

SandpiperCI

Deputy S Luce
Chairman; Economic Affairs Scrutiny Panel
Scrutiny Office
Morier House
Halkett Place
St Helier
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Dear Deputy Luce,

Retail Policy Review

Thank you for the opportunity to contribute to the Retail Policy Review.

Broadly, the key challenges within Jersey affecting retail fall into three categories - the threat to our high street caused by the growth of the internet, increasing costs, and accessibility.

Any of the major international chains operating out of vast warehouses in the UK with lower overheads, together with their superior buying power will, if they choose, always be able to supply goods to consumers cheaper than incumbent island operators.

Leaving aside convenience which should continue to grow, remaining shops will have to focus on enhancing the shopping experience. Landlords will see more empty units unless they take a far more pragmatic view on rents as asset values will inevitably have to be written down. The resultant fall in retail employment will reduce tax revenues as more product buying moves off island. The High St of tomorrow will focus on residential (change of use required), leisure and the social experience of meeting friends for coffee and then browsing shops on more of a showroom basis with free easy and accessible parking.

It would appear that EDC 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 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.

In a nutshell your group should be looking to address the following issues.

1. As a minimum local retailers should expect to operate on a level playing field with imports. This is clearly not the case with GST and it is about time the old 'deminimis chestnut' was dealt with.
2. Access – the provision of car parking urgently needs reviewing. How many, where are they, which are designated for shoppers, how big the spaces actually are (jersey must have the smallest spaces in the world), how good is the signage etc. Free parking in itself is not going to solve our challenges but it is implicit as part of a menu of actions driven around making it easier for consumers to shop within the island.

3. 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.
4. Signage around town is woefully inadequate and a lot more could be done to add to the overall ambience and theatre.
5. Planning should be more responsive but also continue to act as the guardian of our heritage.
6. The States should take a lead on providing effective marketing and embrace the use of both social media and web technology to create a virtual shopping experience for residents.
7. The town centre should be developed as the social hub of the island by more special events to drive footfall.
8. On the basis that every pound spent off island reduces local employment, what tax breaks can be provided to incentivise local retailers (i.e those with a physical presence in the island).
9. We retailers need to play our part by ensuring we provide high levels of customer service aligned to the best possible prices reflecting costs to operate.

We have purposely excluded Sunday shopping. Although we understand the motivation to deregulate Sundays, it is likely that costs to operate will outweigh any growth in sales. Having said that, we believe that local retailers need to play their part in improving access, so we will be opening our units, if the law so decides, but we do not believe that this in itself is going to provide a quantum change.

To be candid there is no silver bullet to this problem and whatever action is taken will only serve to mitigate the damage of the internet to the fabric of our town centre. It is my considered view that within 5 years employment in retail will have dropped by 20% or more but 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.

Yours sincerely,

A.T.J. O'Neill
CEO
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