



Economic Affairs Scrutiny Panel

Retail Policy

FRIDAY, 21st FEBRUARY 2014

Panel:

Deputy S.G. Luce of St. Martin (Chairman)

Connétable S.W. Pallett of St. Brelade

Connétable M.J. Paddock of St. Ouen

Connétable J.E. Le Maistre of Grouville

Witness:

Chief Executive, SandpiperCI

[11:45]

Deputy S.G. Luce of St. Martin (Chairman):

Just to say to everybody in the room, if they could switch off their mobile phones and stuff like that, I would be very grateful, and anybody leaving, if they could do that quietly. For the benefit of the tape, if we could just start by going around the table so we can identify ourselves. I am Deputy Steve Luce, Chairman of the Economic Affairs Scrutiny Panel.

The Deputy of St. Martin:

Thank you very much, Tony. Tony, we are very grateful for you coming to see us this morning. I am aware by your submission that you gave us you did not give us many questions left to ask you, because you answered everything that we really wanted in your submission, but we feel that you are a very important player in retail for a number of various reasons and we wanted to speak to you more if we could. It is a bit daunting for us when we read an article, okay, 2 years ago that heads you as: "Tony O'Neill, the King of Retail."

Chief Executive, SandpiperCI:

Yes, I am, mate.

The Deputy of St. Martin:

But nevertheless ...

Chief Executive, SandpiperCI:

Do not believe everything you read.

The Deputy of St. Martin:

But there are some issues ... well, not issues, there are some subjects that we would like to discuss in more depth with you, if we might. The first one is something that I go to that comes from that article 2 years ago, and I think it is still very, very relative today, where you say that: "The Islands are not renowned for great customer services." I think the question I would pose to you, as one of the Island's largest employers and being in retail, where customer services are so important, how do you as a business cope with continuing to or maintaining or increasing the quality of your customer service?

Chief Executive, SandpiperCI:

Well, obviously we have a host of brands, and for every one of our brands, we have those brands mystery shopped at least 4 times a quarter. Those mystery shop scores are against criteria that we set relevant to the brand, whether that be clearing tables in Costa or queue lengths in M&S, and every one of our store managers in every brand has an element of his annual bonus linked to the scores that he achieves on those mystery shop scores, so it means pounds in the pockets of our people. I would phrase it that we walk the walk as well as talk the talk to our people. Do we succeed all the time? Of course we do not. You know, we employ nearly 2,000 people and we are conducting over 2 million transactions a week, so getting every one of those right every day for every member of staff, human nature says that is not going to happen. But I would say, to give you a relative yardstick, Costa, who you all know are a significant player across many markets, the mystery shopping customer is done by their own agency people that shop all of their own

restaurants across the U.K. (United Kingdom) and the rest of the world, and in the 5 years that we have been operating Costa here, we have never once - never once - in any of our restaurants not been in the top quartile of all Costa restaurants across the world. That probably explains why Costa are extremely keen to work with us and why we recently announced that we are going to be opening Costa in Spain, because they understand the standards that we produce on a daily basis.

The Deputy of St. Martin:

So your franchising with Costa allows you to impose a different regime for customer services than Costa may have in other parts of the world then?

Chief Executive, SandpiperCI:

No, it is the same regime. It is the question of delivery standards of that regime.

The Deputy of St. Martin:

Right, so you are not ...

Chief Executive, SandpiperCI:

So the criteria measured and the reason I am able to say that we are in the top quartile is that the measurement is consistent across the world, so in this particular case, because of the geographical nature, our parallel is the U.K. There are 50, 100-odd restaurants or coffee shops in the U.K., so our peer group, if you like, is that group of restaurants and it is in that peer group that we are in the top 25 per cent quartile.

The Connétable of St. Brelade:

Obviously we look at the retail view of the whole Island. I would be surprised if you did not keep an eye on your competitors, because that is the market you are in, but it is an island. Do you think in terms of customer service that we fall down and it is something that we need to greatly improve?

Chief Executive, SandpiperCI:

I think we are hard on ourselves, to be perfectly frank. I was in London a couple of weekends ago and I have just had a fairly bad experience in a shop - which will be nameless - and just after that I got an email from a gentleman in your Parish congratulating me or asking me to pass on his thanks to a member of staff in one of my shops. I emailed him straight back and I said: "Here is an interesting experience, because I have just had a really bad experience" and I did say to him, "You know, we are demanding, I think, as an island. We are very introspective. There is not enough newspaper column inches to fill, so we try and fill them somehow or another. I think we are purposely critical." My own view is we can always do better and if I was to sit here and say we get it right all the time ... 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 consistently are better on a consistent basis day in, day out, because, to be candid, the reason why, our people care more.

The Connétable of St. Brelade:

I know we are going to move on to the internet and speak on that basis, but in terms of competing with the internet, do you think that is one of the things that we can really improve on and something that we can tell local people: "When you buy something locally, you do not just buy the product, you buy the service and you buy all the support that comes with it"?

Chief Executive, SandpiperCI:

Absolutely, yes. As I think we all around the table in the room understand, 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.

The Connétable of St. Brelade:

Obviously we have been looking at an awful lot of things in that paper we have got here. Do you think Government do enough to research on what goes on in terms of the service the Island provides and do you think that they do enough to base or to understand what the problems are within retail? I am talking about Government specifically and government departments and probably particularly E.D.D. (Economic Development Department).

Chief Executive, SandpiperCI:

I do not think they do anything. I have been here 8 years: never done a thing. They have no grasp or understanding of the issues of customer service in the Island in the retail sector.

The Connétable of St. Brelade:

You say that they have not done anything. Do you think they should have done something? Do you think they should be ... they cannot interfere with the market, but they can certainly understand the market and see what support they could get from a Government perspective.

Chief Executive, SandpiperCI:

Logically you would have thought that Economic Development is there. What is retail employing these days, 15 per cent, 16 per cent of the workforce? You would have thought that logically one of their remits is to look into the health and wellbeing of that sector.

The Connétable of St. Brelade:

Do you think it is a forgotten sector in regards to ...

Chief Executive, SandpiperCI:

I think they have been, to a degree, dragged kicking and screaming to the altar on this internet. I sort of joined in the tag team that has been pulled together. I remember asking the Minister for Economic Development 2 years ago did he have any understanding of the volume of imports that were coming in by the internet and he said no, but he would go away and check. I got to the first town team meeting and I said: "Can you tell me what the volume of imports coming on the internet are?" and they said: "Oh, we do not know, but we will go away and check." Now, either they do know and they do not want to tell me - fine, okay, they could be straightforward on that - or: "We simply do not understand the amount of revenues that are being lost in the tax revenues and the potential employment implications of that that have been going to U.K."

The Connétable of St. Brelade:

We have already talked about that this morning.

The Deputy of St. Martin:

We discussed that this morning, yes, because Kevin Keen has been on the media this morning talking about millions of pounds.

The Connétable of St. Brelade:

Yes.

Chief Executive, SandpiperCI:

That, to my mind, is kind of you are just sitting there and Rome is burning. Now, what we have now got is a town team and I do not decry it, we have got seed core monies of £300,000, but it is kind of a bit tokenism.

The Deputy of St. Martin:

You have been here 8 years, Tony. Do you think that the town team is the latest in a number of initiatives? Is this going to make a difference now? Do you think the town team can pull things together and start to make a difference?

Chief Executive, SandpiperCI:

The first meeting that I went to, there were a lot of people there with best endeavours and a lot of people prepared to give up their time, just as I am, because we think it is so important. The issue is that it is one dimension and the first half hour we spoke about understanding what is in scope and what is out of scope here. Of course, all the key drivers were out of scope, and to be candid, what is missing here ... so what you have really got is while Rome is burning, we have got tokenism going on with £300,000 worth of seed core money that will be spent somehow or another, and I am sure we will use it as best as we can, but is it going to address the fundamental issue, is there a strategic view in the Island of the implications of what this is going to do to the Island over the next 5 to 10 years? My answer, my view is that there is fundamentally absolutely not one iota of strategic thinking that I have ever seen as far as the impact here.

The Deputy of St. Martin:

Is that because they are scared to address the issue, head in the sand: "Might go away if we do not look at it" or do you think it is worse than that?

Chief Executive, SandpiperCI:

I do not know. I do not want to be overly-critical. I think people generally give it their best. I think this is an issue that is - I mean, I heard you on this radio this morning - not one-dimensional. There is not one solution here, there is no silver bullet and therefore what it calls for is cross-party working, it calls for leadership and direction. Our system of government does not facilitate that. It needs people to knock heads together.

The Deputy of St. Martin:

Leadership and direction, I am trying to decide between them. Is that a single person or is that a single entity that comprises of a number of people? Is that a politician, is it a civil servant, is it a member of the private ...

Chief Executive, SandpiperCI:

Of course, you chaps are elected to govern us, you chaps are elected to lead us and provide guidance and insight into these issues. You should be calling on industry or business where appropriate.

The Deputy of St. Martin:

So you would like a political champion?

Chief Executive, SandpiperCI:

If something is wrong in my business, I am the C.E.O. (Chief Executive Officer). That is where it stops, right? Unfortunately, your C.E.O. does not have the mandate to be able to pull people together and knock heads.

The Deputy of St. Martin:

No. We know that, yes.

Chief Executive, SandpiperCI:

Yes, but that is the root cause of the issue.

The Connétable of St. Brelade:

In terms of leadership and direction, I have looked at it in some detail. There is a 73-page document, and I hate to say it is the retail strategy for Guernsey, but it is a very detailed document, but what it has got, it is not just an overall view of the problems and how to solve them, but also an overall view of Guernsey's town centre and a masterplan. Do you think there needs to be something of that nature where we can identify areas of town maybe that we have to give up to retail?

Chief Executive, SandpiperCI:

Definitely. I think that is absolutely the case. 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. What you have got in the main is some landlords taking a more sensible view of rents. I am just signing on a unit down by the hospital where I am signing at 30 per cent less than the lease that was previously in existence. That to me is a reflection of a landlord who is adopting a sensible approach. Unfortunately, you have got other institutional landlords who are protecting the asset value and not willing to take a write-down on the asset value.

The Connétable of St. Brelade:

Can I just ask a point about that, because we asked that earlier this morning to another witness, regarding the difference between them, that maybe the local landlords are a bit more flexible and understanding, and it is these larger investment groups that are not prepared to negotiate and they have a fixed idea of what their building is worth and those rents. So you are finding that is an issue?

Chief Executive, SandpiperCI:

Yes. I think that is generally probably fair. What you have obviously got is an unwillingness - to a degree understandably - for these guys to write down the value of their lease because it impacts on their carrying asset values and they are not prepared to do it because that reflects badly on them. Sorry, but to answer your question, the town centre needs rezoning, but before our eyes the rezoning is happening anyway. You have only got to walk a kilometre ...

The Connétable of St. Brelade:

The market, yes.

Chief Executive, SandpiperCI:

The market is another example. 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. Columberie 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.

The Connétable of St. Brelade:

When I said "market" I mean the market itself will decide where retail is going to be.

Chief Executive, SandpiperCI:

Yes.

The Connétable of St. Brelade:

But there is a comment that was attributed to you where you have said: "We believe Liberty Wharf will be regarded as the jewel in the crown of Jersey's retail environment" and it is now full and obviously it is a functioning centre for retail. What is your view then of some people that think the market should be the central jewel in the crown for retail in St. Helier?

Chief Executive, SandpiperCI:

To be fair, we are all using the phrase: "jewel in the crown." It is great, is it not, but I put jewel in the crown in my submission, I think you will find, and I heard you use it on the radio this morning, Steve. The reality is they are complementary. The reality is that the attraction of this Island lies in the fact that we have a unique proposition in our central market, but people want to be able to shop across the spectrum of retail. It is not one or the other, it is both. They are all part of the make-up of a vibrant island.

[12:00]

The Deputy of St. Martin:

So does the core centre of St. Helier retail start at the Weighbridge at the waterfront and finish at the central market, West Centre, Snow Hill?

Chief Executive, SandpiperCI:

To be fair, I think the market will decide, but I think inevitably you only really need to pull out a Go(?) map and look at rental costs per square foot and you will see that, as in most town centres, the highest rental per square foot is in the environs of M&S, because that is the big magnet in the town centre, and as you start to radiate out from that, the rentals become less.

The Deputy of St. Martin:

If I could just continue with the rental theme, and we were speaking about institutions not looking to cut their rents for other reasons, I hate to use the word "intervention" but is there the case for Government stepping in where somebody refuses to let a property or let a retail outlet until they can get the rent they want?

Chief Executive, SandpiperCI:

I think that is probably ... I am not sure. It is an interesting idea. I do not think we are in the situation at the moment where that is clear. I cannot think of an example where that is apparent, although, frankly, without Sandpiper, I think Liberty Wharf would still be probably something of a ghost town. Yes, I am a bit wary about Government over-intervening.

The Deputy of St. Martin:

I could not agree more, but if one, for example, had a prime site in the middle of King Street which was empty and was boarded up and Government decided: "It is not what we want in the middle of our retail pool. We are going to impose a higher rate on retail properties which are left empty for more than 2 months" or something, would the ...

Chief Executive, SandpiperCI:

That to my mind would inevitably act as ...

The Deputy of St. Martin:

Is that going too far?

Chief Executive, SandpiperCI:

Possibly not. It may well be identifying a solution for a problem that does not yet exist. That would be ... because you have just got to look at the nature of what is happening in King and Queen Street. They are generally churning, they are turning over. I think it is more an issue about just

the fact that the town seems to be shrinking, so the top of town, the back of the town, they are coming in more and more.

The Connétable of St. Brelade:

Do you hold the view, or is Sandpiper of the view, that shopping now is turning into ... it is not just about shopping, it is about an experience of coming into town, and how do you as a company deal with that and try to enhance that shopping experience for your customers?

Chief Executive, SandpiperCI:

First of all, we have already discussed customer service, so when people come in the door, we have to make sure we look after them and treat them properly. We have to make sure clearly we do all the marketing through all the channels before they get through the door, so our first challenge of course is how do we get them through the door? Inevitably the shopping experience is challenging. I was looking at a report this morning from *Island Analysis*, and it said that 35 per cent of people in the Islands admit to browsing town centre shops and then going home and buying on the internet and that is a big issue. You have got 81 per cent ... okay, fine, we have both got the same document. It quotes 81 per cent of people saying: "I go to the internet because of price" so I think the whole shopping environment is changing, the make-up is changing. For my business, to be frank, we are leveraging off a lot of very big brands with strong buy-in power. I fear more for the independent nature of Jersey retailers, those individuals, one-man band operations, that unless they have a U.S.P. (unique selling proposition), I suspect they are going to go by the wayside, because people will just not be interested. People now are looking more and more ... and I see the town centre shrinking by at least 25 per cent, I see it becoming more of a social outlet, where you will browse and meet your friends, you will have cups of coffee - or I hope people have plenty of cups of coffee - and inevitably, and we are certainly doing a lot of work on this at the moment, as you will see in the U.K., click and collect starts to become very much more important. Now, at the moment, I would say click and collect, i.e. order on the internet and then go to the shop and pick it up, is very much, in the Channel Islands, in its infancy, but it is something that in the U.K. is growing very dramatically.

The Deputy of St. Martin:

But what would your view be on the view taken by others that St. Helier's U.S.P. is because it is made up of those small retailers that you specifically think - well, quite rightly identify - as being under threat?

Chief Executive, SandpiperCI:

Of course.

The Deputy of St. Martin:

If we lose them, we could be anywhere in the U.K.

Chief Executive, SandpiperCI:

But we are in a unique situation here. You compare St. Helier to similar towns of a size in the U.K., we have led a charmed life, and the reason we have led a charmed life is more luck than judgment. It is for 2 reasons: we have not suffered from out of town developments, which have ripped the guts out of town centres, not because of necessarily any Government foresight, but frankly because there is just not the sites or the space available to do so, so thank God we are not yet beset by the endemic charity shops across the Islands or across the centre of the town. What we have got is a good eclectic mix of retail, and what we need to do, the purpose I think here is to try and think: "It is going to get hit. What can we do to mitigate and support particularly those elements within our retail framework that are more at danger than others?" and probably more at danger than others to a degree excludes a lot of my business.

The Connétable of St. Ouen:

Do you think there is enough choice? Do you think people have more choice over the internet?

Chief Executive, SandpiperCI:

Of course. Yes, absolutely. The internet is your world, is it not, you know?

The Connétable of St. Ouen:

Yes.

Chief Executive, SandpiperCI:

We all do it. I mean ...

The Connétable of St. Ouen:

But do you think they could be offered more choice here? Do you think it is a failing? I accept stock sitting ...

Chief Executive, SandpiperCI:

It is a continual challenge. We all, in our own business, try and tailor ranges. Clearly if you are running a business, working capital is very important. We need to be able to churn the money through and turn stock over. Unfortunately, a lot of items are not carrying sufficient volume for us to justify carrying in the range. Now, therefore, for retailers such as me, who is working with U.K. brands, what we will tend to do over the next period of time is to facilitate click and collect through our shops, through in-store terminals, which we are currently working on, so you can go into the

store and order from the whole range and it gets delivered back to our shop for you to pick up, which will obviate the need for us to carry stocks, because carrying stock, you can never offer everything that is here, and notwithstanding that, frankly, the economic conditions do not allow. You try and buy white goods anymore on the Island. Well, you cannot, to all intents and purposes. That industry has gone. There will be other industries that go that way, because it is just not financially viable here.

The Connétable of St. Brelade:

Can I ask another question on choice? You mentioned out of town shopping and out of town shopping in some parts of the U.K. has destroyed ... I mean, big Tesco stores and that type of thing. There is a question that we asked the Chamber in terms of the 2008 review, which was centred around a potential new chain coming in or another large supermarket coming in, you mentioned the danger to small retailers. Do you think that will be the nail in the coffin for local retailers if we had a Tesco come here and what damage would that do to your own business if we allowed that to happen?

Chief Executive, SandpiperCI:

It would not do us any good, that is for sure, of course not.

The Connétable of St. Brelade:

The small retailers?

Chief Executive, SandpiperCI:

Look, I always have to be very careful about ... because it is protection. I always sort of stand away from it because it is protectionism. I know full well, I have had lots of conversations with Tesco and Sainsbury and Waitrose, et cetera. If this market could sustain an Asda or a Tesco, they would be here by now; if this market could sustain an Aldi or a Lidl, they would be here by now. The economic conditions, the market size, the capital required does not give them the payback they look for on their internal investments is my considered view.

The Connétable of St. Ouen:

So you support the view I think the Chamber took this morning that the market will decide whether that happens?

Chief Executive, SandpiperCI:

Yes, the consumer is king, and I do not think it is for us retailers to be able to say who can operate here or who cannot. It is their business.

The Deputy of St. Martin:

I studied this, quite interestingly, as well, Tony, and I was particularly interested to see the differences, where there were any, between Jersey and Guernsey. Now, you operate across the whole of the Channel Islands. Where it comes to retail, where do Guernsey have advantages over us or where are they doing things differently which is benefiting their retail business that we copy? I mean, let us be obvious: have they got anything we can copy which would do us some good over here?

Chief Executive, SandpiperCI:

No.

The Deputy of St. Martin:

Right, okay.

The Connétable of Grouville:

Are there any differences?

Chief Executive, SandpiperCI:

Not really. The Guernsey shopper is slightly more introspective, slightly more inward-looking. Jersey consumers will generally embrace newness, in my view, but no, you have got the same dynamics really, very high rentals. The issue that Guernsey have in many ways is a bigger issue than Jersey, because not only do they have very high rentals, but they have very small footplates within their town centre, so you try and find a shop - and believe me, I have tried for years - of over 3,000 square feet in the town centre of Guernsey and you cannot, because they do not exist or if they do exist, one or 2 of the families have got them nicely tucked away. Any new entrant trying to break in there has got a devil's own job. But to be honest, I do not think there is a great deal of difference between the Islands, and I do not think that Guernsey are addressing the issue any better or any more than Jersey is.

The Connétable of St. Brelade:

You used a nice quote, going back to 2012: "We need to focus religiously on providing the best possible offer" and I just wanted to go back to that. In terms of providing that offer, in terms of Sunday trading, where do you sit with that at the present time? Do you think it should be totally deregulated and everybody decides what they want to do?

Chief Executive, SandpiperCI:

Yes. My view is that we cannot, as retailers, sit and bleat about the fact that the internet is eating our lunch and then sit there and say: "Well, we are not going to open on Sunday." So I would be

fairly clear that if the law is passed that Sunday trading comes into being, of course we open most of our shops - not all of shops - below 7,000 square feet because we just found that when we tried it, it did not work. So when it does come in, we will join the party. How long we stay in the party is another matter. At the end of the day, it has to be economically viable. However, having said that, there is no doubt that our cost base will go up. I am sadly old enough and been in retail long enough to remember what happened in the U.K. You just spread the cake over. The cake is the cake, that is the take. There is this theory that by opening the shop I am going to go away from the internet and come into the shop. I think there is an element of truth in that. I do not think there is a huge element of truth, but I think that we, as retailers, it is part of us playing our part in maintaining the vibrancy and if there is a call - and not getting into the cultural issue - for retail to open on a Sunday, then I think we have to support it.

The Connétable of St. Brelade:

Will you take note of those cultural issues? Obviously it would be quite a big change - relatively big change - in how we shop in Jersey and a lot of people have said workers should have Sundays to themselves, it is disrespectful to the church and various things like that. Will you take that into account if you make the decision to trade Sunday?

Chief Executive, SandpiperCI:

Look, we are not in the business of alienating our customers. The reality is, as you well know, that this is a fairly divisive subject, so which one do you want me to take note of? You just tell me and I will, you know? What is the evidence, what is the data to say what percentage of the consumers want Sunday trading? If I could get a definitive answer on that, that would help me a great deal, because I would know which group I am going to upset, and I want to always upset the smallest group.

The Connétable of St. Brelade:

So if it opens, really you have got to suck it and see?

Chief Executive, SandpiperCI:

I think we have to, because I think if we do not, how can we bleat about the Island losing vibrancy and people not doing enough? I mean, the Minister ... I think IT is probably slightly misguided, but I understand the thinking behind it and the sentiment, and I think on that basis we probably have to support him.

The Connétable of St. Brelade:

Are there other things we could do first? It is something that came up at a constables' meeting. Would it be not worth maybe looking at extending hours during the week, later opening in the evenings, for example, before we go down sort of the sacred cow of Sunday trading?

Chief Executive, SandpiperCI:

Yes. We have done that. I mean, I do not think the 2 are necessarily related. 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.

The Deputy of St. Martin:

You say the cake is the cake, Tony, but there is hardly or no mention of the word "tourism" in your paper here. Do you think the cake can be enlarged by the inclusion of tourists on Sunday in town, if your shops were open on a Sunday in town? There has to be some scope for additional retail outlet there.

Chief Executive, SandpiperCI:

Yes, agreed. Just for the record, I will just quote: "At least having a clear strategy would help to limit the inevitable job losses and damage to town centre and Island vibrancy, infrastructure and ultimately tourist appeal."

The Deputy of St. Martin:

Sorry. Yes, the last line.

Chief Executive, SandpiperCI:

That is okay. I have just got it here. Yes, of course. 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, but even on a Saturday morning, if you come into town before 9.00 a.m. most shops are not open. I think that Sunday is a natural extension of that. I think Sunday selectively can work. It will be very interesting to see.

[12:15]

I do not know what the statistics are, but bearing in mind that every shop under 7,000 square feet can open today, how many, what percentage of shops today under 7,000 square feet are

opening? I do not know the answer to that, but the town centre, there are very few. For example, I do not open Crew on a Sunday. I do open George and it does very well on a Sunday. I think the issue is that when you open more shops, then you will probably get a critical mass and it will become more attractive, so I think the thinking is it probably will become self-fulfilling. But inevitably, my personal view, I think that probably for July and August, it does not do us, as an Island, any favour to not to be seen to be catering to tourists.

The Deputy of St. Martin:

Yes. I know this is going very much off-piste, but there is some talk in the potential new Condor boat that the boat may come direct to Jersey from Weymouth, which is a market that Guernsey have enjoyed for many years as sort of almost a day-tripper from the U.K. market. Do you see that being of benefit to Jersey retail if it happened?

Chief Executive, SandpiperCI:

Anything is to be welcomed. Do I think it is quantum stuff?

The Deputy of St. Martin:

No, not at all.

Chief Executive, SandpiperCI:

No, not really, but it is not something that you would say no to, is it? We are not in a position to be able to say no.

The Connétable of St. Brelade:

In terms of obviously supporting local business, local suppliers, what is Sandpiper's current approach to that and using local suppliers? What are your criteria based on in terms of it?

Chief Executive, SandpiperCI:

Obviously, as I am sure you know, most of our businesses are franchise businesses, so in fact the only business now that we manage that is within our remit to be able to source local range is the Checkers Xpress and the Food Hall range. To a degree, we seek to influence and change some of our colleagues, M&S, for example. A couple of years ago, would you believe we were kind of buying daffodils from Cornwall. We are not now, thank God, but trying to get the machinery of industry to change, I have to say certainly Waitrose, in my opinion, have done a better job than M&S in terms of recognising local. What do we do? We do some. With that fascia, excluding M&S, we are fairly small player now in that market. Obviously we sold our supermarkets to Waitrose, so to a degree we buy produce where we can. We do not buy in any volume and of course the old story on produce is it is either feast or famine. Of course we did control the

bakeries until we closed them, and I was saying outside it is remarkable how many letters I have had and phone calls I have had from people saying: “Oh, wish we had the bakeries” particularly when the boats were not coming in. I said: “Yes, is that not funny? I told you that for some time” and I think people emotionally want to buy local, but people will be driven by the price. Bakery is the classic example, which is why we no longer have any bread produced in the Island. So I think within the confines of the brands that we have, we try to buy as much as we can locally, but of course we are no longer the big players that we perhaps would have been when we owned the supermarkets.

The Connétable of St. Brelade:

Is there any place for protectionism within the Island in terms of what we produce here?

Chief Executive, SandpiperCI:

Personally, I think yes.

The Connétable of St. Brelade:

The dairy products obviously are one of those things.

Chief Executive, SandpiperCI:

The dairy, yes. I think the dairy is a case in point because it is part of our D.N.A. (deoxyribonucleic acid). I think it gives us the unique point of difference. Conversely, I was not out moaning about the fact that we did not get assistance from the Government on the bakeries. That is commercial reality. A loaf of bread does not have a U.S.P.; Jersey dairy milk has a U.S.P.

The Deputy of St. Martin:

Time is ticking on. There are 2 words I want to put in front of you, Tony, both beginning with P., parking and planning. Do you have a view on which side of the argument you come in on, whether you want to keep cars out of town and reduce congestion and make it easier for public transport or do you want people to be able to drive in and park as close to their shopping destination as they want to?

Chief Executive, SandpiperCI:

I want us to make shopping as easy for consumers as it possibly can be. You are never going to make it as easy as sitting in the armchair.

The Deputy of St. Martin:

No, absolutely.

Chief Executive, SandpiperCI:

Impossible, but what you can do is you can make it a darn sight easier than we do at the moment, and that means that we do not penalise people for deciding to get in the car to come into town, so we look at the rezoning and we introduce free parking for residents and visitors because that is part and parcel of our make-up as the human race, we go by car. One of the things I think we are sadly missing is this strategic overview of town centre planning and the implications of what we need to support and how we are going to rezone and what car parking do we need. I just came for this meeting. I have ended up down in the waterfront. Now, I am only here for an hour and a half before I go back. I am a typical shopper. I have got to go all the way down to the waterfront and the Esplanade is full of office workers who are here all day. That is ludicrous. Not only do we have mini-size car parking spaces, but frankly, our shoppers, the people that are our lifeblood, cannot inevitably park, invariably park, anywhere near the shops that they are going to come and put their business to.

The Deputy of St. Martin:

So that is quite clear then, more car parks and bigger spaces in the car parks that we have already got.

Chief Executive, SandpiperCI:

I do not know. Obviously Parsons will have done their study. 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 ..."

The Deputy of St. Martin:

I was just about to say: "The old chestnut from T.T.S."

Chief Executive, SandpiperCI:

That is when you need somebody to bang heads and 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.

The Deputy of St. Martin:

Planning, there is a word.

Chief Executive, SandpiperCI:

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.

The Deputy of St. Martin:

Difficult job to do, balancing heritage and trying to move forward.

Chief Executive, SandpiperCI:

Yes, of course, absolutely. I would not want it.

The Connétable of St. Ouen:

Can I just ask something there?

The Deputy of St. Martin:

Yes, sure.

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.

The Deputy of St. Martin:

Yes.

Chief Executive, SandpiperCI:

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.

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:

I am sure Gerald has bent your ear about the Employment Tribunal, so I probably will not go over that ground, but suffice it to say that of course we have been here 8 years. In those 8 years, I am pretty certain I am right in saying 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 I think involved at least 8 members of my management team preparing for about a week, so the costs of doing that were absolutely colossal, and frankly, within these 4 walls, the claims were spurious, but nevertheless those claims had to be addressed because that is the law.

The Connétable of St. Brelade:

One thing the Chamber picked up on this morning was redundancy packages and things like that, in terms of preventing small businesses closing. Their view is it should be more flexible, maybe if you are a smaller business, it needs to be a bit more sympathetic in terms of what those laws currently say. Would you have a view on that or do you think ...

Chief Executive, SandpiperCI:

I am not sure about that at all. 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.

The Deputy of St. Martin:

That is an interesting thing. If we accept that small retailers are valuable and the U.S.P. of St. Helier is small retail, how do we then help people who are just too busy trying to cope with the challenges of running their very small business? How do we assist them in challenges of the internet, the challenges of keeping going?

Chief Executive, SandpiperCI:

Yes. 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:

Okay. 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 ...

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.

The Deputy of St. Martin:

Do you have a view on buses and the sustainable transport policy at all?

Chief Executive, SandpiperCI:

I do, but it is probably not relevant. I always think we have, as an Island, a U.S.P. to demonstrate to the world fundamental change, and I kind of never understand why have we not become the champion of electricity or alternative uses, because you cannot drive anywhere in this Island, it is so small. It seems to me that we are tailor-made to be able to set ourselves up with a real reputation for that. I am sure people with far better knowledge that me could explain why not, but I think that that is an opportunity. But I think that this demonisation of the car, we have just got to get over it, because the cars here, you cannot ... what they have seen in the U.K. is you cannot

price it off the street. That is the reality. Okay, the 2007 crash has, if you like, taken car journeys down by 12 per cent, I believe, in the U.K. I mean, that is still a fraction of what is happening, and over here we are just the same, we want our cars.

The Deputy of St. Martin:

What do you say to people that have put in their submissions that they find St. Helier grey and boring? Do you think that is a fair comment?

Chief Executive, SandpiperCI:

No. I do not, really. My question to them would be: "When were you last in the U.K.?" and as I say, I have been here 8 years. I think the people that appreciate this Island the most, in my opinion, are those that have not long come from the U.K., because we know how bad it is over there and we have got something to be treasured. I think the Island is to be treasured, the town centre is remarkably robust and you have got many secondary town centres. I was talking to a C.E.O. of a big plc who is on over 200 shops at the moment. In the next 5 years, he will come down to 60 shops and those 60 shops will be in the large shopping centres and the rest of his business will be multi-channel, so he is fundamentally changing his whole business make-up. The reality is that therefore secondary town centres are going to become even more pressurised. Now, we have got a wonderful environment here. We have got very little no occupancy in the main drags. It is clean, it is tidy, it is a safe place to shop. I think we have got something that we need to care for, which I hope that your work will do.

The Deputy of St. Martin:

I would expect you to agree it is fundamentally crucial that we keep the core of our retail centre fully occupied at 100 per cent, because we have alluded to this half an hour ago, but in an equivalent U.K. town, the retail centre would be much smaller over there than it is in Jersey. We have got quite a large footprint for a retail centre.

Chief Executive, SandpiperCI:

Yes, but we have got too large a footprint, in reality, at the moment.

[12:30]

That is what is happening before our eyes, that the footprint is changing and what we need to do is embrace it and, if you like, not be reactive but be proactive, so understand what areas of town need to be rezoned, how we can work on those zones that are going to be retail, what changes can we make to that in terms of access, pick-up points and then let others go, let them go back to the wild, if you like. Let us get those rezoned, let us get housing in place, let us get parking in

place for those residents. I think it is, if you like, the difference between sitting there and watching it happen and getting on the front foot and being part of change.

The Connétable of St. Brelade:

You are a large group. Obviously I am sure you are looking to change and develop your retail market. In terms of investment and finance, do you find that you can get the support you need in terms of if you need money?

Chief Executive, SandpiperCI:

We never call on local money.

The Connétable of St. Brelade:

No, so from your point of view that is not a challenge.

The Deputy of St. Martin:

Tony, we are over time. Can I thank you very much for coming this morning? It has been good to talk to you and we are very grateful for your views on these subjects.

Chief Executive, SandpiperCI:

Not at all. Thank you.

The Deputy of St. Martin:

Thank you.

[12:31]