

## Submission 2

In response to your request regarding Retail Policy in Jersey I would like to give my views as an independent and small retailer, with over 8 years in Business in Jersey, and 30 years in the UK.

My first comment is a question. I understand that you are reviewing the Retail the 2014 Policy, but I also know that there is currently a Retail Strategy Steering group, led by the Jersey Retail Association and Town Manager supported by Government, and I wonder how the work the review panel is undertaking is relating to the work of this Steering Group, as there is no reference to the group in your documentation?

### Threats and Opportunities

Online Off Island Business- is a threat to Local retailers who do not offer quality well priced online services themselves. An online business addition to bricks and mortar is a separate business in its own right, and requires as much time and financial investment, as opening another branch of a shop or new business, but additionally requiring different skills and customer service processes. An onerous task for most. Online businesses also require heavy marketing and the returns policy, which means huge sales volume is required to offset the loss on returns. Customers will happily/wear/use and return expecting a full refund. For local businesses to operate on an even playing field there needs to be more support for them in this area.

GST- is an additional expense for retailers with turnovers under the GST threshold [so have no reclaiming element]- yet- online consumers do not pay GST on purchases being delivered to the island, and may still get the VAT removed at source. This makes it very difficult for local retailers with smaller buying power to offer products at competitive rates.

If I send goods to customers in the UK through my online business I have to charge prices that include VAT element which I pay in advance via the post office, in order that my goods do not get held up, and an additional admin charge made to the customer. Yet we do not require the same GST tax collection from UK retailers exporting to Jersey. There is an opportunity for a government income stream here by charging GST on all imports coming from commercial senders outside of the island- regardless of price [ as the uk does]- but no GST if it is under the de minimus and collected from a retailer. [In the UK only VAT registered business may add a VAT charge legally- but goods from incoming businesses from outside of the UK of ANY turnover are subject to VAT]

Experience indicates that many consumers still need a physical shopping experience and one element of combatting the online threat is to provide a brilliant, varied and accessible bricks and mortar experience- which is not just about shopping. There are many factors that contribute to this- the quality of retailing and customer service, the attractiveness and variety of the shopping zone, the infrastructures etc. All factors highlighted in the 2014 review. There is an opportunity here to develop St Helier and other shopping zones into vital community and trust attractions, but support needs to be forthcoming from all relevant government departments working cohesively.

Small Businesses Difficulties- still have to meet all the criteria in terms of HR/GST/TAX/Manpower/ beaurcracy- as multinationals/ larger stores- but there is very little support/ tax breaks. Do other industries get GST/TAX breaks? Why are some finance companies able to order goods locally and request the GST to be removed before they purchase?

UK chains: What else can be done to protect small local business that give the shopping areas character and variety and provide jobs of equal importance to other business, in the face of the onslaught of larger UK chains coming into to dominate our shopping experience, and turning us into every other high street in the UK. Visitors to my shop comment on how refreshing it is to find something different. Large UK companies do not always work [ Greggs?], and don't always support local producers- e.g M & S and Costa, as they are bringing in branded goods as part of their franchise makeup. What criteria is in place when approving Retail Business Registrations for the island? How much investigation of the suitability of a brand to the island consumer profile is taken and by whom?

When UK companies apply to set up branches in the Island- is thought given to the effect this will have on existing local retailers- For example- The Range has had a devastating effect on small retailers wherever it has opened up in the UK. Has the balance and variety of retail offering in any shopping zone been considered for its appropriateness to the island and tourist community. What business questions have been asked to ensure we are not getting too much of one kind of offering- hence shops folding after 12 months existence. Is there a commercial strategy for keeping the urban areas vibrant- Or will all empty shops be turned into Bettings shops? There needs to be consistent and Transparent criteria in place, based on the needs and social structure of the community . Tax breaks or some form of concrete support for local and or smaller businesses- if we want to maintain motivation to open and run independent business, and thereby maintain variety and interest in the shopping centres.

Recruiting Staff - just because someone has the correct qualifications for living/ working on the island - does not mean they will have good employable skills. I have tried to take on several 'Back to work' staff members, none of which lasted more than a few months, because they came with litany of personal problems. As a one woman business I don't have the skills or the time to be a 'psychotherapist'. These folks did great interviews, had been well rehearsed in saying the right things- but couldn't deliver once in the the workplace. More effort needs to be made by government in supporting Retail as a serious career choice. As I speak I know of at least 50 vacancies across large and small business trying to recruit calibre staff for full or airtime jobs- but there is not the depth of manpower with 5yrs residency available on the island. A serious government initiative in supporting the retail industry as a viable alternative to the Financial/ Hospitality or Agricultural Industries is very much needed. Incidentally The Gov.je jobs website is perceived as ' back to work' arena, and deters many businesses from advertising on it. Especially as it is managed by the 'Back to Work team, and these are the first candidates put forward.

#### Business Licences for non qualified Staff

If quality people are prepared to work in retail they should be given the same opportunity as other industries. I know of at least one retail business that closed recently due to lack of quality skilled staff with residential qualifications. While these may not be the high earners as seen in the Financial Industry they are 'vital workers' if we want retail business to continue to exist. Adequate recruitment effects the entire functioning of a business, from customer experience through to correct functioning of operational processes. Limiting recruitment to 5 years qualified people only, fuels the misperception that retail work is for low skilled sector. Retail offers a range of challenges for the employee- but that employee is vital part of the customers experience. Customer experience is an important retail tool for combatting the online onslaught. Employing quality staff will 'raise the bar' of customer service and work ethic in the retail industry. There is an opportunity here to develop a worthy alternative career channel to the finance industry, with a more inclusive employment policy from government for our industry.

Parking/Deliveries/Pick up points: The Planning Department does not seem to have a realistic idea of what the retail business is really about. It is difficult to 'park and collect' shopping in most areas of St Helier. Which will become increasingly important with rapidly ageing population. There are very limited disability parking spaces, and more pick up/ delivery spaces are required. Equally a 'shopper hopper' could be used between central points and car parks and bus/ferry stations. The coastal town of Manly in Sydney- currently runs a free hopper service from the ferry points to key residential areas, run by volunteers and paid for by donations from the passengers. The government app- which is an excellent resource- only covers state run carparks- needs to be extended to all car parks/ disability spaces. Parking space info needs to be made available around St Helier- before you get to the car park entrance.- but as you are entering town, so you can choose the direction you go before getting locked into a car park queue.

Rental Limitations: Availability of affordable Retail Space with sufficient footfall to make a worthwhile business. Thought needs to be given to a rental strategy for different zones according to footfall. With landlords having to follow a set criteria according to the Zone. Landlords should

not be allowed to keep space empty for unreasonable lengths of time- this has an effect on the footfall for remaining retailers.

Overly High rentals will dictate the type of retail entity that will be able to take up that space and run a viable business, and thereby affect the style and nature of that commercial zone.

Visitors to Jersey state they like the 'difference' in our shops. Shopping is listed as one of the top activities to do for holiday makers and is an important part of the destination choice. Jersey is in danger of becoming a replica of most UK high streets, and therefore will fall into the same problems they are facing, with empty shops, dead town centres with too many hairdressers, charity shops or betting shops, discouraging people from even bothering to shop locally. Creative thinking and some strategic planning across all government departments and working in partnership with the retail industry is needed urgently if we are to prevent the loss of our identity as a distinctive and attractive shopping venue for tourists and provide a positive shopping experience to keep local shopping at home.

I appreciate there is a lot of commentary here, but I think this highlights that retail is an industry that has been long overlooked, in spite of adding some £7m to the GDP, and providing over 7,000 jobs.

Finally, while it is encouraging that another policy review is taking place- as it is certainly needed, how confident can we be that this review will lead to action? Which government department will be responsible for making the changes required and ensuring a cohesive and transparent approach? and over what kind of timescale?

I hope these comments are helpful, and I will look forward to hearing the outcome of the review.