opportunities to reduce the time for Parking Charges to be in operation and Sunday can be Free to help the shops and restaurants if they are to be open' [98]

Chief Executive, SandpiperCI:

'I do not know whether there is a need for more car parking. I think there is a need for us to understand which car parks are fulfilling which need and to take away costs, and then of course you are getting to this cross-party thing about T.T.S. (Transport and Technical Services) saying: "Well, we are not ..." ...That is when you need somebody to bang heads and

[97] Written Submission, Mrs J Cadin
[98] Written Submission, Mr R Davison

say: "Look, guys, you can either give up your money on parking or you can give up your money on tax take, because if you do not start to do something to support retail and to try and keep spend on-Island, then the tax you are going to take off employers will reduce, because retail employees are coming down. That is the reality, so have it one way or the other."

The Connétable of St. Brelade:
Do you think there needs to be more - parking in town in one thing - opportunity for pick-up points and things like that, things that would just make people's life a little bit easier when they come to central St. Helier?

Chief Executive, SandpiperCI:
Yes, absolutely. I mentioned click and collect and I do not think we, the Island, and certainly Sandpiper, are into it anywhere near as much we need to yet, but I think click and collect is going to be big. You have got already in the U.K. 2 supermarket chains now using underground stations and railway stations as pick-up points, so I think that is part of the tapestry, if you like, this jigsaw of putting together a proper plan.' [99]

Signtech:

1. *Getting to town. Driving into town and the momentous one-way system makes people groan and puts you off heading into town…and that's before you've even started your shopping experience.*
2. *Transport issues. Issues such as parking and bus options need addressing. The distance from Liberation Station to Social Security or the Tax Office has not been thought through. For certain people such as the elderly, disabled and young children, this distance is too far to walk. More parking options should be available for shoppers.*
3. *Commercial vehicles. Commercial vehicles should not be allowed in town between 10am and 6pm (as is the case in many busy cities). This would not only free up spaces in town, but also create a more shopper orientated atmosphere.* [100]

Town Centre Manager:

1. ***Infrastructure.***

The access and egress of the town is essential and should be based upon car usage and Public Transport. Whilst I do not feel, the bicycle should be used it is still only a small percentage compared to the other two forms of transport and not generally used by shoppers.

1. *Review of all parking, potential parking payment systems and suitability of type of parking*

[99] Public Hearing Transcript, CEO Sandpiper CI
[100] Written Submission, Director, Signtech Ltd

2. *Installation of Car Parking availability signs*
3. *Town Hopper Bus*
4. *Unification of payment schemes such as the Oyster card.* [101]

Jersey Business:

'It is essential that consumers can get in and out of town with the least amount of inconvenience. This means that parking must work. The trial meter system operated at Sand Street appears to have worked well and I believe that this is to be extended. It is hoped that this will be implemented as soon as possible.' [102]

Jersey Chamber of Commerce:

'It is imperative that access and egress of St Helier is made as easy and simple as possible and further pedestrianism of St Helier, whilst attractive to some, should not act as a deterrent if shopper parking is pushed further away from the shopping areas making access inconvenient. Information regarding available car parking and any traffic issues should be widely available through a variety of channels.

All the major car parks should be given technological improvements. The system of number plate recognition, as used in Sand Street, is a template. This system not only gives flexibility to the user but can enable the provider accurate information which will enable innovative parking initiatives to be introduced. This could include free parking allowance, 2 for 1 offer and tie these into retail and promotional activities. We must also consider the experience that the town car parks offer – in Minden Place for example the size of the parking bays which may no longer be appropriate for car design in 2014.

Whilst the solutions for different problems may require different technologies it is imperative that one payment platform across all of these is adopted.' [103]

7.10.5 The TTS Minister has stated that his Department is committed to increasing shopper parking and is working closely with ED in order to achieve that commitment.[104] We raised such points as outlined above with the Minister for TTS and his Officers. Responding to our questions, the Chief Officer made it clear that the Department understands that the customer experience had to be good from the start to finish, which meant being able to drive comfortably and smoothly and safely to a pleasant fit for purpose car park, with spaces are big enough for today's cars.

[101] Written Submission, Town Centre Manager
[102] Written Submission, Chief Executive, Jersey Business
[103] Written Submission, JCoC
[104] SoJ Hansard, 22 May 2014

When shopping, the customer should not be worried about the time of return, and able to make their purchases free of that pressure.

7.10.6 Addressing matters in more depth, and to discover how TTS was putting into practice the understanding and commitment outlined above, the Panel heard from TTS about parking capacity. It was confirmed that the Department's research and statistics demonstrated that whilst overall capacity is sufficient to meet overall demand, the geographic distribution of that parking capacity is not even which leads to heavy demand that cannot be accommodated at certain car parks but regular under-capacity use of others such as Pier Road. It was intended to alleviate the situation through the North of Town Masterplan:

'…which provides for spaces at the Ann Court site when that is developed and we are looking for an opportunity to create more parking in another site in the north of town, as identified by the North of Town Masterplan.'

The Deputy of St. Martin:
Parking generally, in the North of Town Masterplan we see that we have lost the car park where we have the new park, we see other areas of the masterplan identified for conversion to accommodation, retail and what have you. But there is not an awful lot of provision for parking. What is your intention with parking spaces in the north of town, Minister? When I say the north of town, in the area of Bath Street, Gas Place, et cetera.

The Minister for Transport and Technical Services:
We do have one or 2 sites in mind but it is at the early stages of negotiation at the moment.

The Deputy of St. Martin:
Will those sites be close enough for shoppers to walk into town? Or would they be aimed at commuter rather than shopper?

The Minister for Transport and Technical Services:
I think provisionally residential, but that will displace a lot of parking in the south of town, shall we say.' [105]

7.10.7 Regarding Minden Place, which has been identified as one of the most geographically attractive shopper car parks and important to market traders as illustrated by its capacity use on Saturdays, the Panel asked what the future held for it amidst concern that it may be demolished. The Minister for Transport and Technical Services told us:

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[105] Public Hearing Transcript, Minister TTS

'It was talked about to be demolished some years ago but that is on hold now. Obviously every space is very well cherished. We have temporary use of the Ann Court site at the moment, besides the Phillips Street shaft going down there, and we have releasing spaces also on the Ann Street Brewery site.' [106]

7.10.8 As for the future of Snow Hill, another car park identified as geographically appealing to shoppers, we were advised that it would not be extended as had been suggested in recent months due to cost an impracticability of the site. [107] It is noted that States Members recently agreed to remove their provision of allocated spaces in Snow Hill Car Park, in order to make them available for much in demand shopper parking.

7.10.9 It is argued that existing initiatives, such as time limits, could be extended in their application or new ones introduced to try to ensure adequate capacity is targeted within the most convenient car parks for shoppers, rather than exhausted by commuter traffic. This might include encouraging behaviour change through suitably scaled parking charges. TTS acknowledged the possibilities, and that they are very happy to entertain any proposals made subject to cost implications, but that:

'We have been really limited in terms of what we can do because of the system of pay cards means that you cannot change the mechanism for charging, which is one of the big successes we have had at Sand Street.' [108]

7.10.10 Additionally TTS are keen to modernise certain car parks, which they recognise as being somewhat lacking in meeting current customer expectations. The modernisation may in turn make them more attractive to potential users, shoppers included:

Chief Officer, Transport and Technical Services:
' One of the things we have done is we have reviewed our car park stock…we have …refocused on what the customer wants and as soon as you look at that you then realise that our car parks have been well maintained, they have been cleaned, but we have not really improved them to the point where they are a modern car park that people feel happy to go into. In the time we have owned and operated these car parks the car has changed. The Mini used to be a small car, now a modern Mini with 2 doors is a huge car, especially when you are trying to get in and out of it in a tight car park. So we have to take into consideration the change of vehicles and the change of views.

[106] Public Hearing Transcript, Minister TTS
[107] Public Hearing Transcript, Minister TTS
[108] Public Hearing Transcript, Minister TTS

Director of Transport:

There are some plans that are …in an early stage so they have not been fully discussed with the Minister…in many of our old car parks you have this problem with 3 spaces and then a column. On the external faces of Pier Road car park there are no columns and we are looking at a scheme which we have just started to develop up for this summer when we do a refurbishment of Pier Road is increasing the width of those car parking spaces and reducing the capacity. Because we do not need the full capacity at Pier Road because it is not often used other than when there is conferences and special events or we are closing floors elsewhere. What we are going to try and do as a pilot within the Pier Road car park is to really move from something like this which is a traditional layout within our car parks to looking at using brighter markings and the like, and move towards something more like this, sort of a modern ambience to the car park, a brighter and lighter space, a nicer place to be.' [109]

7.10.11 Regarding the method of payment for parking, it is now widely recognised that scratch cards significantly hinder the likelihood of a positive experience by car to St Helier, and that there is any associated cost to retailers. We discussed with TTS the problems with scratch cards:

The Deputy of St. Martin:

'We do all, I hope, acknowledge the fact that the thing with the pay cards is the moment you scratch and you get out of your car and you leave it the clock is ticking and people see this obligation to rush back to their car whereas we are trying to encourage people to stay in town and spend money. The last thing we need to do is right at the beginning of that experience to put a barrier that says: "You can only stay in town for 2 hours."

Chief Officer, Transport and Technical Services:

Absolutely right, and we are fundamentally trying to change that, particularly with the shoppers because we want them to stay that extra hour, that is our intent. We do not want to fine them when they get back.' [110]

7.10.12 With the use of the number plate recognition system in Sand Street we sought to establish whether its success might see the phasing out the use of scratch cards in car parks. The Chief Officer of Transport and Technical Services explained:

[109] Public Hearing Transcript, Minister TTS
[110] Public Hearing Transcript, Minister TTS

'We are going to be hopefully moving to a different system very quickly. We will not lose pay card overnight because in opening another channel for paying for your car parking, to close the other channel off ... lots of people like pay cards. I think for people who perhaps do not have the technology to do the alternative methods will still want to stick with them, so we will be running 2 systems for a while and pay cards will hopefully become a thing of the past over a period of time.

The Deputy of St. Martin:
Could you estimate the period of time?

Chief Officer, Transport and Technical Services:
It depends on the behaviour change and how you change people's ... people do not like change…

The Deputy of St. Martin:
But now we have number plate recognition and people are getting used to it, I think most people do appreciate the ability to stay as long as they like and know they are not going to have to rush back and face a parking fine. Now that we have that initial change, how soon are we going to roll the system out into our other car parks?

Chief Officer, Transport and Technical Services:
We are still having that discussion. The number plate recognition has been a big step change forwards and we have done focus groups and predominantly people are happy with it. But we are on the cusp of major changes with technology, the fact that a majority of people in Jersey have smart phones, there is perhaps the next stage which we are looking at.

Director of Transport:
We are taking a structured approach to it, so we believe that the technology is now at the point where we can do something radical basically across all of our car parks, not necessarily just multi-story ones. However, there are car parks such as Minden say for instance where you would not want to have the opportunity to stay as long as you want because Minden car park on a Saturday is always full so you want to ensure that there is a turnover of spaces.' [111]

7.10.13 This point of space turnover was expanded on by the Director of Transport, who explained to us that:

[111] Public Hearing Transcript, Minister TTS

'…we know from the work that we have done in terms of survey work that most money is spent in the first 2 and a half hours in town, so that is an interesting thing to keep in mind in terms of your most convenient car parks. People will not use those car parks if there is not a good likelihood that they will find a space when they are circulating around. So you do need to do things to promote a turnover of spaces in the shopper car parks.' [112]

7.10.14 The possibility of free parking initiatives has been raised by some stakeholders, the argument being that if free parking was provided on, for example, Saturdays it could encourage shoppers into town and those engaging in town leisure activities. The Panel is aware that a possible trial had been explored by the Minister for ED in 2013, working in conjunction with the Town Team and TTS. It was intended to provide a parking incentive placing town on a level playing field with out of town retailers, such as Red Houses. TTS were asked by ED to evaluate the loss of revenue from such a policy, in order that it could consider the benefits of the States funding such a scheme:

'TTS has undertaken survey work to ascertain the likely loss in revenue to the Car Park Trading Fund and LibertyBus, resulting from passengers switching to cars in response to free parking. The following table details those direct losses:

Estimated Revenue Loss	**Free Shopper Parking Only**	**Free Commuter and Shopper Parking**
Car Park Revenue	£4,900	£8,900
LibertyBus Revenue	£1,100	£1,900
Lost revenue per Saturday	£6,000	£10,800
Lost revenue per annum	£312,000	£561,600

The report estimates that the net benefit of the proposed policy to the Island (Benefits to Retail Trade[1] – Costs[2]) ranges as follows:

	Benefit to St Helier Traders[1]	*Costs[2]*	*Weekly Net Benefit*	***Total annual net benefit to Island***
Free Shopper Parking Only				
High Range Estimate	*£7,100*	*£7,300*	*(£300)*	***(£15,600)***
Low Range Estimate	*£900*	*£6,700*	*(£5,900)*	***(£306,800)***
Free Commuter and Shopper Parking				
High Range Estimate	*£7,100*	*£11,500*	*(£4,500)*	***(£234,000)***
Low Range Estimate	*£900*	*£11,500*	*(£10,600)*	***(£551,200)***

[113]

[112] Public Hearing Transcript, Minister TTS
[113] Written Submission, TTS

7.10.15 TTS further expanded on this proposed trial at a Public Hearing, observing that:

Director of Transport:
'There were some interesting and surprising things that came out of the last study we did at E.D.D. in terms of free parking, because if you are just abstracting spend from elsewhere you are basically losing the money that you would have otherwise gained in the car parks by giving free parking to people who would have paid in any case. You are probably better off investing that money into events which attract people into town who would not come otherwise. Some of the things that came out of it which were surprising, and are in fact mirrored by some studies being done in London, is that people who come to town on the buses spend more than people who come to town in their vehicles. So someone who comes to town on the bus for their Saturday shop spends £101 because it is a planned trip, a planned shop ...

The Deputy of St. Martin:
Is that local or is that information from off-Island?

Director of Transport:
That is local, in the U.K. it is slightly higher than that for the buses. They did it in London for buses and trains but it basically mirrored what we found, whereas motorists who come in spend typically £70 and that is because it is kind of a discretionary trip, you might pop in, have a look around, buy something or not buy something. So that was surprising, it was not something that we expected to find. But also what we found was that people spent the most money in the first 2 and a half hours they spent in town. If they spent all day in town they typically only spent £40. So it is interesting, is it not, it is not always what you think and you really do need to collect the data to be able to understand what is going on.' [114]

7.10.16 It was also observed that the trial would draw spend into town which would otherwise have been placed with out of town shops, leisure activities and the internet.

7.10.17 Addressing parking matters and the proposed free parking trial, the Minister for ED told us:

'…T.T.S. …will give the statistics which show that there is available space just about all the time and that you cannot argue with the statistics. You might say: "Do I want to go and park up at Pier Road and walk into town when it is raining? Do I want to go into town when I can go online because it is a lot easier?" I said earlier that the internet is not just about price, it is

[114] Public Hearing Transcript, Minister TTS

about ease. So there is a lot of noise around parking. We looked at the possibility of giving, as part of the draft plan that you have before you, some free parking periods, for example, if there was a free parking or a discounted parking on a Saturday morning, whether that would encourage more traffic into town in terms of more consumers to shop. Obviously it would have to be accounted for, so if we were going to discount parking or reduce parking, that would be an impairment to the budget of T.T.S., so we would need to fund that, and that is part of the funding options that you see within the paper (draft RDP). We concluded that the something like £300,000 or more - I cannot remember the exact figure - that potential option would have cost could have been deployed more effectively by providing support in other ways. We were not convinced, in other words, that by doing it we would drive enough additional consumers to town that would be beneficial. I think we need to make parking as simple as possible, but I think there is the capacity there.' [115]

7.10.18 He continued:

'I think at peak times that there is a challenge in some of the closer car parks. My analogy of Pier Road, T.T.S., as I have said, will always say there is capacity, because there virtually always is in Pier Road, whichever way you look at it. So is there enough car parking? You could argue: "Yes, there is, because there is capacity" but the question probably is: is there enough parking close enough to encourage people to come into town? I think parking is a little bit of a red herring in terms of stimulating retail. We cannot discount it. Some are of the view that it was the only point and the only issue that really matters. I do not subscribe to that. I think it is one facet of an overall package that is required to help to support the retail sector, only one part.' [116]

Finding:
Issues regarding parking featured in almost all submissions received by the Panel during the Review. Parking matters present a very real challenge to retailers, but there are workable initiatives that could help improve the situation.

Finding:
Overall capacity amongst town's car parks is adequate to accommodate demand from commuters and shoppers, but the geographic distribution of spaces is not. The north of town is under-served by the current car parking provision, and Pier Road car park is too frequently under-capacity.

[115] Public Hearing Transcript, Minister ED
[116] Public Hearing Transcript, Minister ED

Finding:
Minden Place is a vital shopper car park, but, as with others, it is outdated and requires significant refurbishment, modernisation, or complete replacement.

Finding:
There continues to be significant frustration with the scratch card system, whilst the automatic number plate recognition system in Sand Street has been widely welcomed.

Recommendation:
The Minister for Transport and Technical Services should undertake the necessary work with colleagues and other stakeholders to achieve the following:

- A clear decision on the future provision of north of town car parking
- The roll out of automatic number plate recognition systems (or similar) in all covered car parks to end the pre-dominance of scratch cards
- A fully developed strategy for the phased modernisation and refurbishment of all car parks
- A review of all initiatives, including charging structures, that might encourage a more appropriate distribution of commuter and shopper parking.

7.10.19 Bus service

7.10.20 In addition to car parking, we also heard from stakeholders regarding the bus service. There have been some claims that inadequate route coverage and timetabling, and in particular the absence of a town hoppa style service, limits accessibility to town for some groups such as elderly non drivers. This in turn limits their ability to purchase from town shops. The JCC told us, for example, that:

Chairman, Jersey Consumer Council:
‘ What did change, and I know this affected a lot of the older people at Le Marais was that there was a bus..which used to do a circular loop….I used to go the market on a Saturday and use it to go home again. It was always full of older people who had clearly done their shopping in town. We have raised this with CT Plus because of course it is not a circular service any more.

Executive Officer, Jersey Consumer Council:
It becomes then a long way for a lot of the older people from the bus station to the market excluding a whole section of town because they cannot access it.

Chairman, Jersey Consumer Council:
…a lot of the people who live at La Collette flats at the bottom of Green Street use the number one that used to use the bus….I think some sort of Hoppa service that did the fringes of the residential areas in town could only be a good thing, even if there were some sort of frequent Hoppa between Snow Hill and the bus station without having to pay £1.30 for the privilege or whatever you have to pay on your little card now. A lot more could be done. [117]

7.10.21 Addressing the lost services, TTS explained that whilst the specific Marina Avenue matter was noted it was a matter out the control of the bus service due to specific changes to traffic flow along the former route. In addition, we were told that along the eastern corridor the total numbers of ridership had increased more choice now in terms of the services available and that whilst there was not a budget to be able to create a Town Hoppa, they were appreciative of the concerns expressed and that:

Director of Transport:
'What we really want is penetration of the town by buses rather than something circulating around the outside of the town, and it is by getting penetration of the town by buses where I think you provide the stimulus to the town economy that we require. … also any type of town service I think - should the funding ever be available for it - should be something that ... rather than the previous Hoppa bus which tended to keep to the ring road, be something that penetrates through town but serves the greater conurbation of St. Helier which really in truth extends out to somewhere close to Beaumont, out to Le Squez, up to Highlands College. You want to connect all those places, it is not just something which goes around the ring road, which has been suggested in the past.

The Minister for Transport and Technical Services:
It is more of a sort of urban service.' [118]

Finding:
There is wide acknowledgement and support for more bus services to be provided to help people access town at points other than Liberation Station, along with a service that would link urban areas whilst penetrating towards the town centre. The latter could encourage more shoppers to visit town and other retail areas such as Les Quennevais Parade.

[117] Public Hearing Transcript, JCC
[118] Public Hearing Transcript, Minister TTS

Recommendation:

The Minister for Transport and Technical Services should work with Liberty Bus to develop proposals for more buses to access town at points other than Liberation Station and a service that would link a range of urban areas whilst also penetrating towards the town centre.

Recommendation:

The Minister for Transport and Technical Services should work with Liberty Bus to develop a service that would link a range of remote areas to bus routes that access urban shopping districts.

7.11 Planning Matters

7.11.1 A number of planning issues have been raised in the submissions we received, relating to a range of strategic and smaller more practical challenges they pose to the retail sector. The representations we received and the response of the Minister for Planning and Environment are outlined in this section.

7.11.2 Masterplanning: The size of the town retail footprint

7.11.3 We heard concern from a number of parties in relation to the 2011 Island Plan and the North of St Helier Masterplan of the same year, the primary sources of influence from a planning perspective given to retail related planning decisions. The Minister for Planning and Environment outlined to us the key planning considerations guiding his approach to the retail development:

'Successive Island Plans have sought to uphold and support the role of St Helier as the primary focus for shopping in Jersey, whilst recognising the role of other local centres, and that policy has for the most part been successful. A report into the Island's retail offer conducted to inform the development of the 2011 Island Plan, drew the following conclusions:

- *St Helier Town Centre is a very attractive historic centre, with a wide range of retailing and services. We consider that it is providing well for the needs of shoppers and other town centre users in most respects*
- *The existing food stores on the Island are well distributed to serve the main concentrations of the population, both for main food shopping and local walk-in shopping. There are therefore no conspicuous weaknesses in terms of the spatial distribution of food stores*

Outside town, there are a number of other centres where there is a range of shops. The largest is Red Houses, but Gorey, St Peter's Village, St Aubin, St Ouen's Village and St John's Village also have a significant local role.

The move to out-of-town supermarkets, as experienced in the UK and continental Europe, has been largely resisted, although there has been significant expansion of some peripheral stores. New retail warehouse uses have been restricted to the Built-up-Area in accordance with the Island Plan. There has been growth in out-of-town shopping at garden centres such as Ransoms and St Peter's Garden Centre and there has also been a trend towards the expansion of retailing from garage forecourts and the expansion of farm shops.' [119]

[119] Written Submission, Minister for P&E

7.11.4 Addressing the background to the current, States approved Island Plan, the Environment Department explained how it sets out a clear strategy for the town as follows:

a. *The Island Plan Strategic Policy Framework firmly focuses on a sustainable pattern of development focusing on the built-up area and particularly the regeneration of the town as the primary delivery of new development; the efficient use of land; the protection of the natural and historic environment and support for economic growth and diversification.*

b. *The Island Plan Built Environment objectives, indicators and policies focus firmly on the regeneration of the town in respect of homes, economic activity and cultural needs, whilst protecting and enhancing the town and the quality of its environment as a place to live, work and visit.*

c. *The Island Plan Economic objectives and policies, focus on protecting St Helier for shopping, and recognises the potential shift of the town centre toward the waterfront by zoning an area in between Broad Street and Commercial Street for retail expansion. The policies also protect and promote local shopping centres and the development of new local shops. The policies allow for the development of evening economy uses, take-away and other food outlets. The policies also control large-scale food retailing and non-food retailing, retailing within industrial sites, retail development outside the built-up area and Farm shops.*

d. *The Island Plan Housing objectives and policies seek to concentrate new residential development in the built-up area with the specific aim of sustaining and regenerating the urban centres, particularly St Helier. See Objective H1and Policy H6 – Housing development within the built-up area.*[120]

7.11.5 The JCoC explained to us its overiding concern about the challenges posed at a strategic level by deficiencies in the framework provided by the Island Plan and North of St Helier Masterplan. It is disappointed that:

'…the retail economy does not feature more prominently in the delivery of the Island Plan objectives and other strategic policies. For example the impact on retail appears to be ignored when drawig up the North of Town Masterplan and the subsequent removal of parking in Gas Place and the creation of the Millenium Park. Retailers have been severly affected by this planning decision, made worse by the withdrawal of plans by Le Masurier to develop land in the Bath Street area.' [121]

[120] Correspondence, Department for the Environment, June 2014
[121] Written Submission, JCoC

7.11.6 There was significant representation made that the current Masterplan is inadequate in addressing the pressing challenges facing town retail, in particular with regard to the shrink and drift south/west of the retail footprint due primarily to the ongoing influence of the expanding waterfront. It is argued by a number of stakeholders that this change is happening in something of a policy vacuum, when in fact a strong strategic plan is require to manage positive outcomes out of the ongoing changing retail landscape. For the most part, it was not that change itself that that was seen as negative, indeed the shrinkage in particular was frequently referred to as a positive step that could help better focus the retail experience in town. The following submissions illustrate the type of argument about shrink/shift and unclear strategy we received:

Mrs C. Clarke, local retailer:

'Keep a Centre of town, keep it smaller, stop developing little pockets of town on the outskirts so that you end up with no centre, and lots of empty shops in each area. It doesn't make sense to tourists and it certainly doesn't work for shoppers. A smaller, fuller area would look and be more inviting and busier. As a retailer I don't understand what the strategy is, because it's so disparate. I don't understand why certain parts of town get developed and focussed on when it requires massive amounts of money to create these new areas and buildings. It would be far more cost effective to use the charming, characterful areas of town already existing and build a real hub for shoppers. It's not fair on current businesses trying to revamp their areas…it doesn't work for shoppers.' [122]

Chief Executive, SandpiperCI:

'…What we can already see is the town centre becoming more centric, so as King and Queen Street, people are, the shops are, we are managing to hold occupancy rates. They did dip down a bit last year, but they have now come back up….We have got a big shop down at Bath Street, but the thing is, as we can see, it is moving more into King and Queen Street, and as the waterfront develops we will see it move even further down. Colomberie, we need some rezoning, we need a relaxation of planning, we need housing, we need urban open spaces, we need a redevelopment of the place, because it will not sustain retail.' [123]

Town Centre Manager:

' All towns move the retailing centres…St Helier is no different with the decline of the tourist industry resulting in the closure of hotels. Twenty years ago the town opened until 10.00pm Monday to Thursday every week of the year, now it opens until 7.00 pm one day a week. The

[122] Written Submission, Mrs C. Clarke
[123] Public Hearing Transcript, CEO Sandpiper CI

way to maintain the vibrancy of town is managing the migration of the shopping areas and creatively converting the void that is created.

1. *The retail zones in the town should be reduced and relocated.*
2. *Assistance should be given to retail areas that are no longer relevant.*
3. *Review of office space for conversion to housing.*
4. *Planning review should be made to produce a cohesive strategy for turning empty offices, which are no longer fit for purpose into residential properties. This could also include empty spaces above shops.'* [124]

Mr T Murphy:
'West centre is suffering due to the shift in offices and shops towards the waterfront.' [125]

Jersey Business:
'There is a reality that the shape and size of retail in Jersey is changing and will continue to change. Areas of former prosperity, for example from North of Town to Colomberie, will lose out. It is essential that consideration be given to what happens thereafter.

This is a matter for the Planning Department which I note from a recent press article has been looking at the re-zoning of unused retail space. This is an important part of revitalising the overall retail environment and could benefit from greater consultation with those in the industry.' [126]

Mr A. Hosegood, Mange Tout:
'As an example, when 37 Esplanade was finished, it sucked nearly 700 people out of Colomberie overnight. Our shop was 25% down, the dry cleaners closed and other shops are hanging on by their fingernails. Take another 4500 out from an area stretching from New Street up to Colomberie, and "devastating" is not the word. At a recent Town Team meeting, one senior civil servant enlightened us with the comment "there are areas of Town that will become retail wastelands…' [127]

Mr. G. Voisin:
'…tourism was very significantly larger than it is now and it was those additional tourists that helped to support a large thriving retail industry. As the number of tourists has gone down, and as the disposable income of people in Jersey has gone down, that is what is going to lead the

[124] Written Submission, Town Centre Manager
[125] Written Submission, Mr T Murphy
[126] Written Submission, Chief Executive, Jersey Business
[127] Written Submission, Mr A Hosegood, Mange Tout

reduction in the number of shops. I think that is almost inevitable. We have just heard how there is probably £50 million to £60 million of money being spent off-Island on the internet. You cannot take that amount of money out of the retail industry and for it not to have an effect. It is going to have an effect.' [128]

Mr. J. Hopley:
' There certainly should be a master plan in town but we should not ignore what is happening outside of town, particularly in the country parishes, because I think one or 2 of my colleagues have brought to your attention that retailers, whatever the nature of the retailers, be they post offices, shops, food shops or other things, are the lifeblood of some of the outlying communities. Take them away…it creates all sorts of problems. So it is not only a town centre thing. I think the biggest problem is we have stuttered along with the town centre plan…it is not going to solve the overall problem but it is going to improve it….There is a concentration in King Street and Queen Street and the marginal areas are going to suffer, there are things that can be done about that…' [129]

7.11.7 The Constable of St Helier was more positive about the adequacy of the current strategic planning offered by the Island Plan and North of St Helier Masterplan amongst others. He explained:

'…I do not agree that there is not a masterplan...The Island Plan is a pretty good masterplan for town. It is very specific in what should be going on in town, and years ago we spent hundreds of thousands of pounds of Willie Millers' Urban Character Appraisal, which is sitting on various dusty shelves being ignored. It is a superb piece of work. We did the North of Town Masterplan. That was £250,000. It has not been implemented because there were problems with the Odeon, and so that has been left to be a wasteland up there, which is a crucial mistake, losing that development, which would have provided a lot of parking up the north of town. So there are lot of strategic documents that have been put together at great expense. ..I would not support the States or anybody spending another £250,000 on another masterplan, because I think most of the work has been done.' [130]

7.11.8 He continued:

'St. Helier is built in a basin - and you can wander for a considerable distance finding all kinds of quirky, interesting shops which you will not find in a lot of high streets. That is why we are

[128] Public Hearing Transcript, JCoC
[129] Public Hearing Transcript, Mr J Hopley
[130] Public Hearing Transcript, PoSH

supporting Colomberie and we are not giving up on Colomberie… I see Colomberie as a kind of Lanes (Brighton) for St. Helier, a place where you will find the people who are selling beads, hair-braiding, all kinds of things, that because the rents will be lower, they can afford to have their shops. In fact, I think Colomberie is fully let at the moment…

The Deputy of St. Martin:
Yes, but we have got submissions from a Colomberie retailer saying that the movement of the financial sector west has reduced his business in Colomberie by 25 per cent in a stroke.

The Connétable of St. Helier:
But you are going to get the police station, and I mentioned that in the debate on the police station, that there are things going up that end of town which will bring back the footfall, increased residential, a lot more residential going into that part of town east of St. Helier, all those people who live in Havre Des Pas who come down through Colomberie. As long as we can sustain Colomberie ... and interestingly, to go back to obstacles, one of the biggest obstacles in getting to Colomberie is that T.T.S. have put a whole lot of black bollards all the way up the pavement, really big ones, because they are worried that people are going to park on the pavements. That might have been a problem 10 years ago when the scheme went in, but I have been trying unsuccessfully to remove physical obstacles, because they are operated by T.T.S., who say that they will not take the bollards out.' 131

7.11.9 In relation to another area of town with its continued retail presence identified as being under threat, the Constable told us:

'Bath Street would have worked if we had not lost the huge opportunity that Le Masuriers had for us, where they were going to put in parking and shopping and possibly a new supermarket next to the town park. That was a tragedy for St. Helier that we lost that opportunity, and I can only hope that it comes back, because that will bring the footfall back into the north of town and the little shops between Le Masuriers' big development, and in fact Rue de Funchal as well, that whole area - which is very blighted at the moment - it needs Le Masuriers to get the kind of permissions they need and then it will just be a shot in the arm for that part of town.' [132]

7.11.10 Responding to this particular planning issue, the Minister for Planning and Environment told us that:

[131] Public Hearing Transcript, PoSH
[132] Public Hearing Transcript, PoSH

'…at the end of the day, we were giving them as much encouragement as we needed to give them, albeit the usual thing happened with the media in suggesting that permissions were not forthcoming but they had not got to the position of making an application. But all the donkey work, if you like, was undertaken with officers to determine what support might be able to be given were they to have come forward with the plan that they may still come forward with.

The Deputy of St. Martin:
Is it the be all and end all for the North of Town Masterplan, that big Le Masurier's site in the middle of it, or could we carry on?

The Minister for Planning and Environment:
Not as a retail centre. The original plans that were being mooted were, if I remember rightly, for a large supermarket but that kind of fell by the wayside and I think the company involved determined that it would be better if they had an element of retail mix in order to provide extra amenities for that particular part of town but the major part of the plan was to provide in-town living accommodation and it was mainly residential. So with regard to the retail plan, if you like, there is always going to be a tension between people wanting to kind of move out into the sticks, or whatever, because the land prices perhaps may be cheaper, as opposed to kind of working in the centre of town, which is where we really want everybody to be. So a lot of these businesses rely on heavy footfall. It goes without saying that putting things on the outskirts of town ... and there are specific policies within the Island Plan to discourage the practice as has happened in other places to kind of reduce the amount of out of town traffic. So there is always going to be a conflict between the 2 but it is a conflict that I think is easily resolved and it is down to the investors to decide where they want to put the money.' [133]

7.11.11 We also spoke to the Minister for Planning and Environment about concerns over the strategic planning in the context of the changing physical footprint of town and by association its retail areas. The Minister told us that:

'What we have to guard against in the long term is allowing things to happen in a way that is inflexible and does not allow further change should the requirement be there. Generally, the point you make about the loss or the shrinkage of the retail area is a good one…The key thing in planning terms about the retail experience is that in a lot of instances they only take place if you have a particular size of footfall. It is the same thing with people running bars and cafes or whatever. If you do not have enough people, you are not going to stay open for 24 hours a

[133] Public Hearing Transcript, Minister for P&E

day in order to attract one or 2 customers. Likewise, when people go to town…retail shopping experiences … are fairly utilitarian.' [134]

7.11.12 He continued:

' So if we are going to have a general drift, as I think we are going to have, towards people preferring to purchase (online) a lot of the things that they would have otherwise gone to town…people are going to have to be a little bit more creative and think about other reasons for wanting to socialise and aggregate in the central areas. If we do not do that and do not find something to take its place and do it pretty sharply, then the reasons for having towns and cities…will disappear and I think there will be further pressure for people to want to live in the countryside because they can get all the benefits of living in the town online. If we allow in planning terms the arguments to gain ground and momentum in that vein, then I think we run the risk of upsetting our Island Plan policies, which inevitably will mean people wanting to live in the countryside by preference because there is no real reason for living in town. That is something that we have to watch.' [135]

Finding:
There is some confusion over the status and continued relevance of existing planning strategies for town, notably the North of St Helier Master Plan.

Finding:
The current withdrawal of proposals for development around Bath Street by Le Masurier's has been a significant setback for retail regeneration opportunities in that area.

Finding:
The town footprint and retail core is shifting south-westerly with the influence of the developing waterfront area. Additionally, there are indications that the town retail core could contract due to the challenging trading conditions, to be increasingly anchored by King Street and Queen Street.

Recommendation:
The Minister for Planning and Environment should assess the merits of revising and/or clarifying the current strategies relating to development in town, notably with regard to their relevance to retail. This will be essential in providing a structure to the south-westerly shifting town footprint and potentially contracting retail core.

[134] Public Hearing Transcript, Minister for P&E
[135] Public Hearing Transcript, Minister for P&E

7.11.13 Change of Use and Signage – additional Planning challenges to retailing?

7.11.14 In addition to masterplanning, the Panel heard from some stakeholders about other Planning related retail concerns, including certain specific large scale developments, the time and resources involved in engaging with the planning process, change of use policy and signage policy and process.

7.11.15 Examples of the nature of overarching concern expressed in relation to our submissions include:

CEO, CI Co-op Society:
'...the costs, complexities, uncertainties and timescales involved in a planning system that is clearly struggling, act as a significant barrier to businesses attempting to innovate and grow.' [136]

CEO, Sandpiper CI:

'Planning should be more responsive but also continue to act as the guardian of our heritage.' [137]

Signtech:
'Planning need to move much faster with better communication….a shop keeper wants to get open as soon as possible which will generate jobs and taxes. As it currently stands planning are coming across as an obstacle and not understanding business needs' [138]

7.11.16 Change of Use:

7.11.17 The legal framework relating to change of use was confirmed by the Environment Department:

'In addition to the principal law, the Planning and Building (General Development) (Jersey) Order 2011 defines the use of land and buildings, with specific reference being made to shops and the various forms of permitted retail activities that can occur without planning consent. Also, the display of advertisements, which amongst other things includes retail advertising, is controlled under the Planning and Building (Display of Advertisements) (Jersey) Order 2006, requiring a formal application be made for certain types of advertising display. The principal challenges for the Island's Building bye-laws arise when retail premises are 'fitted out'.

[136] Written Submission, CEO, CI Co-operative Society
[137] Written Submission, CEO, Sandpiper CI
[138] Written Submission, Director, Signtech Ltd

Building Control:

From a building bye-law perspective the main challenges that are likely to are those relating to shop 'fit outs' when premises change hands. Re-fitting shop premises, i.e. new shop fronts, replacement lighting, ventilation and heating and cooling systems, alternations to internal layouts, new internal finishes such as new ceilings and wall linings, alterations to changing and toilet facilities, all fall within the definition of 'building work' for which bye-law permission is required, so this needs to be factored in when a new or existing business venture is proposed in re-furbished premises.. Normally, the process is straightforward and Building Control typically issue permits well within the five week target.' [139]

7.11.18 A number of stakeholders raised change of use as an area of planning policy and process that creates challenges to retailing. There was particular concern expressed to us about the negative impact that the process currently has, and that it may become more pronounced given the context of the shifting and drifting footprint of the town retailing area and the volume of change of use requests this may create. Concern about change of use was a point raised by the JCoC:

Mr. G. Voisin:

' Change of use ... and there are going to be a lot of shops that were shops that are going to change use to something else. The process for getting change of use is quite lengthy

The Connétable of Grouville:

You are talking from one type of retail to another type of retail.

Mr. G. Voisin:

Retail to a café. If you go from retail to a café and you are dealing with food, I mean the regulations and the red tape you have got to cut through, and the expense of doing that, the expense of putting in ... if there are no toilets there before and you are having to change the use then you have to put in, for example, disabled toilets, which have to be on the ground floor, so if it is a small café, a large proportion of your site is taken up with your disabled toilets, and then you have got to comply with pretty onerous fire and fire prevention and fire alarm methods as well. It is just a barrier and if we want somebody to go in there and do something with an empty premises then surely let us make it easy for them.' [140]

7.11.19 The Chief Executive, SandpiperCI, explained his frustrations with the change of use process, but did acknowledge the difficult job that Planning holds:

[139] Written Submission, Minister for P&E
[140] Public Hearing Transcript, JCoC

'They endeavour to do the best job they can. Are they frustrating at times? Of course. You know, it is difficult. They have a thankless task to do. In my opinion, they can never please everybody, but they do need to look at some of their processes. I am taking a unit at the bottom of town, which was vacant from last November. It was a wine merchant; it is going to be a coffee shop. I have to go and spend money and put an application that will take 3 months for a change of use, so a change of use, that I can sell a bottle of wine, but I cannot sell a cup of coffee. I think that is ludicrous. There needs to be a way to short-circuit that, because all the time that is empty, firstly it is empty, secondly, I am not producing revenue, I am not employing people. So we need to make it more nimble, but I do think they have got a role to play in protecting our heritage.' [141]

7.11.20 We again addressed some of these procedural challenges and concerns with the Minister for Planning and Environment and the Principal Planner, who outlined the variations of change of use policy:

Principal Planner, Planning and Environment:
' There are 2 elements: there is the planning side of things and the building bye-laws. They are 2 different laws. Under the Planning law, generally, there is no change of use. If one retailer, say a furniture shop, wants to start trading as a clothes shop, there is no change of use. Change of use, there are some exceptions, normally to do with hot food/takeaway shops, but generally, if one trader ceases and another one takes over, there is no change of use... With regard then to fitting out, this comes under the Building Bye-Laws (Jersey) 2007 law and this then deals with all the aspects of fire protection, access, structure, heating, lighting and also disabled access; things of that nature.

The Deputy of St. Martin:
...One issue that I particularly wanted to hone in on was the disabled toilets. Is there a situation where Planning would say: "Well, we recognise in this street here that the units are so small, fitting disabled toilets inside them is almost impractical", that the Government, T.T.S. or whoever, should be looking to provide public disabled toilets in the street?

The Minister for Planning and Environment:
I think we do that anyway generally and I think it is mainly anecdotal at the moment. There is a suggestion that there is a whole host of small shop owners struggling to fit a large number of disabled toilets into their primary reason for their trading and a lot of these things are ... it is a rule of thumb that is applied by the building regulations and I think the disabled toilets are more

[141] Public Hearing Transcript, CEO Sandpiper CI

a function of cafés and restaurants where people are sitting down and being served over a longer period of time.' [142]

7.11.21 He continued:

'There are not that many shops at the moment that would be treated in the same way. If you are clothes shop and you have people just coming in and making a quick purchase and you are not on the premises for very long, then I think the extent to which you have to have a full range of types of toilet is considered differently.

The Deputy of St. Martin:
So you are generally happy that the requirements for toilet facilities, not only disabled but for toilet facilities in cafés, hot food and coffee shops ...

The Minister for Planning and Environment:
I think the laws at the moment are fairly generous, in particular into their interpretation...I think there is a scale of interventions

The Deputy of St. Martin:
..if (a) small café at the moment was a clothes shop, for example, and somebody wanted to turn it into what it is now, they would be made to put disabled toilets on the ground floor?

The Minister for Planning and Environment:
No, they probably would not be asked to put disabled toilets on the ground floor, they might be asked to put a normal toilet in. There is a difference in facilities but the counterargument would be, well, with the parish of St. Helier spending £1 million on their new toilet block just around the corner in Conway Street, it might well be able to be argued by the applicant that disabled facilities to that extent are better provided by the parish through that Conway Street facility than for them to do the same thing.' [143]

7.11.22 The Panel sought clarification regarding the change of use scenarios for retail outlets, depending on the specific type of retail outlet and which way round the change of use was taking effect:

The Connétable of Grouville:
You said you do not need a change of use for different types of retail, talking about furniture to clothing. Do you need a change of use to go to food, a coffee shop or ...

[142] Public Hearing Transcript, Minister for P&E
[143] Public Hearing Transcript, Minister for P&E

Principal Planner, Planning and Environment:

A coffee shop would be dealt with under a different use class, so if it is a restaurant or a coffee shop, that would be ...

The Connétable of Grouville:

That is different to retail?

Principal Planner, Planning and Environment:

Would have a different use class, yes. There is an exemption, if you have a restaurant/coffee shop and you wish to then trade as a clothes shop and there is an automatic exemption under the general development order. So you could move from a restaurant, to a clothes shop ...

The Connétable of Grouville:

Back to retail but you cannot go the other way.

Principal Planner, Planning and Environment:

Yes, you cannot go the other way. You probably could but you would have to make an application.' [144]

7.11.23 We also took evidence from some stakeholders about empty shops, which we heard can detract from the atmosphere of a vibrant retail centre and by definition reduce the retail choice available and add little or nothing to the economy.[145] The Panel heard that this was a very limited problem within the Queen Street/King Street retail hub with occupancy levels very high and replacements being seen quickly where vacancies have arisen in recent times.[146] This was in part put down to a recognition by many landlords about the challenging environment, which had seen rents being established at levels that had not deterred tenancies being taken.[147] Empty shops in town however are in some evidence outside of those dominant streets, although the figure currently stands at just 3%. The Connétable of St Helier explained:

'We work directly with landlords. If there is an empty shop doing nothing, Richard will go along to the landlord: "Can we put an artist in there? Can we put somebody in there who has got paintings to sell? Can we put a charity in there for 2 weeks?" and so pop-up shops have been happening quite a lot in St. Helier. So we do work on the empty shop ...

[144] Public Hearing Transcript, Minister for P&E
[145] www.internetretailing.net/2013/12/high-streets-must-change-if-they-are-to-thrive-study
[146] Public Hearing Transcript, CEO Sandpiper CI
[147] Public Hearing Transcript , JCC

The Connétable of St. Brelade:
Do you assist in terms of rates for them?

The Connétable of St. Helier:
Absolutely. The Parish will meet the rates... and that is one of the things we say to the landlord: "If you let us have this shop for a given use, we will cover the rates, we will keep the windows clean, we will pay the electricity and so on" and these are not big costs, and it means that that shop can be opened and can be doing something useful.

The Deputy of St. Martin:
How would you feel about, going the other way, if the landlord was unco-operative? How would you feel, for example, about saying: "Well, if you refuse to do anything and you want to keep it boarded up, we are going to increase your rates"?

The Connétable of St. Helier:
That would be difficult legally. Thinking outside the box, we did have a couple of landlords that were not willing to play ball, they were not willing to improve the look of their empty units, so we came up with the idea of putting things outside their shop windows, so in some cases we put planters, which we have kept attractive, other cases we had displays of town history and poetry, again using the shop front from the outside so that it does not provide that kind of visual blot on the landscape. But we do not have the legal power to reduce rates for businesses.' [148]

Finding:
Despite certain improvements in Planning application processes, retailers continue to face challenges relating to change of use policies. The challenges can disproportionately affect small businesses and retailers with small premises. The time taken to gain relevant permissions and compliance with bye-laws such as those relating to the provision of toilet facilities were identified as being particularly challenging, Due to the impact of the shifting town footprint in increasing the number change of use applications, such occurrences may become more frequent.

Recommendation:
The Minister for Economic Development should work with the Town Team or equivalent body, and notably the representative from the Environment Department, to ensure that change of use processes and laws are as appropriate and efficient as possible.

[148] Public Hearing Transcript, PoSH

> **Finding:**
> King Street and Queen Street have retained almost un-paralled full occupancy levels over recent years despite the challenging retail environment.

> **Finding:**
> Rents have not been identified as currently being a leading challenge to retailing in Jersey. It appears that a number of landlords recognise the challenging retail environment, generally leading to rents being established at levels that have not deterred tenancies being taken.

> **Finding:**
> Whilst King Street and Queen Street have retained robust occupancy levels, there have been instances of short and, more significantly, long term unoccupied shops outside of the retail core. There is currently no States policy designed to help address such detrimental occurrences.

> **Recommendation:**
> The Minister for Economic Development should work with the Town Team or equivalent body, and the Constable of St Helier, to develop plans that could help address and discourage long term empty shop occurrences.

7.11.24 Signage/Advertising/Flags:

7.11.25 As covered in earlier sections 7.8 And 7.9 where we outline the evidence taken concerning the 'Town Experience' and the Markets, there are calls to animate retail areas and to try to improve their appeal and attractiveness in order to encourage greater footfall and consequent retail sales. A notable aspect of this is an improvement to/modernisation of signage, both with regard to specific shops (be this the traditional shop sign or use of other signage such as flags) and more widely in terms of then signposting of places, activities, events and other relevant information.

7.11.26 An example of the challenges expressed about the process of changing or creating signage within our submissions included:

'Assistant Minister for Treasury and Resources:
…we have had some discussions with Planning about signage attached to the buildings because they are listed buildings, and so we have this dialogue to define what is appropriate signage on a listed building.

The Connétable of St. Brelade:
Is it a positive dialogue?

Assistant Minister for Treasury and Resources:
It is a progressive dialogue...

Director of Estates, Jersey Property Holdings:
There are one or 2 issues. They are not insurmountable but there are issues with dealing with an historic structure, so there are some elements of historic structure. There are also some issues about cameras and such like, street furniture that needs to be dealt with.' [149]

7.11.27 It should be outlined that not all signage related challenges identified fully or directly relate to Planning matters. Although that process is of course key to any end result, it has been argued that other stakeholders need to do more to consider improving signage, including retailers themselves and authorities such as Jersey Tourism (ED) and other relevant States Departments such as TTS and the Parish of St Helier who are responsible for or influence 'information' signage. For instance, the Director of local firm Signtech told us:

'Signage around town is dreadful and uninformative. The town signage needs to create a vibrant and inviting feel, with interactive communication for children as well as being informative….Town as it stands today is grey and boring (with the exception of a few unique businesses that bravely stand out from the crowd).' [150]

7.11.28 In addition, the JCoC observed:

Mr. G. Voisin:
'...there needs to be much better signage in town. Yes, much better signage.

Mr. D. Dodge:
I think it is an indication of the stuttering nature of what we are doing. We have had various groups and there is ongoing ambition because people get frustrated, fed up. It is about empowering everybody to come together. We have got shops there that have been on notice boards which are 3 years out of date apparently.' [151]

7.11.29 In terms of the legal framework, the Environment Department confirmed to us that the display of advertisements, including amongst other things retail advertising, is controlled under the Planning and Building (Display of Advertisements) (Jersey) Order 2006, which requires formal

[149] Public Hearing Transcript, Assistant Minister for T&R
[150] Written Submission, Director, Signtech Ltd
[151] Public Hearing Transcript, JCoC

applications for certain types of advertising. A written submission from the Minister for Planning and Environment added that he provides Supplementary Planning Guidance for signs and advertisements, informing what may be acceptable to prospective applicants. Perhaps helped by this information, most applications are determined within 6 weeks and the approval rate is high for retail signs. Indeed, we note that the Department's processing of planning applications has improved significantly over recent years, as evidenced by the current application statistics.

7.11.30 Addressing some of these procedural challenges and concerns, the Panel questioned the Minister for Planning and Environment. On the matters raised regarding animating retail outlets through the use of flags for example, the Minister conceded:

'It is a policy that is being revisited at the moment because I have had a number of similar suggestions that perhaps we are a little bit too precious with the hanging of signs or flags or whatever off the historic building fabric. That said, you could not have failed to notice that there are quite a number of more enterprising business people at the moment who are finding other ways to attach their signage to buildings in a way that would not cause a problem. I am fairly relaxed providing the historic fabric is not damaged but I would not go as far as saying: "Right, if you tap a nail in or put in a screw, that is damaging the building to the extent that would warrant not giving permission for a sign", but officers might feel differently.' [152]

Finding:
Retail, tourist, traffic and general information signage is too often underwhelming, inconsistent and outdated. This is a matter that requires the co-operation and co-ordination of a number of stakeholder groups to improve, including retailers themselves and authorities such as Jersey Tourism (ED), other relevant States Departments and the Parish of St Helier.

Recommendation:
The Minister for Economic Development should address the issues of underwhelming, inconsistent and outdated signage with the Town Team (or equivalent) to help improve the town experience for all users.

Finding:
Increased use of flags and banners has been identified as a relatively quick and inexpensive means of refreshing and animating retail areas, although concerns were raised about the possible nature of the associated planning process including by the Planning and Environment Minister.

[152] Public Hearing Transcript, Minister for P&E

Recommendation:
The Planning and Environment Minister should examine the planning process and legislation associated with flags and banners to ensure that they are as appropriate and efficient as possible.

7.11.31 Additional 'Red Tape' Concerns

7.11.32 We have noted a number of more isolated observations about red tape issues that taken together appear to indicate a general theme of additional, States generated challenges that might require action to be taken. The most recurrent 'general theme' related to observations that setting up and maintaining a start up or small business in Jersey can be unnecessarily challenging due to legal and procedural 'bureaucracy'. Such submissions included:

CEO, CI Co-operative Society:
'The majority of retailers are small businesses, often owner run and often with a workforce of below five. Despite several … red tape reviews there are no apparent signs that the burden of governmental bureaucracy is on the verge of easing. The complexities of IT IS, GST, Rates, Social Security and other administrative processes compound to suffocate small businesses struggling to survive.' [153]

Ms C Clarke, local retailer:
'Our Street is buzzing with entrepreneurs, who are keen to make St Helier a vibrant, social place to be and I am one of them, but time and time again we find ourselves battling against bureaucracy that make it incredibly difficult to make our businesses successful or indeed to make the town vibrant and inviting.

Give small businesses a bit of help. Times are tough. For example, instead of charging a Licence for having a Board to try and promote their business, let them have it for free. There is no way the Public Liability insurance premium is £50 a year for one small sign outside a shop therefore someone is making some money for nothing on this. I have been asked to pay £194 for the privilege of having a rope barrier outside my shop which ironically actually prevents a member of the Public tripping over the disabled access. So if I take it off because I think £194 is an extortionate and disproportionate amount to pay it probably will cause an accident. Many shops don't provide disabled access, so shouldn't that be the thing you're policing? The rope barrier outside my shop also prevents smokers (i.e. workers from the Market who aren't allowed to smoke in the Market) sitting on my shop front and outside my door so that my

[153] Written Submission, CEO, CI Co-operative Society

customers have to walk through a cloud of smoke to get in my shop. This all amounts to Health and Safety NOT working, and not applying common sense but rather causing another Health and Safety issue by not looking at the facts and just applying blanket rules. Applying blanket rules, is something that I see happening in other States areas, Social Security being the most obvious but perhaps that is for another Scrutiny Review.' [154]

The Connétable of St. Helier:
'My view is that it is not so much E.D.D., it is the States. One of the big problems we have as a Parish - and you will know this as Constables, except the Chairman - is that we have the responsibility without the power. People come to me and say: "Why can you not do such and such?" and I say: "Because it is not a Parish road." I cannot influence the parking, I cannot influence the traffic flow. Licensing: we have to go cap in hand to various licensing authorities, masses of red tape involved in licensing events, entertainment. What we are currently looking to do, we are in discussion with the Bailiff's panel just to see if we can get delegated authority as a Parish so that we can make decisions about what events happen without having to go through this extraordinarily long and expensive process of getting a Bailiff's permit to do things. …It will be a much cheaper and quicker process for the retailers if they can come to the Parish, or possibly their trader group will simply have the delegated power from me, and they can just get on with it and they can have events happening every weekend, early evening and so on....small retailers are really important to the overall town offer. Small retailers or small businesses, and the Island's economy generally is going to be helped very considerably if we can encourage small businesses to employ more people, and I think there are many more disincentives than incentives.' [155]

Mr. G. Voisin:
'Let us face it, a lot of the larger retailers in Jersey will be able to look after themselves. Certainly all the U.K. multiple retailers...But the smaller businesses, they are the ones that do need help and they need help to be competitive. So they need help to keep their costs to a minimum and that means that the States should not keep on loading bureaucracy and red tape on to them. In the last year we saw changes to the Tax Law, we have seen the new Control of Housing and Work Law, we have the Discrimination Law, we have the long-term health provisions as well. All of these things are loading costs on to small businesses, in particular, and making them less competitive. They are trying to compete with this massive bunch of competition called the internet....if a business is struggling, and I know for a fact this had happened in 2 cases, the directors have a responsibility in law not to trade insolvently, they are

[154] Written Submission, Mrs C. Clarke
[155] Public Hearing Transcript, PoSH

advised that in actual fact if they are going to restructure then you have got significant redundancy payments to make, therefore that is a liability, the directors are therefore trading insolvently, you need to close now, rather than restructure.

The Connétable of St. Brelade:
Do you think the States needs to change those laws? Do you think they are too tough?

Mr. G. Voisin:
Either they need to change or you need to say for a business under so many people they have a different level or they are exempt or something. In the U.K., the U.K. have done - I am not a fan of the U.K. Government - but they have done an awful lot to encourage small businesses to look at legislation that they should be exempt from or that they do not have to fully comply with. Now you see the U.K. economy starting to grow.' [156]

Town Centre Manager:
'...I was with the New Street traders last night and they had concerns about the road and the pavement and so on. There were 3 Parish officers there, yet it was a T.T.S. road, so as a consequence a lot of what they wanted to do, which we could have probably sorted out straight away, we had to consult with the T.T.S. officer - the T.T.S. officer unfortunately had to go A. and E. (Accident and Emergency) - and so we are constantly battling. I think if we have a look at the initiative that was taken 5 years ago, when cleaning was condensed, in the old days the T.T.S. cleaned the T.T.S. roads, as you know, and the Parish cleaned the Parish roads, which resulted in the cleaner picking up his brush when he got to a T.T.S. road, walking across and so on. We have stopped that and the Parish has control for everything within the inner ring road, and I think if we were to start to be more sensible with regard to delegating responsibilities and so on, it would reduce an awful lot of red tape. They wanted to do a street party. By the time we got through that, you could see their eyes were glazing over and they were thinking: "Why did we even think about this?" ' [157]

Signtech:
'Jersey is home to some incredibly creative and innovative entrepreneurs whose creativity, passion and enthusiasm could be just the energy needed to renew and unite the town centre as a community. Sadly, as it stands, the costs involved in setting up such businesses are too high and the risks too off-putting for many'

[156] Public Hearing Transcript, JCoC
[157] Public Hearing Transcript, PoSH

The Connétable of St. Ouen:

' Bureaucracy: do you find that a hindrance, through Government and what have you?

Chief Executive, SandpiperCI:

I think the fundamental issue is that I believe that, in my experience here, people are keen to help and support. The fundamental issue is the complete and utter lack of cross-party working, everybody in their silos and never the twain shall meet...It is like herding cats. You cannot pull them all together and say ... you know, if my business is not performing, I get everyone in the room and say: "Right, boys, what do we need to do here?" You cannot do that in this organisation, I am afraid, and it does not facilitate good working and good management... I have never seen it happen, not once in all the conversations I have had with all departments. I have never seen once an effective cross-party working situation, but I tend to steer away from politics and just run my business.

The Connétable of St. Brelade:

Are there any issues around our current employment laws that you find frustrating or things that we should steer clear of in future that are just going to make life more difficult for you?

Chief Executive, SandpiperCI:

…In … 8 years…we have had 4 Employment Tribunals and we have never lost one, and 2 weeks ago we won our last one. But to win that last one…involved at least 8 members of my management team preparing for about a week, so the costs of doing that were absolutely colossal…but nevertheless those claims had to be addressed because that is the law.' [158]

7.11.33 Despite the reality and merits of such frustrations, it is of course not the case that all of the 'bureaucracy' referred to is not without legitimate purpose or necessary in some way. For instance, taking the example of criticism of the Parish of St Helier regarding use of pavements by retailers for business use, the Panel Chairman asked whether there a justification for the amount of money you ask for red tape procedures on pavements. The Connétable of St. Helier said:

'Yes, there has to be some. I am currently dealing with a very disgruntled shop owner who is angry at having to pay a couple of hundred quid a year for taking an area of the pavement to themselves. There are a couple of principles here. One is that a lot of the restaurants, hospitality industry in St. Helier pay to have alfresco areas which are licensed, and that enables us to maintain good order. There are expenses involved for the Parish and clearly we

[158] Public Hearing Transcript, CEO Sandpiper CI

have to operate fairly, so the person, the small shop who is complaining about a couple of hundred quid is paying proportionately what the ...

The Deputy of St. Martin:
But it is consistent ...

The Connétable of St. Helier:
Absolutely, yes.' [159]

7.11.34 Additionally, responding to criticism of the impact of earlier insolvency legislation and redundancy packages on small businesses, the Chief Executive, SandpiperCI observed**:**

'...I think that people in employment quite rightly deserve respect and protection, so I have a view that says: "If you are in, this is the rules of the game" and the rule of the game is you look after your people, whether you are big or small.'

7.11.35 As well as the business advice and support available through his grant funding of Jersey Business, the Panel is also aware of the work being undertaken by the Minister for Economic Development to improve the availability of online States services through e-government roll out, in his lead role in the States modernisation programme. This is intended to lead to a 'tell us once' principle, along with a unique user id for service users that should strip away certain levels of the current bureaucracy. In addition, businesses should for example, be able to make a single tax and manpower return as opposed to the individual processes that are currently required.

Finding:
Despite related reviews, there are no clear signs that the challenges of avoidable government bureaucracy is easing. This challenge to retailers is amplified by the fact that the majority of retailers are small businesses, often owner run and often with a workforce of below five.

Finding:
The continued presence of undue government bureaucracy can in no small part be attributed to a lack of co-ordinated cross-departmental working within the States. Whilst reform has been slow, there are some positive signs emerging in the form of initiatives such as 'tell us once' and 'unique user id's' that are intended to reduce such avoidable over-bureaucracy.

[159] Public Hearing Transcript, PoSH

Recommendation:

In his lead role in the States Modernisation Programme, the Minister for Economic Development should demonstrably tackle the issue of a lack of co-ordinated cross-departmental working within the States. Furthermore, he should ensure that initiatives such as ‘tell us once’ and ‘unique user id’s’ significantly assist in reducing the bureaucratic burden placed particularly, although not exclusively, on small businesses including many of the island’s retail sector.

8. APPENDIX – EVIDENCE CONSIDERED

8.1 The following documents are available to read on the Scrutiny website (www.scrutiny.gov.je) unless received under confidential agreement.

Written Submissions:

- Bracewell's - St Aubin
- Channel Islands Co-operative Society ('CI Co-op)'
- Chief Executive, Jersey Business
- Condor Ferries
- Economic Development Department ('ED')
- Environment Department
- Genuine Jersey
- Jersey Chamber of Commerce ('JCoC')
- Jersey Hospitality Association ('JHA')
- Jersey Post
- Liberty Bus
- Minister for Treasury and Resources ('T&R')
- Mr A Hosegood
- Mr D Pearce
- Mr I Clarke
- Mr J Henwood
- Mr J Rice
- Mr K Keen
- Mr R Davison
- Mrs C Clarke
- Mrs J Cadin
- Mrs J Jackson
- Mrs M Corrigan
- Sandpiper CI
- Sarre and Company
- Signtech (CI) Ltd
- Town Centre Manager
- Transport and Technical Services Department ('TTS' - Parsons Brinckerhoff report Jersey Parking Policy - Oct 2013

- Transport and Technical Services Department - St Helier free Saturday parking proposal - summary
- Vienna Bakery, Mr D Dodge
- Voisins Department Store Ltd
- Waitrose (Branch Manager, St Saviour)
- Webreality
- West's Centre - Mr T Murphy

Public Hearings:

- 14.02.21: Chief Executive, Genuine Jersey
- 14.02.21: Chief Executive, Sandpiper CI
- 14.02.21: Jersey Chamber of Commerce (‘JCoC’)
- 14.02.26: Mr J Hopley
- 14.03.12: Connétable of St Helier and Town Centre Manager
- 14.03.12: Jersey Consumer Council (’JCC’)
- 14.03.13: Minister and Assistant Minister for Treasury and Resources (‘T&R’)
- 14.03.24: Minister for Planning and Environment (‘P&E’)
- 14.03.24: Minister for Transport and Technical Services (‘TTS’)
- 14.04.24: Minister for Economic Development Department (‘ED’)