



Scrutiny Office

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11 September 2018

Dear Sir/Madam

**Retail Review – Request for Written Submission**

The Economic Affairs Scrutiny Panel has launched a Review which will focus on the challenges and opportunities faced by the Island's retail sector. We are particularly interested in establishing clarity about precisely what the key challenges facing retailers are and would be grateful to receive your views.

We would like to invite you to make a written submission, based on the Terms of Reference (which are included at the end of this letter) and any related comments that you would like to make about retail in Jersey. We are happy to receive any views or information you have, but more specifically we would like to know:

1. What is your general experience of being an out-of-town retailer?

As an out of town retailer our 'on-site' parking allows customers to park without having to cart their purchases to a distant car park; this is a great bonus. We also feel that we get customers popping in during bad weather for the same reason and the phrase "I could not be bothered going to town" is not uncommon in our store. The fact that many of the items we sell are related to outdoor use and, as such, are relatively large makes the whole shopping experience more appropriate for an out of town situation.

2. What challenges does your business face for example, accessibility, financial downturn, tourism.

As stated, accessibility is good, but it does require the customer to make what might best be described as a 'specific visit', unconnected with general shopping. The financial downturn has affected our business with everyone seeming to have less disposable income. However, our biggest challenge has to be internet sales; some customers tend to use us as a 'viewing (and pricing) gallery' prior to making internet purchases and on many occasions we are left to supply only items that are required for immediate use, are too bulky for easy delivery from the UK or that require construction, commissioning or servicing.

The tourist trade is not enormous for us, but it does make a minor contribution.

3. Do you feel shopping habits have changed over the last 5 years?

Yes. As stated, the internet has meant that our business has had to have more focus on the types of product mentioned in response to the previous question. In addition, it

has become considerably more important to provide a better 'all-round shopping experience'. Unless we can create (and be allowed to create) one, our customer base will, over time, simply evaporate.

It could be argued that shoppers should be mindful of the fact that internet shopping increases packaging use etc, but that is perhaps wishful thinking...

4. Are you under pressure from the growth and evolution of online retailing?  
Our personal service helps with customer retention to some extent, but yes, the internet has definitely made life extremely difficult.
5. Have you seen an increase in retail customers? If so, why do you think this is?  
We are just about retaining the customers interest in our store but are finding growth very difficult.
6. Have you had to change your business model to cater for more retail customers?  
We haven't had the luxury of having to change our business model to cater for more retail customers. Indeed, the opposite is the case; we're looking to change to model to maintain our customer base.

We do have plans and ideas for this change, but these will require a reasonable response from various government departments (principally Planning).

7. Should Jersey's Government do more to help retailers (and/or consumers)?  
Yes. Please see response to Question 8.
8. What solutions do you think could work to improve retail in Jersey?  
Increasingly, the success of local retail will depend on customers being offered an interesting, convenient, comprehensive and good value 'shopping experience', with much the same recipe required for both 'in' and 'out of town' scenarios.

This cannot be achieved by any form of direct subsidy. It relies on Government *enabling* 'bricks and mortar' retailers whenever possible (ie devising Planning Policies that aim to concentrate 'in-town' retail activity into the principle shopping areas of St Helier, whilst providing an 'alternative use' strategy for retail properties on the periphery). Also, ensuring that the newly reduced retail area is properly serviced with parking and disabled facilities, bus stops etc.

In addition, Government should look to level the playing-field with internet sales in relation to taxation etc. Why introduce a retail tax for larger local businesses, but none for internet companies supplying similar products, for example? Or apply GST to less expensive products that doesn't apply to internet purchases of the same value?

Government should also promote and use local suppliers where appropriate and avoid competing with local business. Why, for example, does Jersey post promote internet sales companies and act as their agent; a practice that runs to the detriment

of the local economy as Jersey Post only make taxable income on postage and no local tax benefit is derived from the products sold.

If you would like to provide a submission, we would be grateful to receive it by **Friday 28th September**, if possible. If that deadline causes you any difficulties and you would still like to make a submission, please let us know and we will do our best to accommodate a late submission.

You can get in touch in the following ways:

**Letter:** F.A.O – Economic Affairs Scrutiny Panel, Scrutiny Office, Morier House, Halkett Place, St Helier, JE1 1DD

**Email:** [scrutiny@gov.je](mailto:scrutiny@gov.je)

Please note that all written submissions are uploaded to the website as a matter of course with the exception of any evidence received under a confidential or private agreement which will not be published. If you have any questions about our review, please do contact me or our Scrutiny Officer Kellie Boydens ([k.boydens@gov.je](mailto:k.boydens@gov.je)).

We look forward to hearing from you!

Yours sincerely



Deputy Kirsten Morel  
Chairman  
Economic Affairs Scrutiny Panel

**The Terms of Reference for the review are as follows:**

1. To identify the current challenges and opportunities facing Jersey's retail sector.
2. Assess the current value of the retail sector to the island in term of its economic, social and environmental impacts.
3. To assess what the current policies, strategies and initiatives of the Minister for Economic Development are and whether these are fit for purpose.

4. To follow up on past accepted recommendations of the previous Economic Affairs Scrutiny Panel in relation to its retail policy review.
5. To determine what effect the 20% tax on retail profits above £500,000 has had on the retail sector.
6. To assess the role of out-of-town retail areas and the impact they have on local parish communities.

Full details about our review are available on the Scrutiny website:  
[www.statesassembly.gov.je/scrutiny](http://www.statesassembly.gov.je/scrutiny)