



Economic Affairs Scrutiny Panel

Retail Policy

WEDNESDAY, 26th FEBRUARY 2014

Panel:

Deputy S.G. Luce of St. Martin

Connétable S.W. Pallett of St. Brelade

Connétable M.J. Paddock of St. Ouen

Witnesses:

Mr. J. Hopley

[11:49]

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

Welcome, Jim, thanks for coming to meet with us this morning. Before we kick off it is usual just to go around the table to explain who we are. I am Deputy Steve Luce, Chairman of the Economic Affairs Scrutiny Panel.

Connétable M.J. Paddock of St. Ouen:

I am Michael Paddock, the Connétable of St. Ouen.

Connétable S.W. Pallett of St. Brelade:

Steve Pallett, the Constable of St. Brelade.

Mr. J. Hopley:

Yes, Jim Hopley, in this context I am here as an individual, I hope. Forty years' experience in retail. I do have some conflicts in that I am honorary chairman of Genuine Jersey, I still sit on the council that the Chamber of Commerce and I chair the Sustainable Business Forum. They are all honorary positions, nobody pays me for anything I do now, I am a voluntary, community, charity, not-for-profit organisation worker. I suppose the only thing I would declare as an interest; I do draw a pension from my previous employment at the Co-op.

The Deputy of St. Martin:

Jim, it was great that you wanted to come and speak to us individually because we are very keen to speak to people (a) with a lot of retail experience but not only that, people who can speak from different angles and certainly you come with a great pedigree with your work with the Co-op and also your work with Genuine Jersey and all the other things you have just described. I wrote down some notes from Co-op submission, I wrote down some notes from the Chamber of Commerce submission but perhaps ... we are here today really to listen to your views, I am not going to insult you by trying to explain what we are trying to do because you know exactly where we are. So I think the best thing to do is if you just want to start off and say where you see retail at the moment, how you see it moving forward. The questions are obvious so if we could just ask you to give us the benefit of your views and then we will come back to you as and when we can.

Mr. J. Hopley:

Okay, fine. Interrupt me, I have been known to talk for England on occasions. I suppose, yes, I have got a lifetime in retail. I did retire 3 years ago but I have not totally excluded myself from interest in the sector. I do read the papers and I do listen to what is being debated and so forth. I am a little bemused by exactly where we stand in terms of policy at the moment. Obviously I was directly involved in some of the consultation and some of the response to previous E.D.D. (Economic Development Department) edicts that have been issued on retailing. The 2010 report, which was largely about food retailing ... and subsequently we seem to have gone off to take a full investigation into the pricing of food in supermarkets. We might want to cover that as a bit of an issue later on. But broader than that, I have tried to look at retail in the context of its place in the broader economic and general strategies that the Island is adopting. I must be honest and say that I am a little bemused by exactly where we are at the moment. To be fair to E.D.D. I think they have recognised that they need to take a fresh look at this, they need to look again at whatever the policies are, to perhaps look a little bit broader than they did when they did their last major review in 2010 and look at the totality of retail rather than focusing on one or 2 very important, slightly

emotive, issues which were in some ways soft targets. So I suppose where I stand at the moment is, as an individual - because I have no direct vested interest - is a situation where I am hoping that the next detailed report that comes out will be very comprehensive, will look not only at the current situation but will look at the challenges going forward. It has got to take cognisance of history, of course, but it must not get hung up on some of the issues that we have tended to allow to dominate the discussions in the past.

The Deputy of St. Martin:

I do not know that we particularly want to dwell too much in the past but certainly something that came through in the representation from the Co-op and others was that the 2010 review was not a particularly helpful document. I wrote some notes here. Would you share that view?

Mr. J. Hopley:

Yes, I have read what the Chamber of Commerce have said, I have read what Colin McLeod and his colleagues at the Co-op have submitted. I have read most of the major submissions you have had in front of you and I think all of them have a high degree validity in the comments that they are making. 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 inference that the government should exert, of course, should be fairly limited.

The Deputy of St. Martin:

Where would you see government's involvement - and I avoid the word "interference" deliberately - because government must be involved in sustaining the retail ...

Mr. J. Hopley:

Yes, indeed so. They need to have a general framework which will impinge on planning, they should have policies with regard to employment and skills provision and training and so forth, what they should not do, and what the tendency in the past has been, is to whip up a high degree of emotion over specific issues. There I will defend the retail sector, I think to have screaming headlines in the newspaper and the radio saying: "Food prices in Jersey are 50 per cent higher than they are in the U.K. (United Kingdom)" is a little disingenuous. If you read the editorial that the *J.E.P. (Jersey Evening Post)* for instance produced on that, it was a completely different story, very, very balanced, very factual in terms of reporting statistics that the Competition Authority extracted in a very balanced manner. The headlines quite often, as we all know, do not tell the truth of the story.

The Deputy of St. Martin:

If we moved away from food to general retail, Jim, would you accept that ... where would your view on the prices in Jersey versus the U.K.? Do you think we are about as low as we can get?

Mr. J. Hopley:

It is a huge issue. If you look at the factors governing what happens in the Island at the moment in time, we do suffer as an Island from certain cost elements that are not in play in U.K. Now, again, the Competition Authority, and I will use the food thing as an example but it applies equally to all areas of retailing, said they could not really establish any full detail on the cost of getting products here and so on and so forth, the comparative cost for trading here compared to trading from U.K. In my days that Co-op we did offer them an open book, you know: "Come and have a look. We will tell you exactly what costs we are incurring, where we are incurring them, what our profit margins are and so on and so forth." That applied across the total business, not only for retail but what we were doing in furniture and electrical, what we were doing in travel, what we were doing in our whole operation, there was no secrets if anybody wanted to avail themselves of it. Nobody took us up on that, which was quite sad in some ways because I think some of the misnomers that are buried in this will come out. Certainly looking at it from the outside now, looking at it from my perspective, there are additional distribution costs to get products to the Island. They can be exaggerated and I think at times they have been used by retailers as an excuse for some of the prices they are charging. There are much higher operational costs in some areas for doing business in the Island, certainly land and construction costs are significantly more expensive. Labour costs are definitely significantly more expensive. The average salary paid to a retail worker here is significantly higher, whether you take into account national insurance contributions or whatever you do, than the U.K. We are a high wage economy and that applies to other sectors just as it applies to retail. You have very high rents, particularly in the High Street. They are beginning to ease off a little bit now because there are empty shops and there is less demand in some ways. Obviously sweeping through that is a situation where the highest level government policy at the moment in time, declared through all the various policies that have been issued over the last couple of years, virtually ignore retail as a sector. What they are talking about constantly is that we need economic growth and it needs to come through high value, high contributing sectors. So you are talking basically of finance and I.C.T. (Information, Communications and Technology). That is fine in one way. One understands the desire to push economic growth within the Island as far as possible and to bring in high value jobs and high value opportunities because they have been good for the overall economy, but you have to service the needs of our 100,000 population or whatever it might be. Within the context of that there is something else that I describe as social value, high social value. Certainly in the retail sector, along with agriculture and tourism are absolutely critical to providing that. Not everybody has the aptitude, the ability, the skills or even the desire to work in these high value sectors.

The Connétable of St. Brelade:

Do you think some of the policies that have come out of E.D.D. though, in terms of the ... the inter policy strategy was not finalised but certainly the economic growth strategy was too narrow in its remit in that it was only looking at these high value sectors and ignored some of the other vital sectors in the Island.

Mr. J. Hopley:

They made passing comment to them and that was about it, you know. But they are quite significant.

[12:00]

Obviously since some of these documents have been published, it was happening just as they were being published, the Island has been hit with rising unemployment, hopefully it is stabilising now, and the recourse there was to turn to all sectors in the Island in the plea - not open and overt but it was there - "Can you not help us do something about this? Can you not create some more jobs?" et cetera. So suddenly people are looking to the lower value sectors to create jobs to fill this gap with rising unemployment. There is an inconsistency in it and it is not good when policy things like that generate difficulties of all sorts.

The Connétable of St. Brelade:

In terms of E.D.D.'s role within the retail sector, you are right to say that they should not be interfering too much in the market but they have been looking at packages really in terms of Sunday trading and issues around that which try to solve some of the problems that co-exist. Do you think E.D.D. generally have been slow to react to this because it seems to me that this is not an overnight thing with the retail, it has been on the decline somewhat for the last 7 or 8 years, for various reasons - one of the being the internet, for example. But do you think there is a role for them to play but they have been slow to ... they have almost been brought kicking and screaming to do something.

Mr. J. Hopley:

I think that would perhaps be a little too strong and a little unfair to them. 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 - and I

concur with - the 7 to 8 year situation. Things like ease of parking in St. Helier. Will it make a difference? Only time will tell but there is no harm in trying things and if they do not work, fine.

The Connétable of St. Brelade:

Do you think the government should have an overall master plan as to where they see retail within St. Helier for example? Obviously it has been a contracting market to some degree and there are outlying areas of town at the moment that are suffering probably a bit more than others. Do you think there should be a master plan in town as to where we want to see ...

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, Trinity was a classic example, 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, we have had various bodies ... and Deputy Luce and I have witnessed some of that in the Chamber of Commerce, various bodies are trying to tackle the issue and ideas are put forward, ideas are coming out of government, ideas are coming from government's partners and those committees but very little action seems to follow on. I think you are right, it is not going to solve the overall problem but it is going to improve it. Things like better parking, I have got views on Sunday opening, I have views on G.S.T. (Goods and Services Tax), they are not solutions but even simple things like sorting out the real policy from where the market is and where the market goes, it is not rocket science and it should be relatively simple. I watched the decline and disappearance of the market in Guernsey; I do not want to see that happen in Jersey. It is the jewel in the crown as everybody keeps saying, it has got so much to offer, not only to the locals but it is a tourist attraction whatever else it might be and yet, you know, the rules, the regulations, what happens there, I do not see any real driving initiative to save it, develop it and make it vibrant. It could be a real, real, real attraction. Certainly within St. Helier the dynamics are there. 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. But I do not have all the solutions, I have got some ideas but ...

The Deputy of St. Martin:

G.S.T., rents and rates and all sorts of other stuff are things we will come on to in the next few minutes, Jim, but before we do, I just want to ask you a question on something you said a couple of minutes ago. Do you think there is a social value to each parish - I am talking about the country

parishes - having like a central shop - for want of a better word - post office where there is a community spirit?

Mr. J. Hopley:

Absolutely. Too much the right. It is not only at parish level, I was the white knight who saved the food store at Maufant. That has turned from a marginal business into a highly successful unit. I live there, close to there, so I shop there and you cannot get in the car park half the time any more. There is a need to service the outlying areas. Everybody does not want to come into St. Helier constantly. It is difficult. My bus service up to the St. Saviour's Hospital is every other day in odd months, it is not really very good. So if you do not have your own transport, how do you exist? How do you get anywhere? You have either got taxis or you walk, or you rely on friends and neighbours. So there really is a need for diversity in activity and it would be a crying shame if everything was concentrated into St. Helier, into the town centre or into a retail park at the airport or somewhere else where we might have some land to do it. It would be a disaster.

The Connétable of St. Brelade:

You mentioned diversity; I think people look for a more diverse experience when they come and shop now. It is not just about shopping, it is about going out, eating, maybe grabbing a coffee. Do you think there is a role ... I can think of Les Quennevais, for example, probably the second biggest shopping centre in the Island, and to survive it needs to offer a little bit more to shoppers to drag them into those areas. Would you agree with that?

Mr. J. Hopley:

Yes, yes. It is the same as the market in some ways, because there is no direction being given to the precinct, it is all about who will pay the rents and will take the sites, there is no co-ordination there in terms of enlivening it. What could perhaps be in the lower car park at Les Quennevais occasionally, there could be market set up or something like that, just to bring a new dimension to it. It is not rocket science, it is not huge things, it is little things that tinker around the edges.

The Connétable of St. Brelade:

To do that, though, you need to have ... and I know we are going to get on to rents but you do need to support the landlords when you are doing things like that.

Mr. J. Hopley:

You do indeed, yes. I think if you are a good landlord you are not only interested in short-term gain or if you can secure a medium rental, you are interested in the long-term viability of the space of the space that you own, unless you are a developer.

The Connétable of St. Brelade:

Do you think there has been a problem with, and it is something we did ask last week as well, that there is a difference now between the local landlords who seem to have an understanding that there are issues around cost and some of the larger corporate owners that seem to be just about the money and not the social aspect of ...

Mr. J. Hopley:

That is endemic; of course all of this if you consider external operators who move into the Island to retail do not really understand the Island. It takes them ages and ages and ages. They come and go because it is too complicated. Classic was Morrison's, Morrison's arrived, they inherited a couple of stores by chance when they took over Safeway, they could not wait to unload them because it was complicated. So there is no ethos often with external operators and that includes people who own land and facility to understand whatever they do to support the Island.

The Connétable of St. Brelade:

Work with the shopkeepers as well.

Mr. J. Hopley:

The local organisations are much, much better at that without any doubt at all.

The Deputy of St. Martin:

Let us carry on with the theme of diversification, Jim. You mentioned the markets and everybody we have spoken to so far, whether it is written or verbal, all are saying the same thing as you, jewels in the crown, we have to make more use of the market. What would you do with a central market? Give us half a dozen fundamental changes we have got to make.

Mr. J. Hopley:

Okay, yes. Well, I have got my Genuine Jersey hat on now, I have declared the interest, what would stop them actually making available in the market some facility there for all members. Most of my members are relatively small producers, we have got one or 2 big members like the Dairy and the Vienna Bakery or whatever, they have their own shop in the market, but basically if space was created there, and it does not need to be permanent it can be occasional for my membership to go up there and display and sell their works ... do not forget all my members are not producers of food, there is craft works, there is photographers, there is a whole range of opportunity there, it would give a different dimension to it. It would be a little bit more vibrant. Compare it to some of the street markets in France. We cannot replicate that, we do not have scale and perhaps you would not want to in some ways, but they are a huge attraction, not only to get the locals to come into town to have a look around but as a tourist thing as well. You could do that. I think at the

moment the way ... it is what it is, it is a lot of little single stalls all operating in isolation from each other. I do not know anything about the management there at all, I know my colleague has something to say about that, he is closer to it than I am so I would not pass comment on the management of the market but what I would say is that it seems to lack totally in imagination. It is a lovely architectural building but it is higgledy-piggledy, there is no structure, there is no real marketing of the thing. You do not have a special week when you feature this or a special week when you do this. You could do so much with it. As I said, I watched the terminal decline in Guernsey, I saved the architectural bit by opening a bloody supermarket in there. Sorry, I should not say that. But that is what occurred. We saved the building but we could not save the nature of the market.

The Deputy of St. Martin:

Do you have a view on pedestrianisation of additional areas in St. Helier? The only reason I say that is obviously getting down to the market when you get to the King Street/Queen Street junction and you turn down Halkett there, do you feel that should be pedestrianised to help access?

Mr. J. Hopley:

I think it could be partially pedestrianised at certain times. I know that David Dodge will keep arguing that it needs more accessible parking because people - what did he say - will not walk more than 150 yards to the shop, et cetera. I am not sure that is absolutely true but I think anything you can do to tweak access to it, be it short term parking or be it slightly better pedestrianisation would be of benefit. Do not forget a lot of the people going into the market work in town and are popping in there in their lunch time and so forth. So it does not necessarily have to be a 10 hour situation, it can be limited hours at limited times, it could even be on days. It was not that long ago that the market used to shut on a Thursday afternoon. That was crazy but that is another story.

The Deputy of St. Martin:

That has brought us neatly on to opening hours. Let us not talk about Sunday trading just yet but during the week do you think there is a place for opening later for people to shop on their way home or opening earlier for them to shop on their way in? Where do you see opening hours?

Mr. J. Hopley:

I think in a moving economy, and Jersey is no different from other jurisdictions in this, it is very, very difficult now for people where both partners are working or there is a single household and they are working anti-social hours and so forth and so forth, you need to have retailing available at a time people actually want to shop. What I do not see is a huge desire for shops to open 24/7 in the Island, I do not see a huge desire for all stores to be open for significantly extended hours. I

think there is enough provision at the 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, I suppose. 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 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.

The Connétable of St. Brelade:

Would extended opening be viable or something that would suit ... event weeks, for example, where you have got parts of the year, maybe Liberation Week or Battle of Flowers Week or certain weeks where you would have extended opening? I presume more often in the summer probably when you have more visitors here.

Mr. J. Hopley:

Yes, that had more relevance when we had a bigger tourist arrival situation in the Island. I think the wish of tourists to come here for shopping has diminished significantly as impôt has raised the price of cigarettes and wines and spirits and so forth. The British end of the market has contracted quite significantly in that area. I think a lot of French and Continental visitors still come to Jersey to avail themselves of a shopping opportunity. I think they are a little bit bemused when they arrive here on a Sunday and find that much of the High Street, for instance, is closed.

The Deputy of St. Martin:

So what is your view on Sunday opening then?

Mr. J. Hopley:

I have a very, very firm view, and I will declare an interest because I was for quite a few years on, along with Ray Shead, the Chamber of Commerce's focus group on Sunday opening. We had a split view. In my view it was very, very simple, very, very clear. I think we got it right the last time around where what we did was allow a degree of Sunday opening depending on store size.

[12:15]

I think it is always difficult where you draw the line on store size and we were not far out on that as well. It was a bit pragmatic because we measured the stores and said: "Well, if we draw the line there, the 4 or 5 larger stores in the Island will not be able to open but the rest of them could." I think that has got advantages because it does stop social disruption, you know, if lorries are moving into Grand Marché or into Waitrose at Rue des Pres all day on a Sunday it will create a bit

of an awkward situation for the residents and so forth. I do not believe that you expand the market if you open on Sundays in totality. So I think what we have at the moment is a situation which is perhaps just about right with the exception of what you are saying, which is more opening at seasonal times in the town centre. But, again, you cannot force the retailers to open. I think given the choice as it stands at this moment if you said to retailers you can now open every Sunday if you wish there is a lot of them that would not bother. If you walk through St. Malo on a Sunday some shops are open but they are not all open. It depends on what you are offering and so on. There is a cost to opening on a Sunday, you do tend to pay premium rates and so forth. There is some savings because you have got fixed costs that you carry 7 days a week whether you open or not.

The Connétable of St. Brelade:

Do you think by allowing the larger retail stores to open there is a danger to some of the smaller local businesses that may be feel they have a bit of an edge on a Sunday and it would maybe affect them a little bit more. We might be risking our ... I know in the U.K. it has been problem with their corner shops, but risking our corner shops?

Mr. J. Hopley:

Yes, yes, it is definitely the situation. I can see Sunday opening killing off the small shops in certain localities. Not necessarily all of them, and do not forget some of the what is described as small shops that you are allowed to open now on a Sunday are in fact quite reasonable sized units, et cetera, et cetera. But the smaller country stores and so forth would definitely suffer.

The Connétable of St. Brelade:

Can I just ask you another point, you mentioned before about some of the U.K. brands that are here? In terms of obviously having to trade against the internet, everybody moaning about the internet affecting their sales and things like that, do you think there are some of the U.K. shopping brands, shopping stores here that in terms of their prices are still exploiting local customers with V.A.T. (Value Added Tax) and V.A.T. costs?

Mr. J. Hopley:

Absolutely.

The Connétable of St. Brelade:

Do you think that they should really think about that before they start moaning about the damage the internet is doing?

Mr. J. Hopley:

They would argue that their additional cost of operation within the Island, as I have argued does exist, means that they need to be able to recover part of the V.A.T. saving in the Island but I think an argument where you charge the same price here as you do in the U.K. where G.S.T. is at 5 per cent and V.A.T. is at 20 per cent in some areas is literally ... is excessive.

The Connétable of St. Brelade:

So there is no way you can justify 20 per cent costs in trying to get goods to this Island?

Mr. J. Hopley:

No, no.

The Connétable of St. Brelade:

What about the rental cost because sometimes they will also argue on a rental cost basis?

Mr. J. Hopley:

As I said to you, there is a balance in that. I think the operational cost of doing business in the Island is higher overall than the U.K. You can find areas where the costs are higher, rates and one or 2 other things, and they might be lower. So there are some counterbalances there. People use distribution as an excuse at times and I think the figures that the Competition Authority came out with, 7 per cent to get products here in a general sense and food, is a reasonably realistic figure. It is probably not that much different in other sectors of the retail game anyhow. But 20 per cent, as opposed to 5 per cent, is excessive. If you were carrying a premium of 10 per cent, that might be reasonable but it depends on where you are. The Co-op had a very distinct policy. Where there was a fixed price on a product and it was sold at that price in the U.K., we discounted the V.A.T. and we sold it at the V.A.T. exclusive price here in the Island. Obviously when G.S.T. came in we had to cater for the fact that we were then having to add G.S.T. back and we were having to levy G.S.T. on zero-rated goods that were being retailed in the U.K., so the balance was completely out of kilter. Now, I am not saying every organisation could stand or carry that because whether Economic Development accept it or not, the Co-op here was very, very efficient in terms of how it contained its expenses and how it controlled its operational cost and we worked very, very hard over a long period of time to minimise the distribution cost. Many of the products we brought into the Island from U.K. suppliers we did not pay any freight on, they came in freight free. That did not apply to all retailers here and it does not apply to all retailers now. There is still a lot of subsidy there.

The Connétable of St. Brelade:

You mentioned operational costs and obviously certainly at your time at the Co-op bringing goods into the Island, bringing food into the Island, how important was it for the Co-op to support local suppliers?

Mr. J. Hopley:

This is where social policy in an organisation, corporate social responsibility comes into play. We decided a long, long time ago that we were a local company, people did regard us for a period of time as simply a division of a U.K. operator, as other people are here, but no we are a local company, only controlled effectively by our membership who elect our local board. The policy, I would not say I was totally responsible for instigating but I was party to it, was that we would go the extra mile to support local product wherever we could. We always put a codicil on that, we will only support local product providing (a) the quality is there, we will not sell third quality carrots, you would not in my day and I think the same situation applies. We also attempted to ensure that the price being charged by the local producer, grower or whatever it might be, was reasonable. They deserve perhaps a higher price and you can bring in cheap imports in whichever jurisdiction they are most economically viable to do so but it cannot be excessive, it has to be reasonable. We were castigated for many, many years over the price of bread in our supermarkets because we were supporting the local bakery then other operators moved in and they were not quite so supportive the Co-op held a line for as long as it could. Not in my day but recently the bakery was forced to shut because it was losing too much business and now we have a situation where product is not as readily available as it used to be, boats, weather and so forth create problems. We have all experienced that over the last few weeks and there has been panic buying occasionally on bread because the boats will not get here. That is the consequences of perhaps emotive reporting of the situation and perhaps non-locally based companies not having the same responsibility that companies intrinsic to the Island have.

The Deputy of St. Martin:

If we can get back to individual retail, Jim, but on the imports again, as an individual you go to town in half an hour's time and spend £100, it costs you £5 in G.S.T., you go home and spend that money on the internet, you can import those goods tax free. Where do you think G.S.T. ... where are you with de minimis levels of imports for individuals?

Mr. J. Hopley:

That is simple, I think it needs to be a level playing field. I know there is the argument that the cost of collection will be much larger than the revenue generated but you cannot talk about level playing fields in other areas, in the planning situation, in the right to entry and then create a situation with something like G.S.T. where we are giving the internet and the importers

tremendous advantage over our own people. I know John Garton, with his Genuine Jersey hat on, talked about the difficulty our exporters have got because in fact they have to charge V.A.T. when they export to the U.K. compared to small producers in the U.K. who have de minimis level and can exclude ourselves from V.A.T.

The Connétable of St. Ouen:

Do you think there is too much bureaucracy here? Could life be made easier for people?

Mr. J. Hopley:

That is a difficult one for me. Yes, there is in some areas, there are too many rules and regulations and there is a big argument for light touch and simplicity. That applies at the lowest level of a whole raft of issues. Personally, and I am talking personally and I will be castigated by my colleagues at the Chamber of Commerce, I think the Island does need more legislation in certain areas. Disability legislation and so forth. I am not against some of the new generation of controls that government are bringing in to catch up with what has happened in other jurisdictions. What we must not do is replicate what has happened in other jurisdictions, they should learn from their mistakes and bring in lighter touch controls rather than draconian controls that too often have been instituted in the past. To give you an example, there is a Charities Law in the offing, we have not replicated what has happened in England and Wales, we have looked at the Scottish model, I have been involved in that with the Chief Minister's Department, and we have got a light touch charities proposition there that the whole of my voluntary sector seems quite happy to buy into. You can do the same thing in other areas if you have the willingness to do it, an incentive to do it.

The Deputy of St. Martin:

We are starting to get short of time, Jim, and there are some quite important issues I want to touch on. One of those is customer services. Where do you see the level of customer service in retail in Jersey at the moment?

Mr. J. Hopley:

We have a skills gap. I think the opportunity for training people has too often been totally left to the individual retailers to do and I do not think we are particularly bad at it but I do not think we are particularly good, and we can certainly do better. There is good and bad. Some retailers, Waitrose is the perfect example of a very organised company who spent a lot of time and effort in ensuring that the customer service is as good as it can be and they train their staff well. But there are too many people who do not do it but then they have not much else to do because there is no much on offer to fill that gap.

The Connétable of St. Brelade:

Do you think that is one of the ways we can counteract the internet in many ways, by providing that extra bit of customer service?

Mr. J. Hopley:

Yes, certainly. Yes I think you can. You have to build a reputation over that and whatever and you are not always going to succeed. Certainly, again talking from my experience at the Co-op, whenever we did consumer research, which we did on a regular basis, we were always extremely gratified to find that the reason people gave as their major reason for shopping with us was not because we were the cheapest or it was not even because we were quite often in the best locations, it was simply because we had the best staff and they enjoyed the experience. That was absolutely critical.

The Deputy of St. Martin:

You talk of experience and it has been suggested to us that St. Helier generally needs to do some stuff to increase the experience of people coming into town shopping. Is there anything in particular that jumps out at you as part of the bigger St. Helier experience?

Mr. J. Hopley:

I think the parish and the town centre manager has got to have pats on the back for the work they have done. It needs to go a bit further than that, certainly some experimentation with parking is quite critical. I think we need to be slightly more imaginative in what we allow to go on. There are rule and regulations that you cannot set up in the street and you cannot do this and you cannot do that. I know my Genuine Jersey colleagues would love to have an occasional market in Royal Square but the Bailiff will not let them, for good reasons no doubt but it is that sort of thing that could enliven the whole situation.

The Connétable of St. Brelade:

You are always welcome at St. Aubin, you know that?

Mr. J. Hopley:

Yes, we do indeed. Thank you very much, Constable.

The Deputy of St. Martin:

That last subject I want to touch on, Jim, for myself - others may have other issues - is planning. I just wonder where you see the Planning Department in moving retail forward.

Mr. J. Hopley:

Let me say first, I had a plan for Charing Cross that might have saved most of the historic business but I have no problem with my colleague tearing that up and starting again when I retired. I will be drawn on that one. What I will say is that I think the planning process is too complicated, too expensive, too longwinded, historically your ability to get sensible advice, I am not talking of that particular instance but in a general sense your ability to garner sensible advice which would stand when you proceeded down the road has been somewhat remiss. Without being too emotive about it, I think the officers have lacked for a period of time now, and it is not particularly hanging this on the current Minister for Planning or even his predecessors, but for a long time now the rules governing the planning process have been somewhat confused. I think individual planning officers quite often have created all sorts of difficulties because there was not the direction there should be in the process.

The Connétable of St. Brelade:

It is also consistency as well. Sometimes I do not think there is consistency between officers as well.

Mr. J. Hopley:

Yes, absolutely. You could talk to one guy who has responsibility for one part of the Island and it could be very sensible and balanced, you took a similar issue to another officer and whatever. Now, I do not know the reasons for that, I am not an expert in the area but it strikes me as a management and control issue which both the Minister and the Senior Officers there have needed for a considerable period of time to get a grip of. Maybe we are moving in that direction but we are not quite there yet.

[12:30]

The Deputy of St. Martin:

How do you feel about the view, Jim, that certain parts of retail in St. Helier are going to have to turn into living accommodation areas and lose their retail status in the future?

Mr. J. Hopley:

Unless we can work a miracle and change the whole situation ... we have not touched on the internet but we all know the figures for the internet and the damage it is doing, there is inevitably going to be a concentration and consolidation in St. Helier. I think things can be done to mitigate that but we are going to be a little bit like King Canute if we are not careful, pushing against the tide. I think there does need to be a degree of consolidation. It is inevitable unfortunately. It might not be desirable but I think it is inevitable. What you use those premises for is a slightly different

issue in some ways. I think there are other alternatives to accommodation and so forth. We badly need small workshop facilities and whatever but the rents work against that, they preclude against it.

The Connétable of St. Brelade:

That brings you back almost to where we started by having a master plan for St. Helier and then having some decisions about where retail and where residential could possibly ...

Mr. J. Hopley:

Absolutely, there is a lot of people that do not currently run shops who would love to set up and sell whatever they produce, but they cannot afford the rents to do it in a location where you would have footfall and customers. Some of the secondary areas might be perfect for that. So maybe if you are allowed to develop a whole site for residential you might be forced to put 2 small units on the ground floor at a sensible rent for that sort of purpose.

The Connétable of St. Brelade:

I am just looking at Guernsey's retail strategy which came out recently. They are looking at 3 different classes of area where you have primary retail area, secondary retail area, which would allow some development of residential within that and then you have tertiary areas which you can do what you want in. Do you think we should be looking at ... not necessarily based on that ...

Mr. J. Hopley:

Something similar would make sense and I think there are elements there but you have to remember what you are not going to do is you are not going to stop the retail contraction by that sort of action. You can mitigate it, you can slow it down and that would be good because the more diversity the more choice the more options we have the better.

The Deputy of St. Martin:

Do you think there is a place for government or for parishes to get involved in shops ... with owners of shops that are empty? Do you think there could be some rules that could be set where you would say, for example, to a landlord: "Well, we do not want that shop empty, we want it filled but if you decide to leave it empty we are going to penalise you or fine you or tax you" or whatever? Is that too draconian?

Mr. J. Hopley:

In an effort to get rentals to a more realistic level you might need to start considering charging owners higher rates if the property stays empty for any period of time. What I think would be difficult is that if you went down the route of pure subsidisation, so you forced somebody to give

somebody a rent free situation, you remove the level playing field. So if somebody has a fairly substantial vacant premises and they said to a supermarket operator: "You can have that free for the next 3 years" I think their competitors would cry wolf on the basis that they are being given a trading advantage which they are not enjoying.

The Deputy of St. Martin:

Ideas that appear simple at first are never quite what they seem.

The Connétable of St. Brelade:

I think I have asked John Garton this question, in terms of protectionism in the Island and protecting our local supplies, do you think we do enough to do that? We have lost our bakery but we still have a dairy and we do not allow imports of milk. Do you think we are strong enough on our protectionism in Jersey?

Mr. J. Hopley:

I think you have to be careful about protectionism. I do not think there is really a place to ban bread imports simply to save the bakery and so forth. The milk is a slightly different situation because of protecting the validity of the Jersey herd and so forth. I do not want to go into that in a lot of detail. I think what government should and could do ... we have had various campaigns: "Think twice and buy local" or whatever it was. I think what government could try to do is protect the ... I think John was trying to make this points, in premises that they own, control or whatever, they could be a little bit more vociferous to ensure that the operators of those premises are supportive of local product. I think he used the example of ice cream.

The Connétable of St. Brelade:

Yes, he did, you are right.

Mr. J. Hopley:

It would not happen in Cornwall and he is right to say that. They would ensure that the shop window there was supporting their tourism industry and so forth. But you have to be careful, it is a balance. You must not go too far.

The Deputy of St. Martin:

This is the final question, Jim, you will be pleased to hear. A champion for retail: yes or no? If yes, political, commercial, retired, still active? **[Laughter]**

Mr. J. Hopley:

Do not ask me to do that. My partner keeps saying I cannot say no but that is another story. I think in the current circumstances where retail is it needs a partnership, it does need a political champion. Somebody within the House who is going to stand up ... rather than slag off retailers for being avaricious or for ripping people off or this, that and the other, 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. I think it would be dangerous to give it to an external specialist who claimed to be a retail expert because I do not think there is such a thing in the world like that.

The Deputy of St. Martin:

Anybody else? No? Jim, can I thank you very much for coming in this morning to give us your views, it has been hugely interesting. Thank you very much.

Mr. J. Hopley:

Okay, thank you very much. I am interested in what your report says, I am even more interested in what E.D.D.'s plan will be when it finally comes out. Okay.

The Deputy of St. Martin:

Thanks.

[12:36]