

22.11.22

**11 Deputy B.B. de S.DV.M. Porée of the Minister for Economic Development, Tourism, Sport and Culture regarding support for small businesses in the current economic climate (OQ.124/2022)**

In light of the present economic challenges facing small businesses, as it is evidenced as you walk around St. Helier, will the Minister advise what government mechanisms are in place to support such small businesses?

**Deputy K.F. Morel of St. John, St. Lawrence and Trinity (The Minister for Economic Development, Tourism, Sport and Culture):**

I would like to thank Deputy Porée for her question. I would, however, politely challenge the suggestion that there is evidence in any way of excessive retail and hospitality business failures in St. Helier. Indeed, St. Helier's commercial vacancy rate remains low at 8.25 per cent; that is more than 5 per cent lower than the U.K.'s comparable High Street rate in Q3. There is a range of government support available to small businesses, for example, through direct financial support by the provision of grants, such as the productivity support scheme, they are matched funding grants, to assist businesses to improve efficiency or sector-specific support through schemes such as a rural support scheme. A number of government-funded arm's length organisations provide support to small businesses through skills development, marketing support and confidential advice, in particular Jersey Business is our Island's business support agency. It is there to provide confidential advice and support to any business in Jersey. They are able to provide advice and support to businesses across all sectors and at any stage of their life cycle. I would direct any small business owner who might be listening and who would like sound independent advice to the Jersey Business website or the Business Hub on gov.je.

**3.11.1 Deputy S.Y. Mézec:**

Hopefully the Minister will agree that one of the jewels in our town retail and hospitality offering is the Central Market. Would he like to state what, if anything, the Government is doing to support small businesses there, given that as their landlord they have a unique opportunity to forge relationships with those small businesses to help them thrive?

**Deputy K.F. Morel:**

Thank you for the question. Central Market businesses are not differentiated from any other business in Jersey, so Central Market businesses are supported in the same way that all businesses in Jersey are supported through the methods that I have just listed.

**3.11.2 Deputy S.Y. Mézec:**

Of course that is true but it is also the case that the Government is their landlord, so it does have a unique opportunity there to engage with them and support them in other ways, perhaps in consultation with the Town Hall and the Town Centre Manager as well. Could the Minister just inform if any discussions on that are happening or if that is something he might want to consider in future?

**Deputy K.F. Morel:**

I have to refer to my previous answer in terms of support for businesses and I have instigated a review of the Central Market but that is, effectively, answering a different question, which is about the future of the markets. I am working with the Minister for Infrastructure and have recently

written to the Constable of St. Helier to take that further. But I have to refer to my previous answer, which is support available to the businesses in the market is the same support that is available to other businesses elsewhere.

**3.11.3 Deputy T.A. Coles:**

I would like to ask the Minister whether he is aware of some businesses facing above inflationary rent increases on their commercial properties, with one reported in the *Bailiwick* this week where a woman was supposedly subjected to a 250 per cent increase in her rent, whether he is aware of this problem and whether he has had any mind to bring some regulation to combat it.

**Deputy K.F. Morel:**

Can I ask how that refers to the previous questions that were lodged?

**Deputy T.A. Coles:**

Sorry, Ma'am, this was a small business in St. Helier on La Colomberie and so, therefore, could potentially be a government mechanism to support small businesses stay in business.

**The Greffier of the States (in the Chair):**

I think it is connected to the original question, Minister.

**Deputy K.F. Morel:**

Thank you. I will not comment on individual businesses and any support that is provided to them or not provided to them.

**3.11.4 Deputy T.A. Coles:**

Would the Minister, therefore, be able to support ... if legislation was brought forward by the Assembly that he would support it in line to protect businesses from above inflationary rent increases?

**Deputy K.F. Morel:**

Deputy Coles has written to me asking to speak to me about this subject. I have said that I will happily speak to him and said that during the course of the few days of this Assembly we will have a conversation about that. I will certainly not comment about hypothetical legislation which I have not seen or it is indeed hypothetical, so it does not exist.

[11:00]

**3.11.5 Deputy G.P. Southern:**

In my time in the States I have seen, I think, probably 3 incidents where people in the market creating businesses have had problems with their leases. Is he aware of any problems currently and, if so, what he is going to do about them?

**Deputy K.F. Morel:**

I would need greater information about what the Deputy means by problems.

**The Greffier of the States (in the Chair):**

Deputy, are you able to assist?

**Deputy G.P. Southern:**

I understand that there are some problems with renewal of leases which are coming to the end of their 9-year term and there is some anxiety among stallholders that this situation will change. What does he know about this issue?

**Deputy K.F. Morel:**

I do not have responsibility for leases in the market and I would have to refer the Deputy to the Minister for Infrastructure.

**Deputy G.P. Southern:**

Will he do so and report back to the States, please?

**The Greffier of the States (in the Chair):**

I think the fact that you have raised the issue in front of the Minister for Infrastructure alerts him to the fact that you have a concern.

**3.11.6 The Connétable of St. Helier:**

Does the Minister agree with me - and I suspect he does - that if any evidence is collected about the state of our town it must point to a town that is resilient and vibrant, both the small shops and also the bigger ones? There is an enormous number of people willing to invest in retail and hospitality in St. Helier. But will he just take this opportunity to acknowledge the good work that is done by the Town Centre management function in St. Helier, which has been operating for more than a dozen years and which brings together small businesses and trader groups, depending on the area, places like Colomberie, like Don Street, like Conway Street, to look at the issues and to try to move things forward?

**Deputy K.F. Morel:**

I thank the Connétable for his question. I completely agree and it is one of the reasons why in response to Deputy Porée's question I really wanted to set the record straight, that there are not excessive business failures in St. Helier; these are measured on a quarterly basis. I myself, the Connétable of St. Helier as well, receive those results. There is no question in my mind that we are seeing investment into St. Helier. We are seeing very large ... we have just seen the B.H.S. (British Home Stores) site that has reopened recently. We have seen restaurants opening in St. Helier. There is no question in my mind that it is a resilient and vibrant Town Centre. I do not take that for granted. It is something that is constantly worked on and I do receive communications from business owners regularly. As I have said, there is support out there for them from places like Jersey Business. Indeed, as the Connétable said, not support but people like the Town Centre Manager and the Town Centre team work incredibly hard to keep the Town Centre vibrant. While I am always aware of difficulties that businesses may experience, it is not helpful in any way to import stories from the U.K. where there is a problem in the town centres and apply them to Jersey. We must be proud of the strength of our economy and proud of the strength and resilience of our Town Centre.

**3.11.7 Deputy R.J. Ward:**

May I ask to go back to the question? Can I ask the Minister, does he see any particular economic challenges for smaller businesses in St. Helier? If so, can he, say, link them to the particular mechanisms that are in place because it may help St. Helier businesses to be aware of those mechanisms and start to use them more supportively?

**Deputy K.F. Morel:**

I thank the Deputy for his question. I think he starts from a really interesting element, which is that I would say of staff shortages and linking that to improving productivity. Certainly, one of the biggest problems that small businesses and large businesses are facing in this Island is the issue of finding staff. One of the ways of helping to mitigate that is to try to improve productivity. I would direct businesses to our productivity support scheme and also to Jersey Business, as I have said, who provide excellent advice to businesses of all sizes and all sectors in Jersey. By doing so they help those businesses improve and they help those businesses become better, more resilient and more dynamic businesses and by doing so they help the Island's economy.

**3.11.8 Deputy R.J. Ward:**

Can I ask the Minister, is one of the economic challenges faced the supply side? I think we have all noticed there is not a lot in the shops in the last few days, which could be seriously damaging businesses' ability to trade because they simply do not have any stock. Is there any plan to try and increase the resilience of the supply of goods to the Island?

**Deputy K.F. Morel:**

I would like to thank the Deputy for his question. There are, I would suggest, issues with the supply side since the U.K. made the mistake of leaving the European Union. We have seen issues there; that has affected trading into Jersey. In my view, we have a single point of failure in terms of supplying this Island because we are supplied principally through the U.K. Therefore, if there is disruption in the U.K. or to the sailings from the U.K., Jersey ends up not receiving supplies. It is for that reason that I just last week was in France speaking to Rennes Airport and speaking also to the Port of Saint-Malo, talking about exactly these issues and talking about trying to find ways to create a second supply route to Jersey. Because that would not only make us a more resilient Island but would also give us greater choice in terms of goods that come into the Island and also the prices of those goods, so it would help towards the cost of living as well. In that sense, I am acting directly to try and address supply side issues with regard to the Island.

**The Greffier of the States (in the Chair):**

Final supplementary, Deputy Porée. That concludes questions with notice.