



## **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

**Witnesses:**

Mr. G. Voisin (Chamber of Commerce)

Mr. D. Dodge (Chamber of Commerce)

Mr. I. Taylor (Chamber of Commerce)

[9:00]

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

Right, gentlemen, ladies, welcome everybody this morning to our first of a number of hearings that we are conducting on retail policy within the Island. If I could just start off with a little bit of housekeeping. Those mainly concerning electrical devices, if you could make sure they are switched off please and not going to interfere with proceedings, that would be great. Secondly, if we could just go round the table for the benefit of the recording so that we can announce

ourselves who we are and what we are doing. My name is Deputy Steve Luce, Chairman of the Economic Affairs Scrutiny Panel.

**The Deputy of St. Martin:**

Thank you very much. Gentlemen, thank you for coming in this morning. You are the first people, as I have just said, that we have spoken to in this review and obviously we take on board fully the fact that Chamber represents a very large number, not only of employees but employers. This is going to be a very general discussion because we are not here to scrutinise you. We are here to pick your brains on where you think we might be going and one of the first questions I would ask you is - excluding the internet, because we know the internet is a major threat - if you had to prioritise the challenges facing retail in Jersey at the moment, where are the most serious priorities?

**Mr. G. Voisin:**

Can I just start by saying ...

**Mr. I. Taylor:**

Can I just make a point for the record? As you are probably aware, the Chamber of Commerce made a submission and we were asked by the secretary if it would be possible to invite David Dodge, who is also a member of our Retail and Supply Committee, and has been part of the submission that we have made, to come along with Chamber but he has also made a separate submission, so it is very important to say that that submission by Mr. Dodge is separate to the Chamber and there should not be any confusion because of course while we may well support that view, it has not been through our committee and has not been endorsed by that committee. So that was just to be clear.

**The Deputy of St. Martin:**

That is quite clear. We have got all the submissions in front of us. The reason we asked David, we want to try and get through as many views as we can in ... not as short a period of time but as few meetings. We have got people like, for example, Rob McKenzie who sits on a number of different ... we have to mix people up and pick as many brains as possible at the same time.

**Mr. I. Taylor:**

We are quite happy and very pleased that David has come with us but we just felt we had to make that clear.

**Mr. G. Voisin:**

Your question was the internet is an issue but you wanted to know what the other key issues are affecting retailers.

**The Deputy of St. Martin:**

We have to look forward here. I think we are all going to accept that the internet unfortunately, or fortunately, is not going to disappear in the next 12 months. It is going to be an ongoing threat and what we are trying to do with this retail review is to address the issues which we can move forward with together and try and combat, if that is the right word to use, the internet and how we can do that in St. Helier.

**Mr. G. Voisin:**

I think our submission tried to give a background as to why the internet is having such a major impact, and I think we have got to recognise how we got to where we are today. The thing is that retail, I think, did have a bit of an easy time of it through the 1980s and early 1990s, there were certainly in the early 1990s a million visitors coming to the Island, the finance industry was growing rapidly, the economy was growing crazy, the trouble is that Jersey retailers, I think, they started charging what the market could bear, their costs were also put up significantly because staff costs were going up, rent costs were going up, and generally the cost of living in Jersey was much higher and growing ... the inflation in Jersey was much higher than the U.K. (United Kingdom) and now we have a situation where our economy is going backwards, we have seen a decline over the last 15 years not growth, and that is coming at a time when the internet is exposing Jersey retail as 2 very significant amounts of competition. So the retail industry is really going through a period of dramatic change. I think that it is not just the internet that is the problem or the declining economy that is the problem. It is the fact that both of these things are coming at the same time, plus the fact that a significant amount of legislation has been approved in Jersey, so retailers are having a sort of triple whammy. It is dealing with the internet, dealing with the shrinking economy, and also having to pay a lot more attention to the regulation that is being imposed on them.

**The Deputy of St. Martin:**

But if we take the internet and the shrinking economy out of it, there is a whole host of things, the quality and helpfulness of staff, buses, parking, G.S.T. (Goods and Services Tax), rent rate, prices generally. Where do you see the biggest threats to retail or is it a combination of everything?

**Mr. G. Voisin:**

Yes, but those issues are only a threat because people now have the option of shopping online. So if the Jersey retailers are not providing the customer with what they want, and at the end of the day let us not forget that the customer will play the key role in this, the customer wants good

prices, they want ease of shopping, they want quality products and quality customer service. If they cannot get that in Jersey then they will shop online, which is why we see so many electrical stores struggling in Jersey. Indeed, I think, correct me if I am wrong, but there are not any dedicated photography shops anymore. I suppose Fotosound is the nearest you have got, which is a hi-fi/photography shop.

**The Connétable of St. Brelade:**

But that is an interesting point because I spoke 2 days ago to a supplier at that particular shop who is saying he can supply goods at the same price as they can on the internet, and his point was, and I get back to you about what we can offer is that, even if we cannot quite match prices on the internet, we can offer service, and we can offer good service. I think the businesses that you support and you represent, there are other ways where they can win that market back, and one of them would be on service.

**Mr. G. Voisin:**

Yes, definitely. I think the way to win the market back is to be aware of the product that you are selling, and if you suddenly find it being sold by Amazon then de-list it and stock something else. Customer service is key and the Chamber with Economic Development did a survey on customer service in St. Helier and it was not very good. So I think retailers generally have the opportunity of stepping up to improve customer service. The other thing is: price is important and retailers have got to look at what prices are available elsewhere and, as I say, be competitive. But that also leads you on to the cost of labour and cost of land. I think that landlords, from what I am hearing, are becoming much more realistic and rents are coming down. Landlords are being more flexible as well, so I think that is good.

**The Deputy of St. Martin:**

Do you see that, Gerald? I tore this out of the paper - my wife shouted at me this morning - and brought it into town. Last night's headlines: "House prices now 5 per cent lower" and a good few years since they have been where they are. Do you see that reflected ... are you aware that that has been reflected in the rents being charged around town?

**Mr. G. Voisin:**

I think you would have to speak to an expert. All I know is that when I have spoken to people in the industry the feedback I get, and this is a personal view, not a Chamber view, is that landlords are being much more realistic. They are reducing prices where retailers are struggling. They are prepared to be flexible and that is good. But that is happening because of the pressure on the industry. If you did not have that pressure then obviously rentals would not be coming down.

**The Deputy of St. Martin:**

Do you see that as well, David? Do you think that is a fair comment?

**Mr. D. Dodge:**

I see rentals in properties around the markets, because we are looking for new premises. We want to stay in the market, our own business, but I see rents around the markets coming down.

**The Deputy of St. Martin:**

Does Chamber have a view, or does anybody have a view, on a theory that you are far better off to have properties occupied than not occupied? So the last thing you want is empty shops. Do you have a view on something extreme like the fact that maybe rates should go up for properties that are left empty to encourage landlords to make sure that retail premises are occupied fully? Do you think there is scope for sort of draconian measures like that?

**Mr. G. Voisin:**

I would be cautious about any draconian measures. I think the incentive is for the landlord to fill his premises. Maybe you should ask one of our many property experts. When I say "our" I mean Jersey's property experts, to give you some feedback on that. But my view generally is obviously the landlord is suffering very significantly if the property is empty because he has no income. I would have thought that was his incentive.

**The Connétable of St. Brelade:**

Do you think there is a difference between local landlords because obviously a lot of old Jersey families used to own a lot of property in St. Helier? Do you think there is a difference between those and maybe some of the U.K. property groups that have come in over a period of time and what they represent to be a fair rental for their properties?

**Mr. G. Voisin:**

I think there is a difference because of course if the rental is reduced then it will affect the capital value of that property. What I do not know, though, is how many properties are held in that way and I also do not know what mark downs of value have already taken place among these companies because property prices and probably values generally fell quite significantly in 2008 and 2009, when the recession really started to bite.

**The Connétable of St. Ouen:**

Can we just go back to retail? Do you feel that with the internet that the local community get choice? Look on the internet you have got a wide choice of stuff, obviously, but in the local shops you have not. I have experienced, because I do try and shop local for obvious reasons. But I

have been in and said: "Have you got such-and-such?" "No, but we can get it." It struck me is that maybe I am being an awkward customer but it quite often happens to me that I want a particular thing but I cannot get it locally. Do you think we are offering a wide enough choice? Clearly in your store you do have a wide choice but I am thinking of other ...

**Mr. G. Voisin:**

I think the issue is we are only a population of 100,000 people, so the breadth of product that a particular retailer can sell is limited by the number of customers that are going to come in and buy those products. So unfortunately there is always going to be a limit on the range that can be offered because we are just 100,000 people. This is why the internet is such a threat to Jersey retailers, and indeed it is not just ... this is not just happening in Jersey, by the way. It is happening in towns and villages up and down the countryside. People in small population conurbations they suddenly have access to this vast array of various retails and various goods. You can buy whatever you want on the internet. That is why I say that there are things that Government can do but there are also things that the retailers have got to do. Getting the right product at the right price, with the right customer service, is key for them.

**The Connétable of St. Brelade:**

In terms of the internet sales, do you think there is some scope to reduce *de minimis* levels here, to just cut down that risk of losing any more business to the internet?

**Mr. G. Voisin:**

I think Jersey, it is ... undoubtedly the Island is losing probably millions of pounds in G.S.T. because of goods coming into the Island and the Jersey retailers would like a level playing field where it comes to tax.

**The Connétable of St. Brelade:**

Where do you think that level should be?

**Mr. G. Voisin:**

I am afraid I do not know. All I know is that certainly in the relationship between Jersey and the U.K. now is that I think it is zero. But I think that is for the people who are in charge of collecting the tax to decide, but certainly Jersey retailers would like a level playing field.

**The Connétable of Grouville:**

How significant do you think that is because there is £240, is it not, that is quite a large sum really.

**Mr. G. Voisin:**

If your business is all about selling low value items then it can be significant. If your business is about selling items over £240 then it is probably less of an issue.

[9:15]

**The Connétable of St. Brelade:**

Has the Chamber lobbied in any way in terms of Treasury, in terms of G.S.T. levels?

**Mr. G. Voisin:**

We have made representations in the past and at one time we were told that it was going to be looked at but I understand that nothing has happened. Have you heard anything different?

**Mr. I. Taylor:**

No. I think it is pertinent to our ... I know that you are seeing Kevin Keen from the Post Office later. He was on the radio this morning and estimated, purely from the Post Office, that there is £1 million worth per week being spent online as a result of the parcels coming in and therefore that is off-Island. That is only part of the story because they are not the only organisation that deliver parcels. So the range of off-Island purchase is between £45 million and £65 million a year. That is a very significant amount of G.S.T. We make no further comment than that, but it is a recognition of what is happening.

**The Deputy of St. Martin:**

Let us change the subject slightly. We have spoken about prices, rent rates, G.S.T. and we have spoken about customer service. Once people are here in town we want to keep them in town and there are a number of ways to look at that and obviously transport is one of them. Could we just address the next 5 minutes or so where you see parking and public transport?

**Mr. G. Voisin:**

Parking and public transport, at the end of the day it is about making it easy for the customer. What we would like to see is parking and the ease of parking addressed. Certainly the number of car parks that have been removed from the north of town is significant. We have lost Gas Place, for example, and so north of town parking is difficult for customers. The other thing is the manner in which parking is paid for varies as well and there is no doubt about it that the number plate recognition system that has recently been put into Sand Street Car Park has gone down very well with customers and it means that people only pay for the parking that they use rather than have to rush back to the car because their one unit is up. So, yes, parking is important. The other thing is that I think more can be done to look at the congestion in town. It does take an awful long time to

drive into one of the car parks around the centre and I would have thought that we should try and look at easing congestion through town.

**The Deputy of St. Martin:**

This is the conundrum we have because on one hand, I know certainly David is very strong on trying to increase the amount of parking spaces available to the northern half of town, but the more car parks you create the more people think there is a parking space for them, more people drive into town, more cars on the road, more congestion. Do you see public transport at the moment providing enough of a service for those people who want to come into town using public transport?

**Mr. I. Taylor:**

We have spoken with Liberty Bus, who are members of Chamber, and there used to be a Hoppa bus service going around town and providing that. We are informed that there is no budget to do that so that would not seem to be an option. When we talk about technology, undoubtedly a technological answer to all the car parks, is of great benefit and the quicker that that can be introduced the better. But also having technology that tells people when they are coming into town, where there is available car parking space, which used to be the case, but I do understand that T.T.S. (Transport and Technical Services) are planning to reinstall it, the question is when. But of course then you move on to technology where you have a situation where the payment methods cannot talk to each other. So you have a payment method for the car parks, which is unable to integrate with the payment method for a bus, which is somewhat unfortunate. I think if you had a technology which used one payment platform and could be extended, again that makes it easier for people.

**The Deputy of St. Martin:**

Do you see some sort of equivalent of the Ormer Card of the Oyster Card - the Oyster Card in London obviously, the Ormer Card in Jersey - do you think that would be a good idea?

**Mr. I. Taylor:**

What we are suggesting is the technology should be used to its full to make it easier for people to exit and entry into St. Helier using whatever means of transport they wish to.

**Mr. D. Dodge:**

Can I comment there please? Yes, I think there is a huge opportunity for a smart card of some description. An Ormer Card has a lovely ring to it. Chamber has looked at options of bringing smart technology, bearing in mind we are still pretty much in the early days of telephone apps but there are still a remarkable number of the smart cards in use already, perhaps as many as 17,000 with the school bus system, with the number plate recognition system in Sand Street. If we can



roll out a common platform for all of the Island I think there is a huge opportunity and perhaps even a cashless society as a low value ... you have seen the advert for one of the credit card companies where the chap ... this close proximity technology, and there is a huge opportunity there. But nobody is quite prepared to make the first big step because we are not quite sure which way the technology will be best adapted, the most common platform, which is going to be the most successful.

**The Deputy of St. Martin:**

I know for example your ex-president in his coffee shops has this technology where you can put credit on your phone and you just swipe it in front of the till and it deducts.

**Mr. D. Dodge:**

That is one app. The other telephone system has another option. The particular one you are talking about, the iPhone 5, where there is an expectation they might have a smart chip in them which would allow you to use that system as well, but we need some common billing system and I think that might be the barrier in the short term, although the States through T.T.S. might be a platform, a recognised, safe, respected organisation which could administer the fund, so you go online to top up your parking fund in your account and you could use that again for the kids to use the bus. There might be incentivisation, use the bus for 5 days a week and then come in on a Saturday and get free parking, or something similar.

**The Deputy of St. Martin:**

Do you see free parking as something we have to try? I mean T.T.S. would certainly say that it is not really their favoured choice.

**Mr. D. Dodge:**

T.T.S. are engineers and they are doing a terrific job. There is some great work coming out of an organisation called Parsons Brinckerhoff, which was perhaps brought about by E.D.'s (Economic Development) inquiring about whether, and the idea of having some free parking. We need some kind of business planning, which is going to bring all the strategic players together: Planning and Environment, T.T.S., Economic Development, the Parish of St. Helier, Jersey Property Holdings in terms of our landlord in the market. We need to break down some of the silos and bring people together to have this shared vision and a business plan to make that work. Now we have been talking about this for a long time and we have not made the progress we want to because everybody has got their little bit of budget to protect, everybody has got their responsibility, so really it is something for the whole community, all the shoppers and the local community that we serve and I do not think we are quite there yet. I think we are at a tipping point, particularly in the north of town, where we might see widespread failure and as we give an opportunity for people to

invest back into the businesses because it is going backwards, quite quickly, in my humble opinion, for my little bit.

**The Deputy of St. Martin:**

Do you see the retail core, the retail area at the heart of retail, the heart of St. Helier shrinking?

**Mr. D. Dodge:**

Yes.

**The Deputy of St. Martin:**

Or do you see it moving?

**Mr. D. Dodge:**

Dramatically so. Bath Street and north of Bath Street has perhaps gone. Yes, there is great opportunity for more housing in St. Helier in the brownfield sites, but there is nothing in the North of Town Masterplan, which takes consideration of retailing. It was completely missed out of the terms of reference. In terms of the Island Plan and T.T.S policies they all want to support shopper parking or support the markets, in particular, but there is no real understanding about how that is going to happen. There is this very firm proposal in the Island Plan which says that Halkett Place will be closed and there is no excuse for that being allowed to stay open. But unless we have an alternative transport system it is going to die. People are not going to walk from Pier Road to the market for 5 pounds of spuds because it is just inconvenient when there are other ways of doing that task much simpler. Couple that with migration of office workers to the waterfront, we need to be able to welcome people into that part of town or we take the communal decision we are going to accept failure. But whatever happens, we need that shared vision now so people can plan their investment, whether it is a very modest plan, such as I have, I want to put a craft bakery smack in the middle of town, but if I have got not shoppers there in 5, 10 years' time, and little hope of them coming back, then I need to be looking elsewhere.

**The Connétable of St. Brelade:**

In terms of, you mentioned the masterplan for north of town, do you think, and it is happened in Guernsey, they have very much looked at town as a whole rather than sections.

**Mr. D. Dodge:**

And a very good job they did.

**The Connétable of St. Brelade:**

I tend to agree. But do you think there needs to be an overall masterplan for St. Helier as a whole rather than picking off sections of it because it is not just the north of town. Columberie is being put under pressure in terms of sales as well and footfall through Columberie but there does not seem to be an overall masterplan about whether we are going to concentrate shopping in a specific area and try and develop some of the slightly outer town areas, as residential, for example.

**Mr. D. Dodge:**

I think you are right but I think one of the difficulties is we do not really know what is going to happen. We know there is going to be some change and some of those sites how to use for new housing but we need to understand the process of change and we need to know what is going to be encouraged. But at the moment retailing is at the bottom of the list for strategic policies, certainly for my part of town. I do not want to knock a lot of effort because there is some really good work being done at the market at the moment and with E.D.D. (Economic Development Department) in partnership with Gerald's committee. But we need to bring all those threads together and we need to do it very quickly and come up with some kind of ... or we manage decline. At the moment understanding the economy is not that well understood, in my opinion, but there are big efforts happening now. We need to get behind those efforts, those talks, and see if we can re-engineer it. What I know very confidently, and my business is atypical from what happens in King Street and Queen Street, is that fresh foods will draw people into town, local produce, local fish, market gardening is still strong in the country Parishes, particularly in St. Martin, and you will see those products on sale in the market this morning, freshly cut this morning. You will see local fish.

**The Connétable of St. Brelade:**

Do you think there needs to be some recognition that retail, certainly in the outer lying areas of town ... I am not saying should be left to die, but thinking from a French visitor's point of view, people visiting the Island, certainly from a French visitor's point of view they are only really going to look at the waterfront and come in as far as the markets. When you get outside that area ...

**Mr. D. Dodge:**

French tourists love coming into the market. They love their markets.

**The Connétable of St. Brelade:**

I include the market in that. The market is integral.

**Mr. D. Dodge:**

Again, we are atypical because we have got a fantastic retail offer across King Street, Queen Street, and even into Columberie, but the markets kind of anchor all the north of town and if we can make that work successfully I think it will bring people in regularly. Certainly in terms of comparison with what is happening in the U.K. we are atypical again of what has happened in England because our food cultures are very different. I know people say of course we have got some fantastic supermarkets in Jersey buying local produce, making us different, making us unique, but it is a Jersey way of life which I think is under threat because we are not supporting, we do not understand it, and it is really important to our economy, to small business opportunities, to the countryside, to sustainability of fishing and our understanding and children's understanding of food and the connection with the environment in society.

**The Deputy of St. Martin:**

David, I want to come back to the market in a minute but I just want to ask a question of the 3 of you. In a lot of reports we have read Jersey seems to have per capita a much larger retail core than other places of similar sizes. Do you think that is sustainable? Do you think we should be accepting the fact that the retail core may have to shrink in size?

**Mr. G. Voisin:**

I think it will and it is now. As I said before, tourism was very significantly larger than it is now and it was those additional tourists that helped to support a large thriving retail industry. As the number of tourists has gone down, and as the disposable income of people in Jersey has gone down, that is what is going to lead the reduction in the number of shops. I think that is almost inevitable. We have just heard how there is probably £50 million to £60 million of money being spent off-Island on the internet. You cannot take that amount of money out of the retail industry and for it not to have an effect. It is going to have an effect.

**The Deputy of St. Martin:**

You spoke about tourists, and this is not a review into Sunday trading but I think it would be remiss of us not to mention Sunday trading. Do you see the necessity to have shops open on a Sunday afternoon, for example, for tourists? I think immediately of day trippers.

**Mr. G. Voisin:**

The problem here is that Chamber struggles to have a definitive view on this because we have such a diversity of views. I would rather come back to you and talk about this issue as me in my personal capacity.

**Mr. I. Taylor:**

I would answer from the Chamber point of view, and the Chamber view on Sunday trading is that artificial barriers should be removed and it should be up to the individual business whether they decide to open.

**The Deputy of St. Martin:**

I mean it depends what retail you are in of course. But there is definitely some submissions that we have had from Condor and from various other tourist people who say the day trippers from France on Sunday's, for example, have very little to do. The bus service is not quite as good as it might be, shops are not open. Quite disappointing. Do you have a view on that, David?

**Mr. D. Dodge:**

I do. I think marketing at point of sale needs to be honest. You need to tell folk who come to Jersey what the shopping facility is. That is a question of advertising and getting the retailers together who do want to open to explain what the offer is and so anything else would be frankly dishonest.

[9:30]

**The Connétable of St. Brelade:**

Do you support total deregulation or do you think there still should be some control over Sunday trading?

**Mr. I. Taylor:**

We support the view that artificial barriers should be removed.

**The Connétable of St. Brelade:**

That is not the question I asked. I said do you support total deregulation? For the Constables it is a very interesting concept.

**Mr. I. Taylor:**

The Chamber view is that the barrier, which is basically the 700 square metres, should be removed, and that businesses, any individual business, has the opportunity to open if they wish to.

**The Connétable of St. Brelade:**

In retail or any business?

**Mr. I. Taylor:**

Across any business. And picking up on David's point, especially regarding Sunday trading, one of the things that we have suggested is that the tourism involvement where we have special information for passengers, especially visitors arriving at the harbour, and whether they go to the carrier before they even get there, whether it be sea or air, for example, that they have that information about what is going on, because they do not know.

**The Connétable of St. Ouen:**

When you say "any businesses" this could extend to things such as quarries, so do you feel construction industry working in the town, which would then still have the opportunity to work, say, on a Sunday and retailers wanting to open on a Sunday would be a good impression for ...

**Mr. I. Taylor:**

I think your question was about retail rather than construction and so ...

**The Connétable of St. Ouen:**

But all these premises would ... if it was a blanket anybody could trade then all these businesses could trade on a Sunday. If Sunday trading was dropped every business could operate.

**Mr. G. Voisin:**

It is only, I think, shops and other businesses that are brought under the retail regulations that are caught. I think in actual fact there are many businesses that could open anyway. Your example of a construction business, I do not think there is any law that prevents construction from operating on a Sunday and I know for a fact ...

**The Deputy of St. Martin:**

In fact some quite large constructions do a lot of work at weekends because they have not got interference from the day-to-day running of the people around in cars. I want to come back to something which has been described by many of the people who have responded as Jersey's jewel in the crown, which is the central market. Is it the Chamber's view that the central market is the part of town that we need to focus on or ...?

**Mr. G. Voisin:**

It is the important part of town. It is historical. It provides something different as well. Let us not forget that it is the small shops, it is the small businesses in St. Helier that gives Jersey, gives St. Helier, that little bit of difference, so that is small businesses whether in the market or outside, but Chamber's view is that the markets are important, that they really could be very special but I am afraid we think that they have been mismanaged over many, many years.

**The Deputy of St. Martin:**

Do you see any other parts of town as potential calls for attractions? I made a very quick list here. I know Fort Regent is a little bit out the way but we have the Royal Square here, we have central market, pedestrian areas, the harbour, Wests, that type of ... West Centre. Is the market the standout one or are there other areas where you think it could be developed?

**Mr. G. Voisin:**

Yes, it is. Ian, you were going to ...

**Mr. I. Taylor:**

Undoubtedly the markets do require a great deal of focus. There was a report done in 2010 and many of those action points have not been acted on but it is also a wider issue about the events and the vibrancy of St. Helier and if you can make the markets that focal point and then use that as a basis for events and vibrancy that has to be a benefit.

**The Deputy of St. Martin:**

So you would like to see more events happening in the market as well as the retail offering ...

**Mr. I. Taylor:**

Not so in the market but in St. Helier.

**The Connétable of St. Brelade:**

You use quite a strong word there which I think needs some explanation. When you said the markets were mismanaged, you were looking to some solutions to the problems; can you explain what you mean by "mismanaged" and what you think some of the ... do you think it has been dealt with or do you think there are still things that need to be done?

**Mr. G. Voisin:**

No, there are still things that need to be done. The market traders entered into, or the States Property Holdings entered into a 9-year lease with the market traders and during that time the idea was to re-organise or restructure how it is managed and have an ongoing strategy or plan for the market so that when the leases came up for renewal, new leases were going to be offered, which were going to have a different set of requirements of the tenants.

**The Connétable of St. Brelade:**

That is where they are currently, are they not? They are up for lease.

**Mr. G. Voisin:**

They are up for lease but there is no new plan, there is no new set of obligations. For example, to make the place clean, to keep within your area ...

**The Deputy of St. Martin:**

So this is where you think the mismanagement is coming in, in terms of ...

**Mr. G. Voisin:**

Yes, cleanliness and making sure that all the junk that is kept on the ...

**The Deputy of St. Martin:**

David, you have got huge experience in the markets. Give us the benefit of some of your ... if you give us your views in 30 seconds.

**Mr. D. Dodge:**

The leases were due to be re-signed in December and they have not been yet. They are rolling over at the moment. I know there is a detailed conversation going on. The biggest barrier to me reinvesting back into the market is to have that shared understanding, and it is not just Property Holdings who are being tasked with the job. The market is owned by the public. I do not know if that makes them a public hazard within J.P.H. (Jersey Property Holdings) but they were given to the States of Jersey to manage by public donation, and that is their ancient right. They are incorporated in law and it has 45 awkward Jersey people running the business in there, and I love them all, we are making progress.

**The Deputy of St. Martin:**

Do you think they work together enough though as a group?

**Mr. D. Dodge:**

I think crisis is bringing us together again. We are at that point now. I know again there were very good talks yesterday afternoon with Property Holdings and there is progress being made. But I have got staff on hold. I have got people on temporary contracts. I have got some fantastic people that have come to us with other bad events in the local trade and I want to hang on to them. But if I cannot look to the future and invest back into my business I have to withdraw. It is getting that serious.

**The Deputy of St. Martin:**

Are there some priorities in the market that one needs to concentrate on to get more people there? Do we need to have a change of what we are offering?



**Mr. D. Dodge:**

There might be an hour free, it might be restructuring it in a smart system, so shopper come into Mindon Place for an hour - this is something we floated with T.T.S., it is under discussion - you come in and have the first hour free accessible to everybody from around the Island. We would like to see more people from St. Ouen coming in, but it is a long way away, and the second hour ordinary rates, and then start cranking up the rate, similar to Sand Street. You get the people coming in but then leaving after a time without the threat of a fine from overstretching your scratch card.

**The Connétable of St. Brelade:**

Do you think the layout of the market works because I mean if you walk around it there are a lot of dead corners here and there?

**Mr. D. Dodge:**

We are at the worst end, our little shop, but we want to animate that and we think we can do something different, which will suit residents and shoppers as well. But your point about Fort Regent, I think there needs to be an integrated policy about leisure facilities which we can all sign up to. I mean to have the debate or the delayed debate about the town park and not include the 15, 20 acres of space that goes from Fort Regent down to Havre des Pas is crazy to me because huge green area there and if we can integrate the town through Snow Hill there is a huge opportunity, not just for residents but to open up the rest of St. Helier with perhaps round here as the focal point. The market has been a problem for 200 years, and this used to be our market place outside. The States of Jersey had to do something to get rid of it because they were fed up with tripping over farmers and probably bakers. The grain stores used to be over there, so it was put over there to put it out the way. But they recognised even then that it had to be managed, and that is where the States involvement has to be ...

**The Deputy of St. Martin:**

You point outside, do you feel we utilise the Royal Square enough? Or is it best left like it is.

**Mr. D. Dodge:**

You do not want Royal Square covered in cardboard boxes and generators and white vans coming from France or St. Saviour.

**Mr. G. Voisin:**

If we are going to have events in town to bring people into town, bring customers into town, then, yes, it would be great to use the Royal Square.

**Mr. D. Dodge:**

In my opinion, just on that, this events management is candy floss retail in my opinion. That is my own specific. So you can do something bold one day a year, St. Brelade have done it. It is fantastic but a huge amount of work goes into it and what return do you get? And I think that might be an experience shared by tourism. A huge amount of event, it looks great in the brochures but does it give you everyday sales in the same way as we certainly do. *Notre pain quotidien*, you say it every time before you have a States Assembly "our daily bread", it is not just our Lord's words, it is about the daily need to do something every day, and that is where the markets bring in fresh food every day, not a once a week shop.

**The Deputy of St. Martin:**

I accept that, David, but some retailers would say that in the 2 or 3 days before Christmas they will take more money than they would in the first quarter of the following year.

**Mr. D. Dodge:**

We are atypical. We are a fresh food business.

**The Deputy of St. Martin:**

Obviously fresh food is much more of a consistent offering.

**Mr. D. Dodge:**

We can bring people into the town shopping every single day of the year if they have convenient access.

**The Connétable of St. Brelade:**

What I heard on the radio this morning, I think both of you have said, is that you think St. Helier, when you come in, it should be an experience. It is not just about shopping, it is about many other things. Can you just expand on that a little bit? Because this sort of goes into what you were saying about events.

**Mr. I. Taylor:**

As Gerald has said, the High Street is evolving. Shopping has become much more a social event and needs to become part of a social activity which families can partake with, but there has to be other reasons to come into St. Helier but other parts of the Island as well, to partake of shopping as being part of a social activity. So if we can add to that experience by having an event ...

**The Connétable of St. Brelade:**

A cultural event, anything that will ...

**Mr. I. Taylor:**

Anything, and tie that into retail as well, and I think then in actual fact ... Deputy Luce mentioned this morning on the radio about the retail workshop and how there should be a promotional calendar created, which then ties retail into events. To turn a phrase, it is not rocket science.

**The Deputy of St. Martin:**

I mentioned the offering in the central market but do you see the central market as somewhere where events could be based? Do you see, for example, a small stage or facilities there for entertainment and other things other than just basic selling?

**Mr. G. Voisin:**

Yes, I see no reason why not.

**The Connétable of St. Brelade:**

The acoustics are different.

**Mr. G. Voisin:**

The other thing is, is that if we are going to have events in town to get people into town you do not want one place to have the event. You want the event to be held in various places. The lanes, the other side of the market, is a nice place there and there should be events held there as well so that that gets people into that part of town.

**The Connétable of St. Brelade:**

Do you think a lot of the structure for that should be placed in the hands of the new tourism board or wherever tourism finally ends up? It should be part of their role to ...

**Mr. G. Voisin:**

Not really, no, because I do not know that it is about tourism. It is about ...

**The Connétable of St. Brelade:**

But in terms of putting on events around town, around the Island, in terms of promoting people to get people here which will provide you with extra customers.

**Mr. G. Voisin:**

I do not know that tourism is the right place for it because I think it has to also link into retailers in town. At the end of the day the event is going to be a way of getting the retailers to reconnect with the public, and I think that is key.

**The Deputy of St. Martin:**

Do you belong to the theory about ... this seminar we attended quite recently on retail there was a proposition that we might have a theme, like the Boat Show or the Battle of Flowers, what have you, and it would be encouraged that all retailers in St. Helier were trying to partake in the week and have offerings in store and events happening in town and what have you, that would link to the Boat Show or link to the air display or the Battle of Flowers?

**Mr. G. Voisin:**

Most retailers already will link into Mother's Day, Easter, Father's Day and ...

**The Deputy of St. Martin:**

Yes, but more specifically local events like ...

**Mr. G. Voisin:**

... it is question of broadening that. So, yes, I think it is a good idea. Also the Boat Show attracts many thousands of people, why not encourage those people to come back into town afterwards or for retailers to join in with the Boat Show and have a representation of their product that people can then come into town and see the full range of later on.

**Mr. D. Dodge:**

I slightly disagree with Gerald there about tourism. I think they have huge expertise and I was in a meeting recently with Tourism. They have a fantastic team, 2 or 3 members of staff there are very experienced in managing stage events. I think the Chief Officer said: "What is good for Jersey people is good for tourism." So if Jersey folk are loving coming to town for retail and just being part of the tourist offer it is good for tourism as well. I think they would try and back that if they possibly could.

**The Deputy of St. Martin:**

It has to be about working together whether you are doing it just on tourism or just on retail, if everybody knows what is happening and everybody can link in and make an offering to the greater good that has got to be good.

**Mr. G. Voisin:**

I think the important thing is it has to link in with the retailers in town as well. And also the retailers themselves have got to support it.

**The Deputy of St. Martin:**

Yes, absolutely.

**The Connétable of Grouville:**

There are 2 things in the Chamber submission which I would be quite interested for them to expand on; one is the planning process and how you feel that is hindering you, what you would like to see changed. The other thing is what your suggestion would be on the social security contributions.

**Mr. G. Voisin:**

On social security, it really relates to social security being paid by the owner drivers of businesses. The payment is assessed on the previous year's profits and of course if in the following year the business goes through a particularly difficult time then the social security payments are already set. The other thing is that if you are self-employed you also have to submit your other income as well, so it is not just ... your social security payments are not just based on the money that the business is generating, it is also generated on, for example, if you have got a flat on the end of your house and you rent it out, then that also is taken into account, which seems a bit unfair.

[9:45]

If somebody works for a public limited company or the States of Jersey, indeed, their social security payments are paid partly by the employee, partly by the employer but the States do not take any account of any other income from property rentals, for example, and we think that that is a bit unfair. The other issue is planning. Change of views, for example, if ... and there are going to be a lot of shops that were shops that are going to change use to something else. The process for getting change of use is quite lengthy and it needs to be ...

**The Deputy of St. Martin:**

Instantaneous almost.

**The Connétable of Grouville:**

You are talking from one type of retail to another type of retail.

**Mr. G. Voisin:**

Retail to a café. If you go from retail to a café and you are dealing with food, I mean the regulations and the red tape you have got to cut through, and the expense of doing that, the expense of putting in ... if there are no toilets there before and you are having to change the use then you have to put in, for example, disabled toilets, which have to be on the ground floor, so if it is a small café, a large proportion of your site is taken up with your disabled toilets, and then you have got to comply with pretty onerous fire and fire prevention and fire alarm methods as well. It is

just a barrier and if we want somebody to go in there and do something with an empty premises then surely let us make it easy for them.

**The Deputy of St. Martin:**

Signage.

**Mr. G. Voisin:**

Yes, there needs to be much better signage in town. Yes, much better signage.

**Mr. D. Dodge:**

I think it is an indication of the stuttering nature of what we are doing. We have had various groups and there is ongoing ambition because people get frustrated, fed up. It is about empowering everybody to come together. We have got shops there that have been on notice boards which are 3 years out of date apparently.

**The Connétable of St. Brelade:**

There is another point which you mentioned around small business, which I think some may see as contentious but I think if you could just explain a little bit, which was reduced ... statutory redundancy payments which will allow small businesses to restructure rather than force closure. It is an interesting point obviously. We do want to see businesses remain in the market. Can you explain your thinking behind that?

**Mr. G. Voisin:**

Quite simply, if a business is struggling, and I know for a fact this had happened in 2 cases, the directors have a responsibility in law not to trade insolvently, they are advised that in actual fact if they are going to restructure then you have got significant redundancy payments to make, therefore that is a liability, the directors are therefore trading insolvently, you need to close now, rather than restructure.

**The Connétable of St. Brelade:**

Do you think the States needs to change those laws? Do you think they are too tough?

**Mr. G. Voisin:**

Either they need to change or you need to say for a business under so many people they have a different level or they are exempt or something. In the U.K., the U.K. have done - I am not a fan of the U.K. Government - but they have done an awful lot to encourage small businesses to look at legislation that they should be exempt from or that they do not have to fully comply with. Now you see the U.K. economy starting to grow.

**The Connétable of St. Brelade:**

The same would apply, for example, we have not got it yet, a lot of larger businesses they have some on maternity leave, there needs to be some flexibility within that for a smaller company compared with a large company.

**Mr. G. Voisin:**

Absolutely, yes.

**The Connétable of St. Brelade:**

So we need to have legislation that suits, fits purpose.

**Mr. G. Voisin:**

Yes. And I think the ... I am glad you mentioned small businesses because, as I touched on before, small retailers are really important to the overall town offer. Small retailers or small businesses, and the Island's economy generally is going to be helped very considerably if we can encourage small businesses to employ more people, and I think there are many more disincentives than incentives.

**The Deputy of St. Martin:**

So there is not enough encouragement for small businesses from Government, then, Gerald?

**Mr. G. Voisin:**

No, I do not think so.

**The Deputy of St. Martin:**

I mean certainly something that we have seen is people coming back to us and say it is so difficult for a single owner or very small businesses to get on the internet to do things because they are so busy trying to survive they have not got the time to do anything else.

**Mr. G. Voisin:**

Let us face it, a lot of the larger retailers in Jersey will be able to look after themselves. Certainly all the U.K. multiple retailers, they manufacture their own goods, they are very much in control of the supply chain so their exposure to the internet is much less. I suppose for Jersey the danger is that some retailers may or some national retailers might find that they are able to still sell to local customers through the internet so they do not need a local store. But the smaller businesses, they are the ones that do need help and they need help to be competitive. So they need help to keep their costs to a minimum and that means that the States should not keep on loading bureaucracy and red tape on to them. In the last year we saw changes to the Tax Law, we have seen the new

Control of Housing and Work Law, we have the Discrimination Law, we have the long-term health provisions as well. All of these things are loading costs on to small businesses, in particular, and making them less competitive. They are trying to compete with this massive bunch of competition called the internet.

**The Deputy of St. Martin:**

There is some government money available for training people now. Obviously I would like to think you think that is a good move. Is there more the Government can be doing or do you think that financial help with training staff is good enough?

**Mr. G. Voisin:**

Obviously yes, I entirely agree with training kids. It is really important and I think that the market and the employment market has changed very considerable. The world did change in 2008 and I think a lot of people are still struggling to come to terms with this. The number of jobs that are being offered in the finance industry is significantly less than it was and so more people are looking for employment opportunities outside of finance and retail is one area where we can offer local people good jobs and secure jobs. So training needs to be looked at to support that.

**The Deputy of St. Martin:**

Do you think the quality of our customer service is good enough?

**Mr. G. Voisin:**

In Jersey; no.

**The Connétable of St. Brelade:**

Can I just pick up on one ...

**The Deputy of St. Martin:**

We are already 10 minutes over.

**The Connétable of St. Brelade:**

I am just interested, and I think it is probably going to be a yes or no answer. You mentioned 2008, obviously a world challenge. That was the last time there was a retail review. It goes all the way back to 2008 and at that time there was a lot of focus on whether we needed another large supermarket chain in the Island or not.

**Mr. G. Voisin:**

The review was entirely focused on whether we needed another supermarket.



**The Connétable of St. Brelade:**

The question would be: do you think there is a need in terms of competitiveness for a large supermarket chain to come in or are you going to tell me that would really put the nail ... that would kill local small business?

**Mr. G. Voisin:**

I do not think it is up to Government to decide whether Jersey should have another supermarket chain or not. I think surely if ... and I take it we are talking about Aldi and Lidl now because they are the ones mentioned by the regulator. If they see an opportunity in Jersey then they will come here surely. There are opportunities. We know that Sports Direct are opening up at Queens Road so there is quite a sizeable store there that was up for grabs. It has been taken by Sports Direct. It could have been taken by a larger supermarket.

**The Connétable of St. Brelade:**

Do you think there is a danger though to some of the people that you represent, some of your smaller businesses? We mentioned the small, something like Fotosound, for example. If we had another large chain come in that was going to sell goods at a more competitive price.

**Mr. G. Voisin:**

I do not think ...

**The Connétable of St. Brelade:**

Do you think that is where the market is going to be?

**Mr. G. Voisin:**

I think a supermarket will have more of a competitive threat to the existing supermarkets in the Island which are, for Jersey standards, fairly sizeable businesses. I do not think it will affect the general product that is being sold in town.

**The Connétable of St. Brelade:**

But Aldi and Lidl I think would be more on a food shopping side admittedly but if it was a Tesco, for example, they sell a full range of goods.

**Mr. G. Voisin:**

Yes, they do.

**The Connétable of St. Brelade:**

They have also got a big internet presence as well. Do you think something like that could be damaging?

**Mr. G. Voisin:**

It would pose another threat to a certain type of retailers. But that is the nature of retail. You always have the threat of a competitor coming in and retailers have to respond to that. I think the other thing is that ...

**The Connétable of St. Brelade:**

It is not the Government to drive them away, it is for the market to decide.

**Mr. G. Voisin:**

Yes, exactly.

**The Deputy of St. Martin:**

We are going to have to close in a couple of minutes because we are already 10 minutes over but the final question I would like to ask is the one subject that I really did not want to talk about, which is internet. But I want to talk about local internet. I am aware the Chamber recently went to E.D. with some proposals to try to develop the local internet for retailers and develop a Jersey Amazon-type operation. Could you just bring us up to date on that and where you see that type of internet facility for Jersey retailers in the future?

**Mr. G. Voisin:**

Do you want to cover where we are with it?

**Mr. I. Taylor:**

Where we are is we have now successively agreed that a feasibility study will be undertaken by an independent body or an independent person to provide the information that we require, whether it is going to work or not, how much it will cost, resource, et cetera. So I am very pleased to say that that is hopefully underway this Monday and that we will have the result of that by 17th March, which will give us all much more an informed opinion as to where we go.

**Mr. G. Voisin:**

Can I just explain why this is important though? It is because the larger businesses in Jersey probably already have an internet presence. But the smaller businesses do not and for the smaller businesses to do this on their own will represent a very significant cost to them. People say: "Oh, get a web page up and running and sell online" but it is very easy to say, much more difficult to do,

especially when you are talking about the sort of people who are independent retailers. They are getting on a bit. The internet is a completely different language, a completely different discipline, and those people do need a helping hand to get online. Indeed, it is not going to be a solution for many businesses but I do think that it is worth giving them the opportunity to engage with the internet and to try and reconnect with local customers. They are still going to have to get the right product, they are still going to have to get the right price and they are still going to have to provide the right customer service for their customers.

**The Connétable of St. Brelade:**

Do you think that sort of service could also co-ordinate to the same day delivery where you could ...

**Mr. I. Taylor:**

We are running short of time and I would love to give you an overall picture but exactly that. In actual fact you could have that item within 2 hours.

**The Connétable of St. Brelade:**

With that delivery service being paid for by the 10, 15, 20, 30 outlets that come under that banner?

**Mr. I. Taylor:**

Or it would be a delivery charge or however you wanted to do it. But the one thing that local site could provide for on-Island retailers is an instant gratification to the person who wants to buy something.

**The Deputy of St. Martin:**

Because that is one thing we can offer. If it is in Jersey and you want it you can have it today, which is something the internet cannot.

**Mr. I. Taylor:**

And going back to the point about: "I could not find the product." So the aim is to have all the product integrated on to the site and so your product specification you will be able to find it, if it was on-Island at all, and then you would have the opportunity of a retailer being able to offer you that order and fulfilling that order.

**The Deputy of St. Martin:**

I have got one last question, which I had forgotten to ask. I think Gerald will be the man to answer it. Somebody contacted us this morning and said: "In Barbados you go shopping, you can buy

duty free in shops, the goods are delivered to the airport, you pick them up when you leave.” Do we have something in Jersey sort of similar?

**Mr. G. Voisin:**

Yes, we do. It is the Tourist Tax Refund scheme.

**The Deputy of St. Martin:**

So it is as complicated to say as it is to operate.

**Mr. G. Voisin:**

Well, it is not too bad. We just signed up ....

**The Deputy of St. Martin:**

Do we publicise it enough or is it new?

**Mr. G. Voisin:**

We probably do not but then again the point of publicity has got to be ... again we come back to customer service. It is for the sales assistant or sales consultant to say ... in the conversation that they should be having with the customer: “Oh, you live in the U.K. or wherever, but you do know that you can get your tax back if you spend over £300.” So then that is a good reason to increase the sales to the customer. So if they are going to spend £250: “Well, if you buy this for £50 then you can get all your tax back.”

**The Deputy of St. Martin:**

Is there scope for modifying that scheme so that it might be £200 or it might be £100?

**Mr. G. Voisin:**

Yes. There is always scope for modifying it, yes. To make it more attractive, yes.

**The Deputy of St. Martin:**

Gentlemen, I am going to have to call a halt. We are quarter of an hour over time already and we will have more people waiting to come shortly. Thank you very much for your time this morning and we will speak to you again very soon.

**Mr. G. Voisin:**

Okay, thank you very much.

**Mr. D. Dodge:**

Thank you for the opportunity.

**Mr. I. Taylor:**

Thank you.

[9:59]