



strategic context

1 Introduction

This chapter reviews the performance and prospects of the Jersey economy, and explores the implications for the spatial development of St Helier. The chapter is based on official statistics and reports published by the States of Jersey, a number of secondary sources, and a series of consultations with civil servants, other officials and business organisations.

This chapter does not pretend to be a comprehensive review of the Jersey economy, which would be beyond the scope of our remit. However, it aims to provide the essential context for the Urban Character Appraisal and the subsequent development of policy formulation, urban design strategies and action area plans which will aid the process of preserving and enhancing St Helier. In particular it explores the concept of place competitiveness and the role of the town in promoting economic growth and diversification, especially in the financial services and tourism industries.

The chapter is in 6 sections:

- Section 2** contains a summary of key data on the Jersey economy
- Section 3** contains a review of the St Helier property market
- Section 4** reviews the emerging policy agenda
- Section 5** is an assessment of the place competitiveness of St Helier
- Section 6** reviews implications for the future development of St Helier

New waterfront residential development from Pier Road



2 The Jersey Economy

Population¹

The population of Jersey increased by 3,100 (+4%) between 1991 and 2001, from 84,086 to 87,186. The bulk of this increase (81%) is attributable to natural growth, with the remainder (19%) due to net migration.

Migration patterns fluctuated through the 1990s (Fig 2.1):

- there was net out-migration in 1991-92 and again in 1999-2001
- there was net in-migration between 1993 and 1998

Figure 2.1: Net migration flows, Jersey 1991-2002

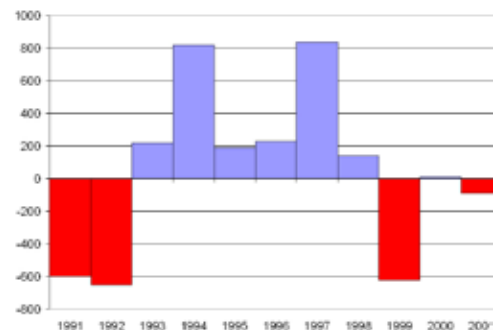


Fig 2.2 shows the age structure of the Jersey population in 2001, compared with GB. The age structure of Jersey is broadly similar to GB, but the island has a higher proportion of working age residents².

Figure 2.2: Age structure, Jersey and UK 2001

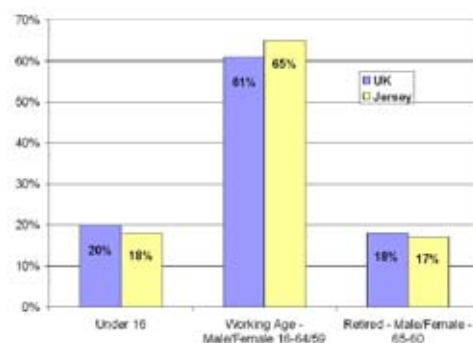


Fig 2.3 shows the geographical distribution of population between the Parish of St Helier and the rest of the island, in 1991 and 2001. It shows that:

- St Helier retained a 33% share of the population between 1991 and 2001
- the wider urban area (including the parishes of St Saviour and St Clement) accounts for about 56% of the population of the island

Figure 2.3: Geographical distribution of population, Jersey 1991 and 2001

	1991 Population	% 1991 Population	2001 Population	% 2001 Population
St Helier	28,123	33%	28,310	33%
St Clement	7,393	9%	8,196	9%
St Saviour	12,747	15%	12,491	14%
St Brelade	9,331	11%	10,134	12%
Grouville	4,297	5%	4,702	5%
St Lawrence	4,561	5%	4,702	5%
St Peter	4,231	5%	4,293	5%
St Martin	3,258	4%	3,628	4%
St John	2,440	3%	2,618	3%
St Ouen	3,612	4%	3,803	4%
St Mary	1,449	2%	1,591	2%
Trinity	2,640	3%	2,718	3%
Total	84,082	100%	87,186	100%

Economic Activity Rate

Figure 2.4 compares economic activity rates in Jersey and GB³. Jersey has a working age population of 57,013:

- the proportion of the population that is of working age is higher (65%) than in GB (61%)
- 82% of the working age population is economically active, higher than in the GB (79%): activity rates for both men and women are above the GB level
- 87% of the economically active population are employees (GB 84%), 12% are self-employed (GB 11%)
- 2% of the economically active population are seeking work, less than half the GB rate (5%)

Figure 2.4: Economic activity rates, Jersey and GB 2002

Status	Jersey	Jersey %	UK%
Economically active (%working age population)	46,586	82%	79%
Economically active (%working age men)	25,413	87%	84%
Economically active (%working age women)	21,173	76%	73%
Economically active:			
% of those in employment as employees	40,370	87%	84%
% of those in employment who are self-employed	5,205	12%	11%
ILO Unemployment Rate	1,011	2%	5%
Sub Total	46,586	100%	100%
Economically inactive	10,427	18%	22%
Total working age population	57,103	100%	100%

Employment

Employment in Jersey is subject to marked seasonal variations, especially for jobs in hotels, restaurants, bars and agriculture. Figure 2.5 tracks the annual mean average level of employment on the island from 1998 to 2002⁴:

Figure 2.5: Annual mean average employment, Jersey 1998-2002

Total Employment	1998	1999	2000	2001	2002
June	48,150	47,450	47,580	47,550	47,400
December	43,320	42,290	43,770	43,980	44,100
Mean Average	45735	44870	45675	45765	45750

The mean average level of employment remained steady at around 45,750 from 1998 to 2002. However, the number of registered unemployed rose sharply (albeit from a very low base) in 2003, from 230 to 640.

Employment by Industry

Figure 2.6 shows the share of employment by industry in Jersey in June 2002:

Industry	Employees	Share
Agriculture and fishing	2,180	4.60%
Manufacturing	2,300	4.90%
Construction/quarrying	4,930	10.40%
Electricity, gas, water	580	1.20%
Wholesale and retail	8,050	17.00%
Hotels, restaurants, bars	6,560	13.80%
Transport, storage, communications	2,760	5.80%
Computer and related activities	440	0.90%
Financial and legal activities	12,300	25.90%
Miscellaneous business activities	2,820	5.90%
Education, health, other services	4,480	9.50%
TOTAL EMPLOYMENT	47,400	100%

The top three industries by employment are:

- financial and legal services (26%)
- wholesale/retail (17%)
- hotels, restaurants and bars (14%)

It is notable that all three industries depend heavily on employment in St Helier:

- financial, legal and associated activities are concentrated almost exclusively in the capital
- St Helier is the only significant retail centre, and the wholesale trade is also concentrated in the town, especially the port area
- tourism related employment is distributed more widely across the island, but there is still a concentration of accommodation and (especially) restaurants and bars in the urban centre.

Agriculture, often described as the island's "third industry" after finance and tourism, has been in long-term decline and now accounts for less than 5% of jobs. In the three years to June 2002, total employment in Jersey was almost unchanged, but there were some significant shifts by industry. Figure 2.7 shows that there was strong growth in finance, business and other services and

the public sector, but a decline in traditional industries, especially hotels, restaurants and bars (-15%) and agriculture (-9%). Since these figures were compiled there has also been a significant shake-out in the financial services sector.

Figure 2.7: Change in employment by industry, Jersey 1999-2002 (June)

Industry	Change
	1999-2002
Agriculture and fishing	-9.20%
Manufacturing	-3.40%
Construction/quarrying	-8.60%
Electricity, gas, water	-4.90%
Wholesale and retail	-2.70%
Hotels, restaurants, bars	-14.70%
Computer and related activities	57.10%
Financial and legal activities	6.00%
Miscellaneous business activities	6.80%
Education, health, other services	6.70%
TOTAL EMPLOYMENT	0.10%



Industry Contribution to GDP

Figure 2.8 shows the estimated contribution of each industry group to Jersey's GDP in 2002⁵. It reflects the huge contribution of financial services, which account for 55.9% of GDP, ten times as much as hotels, restaurants and catering. GDP per employee in the sector is twice the island average.

Figure 2.8: Contribution to GDP by industry, Jersey 2002

Industry	Share
Agriculture and fishing	1.30%
Manufacturing	1.60%
Construction/quarrying	6.60%
Electricity, gas, water	1.50%
Wholesale and retail	9.70%
Hotels, restaurants, catering	5.60%
Transport, storage, communications	4.30%
Computer and related activities	0.5
Financial and legal activities	55.9
Miscellaneous business activities	2.9
Education, health, other services	10.5
TOTAL EMPLOYMENT	100%

Figure 2.9 gives a more detailed breakdown of the contribution to GDP of the financial services cluster. It shows that the cluster is dominated by banks and building societies (72% of the total), followed by investment trusts/fund management (17%) and legal/accountancy services (10%).

Figure 2.9: Share of financial services output by activity, Jersey 2002

Industry	Share
Banks and building societies	71.80%
Insurance	0.90%
Investment trusts/fund managers	16.60%
Legal services	5.20%
Accountancy services	4.80%
CLUSTER TOTAL	100%

Employment by Occupation

Figure 2.10 shows the breakdown of employment in Jersey by occupation, compared with Great Britain.⁶ It shows that, compared with GB:

- Jersey has a relatively high proportion of employees in managerial and administrative occupations and skilled trades
- ...and a relatively low proportion of professionals and people working in service, process and elementary occupations.

Figure 2.10: Employment by occupation, Jersey and GB, 2002

Occupation	% of	% of
	Jersey	GB employment
Managers/senior officials	16%	13%
Professional occupations	6%	12%
Assoc professional/technical	14%	13%
Admin/secretarial	19%	14%
Skilled trades	15%	10%
Personal services	6%	7%
Sales/customer services	6%	9%
Process, plant, machinery operatives	5%	9%
Elementary occupations	13%	13%
TOTAL	100%	100%

Market Stall



Conclusion

This review has shown that Jersey has a highly specialised economy, with an exceptionally high dependency on the financial services cluster, which accounts for more than a quarter of direct employment (as well as substantial indirect employment) and more than half of the island's GDP.

By contrast, the other industries traditionally associated with the island, tourism and agriculture, have experienced long-term decline.

Overall, employment has been static for some years, although recent job losses in the financial services sector and, latterly, the public sector may be reflected in the statistics for 2003-04.

Although no employment data are available for St Helier, it is clear that the town plays a pre-eminent role in the island economy. In particular:

- it is the **home of the financial services cluster**, and almost all the principal firms operate from town centre locations
- the town centre is the principal point of entry for visitors to the island and a **key asset for the tourism industry**, with attractive shopping and an improving leisure and recreation offer.



above: Maritime Museum below: King Street



3 The St Helier Property Market

This market review considers the following property sectors in St Helier:

- residential
- office
- retail

Residential

St Helier's residential market is based upon an unusual household structure. Of 35,562 households in Jersey, only 51% are owner-occupied. In St Helier, the figure falls to 34% owner-occupied. Two thirds of homes in St Helier are private or social rented stock, tied housing or lodgings. A substantial itinerant working population and residency restrictions lead to high levels of renting.

The Jersey Island Plan sets out estimates of residential demand for the period 2002-2006. These suggest a requirement of 3,180 homes for the qualified sector and 1,610 for the unqualified sector. The Plan assumes that the latter can be accommodated through various market adjustments and sets out to provide for 90% of the qualified requirement (2,860 units). Allocated sites⁷ might deliver 1,990 units, leaving a shortfall of 870 units to be accommodated in eleven new sites. Meeting this housing requirement will mean moving from an historic (1987-99) development rate of 353 units per annum to a new rate of 572 per annum, a substantial rise of 62%.

An historic shortage of housing supply combined with high average incomes has resulted in high house prices. The Jersey Island Plan estimates that 74% of households will require an "affordable" home rather than being able to pay full market value. New flatted developments⁸ within the town are selling at £2,750 - £3,750 per sq m, equivalent to major UK centres such as Manchester or Edinburgh. Dedicated parking incurs an additional cost to the purchaser. High purchase prices are driven in part by the investment opportunity to rent quality apartments to itinerant (and residentially unqualified) professionals. Such prices suggest that flatted development will continue to out-price commercial development for prime gap sites in St Helier for the foreseeable future.

One source of new and windfall residential development is the traditional hotels sector. Due to declining visitor numbers, the number of hotel beds fell by 7,500 (27%) between 1980 and 1999⁹. A further 1,600 beds were lost during 2000 and nine St Helier hotels announced closures during 2001.

The largest new residential location is St Helier Waterfront¹⁰. Four housing areas – Harbour, Marine Village, Seafront and Esplanade – will provide a total of 700 units, mainly for locally qualified residents but also for first-time buyers and for rent. The first phase comprises the £30 million development of 153 first-time buyer and rental flats at Albert Pier/ Victoria Place.

New waterfront residential development



Offices

The Jersey Island Plan notes demand for larger, modern and more flexible offices in St Helier, particularly from financial services companies. There is also demand from smaller companies in the secondary office market. The rate of office development 1987-99 was 5,600 sq m. per annum and the new Plan assumes a similar rate. On this basis, planning permissions and offices under construction provide for a ten-year supply of new premises.

Since 1987, around half of office development in St Helier has taken place inside the ring road but outside of the area zoned for office development. Coincidentally, UK planning legislation permitting Class 4 office development out of town also emerged in 1987, since when there has been substantial demand from office-based companies for off-centre locations. The new Plan allows for some new office development outwith the town centre, specifically at Waterfront north and other identified sites.

Occupational analysis¹¹ suggests that perhaps 40% of Jersey's employment is in office-based sectors. It is possible from this to estimate¹² that the island's total office stock may be around 300,000 sq m. For comparison, local agents suggest that the island's office stock may be around 370,000 sq m. The large majority of this space is in St Helier, making the town's office sector comparable in size to large UK towns.

Demand for office accommodation in St Helier is reportedly around 10,000 sq m per annum¹³. The typical new building is around 2,000 – 4,000 sq m, so in a typical year 2-3 new-build transactions plus some second hand activity would be expected.

Recent market activity has been limited. In 2002 HSBC took a pre-let of the 5,000 sq m Century Buildings to consolidate its operations¹⁴. In 2001, Close Properties took offices at 55 Esplanade at £280 per sq m. Earlier deals on the Esplanade include number 45 (to KPMG) and 47 (to OBD) in 1998 at rentals of £260 per sq m. More recently, new office buildings at Casa Melita (3,000 sq m) and Charter Place (3,300 sq m) have struggled to find occupiers.

In total around 20,000 sq m. of office accommodation was on the market in St Helier in late 2003. This is a significant supply in historic terms, but still represents a vacancy rate of only around 7%, which, if the sector were at the bottom of a trough, would not be regarded as a structural problem for the local market.

Rental values for prime, new-build offices in St Helier have been static since 2001 at around £270-280 per sq m. Both the rental levels and the lack of growth are comparable with UK regional

financial services centres such as Bristol and Edinburgh. In the major financial centre of London, office rents have actually fallen.

New office developments



Retail

The Island Plan promotes St Helier town centre as Jersey's principal retail location and as a suitable location for evening economy activities. There is a substantial stock of retail premises and national multiple retailers along King Street. Unlike many UK centres, St Helier retains traditional department stores and a diverse and attractive mix of local retailers and specialist outlets (particularly jewellers and some cafes) within the core town centre.

In contrast to the office sector, retail property values in St Helier have continued to rise. This reflects trends in the UK as consumer expenditure has grown steadily in recent years. Clinton Card's letting on King Street in 2002 set a new record rental of £145 per sq ft for a Zone A location¹⁵ ¹⁶. Rent reviews for Woolworth and JD Sports also settled at around £140 per sq ft.

Vacancies in prime retail locations were effectively zero in 2003, and the most recent units to become available were taken by Mango and Crabtree & Evelyn. Three vacant shop units along King Street are all reportedly under offer to retailers. According to local agents, the historic requirement for retailers to have local origins or partners may be subject to a more liberal interpretation, leading to greater demand for units from new market entrants.

Although development potential within the core town centre is extremely limited, St Helier's commercial sector has extended considerably with the development of the new waterfront leisure complex providing cinema, food & drink and health & fitness outlets. Proposals for the intervening island site would add further evening activity in the form of 22,600 sq m of bars and restaurants. The commercial prospects for such proposals are clearly dependent upon the continuing strength of the consumer economy (based substantially upon financial services) and a healthy tourism sector.



4 The Policy Agenda

Strategic Aims

The Strategic Aims Report presented to the States of Jersey by the Policy and Resources Committee in December 2003 includes the Strategic Aim to create a strong and competitive economy. The report notes the specialised nature of the Jersey economy, and the key messages include the following:

- action and investment are required to grow and develop the **financial services** industry “in the face of severe international competition”
- **agriculture** and **tourism** “play...a large part in preserving the island's heritage and character”; there needs to be “a coherent tourism strategy”, while agriculture must respond to global competition
- the island must broaden and deepen its economic base, and
- success will depend on achieving “*world-class business conditions, a strong international reputation, excellent local and international communications and reliable transport links*”.

Four key measures are proposed:

- economic growth with sustainable inflation
- a skilled and qualified workforce
- enterprise, innovation and diversity, especially in high value-added sectors
- an open economy that encourages competition and minimises the costs of doing business

A number of indicators of success are listed, of which a number are of particular relevance to this study:

- growth in the financial services sector
- an increase in visitor numbers and expenditure
- introduction of new industries

Imagine Jersey

The Imagine Jersey process generated four illustrative scenarios for the island. Consultations have confirmed the perceived risks of decline in the financial services sector, and a consensus has emerged in favour of creating the conditions for future growth based primarily on Scenario 3 (Controlled Growth), but incorporating some aspects of Scenario 4 (Fast Growth):

- *controlled growth* assumes “a promotional and welcoming stance towards economic growth”, but continuing controls on immigration; it would involve a greater emphasis on *urban living* to relieve pressure on rural landscapes and biodiversity
- *fast growth* would require the removal of immigration controls, resulting in rapid population growth; a new *urban lifestyle* could attract new types of people, especially the young.

Both these scenarios are predicated on achieving continued growth in the financial services. The scenarios identify key conditions for growth, including:

- recognition of the *need for change in traditional industries* (Controlled Growth)
- attraction of at least one *new industry* to the island (Controlled Growth)
- *major infrastructure investment* to support new population/businesses (Fast Growth).

Jersey Island Plan

The Island Plan sets out a vision of Jersey as a distinctive place where everyone is able to enjoy a high quality of life in a way that respects the environment and culture of the Island and keeps it special for future generations.

The Plan cites the States’ general economic objectives, which can be summarised as follows:

- encouraging *balanced and diversified* economic development
- encouraging a level of business activity that will secure a *high standard of living*
- achieving business activity of a type and scale that *enhances the natural and built environment*

Specific objectives relate to financial services, tourism, agriculture/fisheries, and manufacturing/services. Themes relevant to this study include:

- resources for the strengthening and diversification of financial services
- improving tourist accommodation and services
- promoting the island’s environment, heritage, arts and festivals
- limiting commercial development on greenfield sites

The Island Plan includes an *economic and community strategy*. Relevant elements of this strategy include:

- meeting the future requirements of the office and industrial

sectors, including emerging new industries

- enabling the development and expansion of existing businesses
- *protecting and enhancing the centre of St Helier as the focus of commercial, retail and evening activities*

The Plan rehearses spatial options for the location of development. It confirms St Helier’s role as the island’s major business and service centre, while recognising that the town cannot accommodate all development needs. In St Helier, development will be achieved within the built-up area, and by extension of the built-up area.

The strategy for St Helier (and other settlements) is based on the *protection and enhancement of the built environment so that it becomes a desirable place in which to live, work and play*. This will be achieved by:

- regeneration and enhancement of the **built environment**
- **re-use of land and buildings** in the built-up area
- promotion of **high quality buildings and public domain**
- celebration of built, cultural and archaeological **heritage**
- **sustainable design**, construction and energy use
- protection of **local character and distinctiveness**
- reducing **traffic impacts**

The Island Plan acknowledges that **office** developments will continue to focus on St Helier, as there is little provision elsewhere in Jersey. The Plan aims to contain office development within a defined town centre area, and to stop the spread into residential quarters. In addition, office development may be permitted as part of a mix of uses in the Waterfront and three other action areas.

The Plan describes St Helier’s historic core, where the most important civic, religious, retail and commercial buildings are concentrated. This is the “gem” of St Helier, but the activities of people living and working in the area have an impact on the built fabric:

Balancing the need to accommodate change with the need to conserve and enhance the inherent quality of the town’s fabric is an important challenge...the new Island Plan shifts the emphasis from the replacement of historic buildings in the town centre to their retention and re-use.

By contrast with the conservation imperatives of the historic core, the Waterfront Development Area will be the focus for “*the most significant urban expansion in present day St Helier and during the life of the new Island Plan*”:

Ultimately the area will comprise a mix of residential, commercial, civic and leisure buildings and public amenity spaces.

Tourism Strategy

A *Tourism Strategy for Jersey* (2000) states that:

The future of tourism in Jersey lies in adding value – adding value for the visitor and adding value to Jersey. We have to build on Jersey’s special strengths and character, address its weaknesses and work within the economic and environmental constraints of living on a small island.

The strategy highlights the continuing importance of tourism for the Jersey economy, despite a marked decline in visits and (especially) bednights in the 1990s. It emphasises the importance of a flourishing industry as a counterweight to the dominant position of the financial services industry. It quotes market research that visitors and non-visitors had a positive image of Jersey, which was seen as “*an upmarket destination*”, but that the island was also perceived to be “*geared more to the needs of the older visitor, safe and perhaps a bit dull or old fashioned*”.

However, while the quality of coast and countryside is good, the urban environment is in need of improvement. In particular:

St Helier, which should be a vibrant centre of activity and a magnet for visitors, compares poorly with St Peter Port, Guernsey and historic waterfront towns elsewhere. It is dominated by traffic. Fort Regent is badly in need of refurbishment and the area around the harbour, which should be a focus for visitors, also needs attention.

From a long list of strategic priorities, five are of particular relevance to the present study:

- improving the look and feel of **St Helier** and other key settlements
- making more of **food and shopping**
- promoting **sports, arts and events** led tourism
- identifying **development opportunities** and broadening the **accommodation** base
- developing the **business and conference** market.

The strategy is critical of the St Helier offer. St Helier is a gateway to the island, many visitors stay in the town and almost all will visit at some time during the stay. It has a key role to play, especially outside the peak holiday season, but while much of St Helier is “*pleasant...parts of the town are weak and compare unfavourably with similar waterfront towns...which have become major visitor destinations in their own right*”.

Conclusion

This has been a brief review of some – but by no means all – relevant aspects of the policy agenda. The review has highlighted a number of **recurring themes** which need to be addressed by the present study, including:

- recognition of the dominant role of the **financial services sector** - despite some concerns about over-dependency and competitive threats, there is a general recognition that the sector is vital to the continuing prosperity of the island, and that it needs to be able to develop, innovate and evolve
- the continuing decline of the island’s **tourism industry**, and a perception that it has failed to respond to the needs of a changing market, has serious implications – not least the knock-on effects on retail, restaurants and associated industries
- there is a continuing search for a **new industry** to contribute to wealth creation, but the policy process has failed to identify credible candidates; it is more likely that future growth will be driven by innovation and diversification in existing industries
- Jersey is a small, crowded island and there is real concern about its ability to achieve continued growth without compromising its **distinctive attributes and quality of life**; one of the implications of this policy tension is a new emphasis on urban living in St Helier itself

A number of **policy strands converge** on St Helier, which is lagging behind coastal towns and failing to contribute to the island’s strategic aims. The town:

- will continue to be the island’s only significant **office centre**, but changes will be needed to stop the drift of office space into the suburbs; this will mean accommodating modern space in the historic core and in key designated locations such as the waterfront
- needs to upgrade its **urban infrastructure**, including provision of the planned transport interchange, modern conference facilities and business hotels

- must develop a more attractive and competitive **urban lifestyle**, reflected in, for example: improved housing choice; a more sophisticated food, drink and shopping offer; street life and events; and a richer cultural programme
- must give priority to re-connecting with the **waterfront** through the regeneration of the Weighbridge, Island site and the Waterfront Development Area

5 St Helier: competitive place?

St Helier is the administrative capital of Jersey, and the island's only significant urban settlement. A combination of Jersey's singular housing regulations and the historic parish boundaries means that, in all probability, *the employed population of St Helier exceeds the resident population*: this is a unique situation for a town of this size.

St Helier is distinctive in a number of other ways. The inherent conditions of island life means that St Helier captures domestic retail and entertainment spend with *negligible leakage*; when an annual inflow of almost 1 million visitors is added to the equation, it is easy to explain the *exceptional range and quality of consumer services* in the town relative to its modest size. In market terms, this means that St Helier has many of the *characteristics of large towns/small cities in the UK*, and *office rentals are on a par with the major regional centres*.

These unique conditions are confirmed by St Helier's role as the seat of island government and administration, its *entrepot* function for the Channel Islands and its role as a centre for culture, sport and learning. Taken together, these factors help to explain why – despite a number of shortcomings – St Helier has the *urban presence, vitality and choice* of a much larger city.

St Helier: west end from Fort Regent



Major Challenges

However, the consensus of opinion among policy makers and our consultees is that *St Helier is a disappointing and under-performing place which has failed to keep up with the changing expectations of residents, visitors and business.* We think this assessment is too harsh in some respects – some significant improvements have been achieved in recent years - but we agree that the town still faces *major challenges* if it is to realise its undoubted potential.

We have identified four key challenges, broadly reflecting the policy agenda outlined in the previous section:

- creating the conditions for continuing growth in the **financial services** sector
- maximising the quality and appeal of the **visitor experience**
- encouraging and enabling the development of an authentic **urban lifestyle**
- transforming the **waterfront** into a vibrant and diverse urban quarter

These are not stand-alone issues. The four challenges are intimately connected and require coherent, joined-up solutions.

St Helier north west panorama from Fort Regent



Financial Services

St Helier has coped generally successfully with the rapid expansion of the financial service industries in the past 25-30 years. During that period, the larger banks and building societies have migrated from the traditional business district in the heart of the town, consolidating their requirements in new buildings, often on the town centre fringes.

Jersey has an authentic financial services *cluster* and – in many cases – smaller units vacated by the banks have been occupied by investment trusts, fund managers, legal firms and accountants. A hierarchy of office accommodation has emerged and while this process has tended to push out the boundaries of St Helier's central business district, development has been contained within a relatively small core area.

However, events in the past 1-2 years have resulted in some closures and downsizing and there is a sense that, at least for the time being, *employment in the sector has reached a high water mark.* The challenge for policy makers is to help the industry to move through this transitional phase and into a new period of diversification and growth. That task is beyond the scope and competence of this report, other than to reflect the industry's perception that routine, back office functions will be replaced by higher-order, specialised functions.

Against that background there is some concern that, while St Helier has been able to accommodate the growing and changing space requirements of the sector, it has been less successful in developing some of the *business infrastructure* likely to be required for the next phase of development. In particular:

- St Helier does not have any modern **business hotels**
- there is no dedicated **conference facility**
- there is no dedicated **business school**

Visitor Experience

We share the general perception that St Helier provides a mixed experience for visitors. The *best of St Helier* includes:

- a compact, walkable central area
- attractive pedestrianised streets
- distinctive, high quality department stores and an extensive range of high street multiple stores
- the Victorian markets
- some attractive public spaces, including Royal Square
- a wide range of restaurants
- Jersey Museum

However, the town also has a number of *disappointing features*:

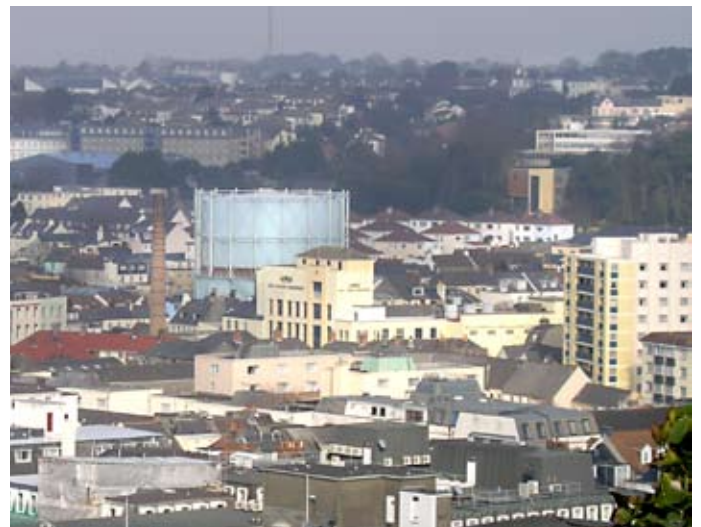
- the quality and walkability of the town centre diminishes beyond the retail core
- traffic dominated environment, especially on the southern fringe
- lack of street life and vitality out of hours
- lack of distinctive speciality shopping
- lack of high quality restaurants
- dull and limited cultural offer
- disappointing and dated range of hotels
- evening drinking culture

St Helier needs to move on. Despite some improvements it compares poorly with other accessible short-break destinations, and confirms the impression (in the Tourism Strategy) of a “*dull and old-fashioned*” urban experience.

Urban Lifestyles

Despite the concentration of employment in the capital, St Helier has failed to attract a corresponding share of the resident population. The town has a large population of itinerant workers, and about two-thirds of the housing stock is rented.

Historically, there has been *little evidence of an appetite for urban living*, but there is little doubt that the growth of the owner-occupied sector would be beneficial at a number of levels. It would help to relieve development pressure on the island, create a better-balanced and more sustainable community, strengthen the retail and personal services sector and promote a more active and stimulating cultural scene.



above: St Helier north east from Fort Regent
below: Ariadne - the Steam Clock



There are important *demographic factors* to take into account here:

- the fact that half the island's 18 year olds leave Jersey each year for higher education in the UK means that St Helier has no real student life, and there is a "missing generation" of the best and brightest young people
- young residents are replaced in part by non-resident workers in key industries such as finance and tourism; this helps to create a party/ drinking culture which is a source of some concern
- tight immigration control, largely through the housing system, means that Jersey is not an open society; there is a lack of diversity and new enterprises face significant restrictions

These observations are not criticisms. These factors reflect the special conditions and circumstances of the island, and they are not within the scope of this study. However, they need to be taken into account when future strategies for St Helier are being framed because, for example, *they militate against bohemian lifestyle or the development of the creative industries* both of which thrive on diversity, mobility and a large student population.



St Helier at night
above: west end restaurant below: Weighbridge area



The Waterfront

The complete *disconnect between the town centre and the sea* is one of the most dispiriting aspects of the St Helier experience. The incremental reclamation of the foreshore, over at least 200 years, to create a modern port and (latterly) other development sites has diminished any sense of the town's maritime history and function. Much of this process has been essential and it is, any event, irreversible. However, the problems it has caused have been compounded by the severance caused by major roads, and inappropriate and (for the most part) inept and low quality development.

The harbour, the marinas and the Jardin de la Mer should be focal points for residents and visitors alike, but they are *stranded on the wrong side of a busy road and a hostile pedestrian environment*. The leisure complex is a classic out-of-town, car-orientated development that contributes little to the vitality of the urban area.

With the exception of the new apartments at Albert Pier – which add some much-needed life and activity - *the first phase of waterfront development has been a sad disappointment*. Above all, it looks desperately dated and there is no sense that St Helier has learned the lessons from best practice waterfront developments in the UK and the rest of Europe.



St Helier waterfront: disconnection issues



Conclusion

St Helier has some valuable qualities and attributes, but our analysis confirms the broad thrust of the consultations and the policy review. St Helier has a dynamic and competitive economy, but *the urban experience does not reflect the energy and skills of the financial services cluster.*

As a number of people have suggested to us, the condition of St Helier seems to reflect *a lack of confidence and direction.* We encountered a lot of anecdotal evidence of frustrations about, for example, parking, vehicle access, street cafes and events, which are typical of what happens when there is a breakdown of trust and confidence among politicians, officials, businesses and citizens.

There is, however, *no reason for pessimism.* St Helier needs to do better, but it has a lot going for it including a dynamic, wealth-creating industry, an attractive urban core, an excellent shopping offer and an outstanding (though sadly wasted) waterfront location.

In some ways, St Helier appears to be lagging behind the best of modern Jersey. *The overarching challenge is to realise the potential of the town to become a driving force for change, and to provide solutions for the perceived tensions between economic growth and quality of life.*

In tackling these challenges, two key principles should be paramount:

- first, St Helier needs to **learn lessons from other, comparable places**; one of the most depressing features of the (so far) botched development of the waterfront is that it is a throwback to models that have long since been discredited and superseded by new approaches to **place-making**
- second, the future development and regeneration of St Helier must be driven by an **effective partnership** between the States, the parish, businesses, investors, property-owners and the community; unless this is achieved, the sub-optimal fixes and compromises that so many complain of are destined to be repeated.



Havre-des-Pas from Fort Regent

6 Implications for the Development of St Helier

Based on this analysis of the driving forces shaping the Jersey economy and society, we have provisionally identified *four key goals* for the future development of St Helier:

1. to establish St Helier as an internationally competitive location for offshore financial services
2. to establish St Helier as a popular and attractive short-break destination for discerning visitors, and as a positive feature of the island product
3. to increase the proportion of the island's permanent residents living in St Helier, and
4. to make the waterfront a vibrant and attractive urban quarter, fully integrated into the life of the community and the visitor experience.

For each of these goals we have framed a series of specific objectives. We will revisit these goals and objectives in the Strategic Directions and Recommendations chapters to see how they might fit with other emerging policy and proposal strands for St Helier.

Ref	Goal/objective
1	Financial service sector
1.1	Maintaining pipeline of supply for an changing industry
1.2	Delivering 1-2 quality business hotels
1.3	Developing a world-class conference centre
1.4	Testing the market opportunity for an international business school
2	Visitor destination
2.1	Raising the quality and choice of accommodation in the town centre
2.2	Developing a year-round programme of events and festivals
2.3	Making the entire town centre a pedestrian-friendly environment
2.4	Creating a more cosmopolitan urban experience
3	Urban living
3.1	Facilitating an increase in owner-occupied flats/houses in the town centre
3.2	Improving community, cultural and leisure facilities in the town centre
3.3	Promoting and celebrating the diversity of the community
3.4	Improving the quality of streets and public spaces
4	St Helier Waterfront
4.1	Regeneration of St Helier/English Harbour as a town centre extension
4.1	Redevelopment of the island site as an urban quarter, combining office, housing and transport infrastructure
4.3	Overcoming severance caused by La Route de la Liberation
4.4	Improving the experience of arrival for ferry passengers.

Footnotes

¹ Based on Background Statistics for the Debate on Population Policy, States of Jersey, Policy and Resources Department

² Based on Background Statistics for the Debate on Population Policy, States of Jersey Policy & Resources Committee and <http://www.statistics.gov.uk/census2001/profiles/uk.asp>

³ Based on 2001 Census Bulletin 5: Educational and Professional Qualifications and Economic Activity, States of Jersey Policy & Resources Committee, and www.nomisweb.co.uk/ labour force survey 2002.

⁴ Derived from Report on the June 2002 Manpower Survey & Report on the June Manpower Survey Report 2003

⁵ Data supplied by States of Jersey Statistical Department.

⁶ Based on data in States of Jersey Policy and Resources Department, Census Bulletin 6: Employment by Occupation and Industry and (for GB) the Labour Force Survey.

⁷ First time buyer sites, gap sites in St Helier and at St Helier Waterfront, and windfall sites

⁸ For example Dandara's new-build Spectrum and West Park schemes.

⁹ Sarre & Co.

¹⁰ www.jerseywaterfront.je

¹¹ Table 6.6 of the 2001 Census – corporate managers, business & public service, administrative, secretarial and related occupations total around 18,000 jobs. See also Section 2

¹² A typical UK average figure would be 1 employee per 16 sq m.

¹³ CWHB

¹⁴ Estates Gazette Interactive Research Centre

¹⁵ 30ft. Zone A, comparable to Scotland but not England. This rental level is above Guernsey and Scottish centres such as Inverness, Dundee and Stirling, but below Glasgow, Edinburgh and Aberdeen.

¹⁶ Estates Gazette Interactive Research Centre

