

Employment Study

December 2020



This report takes into account the particular instructions and requirements of our client.

It is not intended for and should not be relied upon by any third party and no responsibility is undertaken to any third party.

Job number 270796-00

Ove Arup & Partners Ltd
13 Fitzroy Street
London
W1T 4BQ
United Kingdom
www.arup.com

ARUP

Contents

1	Introduction	3
1.1	Overview of the Island Plan Review	3
1.2	Purpose and Structure of the Employment Study	3
2	Methodology	4
2.1	Part 1: Baseline	4
2.2	Part 2: Land Use Futures and Policy Review	4
3	Economic and Employment Baseline and Demand Forecast	7
3.1	Jersey's Population and Economic Context	7
3.2	Economic Forecasts	14
3.3	Implications for the Bridging Island Plan	18
4	Key Sectors for the Bridging Island Plan	19
4.1	Visitor Accommodation	19
4.2	Retail and Town Centre Uses	31
4.3	Office	40
4.4	Light Industrial	46
5	Visitor Accommodation Land Use Futures Assessment and Policy Review	53
5.1	Assessment of Visitor Accommodation Land Use Futures	53
5.2	Review of Visitor Accommodation Policies	56
6	Retail and Town Centre Land Use Futures Assessment and Policy Review	60
6.1	Retail and Town Centre Land Use Futures Assessment	60
6.2	Review of Retail and Town Centre Policies	63
7	Office Land Use Futures Assessment and Policy Review	78
7.1	Assessment of Office Land Use Futures	78
7.2	Review of Office Policies	81
8	Light Industrial Land Use Futures Assessment and Policy Review	86
8.1	Assessment of Light Industrial Land Use Futures	86
8.2	Review of Light Industrial Policies	88
9	Overarching Policies Review	94
9.1	Review of Overarching Policies	94
10	Next Steps	95

1 Introduction

1.1 Overview of the Island Plan Review

The Government of Jersey is currently undertaking a review of its Island Plan. The new ‘bridging’ Island Plan (BIP) will plan for the island’s positive growth until 2025, in the context of the Covid-19 pandemic and the island’s recovery. It will exist between two longer-term plans (the current Island Plan 2011 to 2021; and a future Island Plan 2025 to 2034).

The BIP will provide a new framework against which planning decisions will be made. It will be a key plank of Government policy and help to deliver sustainable development that balances the future economic, environmental and social needs of the island in a way that is best for Jersey and which reflects the vision and aspirations of islanders.

1.2 Purpose and Structure of the Employment Study

The Government of Jersey has commissioned Arup to produce an Employment Study to support the Island Plan review. The Study provides an overview of the island’s existing economic and employment performance and associated land use requirements. It also seeks to understand future likely demand for employment floorspace/land over the period of the BIP as well as identifying other policy responses or mechanisms that should be considered in preparing the BIP to support Jersey’s economy including its post-Covid-19 recovery. More specifically, the Study is split into two parts, which are structured as follows:

Part 1: Baseline

- Summarises the methodology adopted for the study (**Section 2**).
- Provides an overview of Jersey’s economic and employment baseline (**Section 3**).
- Considers in more detail the current position of, and future drivers of change for, four types of employment land use – visitor accommodation, retail and town centre, office and light industrial (**Section 4**).

Part 2: Land Use Futures and Policy Review

- For each type of employment land use (visitor accommodation, retail and town centre, office and light industrial):
 - assesses a range of land use ‘futures’ which might occur over the lifetime of the BIP; and
 - evaluates the efficacy of the current Revised 2011 Island Plan policies in the context of the findings of the Employment Study (**Sections 5-9**).
- Provides a series of next steps for the BIP (**Section 10**).

2 Methodology

2.1 Part 1: Baseline

Part 1 of the Study provides an overview of Jersey's economic and employment baseline (Section 3), and considers the current position of, and future drivers of change for, four types of employment land use – visitor accommodation, retail and town centre, office and light industrial (Section 4).

Part 1 draws from a number of sources of information and data, set out in each section and sub-section. Section 4 has also been informed by stakeholder engagement. The data relied upon in this report is based on the data available to Arup in November 2020. For Statistics Jersey data, the values are constant values for the latest year entry. For example, if the latest entry for a particular data set is 2018, all data points will be shown at 2018 values.

2.2 Part 2: Land Use Futures and Policy Review

Part 2 of the Study is structured by land use type:

- Visitor accommodation (Section 5)
- Retail and town centre (Section 6)
- Office (Section 7)
- Light industrial (Section 8)

Each of these sections presents the land use 'futures' that have been developed for the four key land uses. The range of possibilities have been identified through the baseline review and stakeholder engagement. This enabled an exploration of the how the overall direction of travel will likely impact on demand for employment floorspace, measured against the known supply across the island. The land use futures were then appraised to identify what this means for the broad policy direction for the BIP. Further detail of how the futures have been defined and assessed is provided below.

Using the range of land use futures and the required policy direction, the assessment then reviews the existing employment land-related policies contained in the Revised 2011 Island Plan. The review considers whether the policies remain appropriate to supporting the identified land use futures. The review also sets out additional recommendations for consideration in preparing the BIP.

Defining Land Use Futures

Using the findings from the baseline assessment, three 'futures' for each land use type have been developed which reflect how the need for the different types of employment floorspace could change over the Plan period. There are three types of 'future':

- **‘Business as usual’** – the economy (and demand for employment space) recovers from the impacts of Covid-19 to be broadly similar to the pre-Covid picture, albeit with wider trends (e.g. gradual move towards online shopping) continuing.
- **‘Contraction’** – the economy and demand for employment space either contracts as a result of the impacts of Covid-19, or the recovery does not materialise fast enough to be felt within the Plan period. As well as this, wider drivers of change also lead to a contraction in demand for employment space.
- **‘Expansion or change’** – new opportunities arise (from the post-Covid recovery or through wider drivers of change) which lead to an expansion of the economy and/or demand for employment space above and beyond what might be expected under business as usual or sees a change in requirements (e.g. new hubs forming or facilities required).

The purpose of defining these futures is to formulate a ‘range’ of possible outcomes over the Plan period, to which the policies in the BIP will need to respond or seek to facilitate. This is considered to be an appropriate response to the uncertainty in future economic conditions and the absence of detailed forecasts. As a result, the land use futures do not seek to quantify the impact of economic growth on the demand for employment floorspace (i.e. floorspace for office, light industrial or retail uses or the amount of bed spaces). A more quantitative approach might be taken when developing the evidence base and policies for the next full ten-year Island Plan following the shorter BIP, when there is more certainty over the economic prospects of the island.

It should be noted that it is not the intention to suggest that just one of these futures will occur, in the form that has been defined; rather it is an approach to assess the policy implications in their broadest sense to ensure that policies in the BIP are fit-for-purpose and, if necessary, can support a broad range of possible economic conditions. This approach also seeks to recognise that there are some drivers of change which are too uncertain to be considered through the land use futures. In particular, the impact of Brexit is both highly uncertain and complex and may have both negative and positive impacts for Jersey (potentially at the same time). The futures assume that known development proposals that are not yet consented or constructed will come forward as planned, including the International Finance Centre. Specific reference has been made to the impact of these future developments on employment floorspace demand in Section 4.

Assessment of Land Use Futures

This section uses the ‘futures’ that have been developed to identify what the BIP needs to do in order to respond to an expansion, contraction or constant demand in accommodation floorspace. The assessment also covers what may need to be re-evaluated in subsequent plans when there is greater clarity on trends or when more information is available.

Review of Accommodation Policies

Having identified what the BIP policies need to do to support the land use futures, a review of the effectiveness of the employment policies in the Revised 2011 Island Plan are presented. The review also incorporates views from stakeholder engagement. Consultees commented on the effectiveness of the existing policies in achieving their intended aim and where there is scope to amend to more appropriately fit into the context of the Strategic Policy Framework for the BIP. Where appropriate, recommendations are made on future policy direction and any further work likely to be required to support preparation of the BIP.

3 Economic and Employment Baseline and Demand Forecast

This section provides an overview of the economic and employment baseline for Jersey and considers the future of the island's economy having regard to the impacts of the Covid-19 pandemic as well as the potential uncertainty brought by Brexit and other structural changes in the global economy.

3.1 Jersey's Population and Economic Context

This section presents an overview of Jersey's population and demographic profile, before setting out Jersey's macroeconomic indicators. It focuses on the aggregate changes in the economy such as productivity and labour market statistics since these indicators best reflect the behaviour and performance of the island's economy.

Population and Demographics

Over the period 2015 and 2019, the average population change for Jersey was an additional 1,380 people per year. While still leading to a population increase, the trend that underlies this average is downward, driven by reductions in natural growth and net inward migration. The total annual increase in population is falling by around 100-200 people each year as shown in Table 1.

The level of net inward migration has largely determined population change in the island, reflecting an ageing population, which is resulting in the level of natural growth in the working age population being negative (more people are retiring than entering the workforce). This means that the level of net migration is largely interdependent with the level and trajectory of employment growth.

Table 1: Change in Jersey's resident population, 2015-2019¹

Year	Natural Growth	Net Inward Migration	Total Annual Change
2015	220	1,500	1,700
2016	200	1,300	1,500
2017	130	1,200	1,400
2018	100	1,100	1,200
2019	90	1,000	1,100
5-year average			1,380

¹ Statistics Jersey (2019) 'Change in Jersey's resident population' 2015-2019. Available at: <https://www.gov.je/SiteCollectionDocuments/Government%20and%20administration/R%20Population%20Estimate%20Current%2020180620%20SU.pdf> (Accessed September 2020)

Jersey's Economy

Prior to the Covid-19 pandemic, Jersey's economy was continuing to grow, typically averaging between 1 to 2% per annum. This is supported by the analysis undertaken by Jersey's Fiscal Policy Panel Advice for the 2020-2023 Government Plan (March 2019) that identified a growth in Gross Valued Added² (GVA) of 0.4% in real terms in 2017. This marked a fourth year of recovery from an extended economic downturn after 2007, which left GVA 9% below its 2007 level and 9.5% below its 2000 level.

In terms of sectoral mix, Jersey's economy is largely driven by international financial services and legal services, which account for approximately 40% of Jersey's GVA and almost half of all economic activity. Jersey's financial industry is bolstered by a tax neutral framework that provides a 'friendly' operating environment. Crucially, Jersey's finance and legal sector is a major contributor to employment in the island and remains the island's primary economic generator.

Other key sectors include construction, private sector services (i.e. consultancy services), wholesale and retail, and hospitality and tourism. These sectors are important for Jersey's consumption economy or for facilitating other sectors such as finance or legal. Hospitality and tourism are notably supported by seasonal workers, especially in the summer months.

Agriculture continues to remain an important sector in the island, despite accounting for only 1% of jobs. Some 50% of the island's area comprises productive agricultural land, with potatoes being the main crop. Jersey's marine economy is also productive, which is reflected in the economic importance of fishing and aquaculture in the island as well as the fishing industry's role in island life and Jersey's culture. Fisheries and aquaculture directly support around 180 jobs and many more in associated industries such as engineering, maintenance and merchants³. Jersey's coastal waters also act as a location for water sports, tourism, harbours and vital infrastructure.

Major developments are planned across the island to support business and visitor sectors. These include a masterplan for the expansion and consolidation of the port, increasing overall capacity to 1.2 million tonnes whilst enabling some of the land currently used to be released for redevelopment. There are also expansion proposals for the Airport including the creation of an integrated arrivals and departure terminal as well as plans for the continued expansion of Jersey's International Finance Centre to support the finance industry. There are also proposals to transform the south-west waterfront area of St Helier, including residential units, indoor and outdoor swimming pools, a national art gallery and a landscaped bridge over Route de la Liberation, connecting the waterfront area to the rest of St Helier.

² GVA is a useful measure of the value of goods and services produced by a sector of the economy.

³ Government of Jersey (2018) 'Marine Resources Annual Report'

| |

Market Size

Table 2 shows the market size by sector measured as GVA in real terms. This provides an indication of each sector's market size relative to the total GVA of the island, which stands at £4,707 million in 2018. Key sectors are as follows:

- Financial services: £1,843 million (39% of total GVA).
- Rental income of private households: £710 million (15% of total GVA).
- Wholesale and retail: £314 million (7% of total GVA).
- Hotels, restaurants and bars: £212 million (5% of total GVA).
- Construction: £335 million (7% of total GVA).

Table 2: GVA per sector in real terms (£m)⁴

Sector	2010	2011	2012	2013	2014	2015	2016	2017	2018
Agriculture	62	52	51	57	47	52	59	59	58
Manufacturing	58	53	48	44	47	47	49	48	51
Electricity, gas & water	56	54	54	56	55	59	64	65	64
Construction	293	280	258	251	264	289	312	340	335
Wholesale & retail	347	354	323	322	312	323	313	316	314
Hotels, restaurants & bars	163	166	172	175	185	192	205	201	212
Transport, storage and communication	164	160	156	165	168	177	174	180	182
Financial services	1,872	1,875	1,772	1,722	1,880	1,862	1,832	1,804	1,843
Other business activities (excluding rental)	423	422	425	439	447	473	500	519	528
Rental income of private households	614	613	644	651	657	674	689	700	710
Public administration	402	396	391	400	416	419	404	408	409

Labour Market

Labour market statistics indicate the characteristics of the workplace and employment. The following section outlines Jersey's workforce information including the employment levels and wages.

Employment

This subsection first presents the results from the Statistics Jersey 'Labour Market' report from 2019, which are then followed by the most recent 'Labour

⁴ Statistics Jersey 'Gross Value Added (GVA) by sector '. Available at: <https://www.gov.je/Government/JerseyInFigures/BusinessEconomy/Pages/NationalAccounts.aspx#anchor-0> (Accessed September 2020)

Market' report from 2020. The purpose of including information from both reports is to illustrate the initial impact of Covid-19 on employment in Jersey. The 2019 report shows the employment fluctuations between 2014-2019, which differ significantly from the 2015-2020 fluctuations contained in the 2020 report, which reflect the impact of the Covid-19 pandemic and associated lockdown and restrictions.

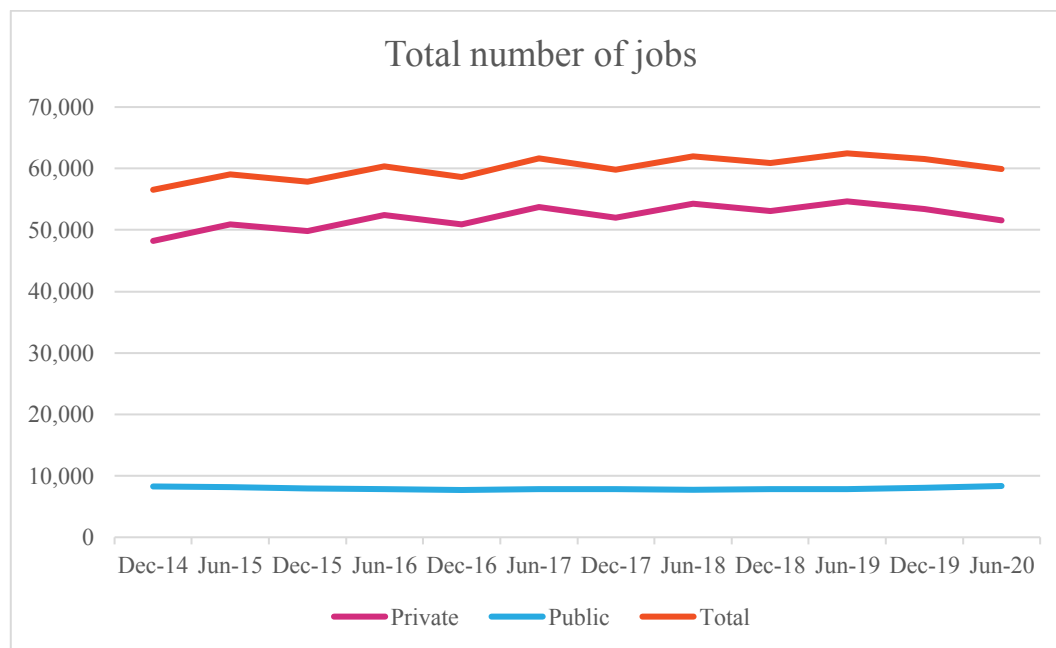
Labour Market, 2019

Over the five-year period from 2014-2019 there was an increase in private sector jobs of 5,230 (an 11% increase). The sectors with the largest increase were:

- Private sector education, health and other services (up by 1,750; an increase of 27%).
- Financial and legal activities (up by 1,010; 8%).
- Construction and quarrying (up by 940; 19%).
- Miscellaneous business activities (up by 800; 15%).

Conversely, for the public sector over the same time period, the number of jobs decreased by 260, a fall of around 3%. Figure 1 shows the total number of jobs for the private and public sectors⁵.

Figure 1: Total jobs by public and private sectors⁶

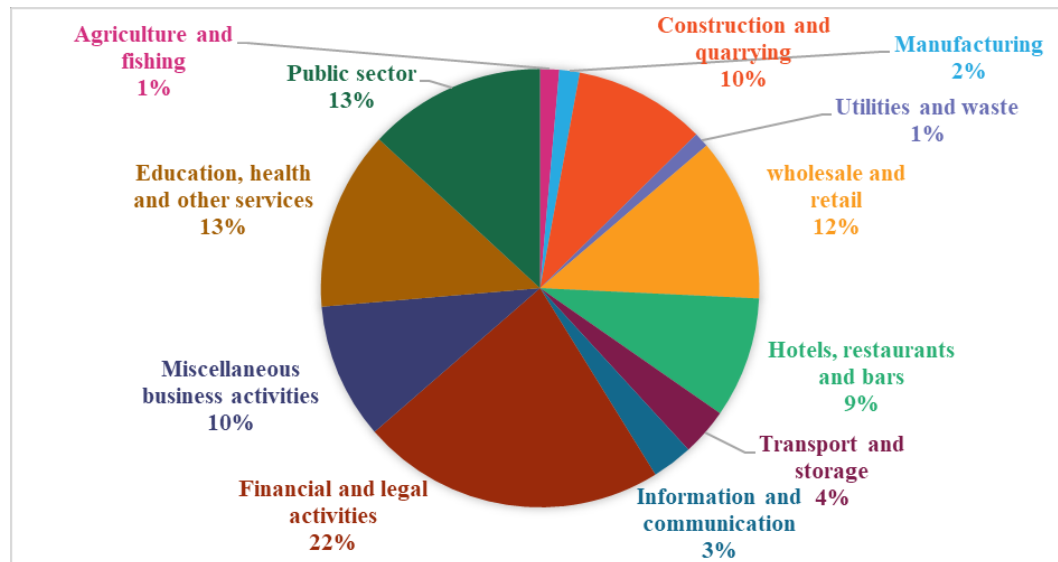


⁵ Statistics Jersey (2019) 'Labour Market'. Available at: <https://www.gov.je/SiteCollectionDocuments/Government%20and%20administration/R%20Jersey%20Labour%20Market%20Dec%2019%2020200528%20SJ.pdf> (Accessed September 2020)

⁶ Statistics Jersey 'Total employment (headcount)'. Available at: <https://opendata.gov.je/dataset/labour-market-manpower/resource/b35c58e8-3caf-4f44-969b-fd1bb0613983> (Accessed September 2020). Updated to include the latest (June 2020) Statistics Jersey 'Labour Market' report.

In December 2019, the total jobs in Jersey stood at 61,500. A breakdown of the contributing sectors is shown in Figure 2. The largest employing sectors are financial and legal activities, education, health and other services, and wholesale and retail.

Figure 2: Percentage of total jobs by sector⁷



Labour Market, 2020

The most recent 'Labour Market' report from June 2020⁸ is useful to portray the impact of Covid-19 on the labour market. Over the five-year period from 2015-2020 there has been an increase of 670 jobs in the private sector (compared with 5,230 from 2014-2019), an increase of 1%. Over the same five-year period, the number of jobs in the public sector increased by 150, a rise by 2%.

The total jobs figure now stands at 59,880. The sectors seeing the largest changes in job numbers between 2015 and 2020 were:

- Hotels, restaurants and bars (down by 1,490 jobs; -24%).
- Private sector education, health and other services (up 1,200; 18%).
- Construction and quarrying (up 680; 13%).
- Wholesale and retail (down 540; -7%).
- Miscellaneous business activities (up 450; 8%).
- Financial and legal activities (up 440; 3%).

⁷ Statistics Jersey 'Jobs by sector'. Available at: <https://www.gov.je/Government/JerseyInFigures/EmploymentEarnings/Pages/LabourMarket.aspx> (Accessed September 2020)

⁸ Statistics Jersey (2020) 'Labour Market'. Available at: <https://www.gov.je/SiteCollectionDocuments/Government%20and%20administration/R%20Jersey%20Labour%20Market%20Jun%202020%2020201105%20SJ.pdf> (Accessed November 2020)

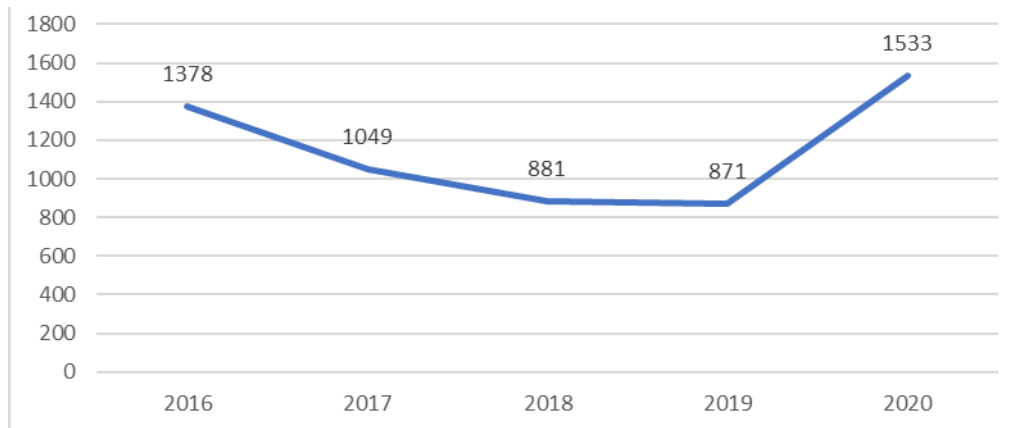
- Agriculture and fishing (down 420; -27%).

From June 2019 to June 2020 nine sectors saw a decrease in jobs; the largest decrease was in hotels, restaurants and bars (a reduction of 1,670). Similarly, financial and legal activities and wholesale and retail saw reductions in job numbers of 250 and 340, respectively. Conversely, the annual increase of 530 jobs in the public sector was driven by increases of 480 in the number of Government of Jersey core employees.

Unemployment

Unemployment is measured using the total number of registered individuals that are Actively Seeking Work (ASW). Figure 3 provides a 12-month average of the ASW figures from 2016-2020. The figure shows a gradual decline in the total number of individuals unemployed and actively seeking work between 2016 and 2019, before steeply increasing in 2020 at the time the Covid-19 pandemic begins.

Figure 3: Total registered as Actively Seeking Work between 2016 and 2020⁹



*The 2020 value is based on data from January to June.

Labour Market

The ‘Labour Market Insights’ report¹⁰ was commissioned by Digital Jersey, with support from Skills Jersey and carried out by labour market specialists Geek Talent. The report analysed over 9,000 job vacancies over the past two years to develop an understanding of the skills employers are demanding. These demands were then coupled with the CVs of more than 6,000 Jersey islanders to assess whether they match employer needs.

Reflecting the trends identified above, the report found that pre-lockdown Jersey’s labour market was characterised as having more jobs than people available, supporting continued in-migration trends to support economic growth.

⁹ Statistics Jersey

<https://www.gov.je/Government/JerseyInFigures/EmploymentEarnings/Pages/RegisteredUnemployment.aspx> (Accessed September 2020)

¹⁰ Geek Talent (2020) ‘Labour Market Insights: Cross Sector review and key findings’

| |

Unsurprisingly the labour market has been hit hard by Covid-19, with a reduction in jobs during lockdown of 64%¹¹.

A focus of the report was the availability of digital skills and potential threats to the island's economy arising from digitisation and automation of the key sectors. In relation these themes, the report found that:

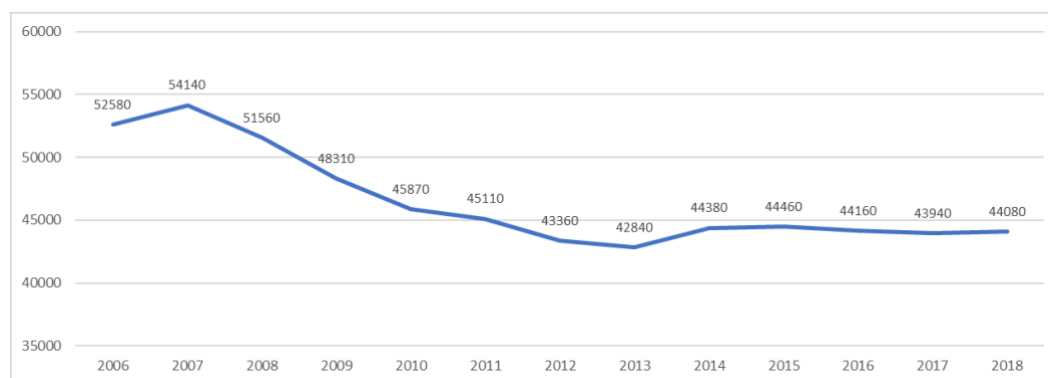
- **Digital Lagger:** Jersey's digital technology adoption rate stands at 10.4%, which is lower than London and Edinburgh (with adoption rates of 16%).
- **Digital Employment:** Digital jobs are pivotal to all sectors and is a growing share of all recruitment, with financial services representing 29% of all advertised digital roles.
- **Jobs Automation:** Many of the island's highest remunerated jobs are most exposed to the impact of automation. For example, locally 55% of Fund Accountants tasks could be automated.
- **Tech Potential:** Locally the banking sector has embraced process automation, but many other sectors have yet to do so. Hospitality is one sector with a great opportunity for digital adoption.

Productivity

Productivity refers to the ratio between the output volume and the volume of inputs, measuring how efficiently production inputs such as wages and capital are being used in the economy to produce a given level of output. Figure 4 provides an indication of the productivity level in Jersey. The graph shows a fall in productivity levels as a result of the financial crisis of 2007-08. Since then, productivity levels have begun to recover and appear to be levelling off around a GVA per head figure of £44,000. This provides an indication of the general performance of the economy and shows that on average across sectors, output levels per worker have stagnated. Productivity is one of the main drivers of long-term economic growth and living standards, stagnation in productivity since the financial crash has also been witnessed in the UK and is not specific to Jersey. (Note, the timescale for this data does not include the period of Covid-19).

¹¹ Geek Talent (2020) 'Labour Market Insights: Cross Sector review and key findings'
| |

Figure 4: GVA per head of population 2006 – 2018¹²



Across the key sectors of Jersey's economy, productivity levels vary; Table 3 shows the GVA per Full Time Equivalent employee by sector. For example, the wholesale and retail sector productivity has flatlined from 2010 to 2018 whilst the hospitality sector has improved productivity incrementally from 2014 onwards. This indicates that the hospitality sector is performing strongly, and that prior to Covid-19 hospitality businesses may have been looking to expand.

Table 3: GVA per Full Time Equivalent employee (£000s), by sector¹³

Sector	2010	2011	2012	2013	2014	2015	2016	2017	2018
Agriculture	35	32	30	32	27	32	36	37	37
Manufacturing	47	47	46	43	47	46	46	45	47
Electricity, gas & water	111	107	110	117	114	127	135	138	142
Construction	56	54	53	53	55	57	58	60	59
Wholesale & retail	46	46	44	46	45	47	46	46	46
Hotels, restaurants & bars	34	34	34	34	35	36	38	37	38
Transport, storage and communication	64	64	62	66	65	68	65	66	65
Financial services	153	154	147	145	157	151	146	141	143
Other business activities (excluding rental)	51	49	47	47	46	46	46	45	44
Public administration	56	55	54	54	56	58	58	59	59

3.2 Economic Forecasts

The economic forecasts prepared in October 2019 by Jersey's Fiscal Policy Panel showed real GVA growth of 0.9% in 2019, rising to 1.0% in 2020. These were, however, caveated by significant uncertainty regarding the outcome of Brexit negotiations with the European Union (EU) and more widely with the escalation

¹² Statistics Jersey 'GVA per head of population in real terms'. Available at: <https://opendata.gov.je/dataset/national-accounts/resource/06c3bf43-7400-417e-8538-36a1d9605ba4> (Accessed September 2020)

¹³ Statistics Jersey 'National accounts: GVA and GDP'. Available at: <https://www.gov.je/Government/JerseyInFigures/BusinessEconomy/Pages/NationalAccounts.aspx#anchor-0> (Accessed September 2020)

of trade tensions between the United States of America and its trading partners. The long term trend growth for 2022 onwards was forecasted to be 0.6%.

The October 2019 Annual Report¹⁴ highlighted underlying longer-term challenges of financial services, productivity and the ageing society. These include the potential risks of Brexit to Jersey's financial services, challenges of low productivity growth in both finance and non-finance sectors and increased fiscal pressures from an ageing population.

Covid-19

Since the outbreak of Covid-19 Jersey's Fiscal Policy Panel have published two updates to their economic assumptions: March 2020 and August 2020. This sub-section focuses on the findings of the latest update (August 2020). Where appropriate, it also provides a comparison between the two forecasts (in terms of nominal and real GVA).

In August 2020, Jersey's Fiscal Policy Panel wrote to the Treasury Minister to provide an update on the economic assumptions and forecasts following the Covid-19 pandemic. The Panel advised that the data suggests that Covid-19 has resulted in a steep contraction in Jersey's economy characterised by the following factors:

- GVA is forecast to fall by 7.5% in 2020 followed by a gradual and partial recovery.
- A rise in the number of people registered as unemployed. This peaked in May 2020 at 2,380, an increase of 1,500 people since the beginning of 2020 and greater than double the level present a year earlier.
- A reduction in the number of Class 1 Social Security contributors (used as a proxy for jobs). March 2020 showed a reduction in contributors of 1.5%, which is considered a more significant fall on previous months.
- A reduction in online job postings for vacancies. This fell from 1,200 in February 2020 to 150 in April 2020.
- Negative business sentiment evidenced in the Business Tendency Survey (surveys asked to chief executives of private sector businesses to gather qualitative information about the island's economy) for 2020. While all sectors were experiencing severe challenges, this was most pronounced in the hospitality, construction and retail sectors.

The Fiscal Policy Panel's central forecast published in August 2020 expects that there will be a significant fall in employment, particularly in those sectors most affected by the restrictions in place, anticipating a decrease of 1.6% in employment in 2020 on an annual basis. For non-finance sectors profitability is expected to fall substantially as a result of subdued inflows and persistent outflows of individuals.

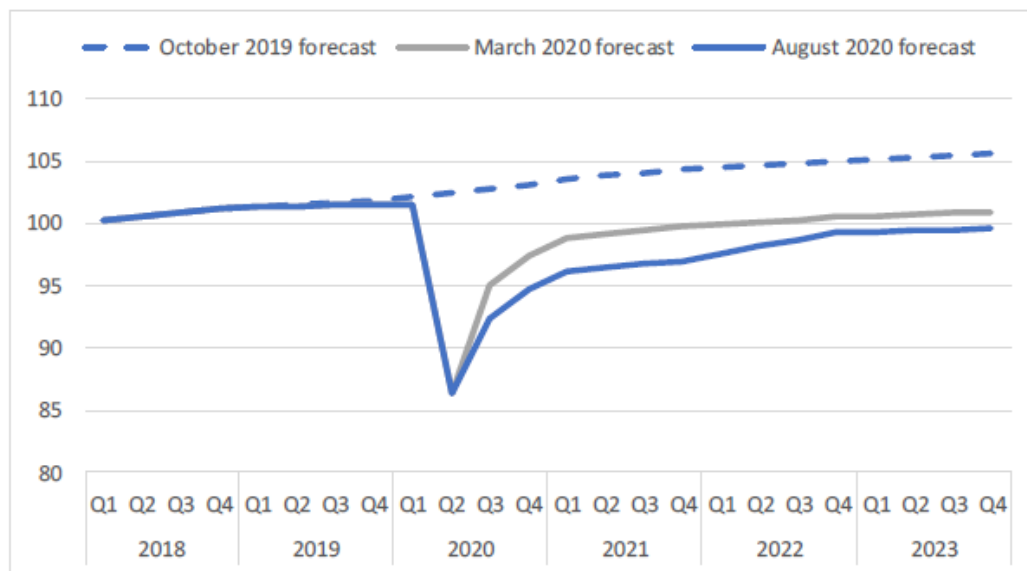
¹⁴ Jersey Fiscal Policy Panel (2019) 'Annual Report'
| |

The Fiscal Policy Panel also found that GVA had decreased by 1.5% between March and August 2020. Its latest forecast anticipates a further fall in real GVA in 2020, before entering a slower recovery from 2022 onwards. The Panel recommended that it would be prudent to plan on the basis of a long-term reduction in the size of Jersey's economy relative to its projected potential prior to Covid-19. A summary of the economic forecasts from August 2020 are provided in Table 4, alongside the percentage change from the economic forecasts previously prepared by the Panel in March 2020. A comparison of the forecasts for real GVA between 2018 and 2023 is shown in Figure 5.

Table 4: Economic forecasts (black text represents August 2020 forecast; red text comprises March 2020 forecasts)¹⁵

% Change	2017	2018	2019	2020	2021	2022	2023	Trend 2024+
Real GVA	0.8	1.4	0.6	-7.5	3.0	1.9	1.1	0.6
Change since March	-	-	0	-1.2	-1.4	0.9	0.5	0
Nominal GVA	4.1	5.9	3.9	-6.3	3.9	3.2	2.9	3.2
Change since March	-	-	0	-1.2	-2.1	0.5	0.1	0
Employment	2.3	1.4	1.2	-1.6	1.2	0.9	0.6	0.4

Figure 5: Real GVA forecasts¹⁶



Brexit

At the time of drafting, the UK has formally left the EU and remains in an 11-month transition period where the two sides will seek to agree their future

¹⁵ Jersey Fiscal Policy Panel (2020) 'Updated Economic Assumptions'

¹⁶ Jersey Fiscal Policy Panel (2020) 'Updated Economic Assumptions'

relationship. This transition period will end on 1 January 2021. Formal negotiations over the future relationship began in March 2020 and have continued during the Covid-19 pandemic.

The Government of Jersey has aligned with the UK Government in ensuring that the island is well prepared for either a ‘negotiated deal’ or ‘no further negotiated deal’. A ‘no further negotiated deal’ would be a relationship where the UK-EU could then be supplemented with side agreements on specific matters, as opposed to having in place a wide ranging Comprehensive Free Trade Agreement (CTFA). A formal UK-Jersey customs union agreement has been agreed which will allow free trade in goods with the UK (Jersey’s major trading partner in this respect)¹⁷.

The Government of Jersey’s Economics Unit published its economic assumptions for a no deal Brexit in September 2019. The key points include:

- A no-deal scenario should not significantly affect the competitiveness of Jersey’s financial services sector in the short term.
- Trade in goods with the EU may be affected, though this is relatively small as a proportion of the economy.
- The domestically focused economy would see a fall in demand as prices for imports rise.
- The cost of local production would rise, and this is likely to further reduce demand.
- In 2020 and 2021, the fall in demand is expected to hit both employment and profits in the non-finance sectors.
- The resultant reduction in demand for labour would see earnings contract in real terms.
- House prices could be expected to fall by 5% in 2020 and see slow growth in 2021 and 2022. The number of housing transactions could fall sharply in 2020 with some bounce back in 2021.
- The overall economy would contract sharply in 2020 with a further smaller contraction in 2021. GVA growth could be expected to see a small bounce back in 2022, due to a recovery in employment.
- The combined impact of the no-deal scenario sees real GVA 6% lower than the base case by the end of the forecast period (2022).

While the analysis largely addresses impacts of Brexit in 2020 and 2021 it suggests a substantial weakening of the Jersey economy in the short term. As with the impact of Covid-19, a challenging Brexit transition should be expected to have a depressant effect on employment and lead to a further slowing of the growth in annual net migration.

¹⁷ Government of Jersey (2020) ‘EU exit and transition: latest information’ available at: www.gov.je/Government/Brexit/Preparations/pages/euexitinformation.aspx (Accessed September 2020)

3.3 Implications for the Bridging Island Plan

The key findings from the review of the current and future economic context for Jersey is that there is:

- Uncertainty about the impact of Brexit twinned with the effect of Covid-19 which has led to a subdued economic outlook for Jersey in the short term. The economic assumptions for August in 2020 included downward revisions for real GVA and a forecasted reduction in employment by 1.6%.
- The economic outlook may mean that there is a suppression in consumer and investor confidence, and subsequently a subdued demand for new or additional floorspace or premises in the island.
- Whilst all sectors are experiencing challenges, the Business Tendency Survey for 2020 highlighted that for construction, retail and hospitality sectors these challenges are more pronounced. The BIP will need to consider the extent to which planning policy can support revival of the island's economy.

The findings of the economic baseline and the following sector-specific findings on the likely future floorspace requirements will need to be considered in any planning assumptions made for housing provision over the Plan period. The Island Plan Review Preferred Strategy Report (2020) details that the housing development target over a five-year planning period (2020 and 2021 under the present Island Plan; and 2022-24 under the BIP) is proposed to be set at 3,750 homes. The planning assumption for housing provision is informed by: the net shortfall of housing provision over the current plan period; demand arising from natural changes in ageing and dwelling patterns; and allowance for jobs growth and migration over the Plan period.

As recognised in the Preferred Strategy Report there is a key interdependency between housing provision and employment. Given that Jersey is an island, inward migration of workers is a strong driver of employment, which in turn requires increased provision of homes. Conclusions made in the following Sections relating to the likelihood of increased or decreased employment floorspace (and associated employment) should be used to 'sense check' assumptions made regarding the housing requirement.

4 Key Sectors for the Bridging Island Plan

A key purpose of the Island Plan is to facilitate the growth of Jersey's economy. This is achieved through a variety of mechanisms such as supporting key economic sectors, ensuring suitable land is available for different types of employment development and supporting skills and training needs.

We have been asked to provide further analysis of those economic sectors which make a significant contribution to Jersey's economy and have specific or significant land use needs. Since it is the land use implications of the economic sectors which are more important for the Island Plan, than the sectors themselves, this section has been organised around four key employment land uses: visitor accommodation; retail and other town centre uses; offices; and light industrial land.

In the subsequent four sub-sections, we present the following information for each of the four land uses:

- a baseline assessment to establish a point from which future changes and forecasts can be measured as well as immediate and longer-term demands to understand likely future floorspace needs;
- overview of existing supply across the island; and
- any internal or external pressures or influences, known as the drivers of change, which are likely to shape the future requirements.

4.1 Visitor Accommodation

Current and Forecast Demand

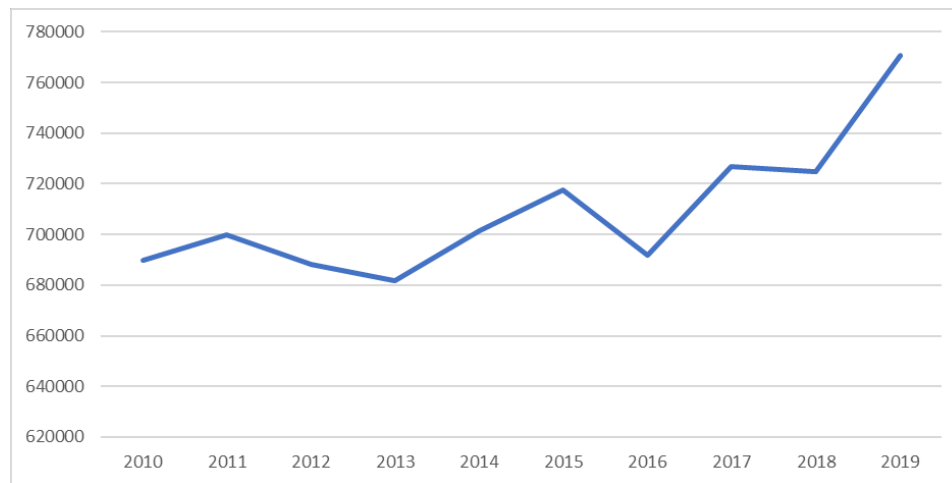
Tourism represents one of Jersey's key sectors and is a significant provider of employment and sales for on-island businesses. Visitor accommodation, which includes hotels, hostels, guest houses and some self-catering accommodation is a principal facilitator of the tourism and hospitality industry. Jersey's tourism industry caters for both leisure and business travel. Business travel is characterised by short-stay trips in the island, predominantly in hotels which best accommodate corporate travel needs. Leisure travel is characterised by mid-length trips with an average of around 4-5 nights, and is mostly accommodated by hotels, self-catering accommodation and guest houses.

In 2019, Jersey accommodated over 770,000 total visitors, where the total visitor spend increased to approximately £280 million. This represents an increase of over 15% in visitor spend compared with 2014. According to Visit Jersey¹⁸, 50% of leisure visitors were travelling to Jersey for the first time, which was a 2% increase on the previous year. In addition, 2019 saw the highest number of holidaymakers coming to Jersey since 2001, with 439,200 overnight visitors (up

¹⁸ <https://www.jersey.com/>
| |

6%)¹⁹. Figure 6 shows total visitor numbers to Jersey from 2010 to 2019; the overall trend is a gradual increase in visitor numbers.

Figure 6: Total visits to Jersey²⁰



The Jersey Destination Plan (published pre-Covid-19) sets out ambitions for one million visitors to the island by 2030 (from its current 770,000 level) alongside higher tourism revenue. The Visit Jersey Annual Report for 2018 states that the island could be welcoming one million visits before 2030 if it achieved the typical rate of growth seen in other Northern European destinations. Similarly, Jersey would be close to one million visits if it could retain its market share of future outbound travel from the UK. Achieving one million visitors in Jersey would also be possible if the growth of 3% per annum in visits (as seen in 2018) continues²¹. Given the impact of Covid-19 on travel, at least in the short term, there is some uncertainty as to whether this level of growth will be achieved over the coming decade. Prior to this, Jersey's Chief Economist was confident that the island was broadly on track to achieve the ambitions set for 2030²².

In achieving higher visitor numbers, the island wishes to remain a niche destination for higher spending visitors. The Economic Contribution of Tourism to Jersey (2017 and 2019 update) identified that there are opportunities to expand the current core demographic of visitors who are generally over-55s, typically high spenders and provide a large proportion of the repeat visitors to Jersey²³. In addition, the report seeks to diversify the island's core demographic towards a younger market which may help to reduce seasonality and allow growth in the sector. There are also opportunities to increase visitor numbers for self-catering accommodation through niche tourism sectors driven by a demand for wellness tourism, agri-tourism and eco-lodges. The Economic Contribution of Tourism to Jersey notes that glamping, handicrafts and farm products have the potential to

¹⁹ <https://business.jersey.com/jersey-statistics> (Accessed September 2020)

²⁰ Statistics Jersey 'Tourism Statistics'; Visit Jersey (2018) 'Annual Report'; Visit Jersey (2019) 'Annual Report'

²¹ Visit Jersey (2018) 'Annual Report'

²² <https://jerseyeveningpost.com/news/2019/02/04/island-falling-behind-in-one-million-visitor-bid/> (Accessed September 2020)

²³ Tourism Economics (2017) 'The Economic Contribution of Tourism to Jersey: The Productivity Opportunity'

help the agricultural sector support tourism in the island, and vice versa. Additionally, consultation with Visit Jersey has highlighted that sustainability is going to be a key focus of their plans in the year ahead, which may further drive the demand for some self-catering in niche tourism markets.

Business visitors make a significant contribution to Jersey's hospitality industry. The island's location enhances its position as a finance centre with easy accessibility to the UK and mainland Europe. Its leading financial organisations also provide services to customers worldwide. This, and the proximity of St Helier to the airport and the accessibility to hotels and restaurants, encourage easy face-to-face global exchanges in the island. Average spending by business travellers tends to be higher per day than it is for leisure visitors, contributing to the wider local economy. Whilst the number of conference delegates fell steeply between 2011 and 2014, this is seen as a growth area.

The Jersey Destination Plan sets an ambition to be close to 95% occupancy for all types of visitor accommodation in the peak season by 2030. Data provided by Visit Jersey shows that for hotels participating in the STR benchmarking survey in 2017, average room occupancy was 66% across the year. This showed no change from the previous year²⁴.

Seasonal or temporary workers supporting the hotels, restaurant and shops during peak summer months also require access to accommodation, albeit for a longer time frame. Accommodation is required to be affordable and near to employment locations. However, the accommodation may remain vacant the rest of the year unless it is repurposed for short-term tourist trips.

Source Markets

Jersey's largest source market for all visitors are the UK and France, both of which saw increases in the number of total visits from 2018 to 2019 (see Table 5) along with Germany. France's growth reflects a 'bounce-back' in the day-trip market resulting in a reduction in the number of nights spent in Jersey by visitors by 24%. Similarly, for Germany, while the total visits increased there was a reduction in the length of stay, resulting in a 17% fall in the number of nights spent in Jersey. Ireland saw a 19% reduction in both number of visits and visitor nights²⁵. Notwithstanding these changes, the European market, particularly Germany, remains the key area to attract visitors.

²⁴ <https://www.gov.je/Government/JerseyInFigures/BusinessEconomy/Pages/Tourism.aspx> (Accessed September 2020)

²⁵ Visit Jersey (2019) 'Exit Survey Headline Analysis'

| |

Table 5: Jersey source markets²⁶

Source market	Number of visits in 2019	% change from 2018
UK	494,000	7% +
France	135,000	4% +
Germany	21,000	6% +
Ireland	<i>No absolute figures reported</i>	-19 %

Journey Purpose and Length of Stay

In 2019, 514,600 visits were holiday visits, representing a 7% increase on the previous year. Holiday visits account for 67% of total visits to Jersey. For business visits there was a decline of 14%, while visits to friends and relatives was up 5%. ‘Other’ types of trip was up by 27%; trips falling within this category may include journeys to watch or participate in a sporting activity²⁷.

Day trips to Jersey accounted for 16% of total visits in 2019, up marginally from 15% in 2018. Similarly, marginal growth was seen in the number of trips lasting 1-3 days, moving from a share of 40% in 2018 to 41%, and representing the longest length of stay. Trips lasting between 4 and 6 nights and 7 nights remained relatively stable, holding 24% and 14% shares of total visits, respectively. Longer trips, lasting eight nights or more saw a small reduction. On average, in 2019, overnight holiday trips lasted 4.4 nights, overnight business trips lasted 2.8 nights and visits for friends and relatives lasted 4.9 nights²⁸.

The rise of ‘staycations’ - people choosing to stay near home for holidays - because of the convenience, familiarity and affordability will also likely place a demand on visitor accommodation in the island.

Visitor Accommodation

The Visit Jersey Exit Survey for 2019 provides data on the accommodation types utilised by visitors to Jersey. Table 6 shows the numbers of visits and average length of stay for each accommodation type. Most of the visits in the island are in a hotel, with 467,000 such visits in 2019.

²⁶ Visit Jersey (2019) ‘Exit Survey Headline Analysis’

²⁷ Visit Jersey (2019) ‘Exit Survey Headline Analysis’

²⁸ Visit Jersey (2019) ‘Exit Survey Headline Analysis’

| |

Table 6: Accommodation by type and length of stay²⁹

Accommodation type	Number of visits	Average length of stay
Hotels	467,000	3.9 nights
Self-catering	26,900	6.6 nights
Guest houses	16,200	5.1 nights
Campsites	6,400	7.1 nights
Hostels	5,300	2.3 nights
Airbnb accommodation	9,500	4.3 nights

Economic contribution

The total impact of Jersey's tourism industry is equivalent to 8.5% of Jersey's GVA (£372m). The tourism industry directly supports 11.5% of the island's employment, equating to 4,800 jobs, or 3,800 Full Time Equivalent (FTE) employees. More than half of all tourism spending (53%) was on visitor accommodation, a higher proportion than that of the UK and most comparable destinations. There are also strong links between tourism and other key sectors in Jersey such as 'Food and Beverage Services' and 'Other Tourism Services'. Tourists make good use of the restaurants, bars and nightlife reflected in that 71% of the GVA generated in the 'hotels, restaurants and bars' in 2018 was from visitors.

Recent tourism performance in Jersey has shown an increase in the average spend per visitor in 2018, despite the average length of stay shortening. This was aided by Jersey attracting higher spending visitors and by an increase in business travel spending³⁰.

Tourism Attractions

Jersey has a range of key tourism attractions that need to be protected to ensure the island remains an attractive visitor destination. Tourist attractions embrace historic assets including Mont Orgueil Castle, Elizabeth Castle, and Jersey War Tunnels; cultural attractions including Jersey Museum and Art Gallery and Channel Island Military Museum; family activities including Jersey Zoo; as well as the natural features of the island including its coastline and beaches.

More niche areas with the tourism market have emerged across Jersey. Niche tourism tends to have a higher level of spend per head, as well as different characteristics in terms of age of visitor (often attracting younger people), time of year they visit and lengths of stay. This also influences the type and location of accommodation required to support the activities, seeking group accommodation and family-friendly options. Niche markets in Jersey include:

- military history and archaeology tours;
- town and heritage trails;

²⁹ Visit Jersey (2019) 'Exit Survey Headline Analysis'

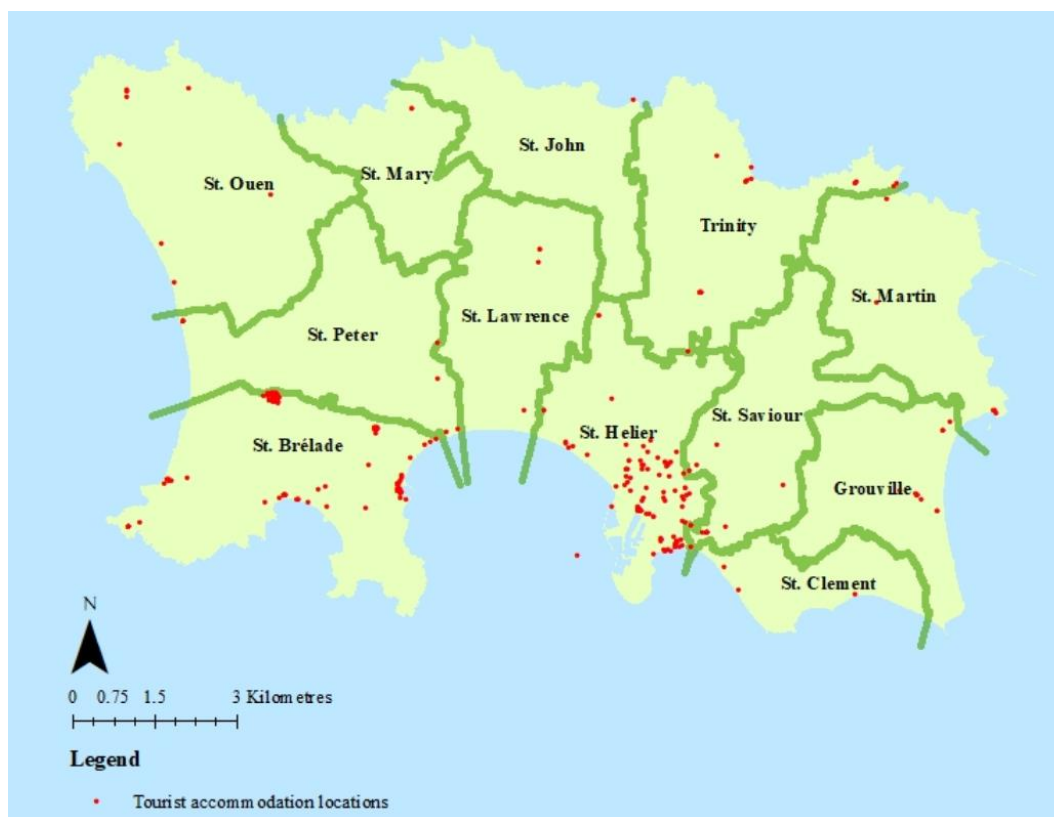
³⁰ Oxford Economics (2019) 'The Economic Contribution of Tourism to Updated Analysis'

- sea kayaking tours, stand-up paddle boarding, and coasteering;
- Valley Adventure centre including archery, climbing and abseiling;
- yoga retreats; and
- wildlife and landscape photography.

Existing Supply

Using the Jersey Land and Property Index (JLPI) data for 2019, the spatial distribution of tourism accommodation has been produced to provide an indication of where it is clustered across the island (as shown in Figure 7). Tourism accommodation is clustered in St Helier and St. Brelade including south of Jersey Airport in Les Ormes. A significant extension to the existing holiday village at Les Ormes was recently granted planning permission on appeal (ref: P/2019/0688). From anecdotal evidence hotels tend to be based in St Helier (along the waterfront, Havre des Pas, St Saviour's Rd, Charing Cross, Weighbridge/Liberation Square and Green Street), St Brelade's Bay (along La Route de la Baie) and St Aubin, with other limited provision throughout the countryside. The majority of self-catering accommodation is located along the easterly and northerly parts of St Helier, towards the west side of St Aubin's Bay and in Grouville, as well as Les Ormes in St Brelade.

Figure 7: Tourism accommodation locations³¹



³¹ Jersey Land and Property Index Data
| |

A breakdown of the types of visitor accommodation in Jersey is provided in Table 7. Most of the registered accommodation (bed spaces and premises) is accounted for by hotels, accommodating 72% of visitors. Table 7 does not account for Airbnb because they are not licensed premises. A study by Colliers International in 2017 reported that there were 157 properties listed on Airbnb in the island (55 ‘Whole Properties’, 102 ‘Individual Rooms’) with 261 rooms providing capacity to accommodate 550 people³².

Table 7: Registered accommodation in 2017³³

	Hotels	Guest houses	Self-catering	Campsites	Youth hostels	All visitor accom.
Total premises	58	35	32	6	2	133
Total bed spaces	7,589	796	~	~	146	8,531
Total bedrooms	3,724	398	~	~	33	4,155
Self-catering spaces	62	35	1,193	~	~	1,290
Self-catering units	19	9	338	~	~	366
Campsite bed spaces	~	~	~	747	40	787
Total persons accommodated	7,651	831	1,193	747	186	10,608

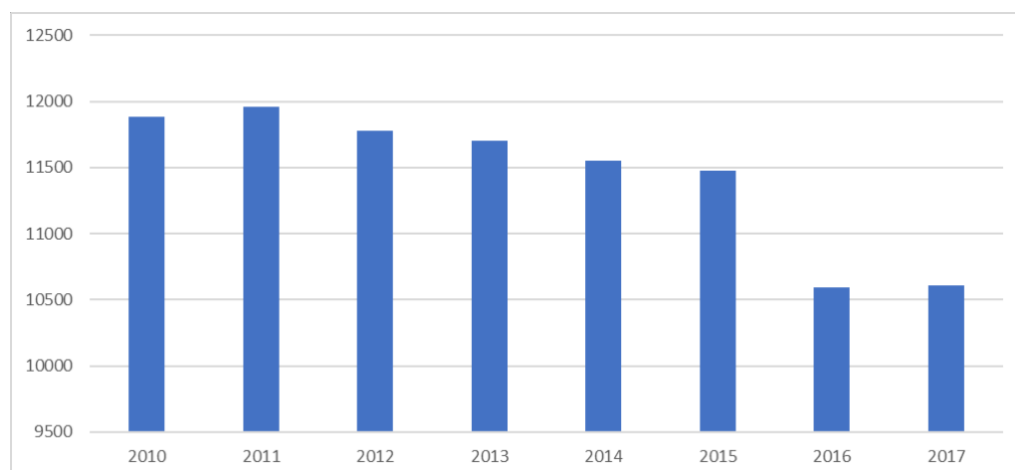
The number of registered bed spaces from 2010 to 2017 is shown in Figure 8. In this time period the total number of beds has fallen by circa 11%, from 11,887 spaces to 10,608. However, there has been a corresponding increase in the number of Airbnb properties and associated bed spaces over a similar timeframe.

³² Colliers International (2017) ‘Jersey Tourism Product Audit V2’

³³ Jersey Statistics ‘Tourism statistics’ Available at:

<https://www.gov.je/Government/JerseyInFigures/BusinessEconomy/Pages/Tourism.aspx>
(Accessed September 2020)

Figure 8: Registered bed spaces³⁴



Jersey's Tourism Destination Plan³⁵ provides further data on the supply factors for visitor accommodation in Jersey, looking at comparisons between 1992 and 2014. Some of the headline findings include:

- The number of establishments reduced by 65% from 393 to 139.
- The number of bed spaces available diminished by 53% from 24,770 to 11,554.
- Hotels accounted for 75% of all rooms in 2014 compared with 68% in 1992.
- Flight capacity to Jersey Airport has remained relatively stable since early 2013 with around 1.2 million seats available during any twelve-month period.

Drivers of Change

Covid-19

Travel and tourism and business trips are among the most immediately affected sectors due to Covid-19. There is also a high level of uncertainty for the sector's prospects over the coming year, since this will be dependent on the speed of containment of the virus and the duration of travel restrictions. Hotels have reported low occupancy rates and restaurants and shops have had to limit their activities due to subdued demand and lockdown restrictions.

The impacts of Covid-19 on the tourism and hospitality industry in Jersey, and therefore the indirect impacts to visitor accommodation demand, have been captured by Grant Thornton³⁶. Its study sets out the key issues facing businesses amid the Covid-19 pandemic which include the inability to operate due to closing restrictions, business uncertainty and a fall in customer demand. The research found that many businesses believe their turnover has decreased by more than half

³⁴ <https://www.gov.je/Government/JerseyInFigures/BusinessEconomy/Pages/Tourism.aspx> (Accessed September 2020)

³⁵ Visit Jersey (2015) 'A destination plan for Jersey'

³⁶ Grant Thornton (2020) 'Covid-19 Business Impact Survey Jersey Tourism & Hospitality Results'

since the pandemic started. Businesses state that they are considering making staff redundant or reducing their contractual hours to ensure survival. All hoteliers and tourist operators are seeking financial support from the Government.

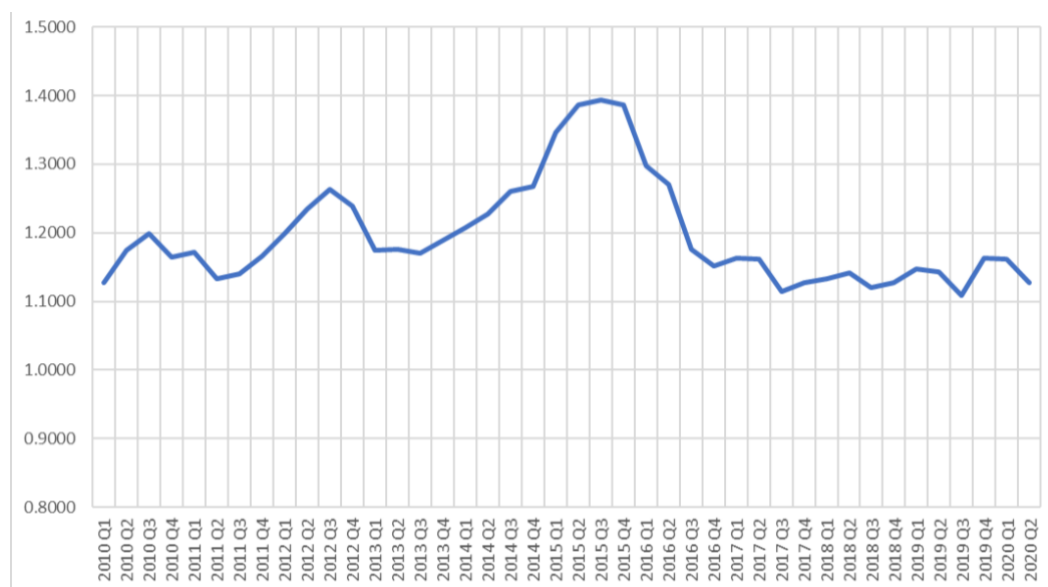
Unoccupied bed spaces as a result of reduced demand, particularly over a sustained period of uncertainty, is likely to see hotels shutting and leading to higher unemployment levels. Consequently, seasonal workers may be less inclined to take up roles in hospitality when futures are uncertain. This may further drive a skills gaps and recruitment challenge, particularly to be responsive to changing needs when the tourism industry does begin to bounce back. Covid-19 is also likely to have an impact on the investment levels in Jersey's hotels in the short to medium term since returns on investment will be unfavourable. There may be underinvestment in hotels in the short to medium term, which may hamper the supply of bed spaces. Existing planning policy (Policy E1) in the Island Plan does not protect loss of employment land used for predominantly tourist accommodation uses.

Fewer hotels may be countered by a rise in Airbnb offers, which can be more responsive to the market, in part because they are not subject to as many regulatory checks as registered accommodation (i.e. health and safety; food hygiene). They may also provide accommodation options for island residents opting for a staycation. There is however limited certainty that Airbnb properties can provide a consistent supply of rooms throughout the year. Whilst such accommodation supports a digital transition for the tourism sector and is more likely to attract younger visitors, such accommodation options are less likely to be attractive to and suit the accommodation wishes of older travels (aged 65+), who make up the largest portion of visitors to the island.

Currency Exchange Rates

Currency exchange rates could have a significant impact on the attractiveness of Jersey as a tourism destination. Wider economic buoyancy is also likely to impact on the requirement for business travel. Figure 9 shows the Sterling-Euro exchange rate from 2010 until the first quarter of 2020. The impact of Covid-19 has not been significant on the GBP/EUR exchange rate in the first two quarters of 2020. Following the Brexit referendum, however, the GBP/EUR rate fell from 1.27 in the second quarter of 2016 to 1.18 in the third quarter of 2016. The rate continued to fall during Brexit negotiations; for the second quarter of 2020 the average rate stood at 1.13.

Figure 9: Sterling-Euro exchange rate³⁷



As discussed in Section 3, the future trading arrangement between and the UK and the EU is unknown but will likely impact the GBP/EUR exchange rate. Poor trading terms will weaken the pound and make visits relatively cheaper from European countries, and vice versa. Under continued Brexit uncertainty and potentially a longer-lasting Covid-19 economic impact, the UK could see a continuing weakening of the sterling against the Euro. Given that Jersey receives many visitors from Germany and France, a weakened sterling makes trips to Jersey more affordable for European visitors, which could lead to an increase in visitors and associated demand for accommodation.

Consumer Preference and Taste

In 2017, it was reported that more than half of all visitors to Jersey are repeat visitors, and the majority of visitors are aged over 60+³⁸. Marketing activity and changes in hospitality should not deter loyal visitors, however this needs to be balanced with the changing travel experience requirements for other demographics including young people and families, and those opting for a staycation.

A visitor experience survey for Jersey was undertaken in 2017 by Kantar TNS³⁹. According to the survey, visitor accommodation generally scored well regarding its quality, the customer service, and family-friendliness of the accommodation. However, the results of those surveyed show that the range of accommodation and

³⁷ ONS 'Average Sterling exchange rate: Euro' Available at: <https://www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/timeseries/thap/mret> (Accessed September 2020)

³⁸

https://business.jersey.com/sites/default/files/components/pdf_download_row/Visit%20Jersey_TE%20Tourism%20Productivity.pdf (Accessed September 2020)

³⁹ Kantar TNS (2017) 'Improving the Visitor Experience'

| |

the value for money of accommodation is ‘average’, likely deterring younger people or families from visiting.

More positively, the quality of accommodation was deemed to be ‘above average’ in the visitor survey. Nonetheless the report recommends that the areas of relative weakness could be fine-tuned to maintain what is a strong overall performance of the sector. Accommodation could be an area to invest and expand to maintain and improve strong visitor perceptions.

According to Oxford Economics⁴⁰, the weakest accommodation sub-sector in Jersey is the Bed & Breakfast (B&B) industry. The average Trip Advisor ratings for Jersey B&B accommodation is skewed downwards by the lowest scoring properties, with 44% of the poorest performing properties being rated average or worse (compared with 21% overall).

Airbnb

Airbnb is changing the way that the visitor and holiday accommodation sectors operate. Where Airbnb differs to traditional hotels or B&Bs is that they allow travellers to book homes with local ‘hosts’, providing a seamless way for homeowners to monetise any extra space, or offering an alternative to rental.

Airbnb is a key driver of change which should be closely monitored over time. It has the potential to increase the accommodation stock and range in the island leading to a rise in visitor numbers to Jersey. Private accommodation and second homes can also be marketed through Airbnb, furthering their marketability and contributing to local spend when properties would otherwise sit empty.

In Jersey, some subletting is allowed. However, those that do not have the authority to rent rooms, such as tenants whose contracts do not allow subletting and those restricted by mortgage or loan agreements, could open themselves up to legal repercussions⁴¹. The law in Jersey states that use for holiday lets requires planning permission, but this has not been widely enforced in recent years. There is now an opportunity to retrospectively seek planning agreements for these holiday lets. With respect to Airbnb there is a general acceptance that the activity will happen and that the most appropriate response to it will be the management of Airbnb operations, potentially including legislative reforms. In this sense, Jersey could implement a limit on ‘entire home’ rentals such as 30, 60 or 90 days. An example of this can be seen in Greater London where the ‘90-day Airbnb Rule’ has been applied. This may prevent a significant number of homes being used for visitor accommodation.

⁴⁰ Oxford Economics (2019) ‘The Economic Contribution of Tourism to Updated Analysis’

⁴¹ The legislation that affects Airbnb rentals includes: the ‘Control of Housing an Work Law 2012’ (Accessed September 2020) this relates to the national register of housing stock and states that these houses should not be used for short term lets to an individual without a house on the register; the ‘Tourism (Jersey) Law 1948’ (Accessed September 2020) which states that houses shouldn’t be used for accommodation of tourists unless they are registered with the Minister. Additionally, the ‘Public Health and Safety (Rented Dwellings) (Jersey) Law 2018’ (Accessed September 2020) provides a mechanism that could capture some whole home rentals via Airbnb or similar platforms in regards to health and safety.

Airbnb hosts benefit from not having to adhere to the same level of regulations and requirements that hoteliers and guesthouses do, for example adhering to disability laws and providing their staff with the appropriate food hygiene training. This is likely to impact on the viability of hotel operations and receipt of investments. Instead of contributing to a net increase in visitor accommodation, the rise in the popularity of Airbnb may undermine the viability of other accommodation types and lead to an overall contraction in the sector or alternatively increased housing demand, if existing accommodation is rented to visitors rather than to residents. It should be noted, however, that despite Airbnb properties not having to adhere to the same regulations as hoteliers and guesthouses, they are required to operate in line with Airbnb guidelines.

Case Study – Airbnb in Reykjavik, Iceland

The rise of Airbnb in Reykjavik has effectively doubled the accommodation stock available for rent. This was a huge success in terms of increasing the stock and broadening the range of accommodation. A study, undertaken by Iceland's Central Bank, found that a significant proportion of the increase in real estate prices was explained by Airbnb – 15% of the increase in real estate prices in the past three years was due to a demand for visitor rentals. There may be a similar risk to Jersey given their ratio of annual visitors to head of population is similar⁴². The ratio of annual visitors to head of population for Iceland is comparable to that of Jersey. Jersey is 6.9:1, whereas Iceland is 6.6:1.

Skills Gap

Stakeholder consultation has highlighted that a barrier for Jersey hoteliers is the recruitment of hospitality workers. Anecdotal evidence has indicated that despite high numbers of unemployed workers in Jersey, hoteliers are struggling to recruit individuals needed. Available workers either do not have the skills required or do not want to work in the hospitality industry. There is a concern that if the skills gap continues hotels will find it more difficult to offer the level of service they would like and could therefore become less attractive options for visitors.

Implications for the Bridging Island Plan

The overarching trend pre-Covid-19 saw the number of visits to Jersey increasing. The global pandemic and associated travel and leisure restrictions has had an immediate effect on visitor numbers. However, leisure trips are expected to slowly resume as lockdown restrictions lessen and traveller confidence resumes. Reduced demand and uncertainty over the timescales for recovery could lead to some hotels closing if they are unable to repurpose underutilised space for other uses when demand is low.

The length of stay for visitors has remained relatively stable over the years prior to Covid-19, with marginal increases in short stay visits. This trend will mean similar levels of local spend and demand for visitor accommodation. Data from

⁴² Oxford Economics (2019) 'The Economic Contribution of Tourism to Updated Analysis'

2019 showed a rise in the number of holiday visitors and a fall in business visits. Taken alongside a shift to flexible and home working (see Section 4.3 for further details), there could be extended reductions in business travel whilst leisure visit numbers remain strong.

These shifts in the reasons for travelling as well as a continued focus on higher spend, niche tourism sectors is likely to impact the type of accommodation required. Reduced business travel is likely to have consequential impacts on demand for hotel accommodation. Trends in preferences for leisure visits could also suggest an increased move towards more self-catered accommodation which better meet the needs of families.

The rise of Airbnb must also be monitored and considered when developing the bridging Island Plan. Airbnb can provide more options and visitor accommodation floorspace by utilising the existing property stock. Conversely, Airbnb can have negative effects by undermining hotels and guesthouses, raising local property prices and potentially restricting housing supply as landlords turn to more lucrative short term letting markets. Increased monitoring data on the number of Airbnb listings (and associated demand) is likely to be needed, although currently only a small percentage of total visits are served by Airbnb properties.

The external impacts of Brexit and uncertainty around currency exchange rates may also impact the visitor industry in Jersey. Brexit may reduce the ease of travel for European visitors, while at the same time becoming a more attractive destination if the UK's anticipated reduced productivity causes sterling to drop in value, making travel from these countries more attractive.

4.2 Retail and Town Centre Uses

The main retail area in Jersey is St Helier town centre. The Island Plan defines a Core Retail Area in St Helier where the primary function is retail use, this sits within the defined town centre which embraces a wider area such as parts of St Helier Waterfront and the Weighbridge where there are other town centre activities, such as some night-time economy uses. The Core Retail Area is the island's largest comparison and convenient shopping location and incorporates the Central Market and the Fish Market. The main shopping area spans Charing Cross, King Street, Queen Street and Halkett Place. King Street is home to Jersey's largest department stores, and there are also a wide range of high street shops and local boutiques. St Helier also offers a diverse range of other entertainment options which are not found elsewhere in the island. These include the Jersey Opera House, Cineworld, Jersey Museum and the Maritime Museum, a number of art galleries, and a range of eating and drinking establishments. The largest centre after St Helier is at Les Quennevais/Red Houses, which is predominantly convenience retail. Beyond this, most parishes have a small-scale retail offer, largely accommodating convenience goods shopping as well as farm shops and 'hedge veg' stalls. The island also has two principal garden centres and a variety of other retail outlets, often specialising in bulky items or farm, horticultural or gardening supplies.

Current and Future Demand

Performance

St Helier town centre remains the island's number one year-round shopping attraction and primary retail hub. During peak Christmas and summer periods, residents and visitors make more than 200,000 visits per month to King Street alone (see Figure 10).

The retail and wholesale sector remain a fundamental part of the Jersey economy, with circa 920 businesses operating in the island. Around 78% of these are micro businesses employing five persons or less⁴³. The sector provides over 7,380 jobs, representing the third highest share of the labour market, although job numbers have declined by over 13% when compared with the figure for 2010 (8,540).

As discussed in Section 3, the retail and wholesale sector generated £314m in GVA in 2018 (7% of total GVA), compared with hotels, restaurants and bars which accounted for 5%⁴⁴. Despite accounting for a large share of the economy, the productivity of the retail and wholesale sector has been stagnant from 2010 onwards (Table 3). This is a similar trend to the UK, which while impacted by the recession in 2008, began a slower and steady recovery in 2012 which has been maintained⁴⁵.

A Draft Interim Retail Strategy 2020 has been prepared for the island which considers changes affecting the retail and wholesale sector since 2010 including Covid-19. The Strategy identifies that despite an increase in the competition for food retailing, the following issues are present:

- on-island retail is increasingly being outcompeted by off-island and predominantly online retailers;
- the supply of retail space across the island is increasing but demand for retail units in St Helier appear to be decreasing; and
- on-island retail and wholesale businesses are concerned that their operating environment is deteriorating, particularly with respect to input costs and profitability.

The Strategy notes that while shop vacancy rates in St Helier town centre remained lower than the UK (around 2% at the end of 2019), several prominent units along King and Queen Streets have remained vacant for over 12 months. Out of town retail is also beginning to show signs of a struggle for custom. For example, Les Quennevais had a significant number of vacant units throughout 2019, which anecdotally could be linked to area and retail units feeling a bit 'tired'. Data collected by the Parish of St Helier and Jersey Business provides an overview of the retail vacancy rate for St Helier in the second quarter of 2020.

⁴³ Statistics Jersey 'Labour Market Report December 2019' Table 7.

⁴⁴ Jersey Statistics 'Labour Market Statistics' Available at:

<https://www.gov.je/Government/JerseyInFigures/EmploymentEarnings/Pages/LabourMarket.aspx> (Accessed September 2020)

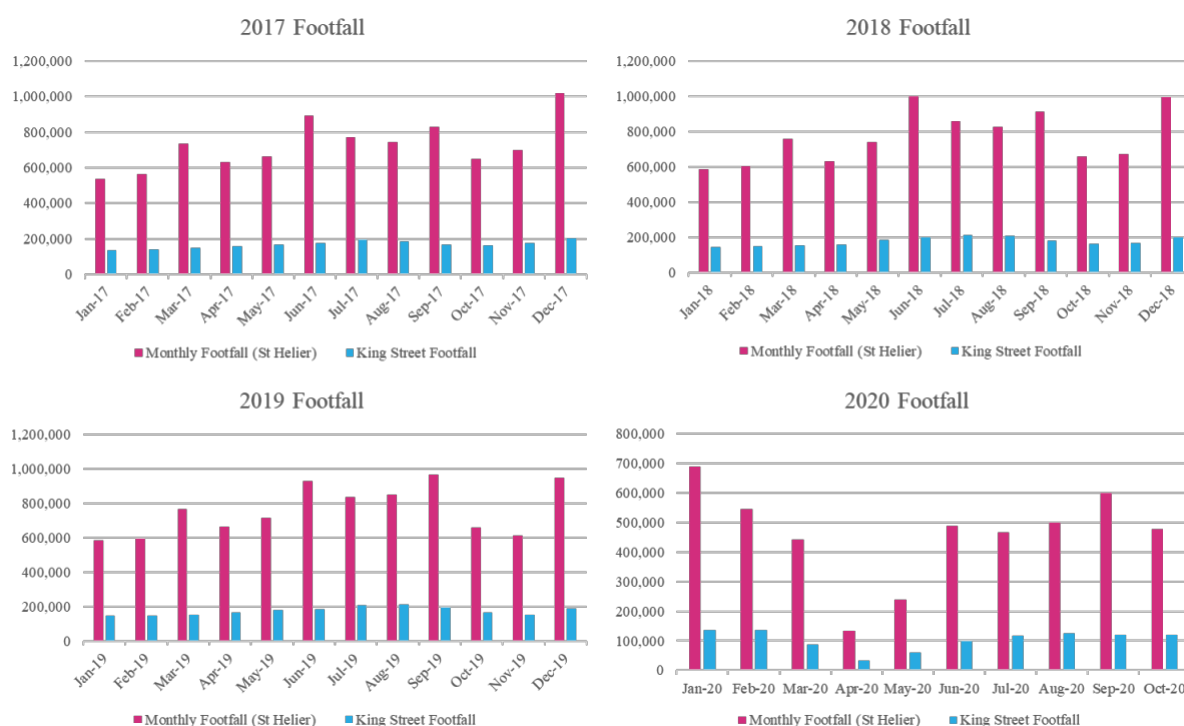
⁴⁵ <https://researchbriefings.files.parliament.uk/documents/SN06186/SN06186.pdf> (Accessed September 2020)

The vacancy rate for St Helier's high street⁴⁶ in the second quarter of 2020 stood at 7.48%, which compares to the average of 12.4% for UK high streets⁴⁷. The vacancy rate reduced to 6.92% in September 2020 from June 2020, reflecting an increase in store openings (with two new retail stores and one new hospitality venue)⁴⁸. This could suggest that retail activity within St Helier is recovering following the initial lockdown arising from Covid-19.

Footfall

Overall the footfall data for 2017-2019 for St Helier looks relatively stable and constant although footfall on King Street fell by 1.5% in 2019 compared against the previous year (see Figure 10). The impact of Covid on retail footfall can be seen in the '2020 Footfall' graph, where footfall numbers are considerably lower in every month from February 2020 onwards, both for St Helier and King Street. Caution should be exercised when using footfall data since footfall data does not necessarily equate to retail sales. Stakeholder engagement has provided anecdotal evidence that retail sales have not kept up with footfall numbers, indicating that customers are potentially making fewer purchases. While making fewer purchases, stakeholder engagement suggested that spend per transaction is higher.

Figure 10: Footfall data for St Helier and King Street*⁴⁹



*King Street footfall results are calculated using weekly averages.

⁴⁶ Defined here as all customer facing commercial property mapped on the latest Goad map that is available for Jersey, that is not classified as a shopping centre.

⁴⁷ Jersey Business (2020) 'Vacancy Rate Q2 2020 (Apr-Jun) St Helier High Street'

⁴⁸ Jersey Business (2020) 'Vacancy Rate Q2 2020 (Apr-Jun) St Helier High Street'

⁴⁹ Springboard Monthly Footfall Reports 'St Helier, King Street'

Online Retail

There has been a shift in the past decade in the way we shop. The Social Market Foundation's briefing paper 'A new life for the high street' (2020) quotes the UK Office for National Statistics (ONS) figures that show that online retail now accounts for 33% of total sales⁵⁰. While this figure is likely skewed as a result of the lockdown measures associated with Covid-19 prompting people to shop online, the 2019 figures reported in the paper remain high at 19%. It is expected that some shopping habits picked up during the Covid-19 pandemic will become permanent. Therefore, the post-Covid-19 figure is likely to lie in the range of these two data points.

Jersey's experience of online shopping has been broadly similar to that of the UK. The Draft Interim Retail Strategy 2020 identified that over one million consignments of packets and parcels were delivered to Jersey in 2019; this is more than double the 2014 figure. The Strategy outlines that Jersey Post, one of six logistic companies in the island, has consistently reported growth in parcel volumes. While there has been a general shift to e-commerce and increasing comfort and appetite for online shopping, Covid-19 has been a major catalyst for online shopping in the island. This is particularly notable in the grocery sector.

Other Town Centre Uses

Supporting the vitality of St Helier will require the provision of non-retail uses which generate footfall throughout the day and into the evening. These uses also sustain a significant proportion of the island's commercial property market. St Helier has a range of restaurants, bars and cultural attractions including the Opera House, galleries, museums and a cinema.

Enhancements to the quality of the town centre in St Helier have been made to improve visitor experience and encourage secondary uses including more markets, street theatres and themed marketing e.g. La Fête de Noué, pushing up dwell time and local spend. Enhancements include provision for cycles and public transport, off-street parking for shoppers, extension of pedestrian priority areas as well as streetscape enhancement and traffic management measures. A further package of measures is being developed as part of the Public Realm and Movement Strategy 2020.

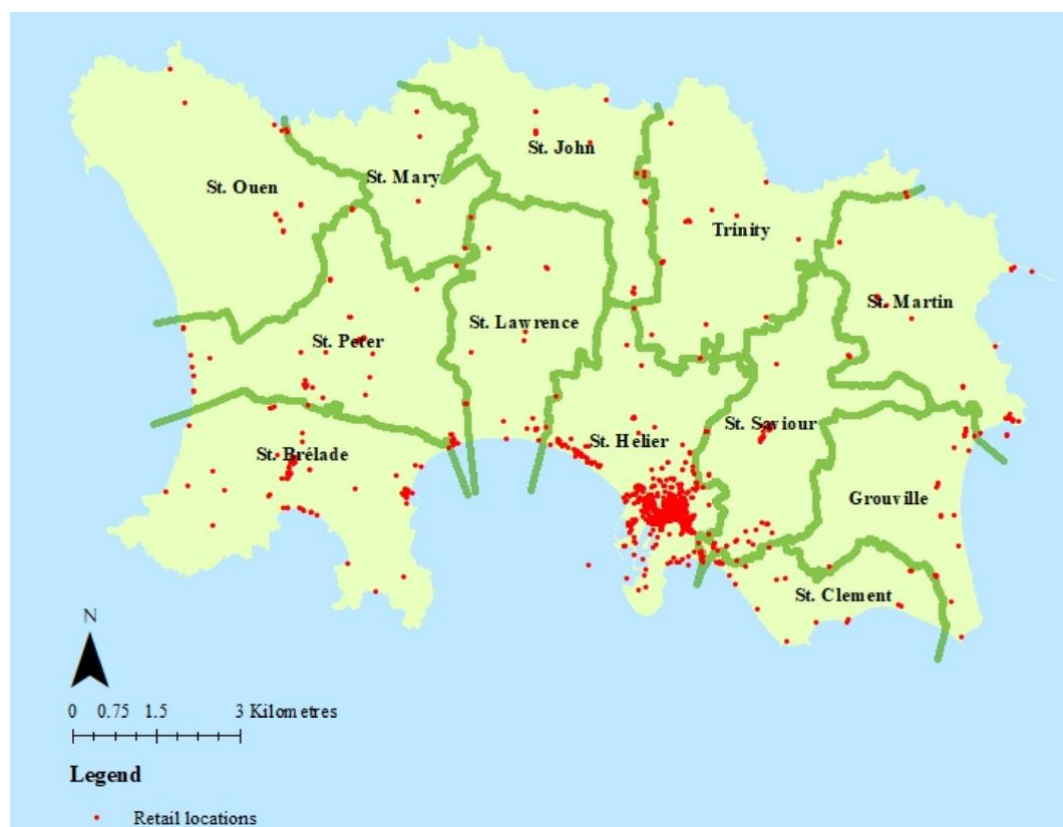
Existing Supply

Floorspace

Using Jersey Land and Property Index (JLPI) data for 2019, a map of the spatial distribution of retail locations has been produced to provide an indication of where retail outlets are in the island. This is shown in Figure 12. Retail outlets are clustered in St Helier followed by Les Quennevais/Red Houses.

⁵⁰ Social Market Foundation (2020) 'A new life for the high street'
| |

Figure 11: Retail locations⁵¹



Floorspace Delivered over the Current Island Plan Period

Between June 2011 and June 2019, planning permission was granted for 8,200 square metres of new retail floorspace in the Core Retail Area⁵² of St Helier. Over the same period, planning permission was also granted for the loss of 4,200 square metres of retail floorspace in the same area. Most of this was change of use to facilitate cafes, bars and restaurants that are complementary to retail uses and support the evening economy.

Outside of the Core Retail Area planning permission was granted for 7,800 square metres of new retail floorspace, approximately 1,200 square metres of which was still within St Helier. The remaining floorspace is split between other Built-up Area (3,600 square metres) and Green Zone (3,000 square metres). The latter included a new garden centre, charity shop for Durrell Zoo, agricultural machinery store and farm shops.

⁵¹ Jersey Land and Property Index Data

⁵² The Core Retail Area is defined on the Revised 2011 Island Plan, the area covers York Street trough to Charing Cross, from Broad Street to Conway Street, from King Street to Queen Street and covers New Street and Halkett Place up to and in line with Minden Place.

Drivers of Change

Covid-19

Covid-19 has significantly affected the retail and wholesale sector as a result of lockdown measures, including closure for some non-essential retail, and shops being required to adopt tighter restrictions to mitigate virus transmission. At the end of January 2020, footfall on King Street was some 135,000 visits per week. During April and May 2020, the lockdown measures resulted in King Street footfall reducing to below 40,000 visitors per week⁵³. Coupled with a shift in consumer preferences to more online shopping leading up to 2020, the measures necessary to prevent the spread of Covid-19 will most likely lead to a partial and slow recovery for this sector, which could result in businesses closing. The ability for retailers to diversify or temporarily change how they use their premises may enable them to shoulder the impact of Covid-19 until a more certain future.

Interdependent Sectors and Potential Reductions in Conventional Office Working

Whilst there are likely to be financial and wellbeing benefits for those that can effectively and efficiently work from home during and after the Covid-19 pandemic, there are risks for other industries that cannot adapt so easily. Most offices are located in St Helier, where the footfall from workers support a range of other activities, particularly cafes, restaurants and shops. Fewer workers attending the office has had a direct impact on footfall and local spend and is likely to compound the challenges facing the retail sector operating in fixed premises. To undertake a robust assessment of this effect, continuous retail sales data would need to be monitored.

Operating Environment

The Business Tendency Survey published in June 2020 identified retailers' concern that trading conditions were deteriorating with respect to input costs and profitability⁵⁴. The Draft Interim Retail Strategy 2020 details that issues being reported included recruitment difficulties across a range of retail roles and salary bands. These concerns are expected to remain or even worsen following Brexit; Jersey leaving the EU Common Travel Area may make Jersey a potentially less attractive place to work.

In addition, the 'Retail in Jersey 2018' report⁵⁵ published by the Economic Affairs Scrutiny Panel cites feedback from stakeholders that point to high rents in the retail sector curtailing market entrants and creating challenges for incumbent retailers. This issue is also highlighted in the Draft Interim Retail Strategy 2020, with stakeholders suggesting that rental values for premises on both King Street and Queen Street are unsustainable. Stakeholder engagement undertaken as part of this Study, has indicated that there is no longer a demand for large retail units that

⁵³ Draft Interim Retail Strategy 2020

⁵⁴ Statistics Jersey 'Business Tendency Survey December 2019'

⁵⁵ Economic Affairs Scrutiny Panel (2018) 'Retail in Jersey'

| |

would historically home department stores. Instead, there is demand for smaller units.

Efforts are being made to improve trading conditions for retailers by relaxing Sunday trading restrictions on larger shops through amendments to the Shops (Regulation of Opening) Regulations 2011⁵⁶. These changes will enable shops with a retail sales area greater than 700 square metres to apply for a permit to operate between 10am and 4pm on Sundays throughout the year.

Online Retail and Digital Inclusivity

Covid-19 has been a catalyst for a shift to online shopping. While some consumers will return to high street stores upon lockdown measures being eased, for others the move to online shopping will be a permanent one. Larger businesses, especially UK businesses with a presence in Jersey, have made a swift transition to online trading. However, consultation with stakeholders has indicated that home-grown businesses have struggled. Smaller businesses have limited experience of working elsewhere and have few options for home delivery or ‘click and collect’ services.

Prior to Covid-19, 78 businesses in St Helier did not have a website. Covid-19 has acted as a catalyst for change and these businesses have joined together to host a coordinated platform to sell their products. This has been most effective for grocery shopping, where retailers anticipate a continued online presence coupled with the retention of existing retail premises. Town centre and retail managers are undertaking education and skills transfer training to help businesses move online. This includes training in marketing, digital inventories, and better use of Google Business.

Case Study – Grocery Market

In 2019, Jersey Post embarked on its first year of a partnership delivering HelloFresh food orders to consumers in Jersey. Within seven months, Jersey Post reported having achieved a milestone of 1,000 boxes delivered to Jersey homes per week⁵⁷. The Draft Interim Retail Strategy 2020 states that significant volumes were reportedly sustained into 2020.

Consumer Trends and Preferences

The availability of car parking is a determinant of demand for St Helier as a shopping destination. The 4insight survey⁵⁸ from 2018 details consumer preferences and the importance of parking on their shopping habits. The survey found that:

⁵⁶ ‘Shops (Regulation of Opening) (Jersey) Regulations 2011’. Available at:

<https://www.jerseylaw.je/laws/revised/Pages/05.775.50.aspx> (Accessed November 2020)

⁵⁷ <https://www.itv.com/news/channel/2019-07-19/the-growing-demand-for-food-delivery-in-jersey> (Accessed September 2020)

⁵⁸ 4insight (2018) ‘Jersey Retail – perceptions, experiences & needs’

- When you are shopping in Jersey what are the top three reasons for using a specific location? Please select up to 3. *There was a mix of reasons, but parking was important to nearly half of respondents, with 70% of respondents travelling in their own car.*
- Why have you not shopped in St Helier in the last month? *Poor choice and 'parking hassle' were the most common responses, 29% of respondents cited parking issues.*
- What could improve your shopping experience in Jersey? *45 out of 516 respondents called for better parking facilities.*

The Government of Jersey's parking standards are currently under review, with ambitious plans to change minimum parking standards. The changes will be particularly focused in parts of the island with better public transport links, thereby seeking to explore mode shift away from car-based travel. Similarly, the Sustainable Transport Policy has five dedicated actions under the strategic framework including an Active Travel Plan, Bus Service Development Plan, Parking Plan, Contribution to the Long-Term Climate Action Plan and a Mobility as a Service Framework Plan (which underpins the previous four plans) that seek to promote active travel and reduce car travel⁵⁹. However, a rise in private car use, exacerbated by Covid-19 and the associated reluctance to use public transport, risks further congestion and undermining the viability of bus services to/from St Helier.

The 4insight findings also highlighted key customer viewpoints that are supported by the feedback received from stakeholders interviewed as part of this Study:

- Island residents want greater co-location of leisure, entertainment and events with retail outlets. This would lead to greater footfall, longer dwell times and associated spend in shops.
- There are indications that consumers are increasingly becoming conscious of environmental and ethical considerations (e.g. carbon footprints) and are therefore seeking to use their cars less. This may increase use of public transport or active travel but may also contribute to online shopping.
- Government policies have scope to inform the process of shopping in conventional brick and mortar retailers; online retail has become increasingly easier for consumers, making it a more attractive alternative.

Experiential Shopping

According to the Draft Interim Retail Strategy 2020, several local authorities across the UK are concluding that the future of their high streets is best secured by broadening the mix of uses in those areas and increasing experiential offers. This is supported by the Arup publication 'Future of Retail', which details changing consumer preferences and a rise of experiential shopping as key trends. A shift to more experiential shopping that provides stimulating in-store experiences is likely to attract footfall, especially as e-commerce continues to grow. Retailers are now

⁵⁹ Government of Jersey 'A Framework for a Sustainable Transport System 2020-2030'. Available at: <https://www.gov.je/Government/Pages/StatesReports.aspx?ReportID=5133> (Accessed November 2020)

having to work harder to draw people to a physical store, and they are beginning to do this by providing compelling environments and experiences that cannot be enjoyed online.

Stakeholder engagement as part of this Study has indicated that high quality fresh food markets and stalls are a good way to provide an experiential shopping experience. By its nature, the life span of fresh food is short resulting in more frequent trips into St Helier. Marketers are experiencing a reduction in sales between Monday and Wednesday whilst spend on a Friday and Saturday has been higher than it was last year due to a shift in customer preference for higher value products, which are placed on sale at the end of the trading week.

Brexit

A key finding from the 'Retail in Jersey' report was that it is unclear what impact Brexit will have on the retail industry. There are however concerns that there will be disruption to supply lines and a weakening of sterling, in turn potentially raising prices, leading to a reduction in spend.

Planned Developments

The Jersey Development Company proposals to transform the southwest waterfront area of St Helier is likely to be developed with some ancillary retail use. Given that the development proposals include a significant number of homes, this may bring additional footfall for retail in St Helier. However, new retail and leisure developments within the waterfront area itself will likely need to be carefully managed to ensure that the new development does not draw footfall away from the town centre.

Implications for the Bridging Island Plan

The long-term prospects for the retail and wholesale sector is challenging, particularly as more retailing is taken online. Covid-19 has had an immediate impact on the demand for retail floorspace as businesses struggle to recoup lost profits that occurred during the lockdown restrictions and falls in footfall numbers. The pandemic also brought a shift in working habits with many working from home or working flexibly. This has resulted in a reduction in passing trade and shopping errands run at lunchtime and after work. Additionally, Covid-19 has manifested in a shift in consumer trends to online retailing. While it is anticipated that some people will return to pre-Covid habits, it is expected that the preference for e-commerce will remain. This will directly impact on the total demand for retail floorspace as well as potentially the size of retail units.

The operating environment for retailers in Jersey is also considered challenging with high rent prices, especially in St Helier, that act as a barrier and deterrent to market entrants and difficulty in recruitment across a range of retail roles and salary bands. This could potentially worsen as a result of Brexit and the withdrawal from the EU Common Travel Area.

With a rise in online retail and a more widespread trend towards experiential shopping the quality of environment will need to be maintained in St Helier to

ensure that the town centre remains the primary retail hub and an attractive destination.

Overall, the indications are that St Helier and Les Quennevais/Red Houses will need less floorspace for retail activity moving forward, as e-commerce and other drivers of change threaten conventional retail vitality. This will require a re-thinking and re-shaping of Jersey's retail hubs to reflect changing consumer and worker preferences including through diversifying town centre uses and promoting experiential shopping.

4.3 Office

Current and Future Demand

Jersey has historically been characterised by its thriving financial industry which is bolstered by a tax neutral framework that has allowed financial institutions and corporations to use the jurisdiction as a centre to channel financial flows between corporations and financial services providers. Jersey has become one of the world's leading International Finance Centres; the financial sector accounted for two-fifths (39%) of the total GVA for Jersey in 2018⁶⁰.

As a result, the office market and Jersey's financial sector are interdependent and any future planning for office space must be conscious of any expected industry movements and performance. Other occupiers of office space include consultancy services, estate agents, online retailing headquarters (located outside of St Helier, including Onogo in St Peters Technical Park), architects and digital services. St Helier also has a burgeoning digital cluster with the emergence of the newly expanded and repurposed Digital Jersey Hub which provides co-working office space in a collaborative environment. Technation reported that Digital-Tech employment in Jersey was 3,032 in 2018⁶¹. Public sector organisations including Government of Jersey are also present in St Helier. Recently, the Government of Jersey has consolidated and rationalised around 30 of its operating functions.

The presence of The Esplanade reflects the significant shift in Jersey's occupational market. Historically, the office market in St Helier was fragmented and spread throughout several locations in the town, due to piece-meal developments through the 1980s, 1990s and 2000s. In recent years a 'core' has begun to emerge at The Esplanade and surrounding area with substantial Grade A office buildings being built and the development of Jersey's International Finance Centre (IFC). The new developments at Gaspé House, IFC 4 and 5, 27 Esplanade and 5 Esplanade have adding over 400,000 square feet of new BREEAM rated stock to the market (an increase of around 15%).

Jersey's office market is characterised by primary and secondary markets. The primary market is centred around The Esplanade and International Finance Centre with large and principal organisations occupying these spaces. The secondary

⁶⁰ Statistics Jersey

⁶¹ Technation (2018) 'Jersey's digital tech ecosystem'. Available at: <https://technation.io/insights/digital-jersey/> (Accessed September 2020)

market provides cheaper floorspace and lower capacity offices for smaller organisations. Within this secondary market, anecdotal evidence suggests there is stock that no longer meets business needs and therefore is being brought forward to conversion to predominantly residential uses.

2018 saw record levels of office floorspace being let with some 250,000 square feet. This was followed by only 50,000 square feet in 2019, a figure significantly below the five-year average⁶². This fall was due to the levels of success seen in the previous years and that during 2019 there was a lack of high-quality office space available in prime or secondary locations in St Helier. Developers are unlikely to start work on large office sites without confirmed pre-let agreements and the majority of large requirements were met in 2017 and 2018. Despite this, developers have been active in securing planning permissions on their sites.

Vacancy

The vacancy rate for December 2019 remained at around 7.5% of the total office stock, similar to 2018, equating to around 250,000 sq. ft of office space. Prior to Covid-19, this was expected to remain the case for 2020. In January 2020, D2 Real Estate estimated that approximately 25% of the existing vacant stock comprises suites below 5,000 sq. ft where there is a lack of active requirements and a struggle for landlords to compete with the serviced office operators. The vacancy rate is particularly low in and around The Esplanade area with very few options (aside from ground floorspace). For prime office space on The Esplanade there is circa 25,000 sq. ft available but this comprises sub 6,000 sq. ft plots⁶³.

This indicates that there is a subdued demand for secondary spaces with a relatively small floorspace and that office space is predominantly being sought on The Esplanade and around the IFC. For tenants requiring office space in excess of circa 10,000 sq. ft, this demand will only be met through the next phase of developments that are subject to planning and construction.

Existing Supply

Using Jersey Land and Property Index (JLPI) data for 2019, a map of the spatial distribution of office locations has been produced to provide an indication of where offices are located in the island (see Figure 12). The map shows a significant clustering, as would be expected, around St Helier and in particular The Esplanade. Outside of St Helier offices are spread relatively evenly across the island, with some offices uses reported in St Saviour, St Peter and St Brelade which are likely to be individuals operating out of their homes (e.g. small consultancies), but as registered offices.

It is estimated that Jersey's total office stock currently stands at around 3,000,000 square feet, with 600,000 square feet comprising Grade A BREEAM rated. The latest Island Plan Appraisal Report states that from 2011-2019 planning permission was granted for over 150,000 square metres of new office floorspace

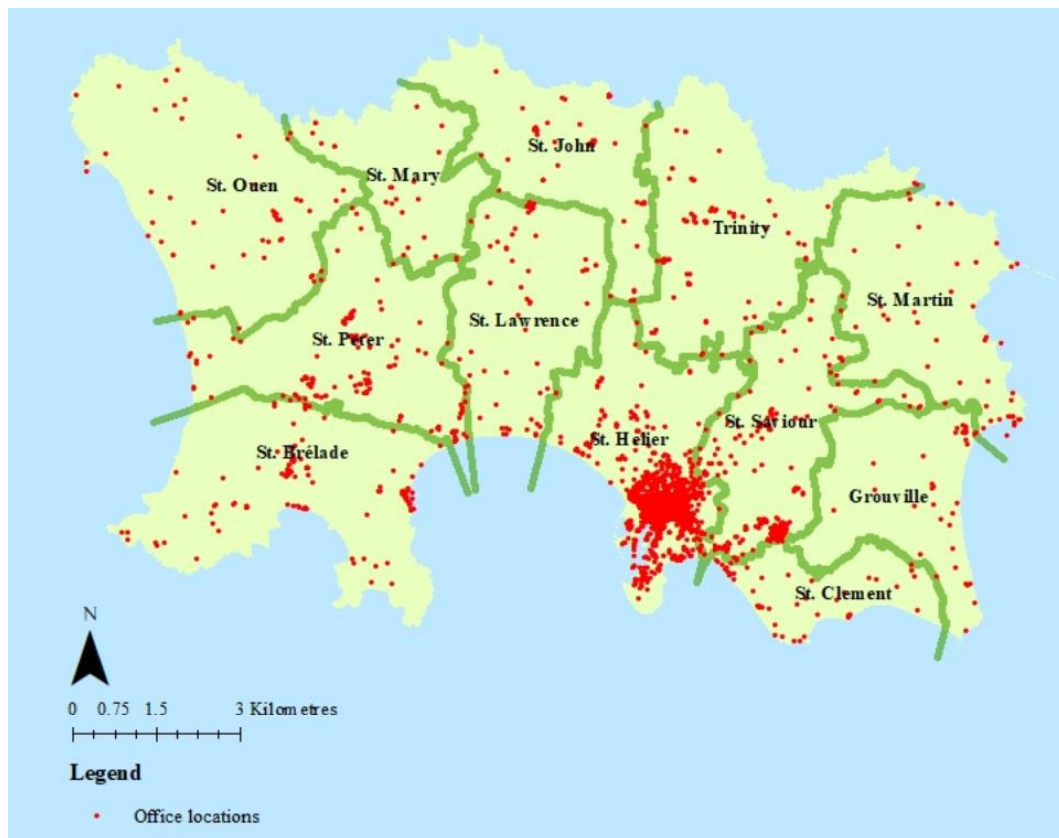
⁶² D2 Real Estate (2020) 'Channel Islands Annual Office Market Review'

⁶³ D2 Real Estate (2020) 'Channel Islands Annual Office Market Review'

| |

across the island whilst consent was also given for the loss of 30,000 square metres, leaving a net gain of 120,000 square metres of new office space.

Figure 12: Office locations⁶⁴



Drivers of Change

Jersey's Financial and Legal Sector

There are 25 banking licenses active in Jersey, with 13,280 finance professionals and approximately £145.7bn banking deposits⁶⁵. Prior to Covid-19 much of Jersey's prime office space was occupied. Future demand for office space will therefore be dependent on industry performance as well as changes in flexible working practices (this is discussed further below).

The Business Tendency Survey 2020⁶⁶ included expectations of this sector, which are as follows:

- The employment expectations indicator for 2020 was negative (-19 percentage points). This represents the first negative result recorded since records began and was 43 percentage points lower than in June 2019.

⁶⁴ Jersey Land and Property Index Data

⁶⁵ Taken from: <https://www.jerseyfinance.je/jersey-the-finance-centre/sectors/banking/> (Accessed September 2020)

⁶⁶ Statistics Jersey 'Business Tendency Survey June 2020'

- The profit expectations indicator for 2020 was *strongly negative* (-30 percentage points); 62% of finance companies anticipated a decrease in profits in 2020, compared to 32% that anticipated an increase. Again, this was the first negative recording since records began and was 85 percentage points lower than in June 2019.

Overall, expectations for the finance sector's performance is negative. This could impact the demand for office space as firms shrink, look to reduce fixed costs and/or re-shape their business operations.

Amalgamation of Operations

With a move to more flexible working, there is a shift towards the amalgamation of some business operations in order to increase the size of the floorplate and create more efficient, modern and open plan working spaces. In Jersey, local developers have tended towards caution, leading to few speculative developments. This has resulted in a healthy balance of supply and demand, but the lack of sustained large office developments has in turn meant that major corporations often occupy multiple smaller buildings within the town. As a result, it is likely that the demand for secondary office space (particularly in converted or outdated buildings) will fall as these spaces no longer provide the functionality and quality that is desired from Jersey's principal finance and legal entities.

Office Quality

In recent years take up of office space in St Helier has predominantly been driven by businesses transitioning from older and lower specification office accommodation into new, BREEAM rated offices or newly refurbished office spaces. Often these office requirements come as a result of organic growth, mergers or acquisitions⁶⁷. In acquiring new office space, the majority of modern occupiers will require a specification as close to Grade A as possible.

Companies demanding Grade A office stock are often significant and principal businesses, but these firms do not make up a majority of businesses in Jersey. Rental prices for Grade A office stock are often in excess of £30 per sq. ft, whereas smaller domestic firms cannot afford office accommodation with premium rent values and rely on secondary office accommodation with rental prices around £15-20 per sq. ft.

Covid-19

The Covid-19 pandemic has the potential to be a catalyst in a major shift in office demand for small, medium and large businesses. Ex-ante, it was becoming increasingly common for businesses to employ flexible and home working measures to increase employee wellbeing, but the global pandemic has caused an almost overnight shift to full time home working.

It is likely that working procedures will return to a 'new normal' where corporate location strategies, office design and occupier practices may shift away from the conventional large offices. Due to lower overhead costs and improved employee

⁶⁷ Savills (2019) 'Channel Islands' Economic overview of the office market
| |

wellbeing, corporations may well turn to a more evenly distributed mix of home working, local office hubs and head offices.

IWG, a multinational provider of serviced offices, recently stated that the Covid-19 pandemic has prompted a shift from city centre offices to smaller suburban work hubs⁶⁸. Mark Dixon, the IWG Chief Executive, has noted that *“the amount of interest in home working and local solutions has gone off the charts”*.

For Jersey, this could manifest in an increased demand for flexible, co-working spaces where businesses are not tied into contracts for large offices. There could be a preference instead to make use of workspaces where multiple businesses co-locate, in an enterprise hub-style fashion. Emerging evidence is suggesting that homeworking employees have also, for the most part, enjoyed the experience with many not wanting to return to “business as usual” as lockdown is eased. Among homeworking newcomers in the UK, 68% have said they would like to continue working in this fashion ex-post. Whilst this may be true, stakeholder consultation has suggested that working from home trends in Jersey may be less significant than those seen in the UK due to shorter commuting distances for Jersey workers.

Brexit

If Brexit results in companies leaving the island, there could be an influx of commercial property available in the market. As the value of sterling weakens, there is likely to be a reduction in the value of investment and property funds. Individual businesses are likely to continue to put off investment while there is uncertainty around the impacts of Brexit, looking instead for a more stable environment to plan with confidence. This could lead to a range of possible outcomes including:

- More empty office space while the market adjusts, and risk of a change of use while landlords seek to maximise their returns.
- Decrease in existing rental values as landlords attempt to attract new organisations. This may lead to an intermediate uptake from markets taking advantage of the falling property prices and businesses keen to keep their local base.
- New occupiers are likely to resist lengthy contracts and extended terms.

Skills Gap

Engagement with stakeholders in the financial and legal sector has highlighted the significance of the existing skills gap and difficulty in recruiting home grown talent in Jersey, citing this as the number one challenge for existing businesses. Concerns were raised about the uncertainty of Brexit and the impact on the ability of firms to recruit workers from overseas given that the proposed 9-month, 4-year and 10-year visa work permits are unlikely to provide enough security for high

⁶⁸ The Guardian (2019) ‘UK Office demand shifting to the suburbs amid Covid-19 crisis’. Available at: <https://www.theguardian.com/business/2020/aug/04/uk-cities-suburban-covid-iwg-home-working> (Accessed September 2020)

skilled workers. If there are increased frictions as a result of Brexit, financial and legal firms may reconsider relocating their operations and head offices in Jersey.

Implications for Bridging Island Plan

The economic overview and statistics pre-Covid-19 showed that productivity in the finance and legal sector is relatively constant, but that GVA in real terms for the sector is increasing over time. Similarly, employment levels in this sector were rising prior to Covid-19 with an increase of circa 6% from June 2010 (12,770) to June 2019 (13,510). Under normal times this would indicate that there may be an increase in demand for office space in Jersey, particularly in St Helier. However, the pandemic and other drivers of change are significant; there was a slight reduction in financial and legal employment of 220 between December 2019 and June 2020⁶⁹.

Office demand in Jersey has a strong correlation on the performance of principal sectors, namely finance and legal. Despite promising ex-ante performance, the Covid-19 pandemic is forecasted to have negative impacts on this sector which could impact the demand for office floorspace as businesses look to reduce costs and reshape their business operations. Covid-19 has also stimulated a shift towards home working and a greater openness to flexible working arrangements, meaning offices may no longer run at the same capacity as before the pandemic occurred. The impact of this could be a reduction in the demand for office floorspace. Some reductions will be balanced by the need for businesses to provide more office space per person to adhere with social distancing requirements (at least in the short term) and/or new offices layouts which facilitate more collaborative working.

For larger organisations other key drivers include a demand for high-quality, high-grade office space that allows for a more modern, open plan working environment. Larger organisations in Jersey are also seeking to amalgamate their operations by moving to larger, modern offices instead of occupying multiple locations across St Helier. The likely impact of this is that any demand that does arise for office floorspace will be for larger, high-grade floorplates. Subsequently, this could free up secondary office locations for the Small to Medium Enterprises (SMEs) who cannot afford premium prices commanded for primary office stock.

The implications of Brexit (and looking beyond the Plan period, Jersey's forthcoming Migration Policy) should be closely monitored as this is a key driver of change for financial and legal businesses. The ability of these firms to easily recruit from overseas is vital in addressing the skills gap. Frictions in recruitment and inward migration could reduce the demand for office floorspace in Jersey and/or result in some firms choosing to relocate their branches elsewhere.

⁶⁹ Statistics Jersey (2020) 'Headcount by sector SIC2003'. Available at: <https://opendata.gov.je/dataset/labour-market-manpower/resource/fc2e560b-d48e-4535-94be-35e42d6bd63c> (Accessed November 2020)

4.4 Light Industrial

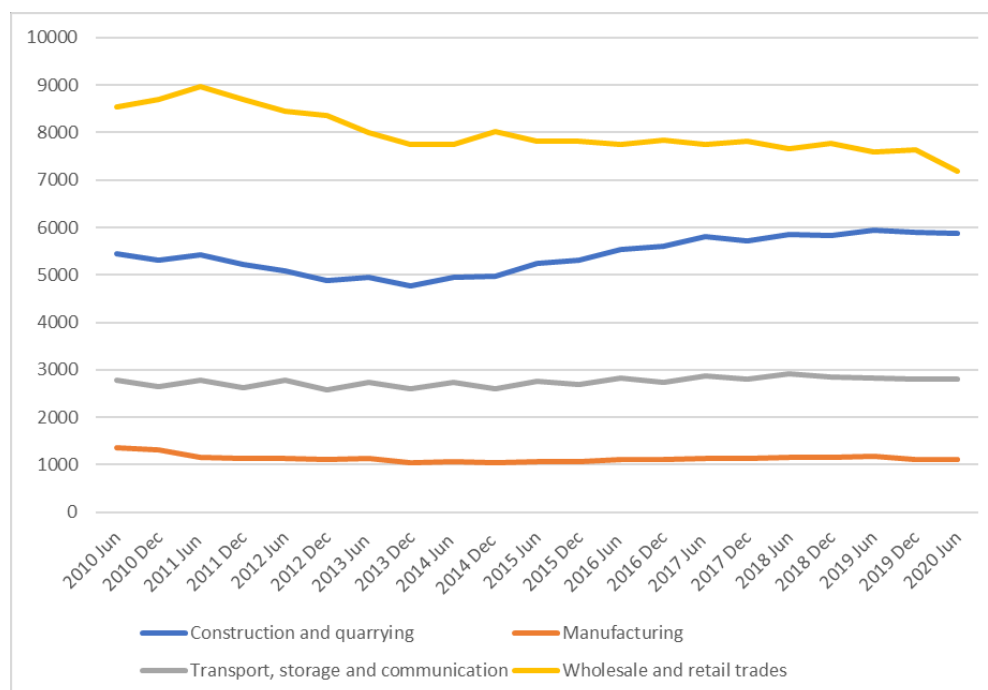
Current and Future Demand

Limited information is available on current and likely future demand for sectors requiring light industrial floorspace. Figure 13 shows the employment levels in sectors which are likely to require light industrial and warehousing space for their operations. Employment levels across the four sectors have remained relatively constant over the last ten years, with a sharp reduction in wholesale and retail in 2020 as a result of the Covid-19 pandemic and associated lockdown measures. Despite this, stakeholder engagement has indicated that there is scarcity of light industrial floorspace attributed to the limited number of locations in the island which can meet the needs coupled with a pressure on the existing land for alternative uses such as residential development. Due to the high land value on Jersey, residential uses are more commercially attractive.

Generally, profits in the non-finance sectors of Jersey's economy are forecast to see considerable falls in 2020 arising from the impact of Covid-19. While this is not a direct proxy for light industrial demand, short of other data, it can be inferred that there is likely to be a change in requirements from sectors that need off-site warehousing and storage, for example to store clothes or food before it enters the shops of delivery. A decline in the number of operating retail businesses may lessen the demand for light industrial accommodation used for storage in the short term. Conversely however e-commerce businesses may increase the demand for floorspaces requiring increased storage and warehousing to facilitate online deliveries and click & collect services. Non-financial sectors' profit is expected to recover slowly, as reported in the August Economic Assumptions report from the Fiscal Policy Panel⁷⁰, which may lead to an increased demand for light industrial floorspace. Similar effects were predicted in the Fiscal Policy Panel's March 2020 report which indicates that there will be subdued demand and supply chain issues, culminating in a much sharper fall in profits for non-finance sectors than the finance sector.

⁷⁰ Jersey's Fiscal Policy Panel (2020) 'Updated Economic Assumptions'
| |

Figure 13: Employment levels from June 2010 to June 2020⁷¹



The decrease in the number of jobs in wholesale and retail⁷² and increase in online shopping is also likely to be reducing the demand on light industrial accommodation. As reported above, Jersey Post has consistently reported growth in parcel volumes, with the clear majority reportedly originating from the UK or other jurisdictions. This requires less on-island storage capacity.

However, there is a forecast rise in other sectors that place demand on light industrial uses. Transport and services, which includes warehousing, support activities for transportation and courier services, saw one of the biggest increases in jobs on an annual basis in 2019.

Construction and quarrying, as a sector, have the third highest number of private sector companies in the island, reported at 1,350 in 2019⁷³. Major developments across the island including at the Port, the integrated arrivals and departures terminal at the Airport, and the IFC coupled with housebuilding, will likely require associated light industrial accommodation to support the construction and logistics of these developments.

In the absence of specific light industrial and sector forecasts, a general economic downturn and reduction in profitability of non-finance sectors could illustrate a forthcoming reduction in the demand for light industrial floorspace. However, engagement with stakeholders confirmed that it has always proven difficult to

⁷¹ Statistics Jersey

<https://www.gov.je/Government/JerseyInFigures/EmploymentEarnings/Pages/LabourMarket.aspx>
(Accessed September 2020)

⁷²

<https://www.gov.je/Government/JerseyInFigures/EmploymentEarnings/Pages/LabourMarket.aspx>

⁷³

<https://www.gov.je/Government/JerseyInFigures/EmploymentEarnings/Pages/LabourMarket.aspx>

secure adequate light industrial accommodation, which will only be furthered by the buoyant transport and construction sectors.

Existing Supply

Using Jersey Land and Property Index (JLPI) data for 2019, a map of the spatial distribution of industrial locations has been produced (see Figure 14: Industrial locations). The map shows that industrial locations are relatively evenly distributed across the island, with some clustering around the Ports of Jersey, the Airport and St Helier. Under the Island Plan there are established and protected industrial sites, these comprise: Rue des Prés Trading Estate, St Saviour; Jersey Steel, Beaumont, St Lawrence; St Peter's Technical Park, St Peter; Springside, Trinity; La Collette, St Helier; L.C. Pallot Properties, Trinity; Barrette Commercial Centre, Mont Mado, St John; and Thistlegrove, St Lawrence. Away from more established locations, stakeholder consultation has highlighted that there are numerous instances where agricultural buildings have been converted into storage space. This may be a result of a more general scarcity of industrial space and subsequent high rent and land values.

Figure 14: Industrial locations⁷⁴



During the period from June 2011 to June 2019, planning permission was granted for 5,260 square metres of new industrial/warehousing floorspace within the island's Protected Industrial Sites (PIS) in St Saviour, St Lawrence, St Peter,

⁷⁴ Jersey Land and Property Index Data
| |

Trinity, St Helier and St John. Of this space, 3,431 square metres (65%) was approved for industrial use and 1,829 square metres (35%) for warehousing.

Two planning permissions were also granted during the period for the loss of 939 square metres of industrial/warehousing floorspace from the PIS, comprising 748 square metres (80%) industrial and 191 square metres (20%) warehousing. These losses resulted in the change of use to a trade showroom and office, both of which are providing employment use but still represent a loss of industrial and warehousing space⁷⁵.

According to the latest policy appraisal of the Island Plan much of the warehousing and industrial space is interchangeable and within the PIS 3,400 square metres of floorspace has been approved for a change of use from industrial to warehouse or vice versa. Under the current Island Plan, planning permission was granted for 5,000 square metres of new industrial/ warehousing space in the PIS and almost three times that quantum was approved within other Built-up Areas, the majority outside of St Helier.

La Collette has been identified as a key location for future supply of industrial floorspace; it may be an area that could provide additional land to meet future, longer term needs subject to health and safety considerations given the Hazardous Installations Safety Zones around La Collette⁷⁶.

Drivers of Change

Supporting Other Sectors

Light industrial floorspace play a role in supporting other key sectors such as agriculture, retail and wholesale, construction and manufacturing. Growth in employment, employment floorspace in other sectors and house building needs to be monitored in order to understand the levels of dependent light industrial space that will be required. Employment in agriculture in June 2020 has fallen from the levels seen in June 2010, with 1,610 jobs in June 2020, down 28%. Similarly, retail and wholesale and manufacturing sectors have seen falls in employment levels. Conversely, the construction sector has seen an 8% increase in employment levels over the same time period. Growth in the construction industry is likely to bring an increased demand for light industrial floorspace.

Supporting Infrastructure

Planned developments for supporting infrastructure such as Jersey Airport and the Ports of Jersey could increase the demand for the supply of light industrial operations and imported goods. In 2016, there were 413,000 tonnes of freight shipped through Jersey Harbours, of which 332,000 tonnes were import and 81,000 export. Work is currently being undertaken on the drafting of a masterplan for expansion of the port which would increase overall capacity to 1.2

⁷⁵ Island Plan 2011 'Policy Appraisal – Housing, Social & Economy'

⁷⁶ Further details on Safety Zones for Hazardous Installations available here:

<https://www.gov.je/SiteCollectionDocuments/Planning%20and%20building/ID%20Safety%20Zones%20for%20Hazardous%20Installations%20July%202017%20DM%2020170814.pdf>

million tonnes⁷⁷. For the airport there are plans for a new arrivals terminal, although this may now be under threat as a result of the Covid-19 pandemic. Ultimately planned improvements to supporting infrastructure that facilitates the movement of freight goods will likely increase demand for industrial floorspace.

It is recognised that the Ports of Jersey are located in some of the most attractive and valuable waterfront locations for residential and commercial development in the island. However, the port represents a strategic infrastructure asset for the island, for which its continued operation will continue to remain a priority. Building on the Southwest St Helier Planning Framework, the BIP should continue to provide guidance on how this tension will be managed.

Consumer Trends

Consumer trends can influence the needs and requirements of Jersey's retailers. A significant shift has occurred for the UK in the way that consumers purchase their goods, with over 30% of the UK's total retail sales being purchased online. Similar consumer habits are being seen for the residents of Jersey. Covid-19 is a significant driver of online sales, but prior to the pandemic there was a sustained trend towards online purchase, and as Jersey recovers from the pandemic it is likely that online sales will not fall to the levels that were seen ex-ante. As Jersey's retailers undertake a transition to online retailing there will be an increased demand for light industrial floorspace, warehousing and storage. Increased home delivery services and 'click & collect' services will require more storage space provision in the island.

Housing Pressure in St Helier

Housing pressures in St Helier may cause a possible displacement of industrial uses to accommodate more homes in the town. Residential development in St Helier represents a more commercially attractive offer than other land uses. Without sufficient protection of existing industrial land through the planning system, light industrial areas may be converted to residential uses potentially without appropriate replacement land being found outside of St Helier.

Light industrial locations can also be viewed as "bad neighbours" for residential use wherever they occur throughout the island and pressure may arise for the relocation of the use or the activities which take place on them.

Impact of Brexit

The effects of Brexit on the supply lines of light industrial operators is uncertain. Tariff-related barriers will affect the cost of EU goods as they disrupt the business models of Jersey's importers and exports. However, non-tariff barriers could have the largest effect on Jersey's light industrial occupational demand. Given that businesses and retailers of fast-moving goods may be increasing their online sales, they will be highly sensitive to transport delays and increased border customs checks which will lengthen import times. These impacts may encourage

⁷⁷ Government of Jersey (2020) 'Infrastructure Capacity Study'
| |

businesses to increase their storage and warehousing operations in the island to facilitate online deliveries.

Implications for the Bridging Island Plan

Productivity (GVA per FTE) in sectors which will utilise light industrial space, namely construction; wholesale and retail; transport, storage and warehousing; and manufacturing have remained relatively constant or have seen increases over the last decade. Sector size, measured by GVA in real terms, has also remained relatively constant for manufacturing and retail, with construction and transport, storage and warehousing seeing gradual increases over the same period.

Construction has also seen a corresponding rise in employment levels whilst the other sectors appear to have levelled off. Despite there being no significant changes to the economic overview of key sectors that will utilise light industrial floorspace, growth in construction and transport, storage and warehousing could indicate that there may be an increased demand for light industrial floorspace in the future.

Supporting other sectors and infrastructure, particularly improvements to the freight capacity of the Ports of Jersey, is likely to increase investor confidence in light industrial operations and the demand for floorspace as businesses can import goods quicker and in higher loads. Consumer trends, Covid-19 and the rise of e-commerce may also increase the demand for floorspace, with businesses requiring increased storage and warehousing to facilitate online deliveries and ‘click & collect’ services.

Housing pressures may displace current and planned light industrial developments. The protection of light industrial locations will need to be closely monitored to ensure that other, more commercially attractive uses do not take precedence over industrial uses.

However, the impact of Brexit and the unfolding transition period negotiations is likely to have a negative impact on the demand for light industrial space. Depending on the outcome of the final trade negotiations, tariff-related barriers could affect the price of EU goods and disrupt the business models of importers and exporters. For occupiers of light industrial space, non-tariff barriers may have the most significant effect as retailers of fast-moving goods will be highly sensitive to transport delays and increased border checks. This may discourage importers and exporters and subsequently reduce the demand for light industrial floorspace.

Overall, based on the limited evidence available, it would appear that there may be demand for light industrial floorspace, and therefore the protection of existing light industrial floorspace will be necessary. Anecdotally, stakeholders have corroborated this conclusion with consultation highlighting evidence of demand. Jersey may have to look to La Collette (notwithstanding constraints from the La Collette Safety Zones for Hazardous Installations, development restrictions from the existing gas storage facilities and Fuel Terminal, and plans for additional

petrol fuel farms), St Helier Harbour and around the Airport, as well as actively identifying new provision elsewhere on the island in the longer term.

5 Visitor Accommodation Land Use Futures Assessment and Policy Review


This section draws on the baseline and the identified drivers of change to present land use ‘futures’ that have been developed for visitor accommodation. The land use futures enable an exploration of how future trends will likely impact demand for employment floorspace over the lifetime of the BIP. Using the range of land use futures and resultant policy direction, this section then reviews the effectiveness of the employment policies in the Revised 2011 Island Plan. The review considers whether the policies remain appropriate in the context of the Strategic Policy Framework for the BIP and the range of possible land use futures that may occur. Where appropriate, recommendations are made on future policy direction and any further work likely to be required to support preparation of the BIP.

5.1 Assessment of Visitor Accommodation Land Use Futures

This section takes the evidence from the baseline review and stakeholder engagement. It summarises the overall direction of travel for visitor accommodation and uses this to identify a range of possible land use futures that may occur over the Plan period. An assessment of the land use futures has been undertaken against the questions identified in Section 2.2 including any implications for the broad policy direction for the BIP.

Table 8: Visitor accommodation land use futures assessment

Visitor Accommodation
Baseline Overview
<p>Tourism and business travel represent one of Jersey’s key sectors and is a significant provider of employment and sales for businesses. In 2019, Jersey accommodated over 777,000 visitors, which represents an increase on previous years. The Jersey Destination Plan sets ambitions to increase visitors to Jersey further to one million visitors by 2030. Pre-Covid, growth in leisure visits continued to rise, with business travel staying stable.</p> <p>Jersey has experienced an increase in the number of overnight visitors, with a slight reduction in the overall length of stays. This is reflected in an overall reduction in bed spaces in the island. Hotels account for 72% of the bed spaces in the island, followed by self-catered accommodation; Airbnb listings are rising. Most of the visitor accommodation is clustered in St Helier and St Brelade.</p>
Drivers of Change
<p>Whilst growth in the tourism industry (including through an increased number of visitors) may remain in the longer term trend, Covid-19 has had a significant impact on the tourism industry and associated demand for visitor accommodation. As a result, there is a risk of permanent loss of registered bed</p>

Visitor Accommodation		
<p>spaces over the short- and medium-term reflecting uncertainty over when demand for visitor accommodation will return.</p> <p>Pre-Covid-19, there was a fall in business-related travel which, taken alongside flexible and home working, could see further reductions in business travel. This, coupled with an increasing preference for leisure visitors to use self-catered accommodation which better meets the needs of families, may result in demand shifting away from hotels. Over the longer term, visitor accommodation needs may need to change to meet consumer preferences and tastes.</p> <p>Stakeholders have indicated that there is confidence that the short-stay offer will continue, pitched towards niche activities, and higher spend visitors. This will have consequences on the type and location of accommodation sought, such as packages offering hotel stay and activity access near to points of interest.</p>		
Land Use Futures		
		
<p>Contraction</p> <p><i>Leisure trips and stays do not fully recover from the impact of Covid-19.</i></p> <p><i>Change in the nature of remote working permanently impacts demand for business visits and stays – particularly affecting demand for hotel rooms.</i></p> <p><i>Pressure on existing establishments/locations for competing uses (e.g. residential) leads to a loss of floorspace and suitable locations for visitor accommodation.</i></p>	<p>Business as Usual</p> <p><i>Both leisure and business trip and stays recover from the impact of Covid-19 within the Plan period.</i></p>	<p>Expansion or change</p> <p><i>Changing leisure travel, consumer preference and continued restrictions to other European and global destinations make Jersey a more popular destination for leisure travel, increasing stays.</i></p> <p><i>Changes in wider economy support increased growth of business travel and stays.</i></p> <p><i>Accelerated change in demand towards Airbnb-style accommodation.</i></p>

Visitor Accommodation

Assessment of Land Use Futures

- As one of Jersey's key sectors, the BIP will need to ensure that the tourism industry is supported, encouraged and protected. Permanent loss of visitor accommodation has the potential to undermine the critical mass of the sector with associated implications for those employed directly and indirectly, alongside reduced contributions to the wider local economy.
- Whilst the longer-term aspirations for the tourism industry in Jersey may change, it will be important to ensure that as far as possible the short-term impact of Covid-19 does not result in long term challenges for the industry. From a visitor accommodation perspective, once hotels are lost it can be difficult to replace them. This can be in terms of finding alternative sites of sufficient size in sustainable locations, or within the built up area, being able to compete with other higher land values (although it is acknowledged that two hotels were approved over the current Plan period in St Helier). Over recent years, investment in the higher end tourism offer, has resulted in lower star hotels leaving the market and being converted or redeveloped into new homes. While this has maintained a balance between housing supply and the hospitality sector, protecting hotel sites from any further losses will be important.
- To address the uncertainty regarding demand for visitor accommodation over the BIP period, the plan should seek to protect existing hotels as far as practicable, recognising that some flexibility is likely to be desirable to ensure the BIP does not have unintended consequences of limiting or threatening re-investment in maintaining or increasing the quality of the hotel offer. A series of policy tests could be developed to provide clarity on where change of use or redevelopment may be permissible.
- Land in Jersey is scarce and competing land uses (particularly residential, and particularly within St Helier) are likely to have higher commercial returns. Appropriate levels of land must be made available in the BIP for these other land uses to reduce pressure on visitor accommodation sites to be brought forward for redevelopment.
- It is possible that proposals for new hotels or other forms of visitor accommodation, especially self-catering and agri-tourism stays, will come forward over the Plan period. To support this, the BIP should consider how it can best support these new proposals. This could be through identifying (or safeguarding) new sites for tourism accommodation. Or if new sites are not known, including criteria as part of any policy which sets out those considerations that any new proposals will be assessed against. Any sites identified should reflect the need for the island to continue to offer a range of different accommodation types, which could include:
 - Hotels are likely to require larger sites and may need to be in close proximity to local amenities or to particular outlooks such as sea views, particularly for leisure visits, or to the airport to support business travel.
 - Traveller preference for niche holiday experiences may require accommodation closer to attractions or in more rural areas, while

Visitor Accommodation

demand for self-catering accommodation or Airbnb is likely to increase to suit family needs and to provide more flexibility.

- Further consideration is required to support decision making around appropriate locations for new visitor accommodation and particular tourist niches. Niche tourism is currently being driven by a demand for wellness tourism, agritourism and eco-lodges, which all have their own locational requirements. However, the priority should still be to facilitate the development of key urban opportunity sites, where appropriate.
- To account for a contraction in demand for visitor accommodation, the BIP should provide flexibility over how visitor accommodation can be utilised for other appropriate uses in the short term e.g. as temporary worker accommodation or other hospitality/retail uses. It is not recommended that visitor accommodation be used temporarily for residential uses.

5.2 Review of Visitor Accommodation Policies

This section reviews the visitor accommodation-related policies in the Revised 2011 Island Plan, in the context of the findings of the land use futures assessment and, in particular, whether they support the anticipated range of futures identified. It also has regard to consultation with stakeholders.

Policy EVE 1 and EVE2

Policy EVE 1 Visitor accommodation, tourism and cultural attractions

The development for new tourism accommodation, and extensions to existing hotel, guest house, other tourism (including self-catering) accommodation and visitor attractions, will be permitted within the identified built up area boundary provided it accords with Policy GD 1 'General development considerations'.

Within the Green Zone, proposals for visitor accommodation, tourism and cultural attractions will be determined in accordance with Policy NE7 'Green Zone'.

Within the Coastal National Park, proposals for visitor accommodation, tourism and cultural attractions will be determined in accordance with Policy NE 6 'Coastal National Park'.

Proposals for visitor accommodation, tourism and cultural attractions with implications for the Marine Zone will be determined in accord with Policy NE 5 'Marine Zone'.

Policy EVE 2 Tourist Destination Areas

Within the Tourist Destination Areas designated on the Proposals Map, the Minister will support:

- environmental enhancements to the public realm;
- proposals for all fresco activities associated with restaurants, bars, cafés and outdoor performances; and
- improvements in accessibility for pedestrians, cyclists and public transport users and associated signage.

Proposals for new tourist accommodation and support facilities will be permitted in the Tourist Destination Areas provided that the development accords with Policy GD 1 'General development considerations'.

Proposals with implications for the Marine Zone will be determined in accord with Policy NE 5 'Marine Zone'.

Need for the Policy

Given the pre-Covid growth in visitor numbers and the essential role tourism will play in a post-pandemic recovery, policy support for new visitor accommodation will continue to be important. The purpose of Policy EVE 1 is to direct new visitor accommodation (as well as attractions) to the Built-up Area (proposals in other areas would be subject to other policies). The focus of the policy is to ensure alignment with strategic policies seeking to foremostly prioritise the development of key urban opportunities sites. This remains appropriate as long as it does not preclude opportunities for new visitor accommodation elsewhere in the island which may be better suited to support emerging niche tourism market or changes in customer preference. The BIP could consider support for appropriate development of visitor accommodation in rural areas including in the Green Zone, Coastal National Park and the Marine Zone, which currently limit the scale and nature of development in these areas and therefore are not supportive of new visitor accommodation. In balancing up whether visitor accommodation should be supported outside of the Built-up Area, any proposals should be balanced against other policy objectives in the BIP including protection of the natural environment, sustainably locating development which will also support the island's transition to net zero as well as whether the specific proposals may be acceptable in terms of their impacts on neighbouring uses, the local landscape and so forth.

Securing Development

Policy EVE 2 directs visitor accommodation to the four Tourist Destination Areas (TDAs) (St. Aubin, St. Brelade's Bay, Havre des Pas and Gorey). While the principles set out in the policies are supported, consultation with stakeholders queried how effective the TDAs have been in securing or directing development. Through this study, specific locations for new visitor accommodation have not been identified. Given the lack of evidence highlighting specific areas of demand, a criteria-based policy may be a more appropriate approach against which

proposals for new visitor accommodation would be judged against. Such an approach would enable a more nuanced assessment of the needs of different visitor accommodation types to be undertaken on a case-by-case basis.

If desired, the criteria could express a preference for new visitor accommodation to be located in key urban opportunities sites, particularly in St Helier and around the Airport.

Protection of Existing Visitor Accommodation

Stakeholder engagement has identified that while there has been investment in higher star hotels, lower star hotels have come out of the market and been redeveloped into homes. This was acknowledged as being an important supply of homes for islanders. However, tourism and business travel represent one of Jersey's key sectors and is a significant provider of employment and sales for businesses. A sufficient supply of visitor accommodation should be protected through the BIP to ensure the sector's future.

Policy E 1 of the Island Plan sets a presumption against development which results in the loss of land for employment use, unless the existing development is predominantly office or tourist accommodation. However, further guidance is not provided as part of the EVE policies as to those circumstances in which loss of visitor accommodation may be considered acceptable. The BIP should consider having a separate sector policy which seeks to protect existing visitor accommodation, with policy tests developed to provide clarity on where change of use or redevelopment may be permissible. It is not recommended that visitor accommodation is considered as part of Policy E 1, should such a policy be retained in the BIP. The rationale for this is discussed further in Section 9.

Previous policy proposals to ensure against the loss of visitor accommodation included the 'Protection of Prime Sites'. This was a policy intended to protect hotel sites considered to be of prime importance to the tourism industry, which once lost would be irreplaceable. Such an approach was not favoured by industry on the basis that to protect prime site properties was to depress their selling price, devaluing them as security for bank loans, and undermining the ability of the industry to reinvest. Therefore, any new policy on protecting visitor accommodation sites (and in particular hotel sites given the larger sites and sustainable locations required) should include criteria which clarify the circumstances in which change of use from visitor accommodation may be permissible e.g. where it can be demonstrated that premises have been actively marketed for that use for a set period of time, in order to allow non-viable premises to find alternative uses.

Flexibility in Policy

There is already some flexibility in planning legislation regarding change of use to and from visitor accommodation providing it is within the same sector (i.e. Class F – accommodation to Class J – residential institution and vice versa). It is recommended that consideration is given to allowing hotels further flexibility over change of use including, for example, catering, hospitality facilities or business centre uses. Any additional flexibility provided could be on the basis that any

additional uses are ancillary, so that the hotel remains in visitor accommodation use.

Consumer preferences

Over the long term, the continued focus on higher spend, niche tourism sectors is likely to impact the type of accommodation required. Stakeholder engagement has identified that there has been a recent demand for ‘live like a local’ holidays as well as an increase in visitor numbers seeking self-catering accommodation which better meets the needs of families. Niche tourism has also been driven by a demand for wellness tourism, agritourism and eco-lodges; these might have implications for demand for certain forms of visitor accommodation, or in different parts of the island. Additionally, reduced business travel is likely to have consequential impacts on demand for hotel accommodation. In the short-term, it is difficult to know the impacts of the drivers of change; the BIP should continue to support a range of accommodation types and support emerging niche tourism sectors.

6 Retail and Town Centre Land Use Futures Assessment and Policy Review


This section draws on the baseline and the identified drivers of change to present land use ‘futures’ that have been developed for retail and town centre uses. The land use futures enable an exploration of how future trends will likely impact demand for employment floorspace over the lifetime of the BIP. Using the range of land use futures and resultant policy direction, this section then reviews the effectiveness of the employment policies in the Revised 2011 Island Plan. The review considers whether the policies remain appropriate in the context of the Strategic Policy Framework for the BIP and the range of possible land use futures that may occur. Where appropriate, recommendations are made on future policy direction and any further work likely to be required to support preparation of the BIP.

6.1 Retail and Town Centre Land Use Futures Assessment

This section takes the evidence from the baseline review and stakeholder engagement. It summarises the overall direction of travel for retail and town centre uses and uses this to identify a range of possible land use futures that may occur over the Plan period. An assessment of the land use futures has been undertaken against the questions identified in Section 2.2 including any implications for the broad policy direction for the BIP.

Table 9: Retail and town centre land use futures assessment

Retail and Town Centre
Baseline Overview
<p>St Helier remains a year-round attraction and primary retail hub in the island – some 200,000 visits are made per month to King Street alone during peak times. Retail centres are also present in other locations across the island including a de facto ‘second centre’ at Red Houses/Les Quennevais, and local centres or convenience provision in most parishes.</p> <p>The sector provides over 7,380 jobs, representing the third highest share of the labour market, although jobs have declined by over 13% from 2010. Of the 920 businesses operating in the island, around 78% are small businesses employing five people or fewer.</p> <p>Similar to trends seen elsewhere, the retail and wholesale sector has been stagnant in terms of GVA over the last decade, and on-island retail is being outcompeted by off-island and online retailers (with the trend accelerated as a result of Covid-19). As a result, total demand for retail units in St Helier and Les Quennevais/Red Houses is decreasing. In St Helier, an increase in provision of non-retail uses has begun to generate footfall through the day and evening.</p>

Retail and Town Centre		
<p>Drivers of Change</p> <p>The long-term prospects for the retail and wholesale sector is challenging, particularly as more retailing is taken online. Covid-19 has had an immediate impact on the demand for retail floorspace arising from a shift in online retailing and loss of passing trade from office workers. Whilst it is anticipated that some people will return to pre-Covid habits, it is expected that the preference for e-commerce will remain. This will directly impact on the total demand for retail floorspace as well as potentially the size of retail units.</p> <p>The operating environment for retailers in Jersey is considered challenging with high rent prices, especially in St Helier, that act as a barrier and deterrent to market entrants. However, opportunities exist to increase the diversity of town centre uses in St Helier and provide more experiential offerings to attract people into town.</p>		
<p>Land Use Futures</p> <p style="text-align: center;">  RANGE OF POSSIBLE OUCOMES ACROSS THE PLAN PERIOD </p>		
<p>Contraction</p> <p><i>Online shopping trends continue and are accelerated, leading to a significant reduction in footfall and demand in physical stores over the Plan period.</i></p> <p><i>Demand in the Core Retail Area in St Helier reduces, albeit partially offset by local convenience retail and large supermarkets in other parts of the island.</i></p>	<p>Business as Usual</p> <p><i>Footfall and retail demand from physical stores return to pre-Covid levels over the Plan period, albeit the longer-term trend for reduction in floorspace continues.</i></p>	<p>Expansion or change</p> <p><i>Footfall and retail demand from physical stores return to pre-Covid levels over the Plan period.</i></p> <p><i>Changing consumer demands and growing leisure and evening economy result in a diversification of town centre uses.</i></p> <p><i>Demand for local convenience retail grows, but not at the expense of the Core Retail Area in St Helier.</i></p>
<p>Assessment of Land Use Futures</p> <ul style="list-style-type: none"> Retail supply in the island is polycentric, which is as would be expected to meet the range of day-to-day and other comparison and convenience retail needs. Policy should further clarify the hierarchy for retail/town centre uses 		

Retail and Town Centre

to support diversification and reflect changing consumer demands i.e. St Helier should remain the primary centre for retail and town centre uses followed by Red Houses/Les Quennevais; all other parish centres and retail provision should be limited to providing for islanders day-to-day local convenience retail needs.

- There is a risk of considerable loss of retail floorspace in St Helier, largely attributable to the rise of online shopping, which could threaten the status and vitality of St Helier as the primary centre and retail hub. It will therefore be important that planning policy continues to resist the loss of retail and town centre uses in St Helier (although change of use between them should be supported). However, in recognition of reduced demand, the extent of the Core Retail Area in St Helier should be reviewed to avoid dilution of the vitality and overall viability of the town centre. This should also assist in focussing retail uses within a smaller area, reducing the likelihood of vacant shops.
- There is a risk that further commercial and residential development of The Esplanade and waterfront area, which includes ground floor retail uses might 'split' the town centre in St Helier. Local retail and leisure offers that support the residential development proposed at the waterfront may attract footfall away from the existing town centre and result in it losing its critical mass. Although if carefully planned for and differentiated from town centre uses, the waterfront offer could become complementary to the function of the town. Planning policy will need to ensure that the proposals for the waterfront result in a complementary offer being brought forward, which does not compete with the town centre. This could be through encouraging niche retail experiences at the waterfront.
- A continued move towards more experiential uses of the town centre within the defined Core Retail Area is expected including food and beverage and the evening economy. Policies will need to be sufficiently flexible to allow this to happen, whilst also ensuring the core centre remains tightly defined to support vitality and a concentration of activities.
- Policies support an enhancement of Red Houses/Les Quennevais in its role as the 'second centre' and to encourage investment and renewal in existing retail facilities. Parish centres should be encouraged to continue to offer local convenience retail (e.g. small food retail) and other facilities to enable local residents to meet their everyday needs, but without threatening the primacy of St Helier and Red Houses/Les Quennevais or lead to unsustainable travel patterns.
- In St Helier and Red Houses/Les Quennevais, the quality of the retail units and the surrounding public realm should be enhanced where required to create an attractive and accessible shopping environment. This should include good wayfinding and information points, adequate lighting, access to active and public travel options, and a well-managed public realm including places to rest but with limited street clutter.

Retail and Town Centre

- Local retail to meet every day needs (such as small food shops or newsagents) should be supported where existing provision is inadequate or niche retail is required.
- Large scale retail should be directed to St Helier town centre and other centres where it is possible to do so, through the use of a sequential test.
- Outside of the Built-up Area, retail should not be supported unless ancillary to the main activity on the site (e.g. a farm shop), with restrictions over the scale and nature of the retail products on offer (e.g. ensuring garden centres primarily sell horticultural related supplies) to ensure the vitality of the primary and secondary centres. Future proposals should be subject to a criteria-based approach to demonstrate acceptability of development, and planning conditions could be used to control the nature of the retail.

6.2 Review of Retail and Town Centre Policies

This section reviews the retail and town centre-related policies in the 2011 Island Plan (revised 2014), in the context of the findings of the land use futures assessment in Section 6.1 and, in particular, whether they support the anticipated range of futures identified.

Policy BE 1, Policy ER 1 and Policy ER 2

Policy BE 1 Town centre vitality

The Minister for Planning and Environment will seek to protect and promote the vitality of the Core Retail Area of the Town Centre as defined on the Town Proposals Map.

Development proposals involving the change of use of ground floor premises within the Core Retail Area will only be permitted provided that the proposed use does not detract from the primary shopping function and contributes to the vitality and viability of Core Retail Area of the Town Centre.

The assessment of proposals for the change of use from a shop to other uses will be assessed against the following factors:

1. the location and prominence of the premises within the shopping frontage;
2. the floorspace and frontage of the premises;
3. the number, distribution and proximity of other ground floor premises in use as, or with planning permission for, food and drink (Class B) and office (Class C) uses;
4. the particular nature and character of the proposed use, including the level of activity associated with it; and,
5. the proportion of vacant ground floor property in the immediate area.

To promote the vitality of the Core Retail Area of the Town Centre as defined on the Proposals Map the Minister for Planning and Environment will;

6. support the preservation and viability of the covered markets;
7. support the provision of improved cycling and public transport links serving the Core Retail Area;
8. support the provision of adequate off-street parking for shoppers and visitors to the Core Retail Area;
9. support proposals for al fresco activities associated with restaurants, bars and cafés and outdoor performances subject to there being no unacceptable;
 - a. loss of amenity to neighbouring users;
 - b. impact on the character and amenity of the area;
 - c. loss of public space of detriment to the public use and enjoyment of the area;
 - d. impact on the safe use of the public realm, with particular regard to pedestrians and cyclists.
10. support the extension of pedestrian priority areas and streetscape enhancements which raise the quality of the public realm, and other improvements for pedestrians;
11. support appropriate proposals that enhance the 'green' infrastructure and urban environment;
12. support the conversion of under-utilised upper floors to residential use. In such cases, normal residential standards will be applied flexibly to enable the best use to be made of such accommodation;
13. support schemes that take into account the need to design out crime and facilitate personal safety and security, particularly in relation to car parks and pedestrian links to them; and
14. support traffic management schemes which reduce the adverse effects of traffic on the Core Retail Area.

Policy ER 1 Retail expansion in the Town Centre

Land between Broad Street and Commercial Street, as identified on the Proposals Map, is designated for new comparison goods retailing should the need for it emerge during the Plan Period. Development which creates large retail units fronting onto Broad Street, together with a new retail route between Broad Street and the Esplanade will be supported, subject to criteria in Policy ER2 Policy ER 2 'Protection and promotion of St Helier for shopping'.

Policy ER 2 Protection and promotion of St Helier for shopping

The role of St Helier as the main retailing centre of the Island will be protected and promoted where this is compatible with the goal of enhancing retail efficiency. Environmental enhancement, improvements to pedestrian safety and facilities for shoppers, including provision of off-street parking for shoppers, and permeable access for cyclists, where possible, within the centre will be supported.

Proposals for new or extensions to existing retail development will be permitted within the Map 5.2 'Core Retail Area', provided that the development accords with Policy GD1 General Development Considerations. Proposals which do not satisfy these criteria will not be permitted.

Proposals for the refurbishment or extension of pre-existing retail premises outside the Core Retail Area will be permitted provided that the development accords with other retail policies of the Plan.

Proposals for new retail development outside St Helier core retail centre will not be permitted except where they accord with; Policy ER 3 'Protection and promotion of local shopping centres', Policy ER 4 'Development of local shops' and Policy ER 7 'Large-scale food retailing'.

Changes of use involving a loss of ground floor retail floor space within the core retail centre will not be permitted.

Need for the Policy

There is some overlap between policy BE 1 (town centre vitality), ER 1 (retail expansion in the town centre) and ER 2 (protection and promotion of St Helier for shopping). For this reason they have been reviewed together; for the BIP, consideration should be given as to whether they can be consolidated into a single policy.

The overall purpose of these policies is to protect and promote the role of central St Helier as the island's primary retail centre. This intention is further supported by ER 7 and ER 8, which state that proposals for the provision of new large-scale food retailing and large-scale non-food retailing respectively will be permitted where the proposed development is located in St Helier town centre (both policies are discussed in full below); only in exceptional circumstances may other locations be permissible, subject to the criteria set out in the respective policies. The findings of the baseline and the land use futures assessment suggests that a policy which confirms the primacy of St Helier town centre (and then applies a sequential test in relation to the suitability for other locations) will continue to be important.

Definition of St Helier Town Centre

It is recognised that the future vitality of St Helier town centre rests on retaining its primacy as the island's primary retail centre for shopping, eating, drinking and leisure. The Revised 2011 Island Plan recognised that the 'Town Centre', which was originally defined in the 2002 Island Plan was too large and with no clear distinction between the roles and functions of different parts of town. A refocused boundary was produced for the 2011 Island Plan that identified where to retain

primary floorspace for retail vitality and viability, allowing other parts of the town centre to respond to other development needs.

It is considered that this boundary should be revisited in preparing the BIP to ensure the spatial extent of the policy corresponds with the outcomes being sought. It is recommended that the town centre boundary is more tightly drawn, but that in addition to key retail areas, other key assets should be included (such as key civic buildings, galleries and museums, and the opera house). Greater flexibility over the range of uses permitted for premises within the Town Centre boundary (but outside of the Core Retail Area – see below) could be supported.

Definition of the Core Retail Area

A Core Retail Area is defined in the current Island Plan (see Figure 15)⁷⁸ to identify where there is a need to retain retail vitality and viability – within this area, primary and secondary retail frontages are also defined. The Core Retail Area is relatively large and includes a range of land uses – not just retail-predominant areas but also other town centres uses, office buildings, some residential areas etc. There would be benefit in reducing the extent of the Core Retail Area (e.g. by de-designating parts of it) to protect its primary function, maintain its vitality and maximise footfall. The extent of the Core Retail Area could align with options to prioritise pedestrians and manage the access and flow of those entering on foot or bicycle into parts of St Helier under plans for a ‘Central Walking Core’ explored in the Public Realm and Movement Strategy. Alternatively, the role that different areas play could be defined (as Policy ER 1 does for comparison retail).

In terms of the mix of uses that should be permitted within the Core Retail Area, a balance needs to be struck between providing flexibility for existing businesses to evolve in response to changing trends whilst avoiding undesirable uses and vacant properties, which could break up the line of active frontages. There is a reducing demand for department stores requiring large floorspace, while at the same time it is difficult to attract multiples to small floorspaces. A mix of unit size is therefore recommended to attract and cater for a range of business kind and size.

⁷⁸ There may be some instances where a change in use is required. Policy ER 2 does not allow for changes of use involving a loss of ground floor retail floorspace within the Core Retail Area (which is analogous to the Core Retail Centre boundary but would benefit from clarification in the BIP).

Figure 15 Core Retail Area, as defined in the Revised 2011 Island Plan



Policy ER 2 does not allow for changes of use involving a loss of ground floor retail floorspace within the ‘core retail centre’ (which is analogous to the Core Retail Area boundary). In order to assess the efficacy of Policy ER 2, including whether it has an unintended effect of increasing vacancy of units no longer viable for retail uses, the Government of Jersey development control team should be consulted. There may be an opportunity to integrate the criteria-based policy set out in BE 1 (or sign-post to BE 1) in a move away from a policy resisting total loss of retail floorspace and to permit some change of use where appropriate. This would account for a managed contraction of premises no longer required or suitable to meet demand. This would require applicants to demonstrate that premises have been actively marketed for retail use for a set period of time in order to allow non-viable premises to find alternative uses.

Other Retail Provision

Policy ER 1 allows for expansion of the retail area towards Commercial Street and The Esplanade. Further consideration needs to be given to the likely impacts of permitting commercial and residential development of The Esplanade/waterfront, which includes ground floor retail uses. There is a risk that it may ‘split’ the town centre in St Helier, with local retail and leisure offers that support the residential development proposed at the waterfront attracting footfall away from the existing town centre and impacting on its critical mass. However, if carefully planned for and differentiated from town centre uses, the waterfront offer could become complementary to the function of the town. Planning policy could be more restrictive to allow only local needs to be met on the waterfront to avoid competing with the Town Centre, and/or it could encourage particular types of retail and town centre uses to complement retail uses in the Town Centre (e.g. as a differentiated leisure offer, food markets, or niche retail experiences which meet the special demands of a smaller targeted group).

Outside of the Town Centre boundary, new retail and town centres uses should be limited to local convenience, reflecting the sequential hierarchy for retail. This is to avoid competition and enhance the primary role of St Helier.

Other Town Centre Uses in St Helier

Flexibility of uses in the town centre away from retail towards other supporting town centre uses (including the evening economy etc.) will be important in securing the future role of St Helier. This should include uses with active frontages, professional services with a shop window or display, or other attractions to encourage footfall, such as cafes, markets, estate agents or galleries. Policy ER 2 refers primarily to St Helier as a retail/shopping location, which has the outcome of being more restrictive to other town centre uses. Given the expected move towards more experiential town centre uses including food and beverage, leisure and evening economy uses, this policy should be revised to be more inclusive to other uses. Planning policy should ensure that a suitable mix of retail and other town centre uses in the Core Retail Area can emerge, in order to diversify the retail experience and bolster wider footfall numbers.

The BIP might benefit from a policy on meanwhile uses which would apply in St Helier and Red Houses/Les Quennevais to enable businesses to test out ideas before becoming permanent, or to activate spaces that are temporarily under-utilised. The existing policy which supports change of use of floorspace above ground floor retail units should remain (for any non-retail use), subject to this change of use not adversely affecting the viability of the existing ground floor retail use. It should also be clarified that this policy applies to the town centres of St Helier and Red Houses/Les Quennevais only.

Urban Realm and Design

Planning policy for retail and town centre uses in St Helier will require strong interplay with an Urban Realm Strategy. Where change of use away from retail and town centre to other uses is permitted, there may be value in the BIP containing design-related policies to ensure that the character of the town centre is not lost including whether key principles such as active frontages will be required.

Much of the second half of Policy BE 1 relates strongly to the emerging Public Realm and Movement Strategy; similar policy will need to reflect the findings of this work. In particular, the following themes are emerging from the work:

- Improved connections to St Helier through safe, green vibrant routes that link to wider cycle network and green lanes.
- Streets designed such that pedestrian movements take priority, followed by cyclists, public transport and lastly, private vehicles.
- Increased pedestrian activity and time spent outside in the streetscape and public realm, increasing vibrancy.
- Reconfigured/optimised vehicle parking in some locations.
- Enhanced landscape, including trees and natural drainage.

Design-related policies should also ensure a high-quality retail environment and effective movement through the town centre, to enhance vitality and ensure it remains a destination. This is likely to include: improved connections to and through St Helier through safe, green vibrant routes that link to the wider cycle network and green lanes; streets that prioritise pedestrian movements; increased time spent outside in the streetscape and public realm (through outdoor eating and drinking, sitting, and markets); and enhanced landscape, including trees and natural drainage.

Where change of use away from retail and town centre uses to other uses is permitted, there may be value in the BIP containing design-related policies to ensure that the character of the town centre is not lost. This might include:

- requiring active frontages and any attractive/historically valuable shopfronts and associated features to be retained and repaired as part of development proposals, even where the premises is no longer in retail or town centre use; and
- supporting the provision of new shopfronts where they enhance the streetscape.

Policy ER 3

Policy ER 3 Protection and promotion of local shopping centres

The Minister for Planning and Environment will seek to protect local shopping centres at:

- Les Quennevais/ Red Houses;
- Gorey Village;
- St Aubin;
- St Ouen's Village;
- St John's Village;
- St Peter's Village
- Five Oaks and Bagatelle Parade; and
- Miladi Farm Parade.

Within local shopping centres, new retail developments will be permitted provided that the proposal accords with Policy GD 1 'General development considerations'.

Changes of use within local shopping centres from retail to non-retail use will only be permitted where the proposed non-retail use will meet an identified local need and contribute to the vitality and viability of the centre.

Need for the Policy

The overall purpose of Policy ER 3 is to protect and promote local retail centres across the island. It reflects the fact that, whilst St Helier town centre is the

primary retail and town centre location, retail is polycentric with a defined hierarchy. For this reason, a similar policy will be required in the BIP, aligned with a wider 'spatial hierarchy' policy (or combined into this hierarchy policy).

As currently drafted, the policy provides equal protection to each of the local retail centres. However, Red Houses/Les Quennevais should be given additional standing and/or enhanced protection given its de facto role as a 'second centre'.

Given the condition of Les Quennevais, consideration should be given to whether additional policy guidance should be developed for this centre (either sitting as part of this policy or elsewhere). This might include whether it is expected that a replacement development (i.e. where the existing retail and town centre uses were demolished or redeveloped) would be expected to retain the same amount of retail/town centre uses.

The local shopping centres are not currently shown in the Island Plan Map. To aid clarity, the retail and town centre hierarchy (or wider spatial hierarchy) should be included on the future Map.

Other Considerations

Policy BE 1 includes a number of criteria against which proposals for new retail will be assessed. Similar considerations are also relevant for proposals in local centres, and so should also be included in future policy on local centres (or consolidated into a single policy).

The policy as currently drafted allows change of use from retail to non-retail use where the proposed non-retail use will meet an identified local need and contribute to the vitality and viability of the centre. Island Plan 2011 Policy Appraisal- Housing, Social and Economy data shows that outside of St Helier, only 2,500 sq.m of retail floorspace was consented to be lost, primarily through change of use or redevelopment to provide small-scale office space or new residential units. This loss is not considered to be significant and indicates that existing provision of retail opportunities outside of St Helier has, largely, been maintained.

However, to retain the vitality and viability local centres, if proposals come forward for change of use there may be a benefit in consideration also being given to the impact of the proposal on the availability of local retail, to ensure that local demand can be met even with the loss of the premises. Policy E 1 currently sets a requirement to demonstrate that premises have been actively marketed for retail use for a set period of time in order to allow non-viable premises to find alternative (non-employment land) uses; however, this doesn't currently protect loss of retail to other employment uses. Future policy should also state clearly that the change of use does not include residential uses in order to maintain the core function and vibrancy of retail areas.

Policy ER 4

Policy ER 4 Development of local shops

Proposals for new small local shops of 100 sqm (defined as having a gross floor area of 100 sqm or less) will be permitted within the boundary of the Built-up Area provided they will not unreasonably affect the character and amenity of the area and where the proposal accords with Policy GD 1 'General development considerations'.

Proposals which do not satisfy these criteria will not be permitted.

Need for the policy

The purpose of Policy ER 4 is to restrict the development of retail outside the Built-up Area, other than to support local needs. In order to protect both the primacy of other retail areas and the character of settlements outside the Built-up Area, this policy remains relevant. The upper limit of 100 sqm appears to be reasonable to allow the delivery of local convenience retail⁷⁹.

Given the purpose is to allow for retail which meets the immediate needs of residents, the Government of Jersey should consider whether the policy should be clearer on the type of retail (i.e. convenience) which would be supported, and demonstration of local need (or, in the case of niche retail, wider need).

The policy is silent on expansion of existing local shops. Policy contained in the BIP could clarify whether existing shops will only be permitted to extend up to the 100 sqm threshold. Alternatively, the policy approach could be less prescriptive on defining local centres and on limits to expansion, in order to be more supportive of businesses looking to meet existing or emerging local needs.

In order to streamline the BIP, there could be an opportunity to combine ER 4 with Policy ER 3, or a wider 'spatial hierarchy' policy.

Policy ER 5

Policy ER 5 Development of evening economy uses

Proposals for arts and cultural venues, restaurants, cafés, public houses and other non-retail uses will be permitted within the town centre of St Helier, local shopping centres and Tourist Destination Areas, provided that the development accords with Policy GD 1 'General development considerations'.

In the remaining parts of the Island, applications to establish such uses will be considered on their merits having regard to their impact on neighbouring uses.

⁷⁹ A review of approaches used by local planning authorities in England did not suggest a consistent similar limit. However, 100 sqm is established in England's Planning Practice Guidance as a threshold above which retail developments must pay Community Infrastructure Levy.

Need for the Policy

The purpose of Policy ER 5 is to support non-retail uses including arts and cultural venues, restaurants, cafés, public houses. Whilst the title of the policy refers to the evening economy, some of these uses would be expected to be active during the day.

As the policy is currently drafted, the distinction between those named primary areas (St Helier, local shopping centres and Tourist Destination Areas) and the rest of the island are weak; proposals will be 'permitted' in the primary areas, and 'considered on their merits' elsewhere. A change of emphasis should be considered which either 'supports' such uses in the areas they would likely be more appropriate, and/or more tightly restricts this use in other parts of the island. The former could include retail uses which support leisure/tourism activities outside of the Built-up Area.

Given development of these uses may require a change of use away from retail uses, the drafting of policy (or else clarified in supporting text) should ensure that change from retail to non-retail uses can come forward where appropriate – in other words, that the policies are less restrictive and allow more flexibility within town centre uses.

Tourist Destination Areas are referenced elsewhere in the current Island Plan as St Aubin, St. Brelade's Bay, Havre des Pas and Gorey. Any change to this definition should be considered in the context of this policy also (see Section 5).

Policy ER 6

Policy ER 6 Take-away food outlets

New take-away food outlets will only be permitted where the proposal is within St Helier town centre, a local shopping centre or a Tourist Destination Area, and it accords with Policy GD 1 'General development considerations', and having regard to their impact on neighbouring uses, especially residential accommodation.

In the remaining parts of the Island, applications to establish such uses will be considered on their merits having regard to their impact on neighbouring uses.

Need for the Policy

The purpose of Policy ER 6 is to restrict the development of take-away food outlets to certain locations. As the policy is currently drafted, the distinction between those named primary areas (St Helier, local shopping centres and Tourist Destination Areas) and the rest of the island are weak; proposals will be 'permitted' in the primary areas, and 'considered on their merits' elsewhere. A change of emphasis should be considered which more tightly restricts food take-away outlets in other parts of the island to within the limits of the Built-up Area and where an assessment of environmental impacts can demonstrate no (significant) effects.

Given development of these uses may require a change of use away from retail uses, the drafting of retail policy (or else clarified in supporting text) should ensure that change from retail to food take-away outlets uses can come forward where appropriate – in other words, that the policies are less restrictive and allow more flexibility within town centre uses. Further guidance on the impact on neighbouring uses should also be considered, particularly around noise, extraction, hours of operation, or proximity to uses such as schools.

Tourist Destination Areas are currently defined elsewhere in the current Island Plan as St Aubin, St. Brelade's Bay, Havre des Pas and Gorey. Any change to this definition should be considered in the context of this policy also (see Section 5).

Policy ER 7

Policy ER 7 Large-scale food retailing

Proposals for the provision of new food retailing floor space over 500sqm /5,000 sqft (gross) will only be permitted where the proposed development:

1. is located in St Helier Town Centre;
2. itself, or cumulatively with other or proposed retail developments, will not cause detriment to the vitality or viability of St Helier Town Centre;
3. is genuinely accessible by a choice of means of transport including pedestrians, cyclists, public transport users including those with mobility impairments;
4. provides adequate space and facilities for servicing and deliveries;
5. provides facilities for the recycling of waste packaging generated by the proposal and complies with relevant waste policies.
6. accords with General Development Considerations

The redevelopment or extension of existing food retailing stores to over 500 sqm floorspace will be subject to criteria (2) to (6) above.

In exceptional circumstances, major food retail development proposals for floorspace over 500 sqm/5,000 sqft (gross) may be permitted outside St Helier Town Centre where:

1. a demonstrable need exists for the scale and type of development proposed; and
2. criteria 2 to 6 above are satisfied; and
3. no sequentially preferable site is available, suitable and viable (Policy SP 3 'Sequential approach to development') – starting with town centre, then edge of town centre sites, then out-of-centre locations; and
4. it does not materially prejudice the provision of other land uses, particularly the supply of land for employment, housing, community use and open space.

Need for the Policy

The purpose of Policy ER 7 is to guide proposals for large food shops to appropriate locations. Whilst there is no evidence that significant amounts of new food retail will be required over and above what is currently provided in the island over the Plan period, it is right that a similar policy be included in the BIP.

In order to reduce the risk of overall overprovision of large food retail in the island, consideration should be given as to whether a retail impact assessment should be required as part of an application. This could help to determine that:

- there is an overall requirement for additional food retail in the island; and
- provision will not have a negative impact on existing retail – both existing large food shops, and other retail within St Helier or Red Houses/Les Quennevais which might be impacted by change in footfall patterns etc.

This type of evidence is already required in relation to large non-food retail.

The policy makes a distinction between St Helier and other parts of the island, and reference to the sequential test. Given the sequential test (and the fact that the town centre is already embedded within the sequential test), the policy could be simplified by having a single set of criteria. It should, however, reflect Red Houses/Les Quennevais' role as the 'second centre' within the hierarchy. (It is expected that Policy SP 3 (which contains the sequential approach to development) will be amended through the Island Plan review, which could have an impact on how this policy operates.)

6.2.1 Policy ER 8

Policy ER 8 Large-scale non-food retailing

Proposals for large-scale non-food retailing (including retail warehouses) will only be permitted where the proposed development:

1. is located in St Helier Town Centre;
2. itself, or cumulatively with other or proposed retail developments, will not cause detriment to the vitality or viability of St Helier Town Centre;
3. is genuinely accessible by a choice of means of transport including pedestrians, cyclists, public transport users including those with mobility impairments;
4. provides adequate space and facilities for servicing and deliveries;
5. provides facilities for the recycling of waste packaging generated by the proposal and complies with relevant waste policies.
6. accords with General Development Considerations

In the case of applications for large-scale non-food retailing (including retail warehousing) outside the St Helier Town Centre, evidence of retail impact will be required to show that the proposal would not undermine the vitality and viability of the town centre.

Any retail impact assessment should address the following issues:

1. the quantitative and qualitative need for the development, including increases in sales areas;
2. the sequential approach, as outlined by the Policy SP 3 'Sequential approach to development'.

Need for the Policy

The purpose of Policy ER 8 is to guide proposals for large non-food shops to appropriate locations. It is right that a similar policy be included in the BIP – particularly to secure the on-going viability and vitality of St Helier town centre. In order to streamline the BIP, there is an opportunity to have a policy which covers both large food and large non-food retail (in other words, a consolidated Policy ER 7 and ER 8).

Any future policy should better define the term ‘retail warehouses’ – which in this context, refers to large, (typically) single-level floorspace, normally selling goods for home improvement or gardening, furniture, electrical goods, carpets etc. This should be distinguished from warehouse space to serve retail uses, which would fall under other policies. Whilst the principle of the sequential approach to directing retail warehouses to St Helier town centre is supported, further consideration may need to be given as to how compatible these uses are given the space requirements and the competition for space within St Helier.

The policy as currently written does allow for large non-food retail outside of the town centre, where a case can be made. Any future policy should make it clear that points 2-6 of the St Helier-related policy would also apply, otherwise the policy regime might be interpreted as being less stringent outside of the town centre. Point 4 of Policy ER 7 (ensuring proposals do not materially prejudice the provision of other land uses) is also relevant.

Policy ER 9, Policy ER 10 and Policy ER 11

Policy ER 9 Retailing within industrial sites

Proposals for retail development within existing and proposed industrial sites will only be permitted where the development relates to the sale of items manufactured, packaged or distributed on the premises or the same industrial site, or where the sale of such items is subsidiary to their manufacture, packaging or distribution, and will not lead to an unreasonable loss of industrial floorspace.

Proposals which do not satisfy these criteria will not be permitted.

Policy ER 10 Retail development outside the Built-up Area

There is a presumption against the establishment of new retail uses outside the Built-up Area, in accordance with Policy SP 3 'Sequential approach to development'.

In exceptional circumstances, the Planning and Environment Minister may permit the sale of goods which are related and ancillary to the main activity on the site and where the proposal makes use of existing buildings, and will have no unreasonable effect on the vitality or viability of St Helier Town Centre, the central markets or a local shopping centre.

There will be a presumption against extensions to existing retail buildings outside of the Built-up Area.

Policy ER 11 Farm shops

Proposals for farm shops and other small-scale ancillary retail outlets will be permitted where the enterprise is ancillary to an existing related economic activity, and where it does not undermine the vitality and viability of existing shopping centres defined in Policy ER 2 'Protection and promotion of St Helier for shopping' and Policy ER 3 'Protection and promotion of local shopping centres' or put at risk a near-by village shop; and where the development is not more than 100sqm.(gross) in floor area.

The proposal must meet the requirements of Policy GD 1 'General development considerations' and conditions will be imposed in respect of the type and range of goods to be sold.

Need for the Policy

Policy ER9, Policy ER10 and Policy ER11, although covering different types of retail, all relate to retail outside of designated centres. For this reason, they have been reviewed together. In drafting the revised policies in the BIP, consideration should be given as to whether they can be consolidated into a single or smaller number of policies.

The purpose of these policies is to restrict the types and scale of retail outside of established centres and require a case to be made relating to the existing uses on the site (i.e. retail as an ancillary use). The continuation of this type of policy appears to be reasonable; however, appropriate conditions should be attached to permissions (and compliance monitoring undertaken) to ensure that such retail does remain ancillary and does not change in size and scope over time to become something which would be unacceptable. In particular, it is understood there have been issues around farm shops selling products other than those produced on the farm (such as clothes and furnishings). The policy could therefore make it clear that it is expected that the ancillary shops will only (or predominantly) sell own produce and/or unprocessed produce, and will be strictly limited in scale. The Government of Jersey should explore whether planning conditions could be used to control the nature of the retail. This would also apply to retailing on industrial

premises remaining ancillary to workshop and warehousing functions. This policy should also be linked to any agricultural policy which relate to diversification of uses. A distinction in the policy should also be made for garden centres in the Green Zone, which have been reported to be selling comparison goods alongside plant and garden sales.

Policy in the BIP should require applicants to consider travel and transport to such locations, bearing in mind the types of customers (e.g. trade customers, general public, tourists etc.), ensuring that appropriate and sustainable routes are possible. This might include ensuring safe pedestrian links.

7 Office Land Use Futures Assessment and Policy Review


This section draws on the baseline and the identified drivers of change to present land use ‘futures’ that have been developed for office accommodation. The land use futures enable an exploration of how future trends will likely impact demand for employment floorspace over the lifetime of the BIP. Using the range of land use futures and resultant policy direction, this section then reviews the effectiveness of the employment policies in the Revised 2011 Island Plan. The review considers whether the policies remain appropriate in the context of the Strategic Policy Framework for the BIP and the range of possible land use futures that may occur. Where appropriate, recommendations are made on future policy direction and any further work likely to be required to support preparation of the BIP.

7.1 Assessment of Office Land Use Futures

This section takes the evidence from the baseline review and stakeholder engagement. It summarises the overall direction of travel for office accommodation and uses this to identify a range of possible land use futures that may occur over the Plan period. An assessment of the land use futures has been undertaken against the questions identified in Section 2.2 including any implications for the broad policy direction for the BIP.

Table 10: Office land use futures assessment

Office
Baseline Overview
<p>It is estimated that total office stock currently stands at around 3,000,000 sq ft, with 600,000 sq ft comprising Grade A BREEAM rated. New development at Gaspé House, International Finance Centre (IFC) and The Esplanade have recently added 400,000 sq ft of new BREEAM-rated stock to the market. Between 2011-2019 saw net gain of 120,000 sqm of new office space.</p> <p>In 2018 there was record take up of office floorspace, with some 250,000 sq ft let. This was followed by only 50,000 sq ft in 2019 as a result of the level of success in the previous year and the lack of further high-quality office space to move into. Jersey has a thriving financial industry which accounts for 39% of the total GVA for the island.</p> <p>A core of financial services has begun to emerge at The Esplanade and surrounding area and is home to the primary market with large organisations, substantial Grade A office buildings, and the development of the IFC. Secondary markets, elsewhere in the island, provide cheaper and lower capacity offices for smaller organisations. These include other non-financial occupiers of office space such as consultancy services, estate agents and retailing headquarters and are more evenly spread across the island, with some clustering in St. Saviour, St. Peter and St. Brelade. St Helier also has a burgeoning digital cluster with the emergence of newly expanded and repurposed Digital Jersey Hub providing co-working office space.</p>
Drivers of Change
<p>Productivity in the key finance and legal sector is relatively constant, but the GVA in real terms for the sector is increasing over time. Under normal times this would indicate that there may be an increase in demand for office space in Jersey, particularly in St Helier.</p> <p>However, the pandemic and other drivers of change are significant. The Covid-19 pandemic is forecasted to have negative impacts on this sector which could impact the demand for office floorspace as businesses look to reduce costs and reshape their business operations. Covid-19 has also stimulated a shift towards home working and a greater openness to flexible working arrangements, meaning offices may no longer run at the same capacity as before the pandemic occurred (though it is expected that any shift to permanent home-working will not be as marked as in other jurisdictions such as the UK given the shorter commuting times/distances).</p> <p>Other key drivers from larger organisations include a demand for high-quality, high-grade office space that allows for a more modern, open plan working environment. However, as large organisations choose to consolidate operations into one location, this potentially frees up secondary office locations for small organisations.</p> <p>Brexit will also be a key driver of change for financial and legal businesses, the consequences of which are uncertain.</p>

Office		
Baseline Overview		
Land Use Futures		
		
<p>Contraction</p> <p><i>Demand for office accommodation contracts as a result of wider changes in the economy.</i></p>	<p>Business as Usual</p> <p><i>Demand for office accommodation remains on a similar trajectory to pre-Covid levels, with a focus on growth of the International Finance Centre.</i></p>	<p>Expansion or change</p> <p><i>Demand for office accommodation accelerates beyond business as usual, due to changes in the wider economy which make Jersey an attractive place to do business. Diversification in the type and location of demand for office space, with a 'digital hub' 'international hub' (at or near the airport) emerging, and increased demand for smaller or more flexible premises.</i></p>
Assessment of Land Use Futures		
<ul style="list-style-type: none"> As set out in the Baseline Overview, take up for office space from both larger and smaller organisation was strong pre-Covid-19. However, the pandemic has had immediate effects in the short-term as working from home has been required to maintain social distancing. Given the uncertainty over the economic recovery and whether a contraction in demand for floorspace will be sustained, a precautionary approach should be taken in the BIP to avoid the loss of office during this period of contraction, with this position being re-visited in the next plan. If demand for office space accelerates as a result of changes in the wider economy (as per the Expansion or Change land use future), St Helier should remain the primary area for office space development. As the existing major location for large, high value businesses, the BIP should be clear that new Grade A office space should be directed to the IFC and that proposals should come forward in accordance with the South West St Helier Planning Framework. Alongside the requirement for Grade A office space, Expansion or Change for office may require a diversification in the type and location of demand for office space; for example, a 'digital hub' in St Helier and/or an 		

Office
Baseline Overview
<p>‘international hub’ at or near the airport emerging, and increased demand for smaller or more flexible premises. Jersey has seen a growth in the cluster of digital sectors around the eastern end of St Helier and around the waterfront. The BIP should make reference to the Digital Strategy and provide general support for this sector to foster its innovation. However, it is not considered that a designation in the BIP is required to promote further growth of the nascent digital hub, or protect it from competing uses; it is expected that its further development will continue to be largely organic rather than defined through planning policy.</p> <ul style="list-style-type: none"> • If there is a significant increase in demand for new office space, Red Houses/Les Quennevais could be supported as a secondary area for office developments (supporting its role as the 'second centre' in the island. However, in doing so should not seek to compete with the offer provided within St Helier. • Policy should indicate support for the range of different types of office accommodation in the island. However, if a contraction in demand is experienced (as per the Contraction land use future) and there is no longer a demonstrative need for the office accommodation, policy can be a driver to support alternative use. A preference should be for a change to an alternative employment, particularly important on ground floor to ensure street vitality. The appropriateness of conversions on the upper floors should be a place-specific consideration, where a change to residential should be sensitivity considered and be subject to a design led approach and minimum standards.

7.2 Review of Office Policies

This section reviews the office-related policies in the Revised 2014 Island Plan, in the context of the findings of the land use futures assessment in Section 7.1 and, in particular, whether they support the anticipated range of futures identified.

Policy EO 1

Policy EO 1 New office development

The development of new offices, and extensions to existing office accommodation, will be permitted within the St Helier Town Centre, as defined on the Proposals Map, and Esplanade Quarter, provided that the proposal accords with Policy GD1 General Development Considerations.

Some new office development may be permitted in the following areas:

- Pier Road/Commercial Buildings;
- North of Town Masterplan area; and

- Gloucester Street.

The appropriate level of new office development in these areas will be determined through the outcome of the North of Town Masterplan and other 'Regeneration Zones' masterplans.

Outside St Helier Town Centre, the Waterfront and the defined St Helier regeneration zones, new office developments will not be permitted except where they accord with Policies EO2 Policy EO 2 'Conversion of upper floors of existing commercial buildings for office accommodation' and EO3 Policy EO 3 'Other small scale office development'.

Need for this Policy

The purpose of Policy EO 1 is to encourage office development in the existing key urban areas and in key opportunity sites. This is to maximise development opportunities while avoiding the spread of offices into residential areas. It aims to locate businesses together within St Helier town centre and the Esplanade Quarter. Further details are to be determined through masterplans, which for the Esplanade Quarter has come forward through the South West St Helier Planning Framework.

Evidence suggests that existing primary and secondary office stock is serving existing needs and that future demands can be met through the remaining development plots which form part of the IFC/the Esplanade Quarter. Beyond this, there is no evidence to suggest that in the short to medium term, the BIP needs to identify additional sites/locations for office development.

Protection Versus Expansion

Given that demand for office space was strong pre-Covid-19 and the uncertainty over the economic recovery, a precautionary policy approach should be taken in the BIP to loss of office during this period of contraction, with this position being re-visited in the next Plan. While existing Policy E 1 sets a presumption against development which results in the loss of land for employment use generally, this excludes office accommodation.

This policy should amend its focus away from prioritising new development over the BIP period. Policy should instead support the retention or redevelopment of existing office space – the latter of which it is currently silent on – to accommodate end-occupier requirements. Only at this stage where a marketability assessment can demonstrate that the employment uses are no longer required, would consideration be given for permission to change the use to residential. Consideration should be given on whether BIP would benefit from including policy requirements regarding design of conversions and re-developments to ensure a design-led approach is taken promoting street facing development.

Location of Office Development

Grade A office space development should be directed to the IFC (where a marketability report demonstrates its need), to maintain St Helier as the primary area for office development. Floorspace for lower grade stock, the burgeoning digital sector and use by SMEs can be supported in other areas of St Helier. Red

Houses/Les Quennevais can also be supported as a secondary area for employment uses (supporting its role as the de facto ‘second centre’ and capitalising on its proximity to the airport) but should not seek to compete with the offer in St Helier. The identification of specific locations in Red Houses/Les Quennevais could be considered.

As set out in the assessment in Section 7.1, it is not considered that a designation in the BIP is required to promote further growth of the nascent digital hub in the east of St Helier or protect it from competing uses. However, the policy should provide general support for its development, as well as development more generally of smaller or more flexible premises to cater for a range of businesses.

Policy EO 2

Policy EO 2

Conversion of upper floors of existing commercial buildings for office accommodation

The conversion of upper floors of existing commercial buildings to office accommodation will normally be permitted within the Built-up Area boundary, provided the proposal accords with Policy GD 1 'General development considerations'. Proposals which do not satisfy the criteria in that policy will not be permitted.

Need for this Policy

The purpose of Policy EO 2 is to support the requirements for secondary office accommodation that can be readily met on the upper floors of commercial premises. The policy promotes the effective use of existing buildings. The policy supports recommendations for Policy EO 1 for the redevelopment of existing floorspace for alternative commercial uses, before permitting the development of new accommodation. It also allows for development of usually smaller footprints, which are likely to be more suitable for small and micro businesses and start-ups. However, the policy safeguards the loss of residential units as a result of the change of use and against detrimental impacts on the environment or neighbouring uses.

The uses are considered appropriate within the boundary of the Built-up Area provided that the ground floor is already in commercial use. Upper floor conversion and office policy should become a place-based policy limited to St Helier and Red Houses/Les Quennevais rather than general employment policy applicable across the island. This is foremostly to encourage the concentration of offices within established office areas to stimulate the vitality and intensification of these areas and promote a mix of uses.

Refusal of proposals which would result in the loss of homes should be retained given the importance of ensuring sufficient supply of homes over the Plan period.

Policy EO 3

Policy EO 3 Other small scale office development

Small-scale office development will be permitted within the town of St Helier, and the urban and key rural settlements where the proposal accords with Policy GD 1 'General development considerations'. Outside the town of St Helier and the urban and key rural settlements, office use will normally only be allowed where it would be a conversion of an existing non-residential building.

Need for this Policy

The purpose of Policy EO 3 is to ensure that supply of small-scale office development (below 250 sqm) are met in St Helier, and the urban and key rural settlements as defined in the island Plan Proposal Map. The policy identifies that this reduces the need for travel and support the vitality of other urban and rural areas. However, there is a risk that the daily commuting patterns of workers can lead to traffic and car parking problems and that it dilutes demand for office floorspace in key centres. The policy states that development may only take place where it would present an appropriate use of existing buildings.

Key Urban Area Development

In line with recommendations for Policy EO 1, floorspace for smaller footprints and lower grade stock, or suitable for co-working use or for SMEs, can be supported in other areas of St, Helier outside of The Esplanade – which may not be suitable for small businesses due to large floorplates and high rental prices. Policy EO3 could be expanded to include Red Houses/Les Quennevais as a secondary centre. As per the existing policy, focus on the conversion of existing non-residential buildings should continue to be prioritised.

The threshold of 250 sqm equates to approximately 20 full-time equivalent employees (Employment Density Guidelines, UK). Consideration should be given to reviewing this threshold to a smaller area given the aim of the policy is to support start-ups/micro businesses which are not likely to have this number of employees. Reducing the floorspace area would also limit the number of daily trips required on the road network to offices which are potentially situated in less sustainable locations which are only accessible by private vehicle.

Policy EO 4

Policy EO 4 Businesses run from home

Where permission is required for the operation of a business from a home, proposals will be permitted provided that they accord with Policy GD 1 'General development considerations'. Proposals which do not satisfy the criteria in that policy will not be permitted.

Need for this Policy

This policy is in response to the growth in flexible and home working and the number of people operating businesses from home. Planning consent is not required provided that it is an ancillary use of the home. The policy seeks to avoid intrusive business development in residential areas. Such uses can put pressures on car parking facilities, lead to the conversion of garden space to parking, and result in more traffic on quiet roads and general disturbance. Impact of the development on the character and amenity of the area, through visual intrusion on the landscape, is also a particular consideration.

It is recommended that the policy remains in place to ensure that home-to-office conversions remain ancillary to the primary function as a home and to avoid the presence of SMEs operating out of homes, placing pressure on local infrastructure and amenities.

8 Light Industrial Land Use Futures Assessment and Policy Review

This section draws on the baseline and the identified drivers of change to present land use ‘futures’ that have been developed for light industry. The land use futures enable an exploration of how future trends will likely impact demand for employment floorspace over the lifetime of the BIP. Using the range of land use futures and resultant policy direction, this section then reviews the effectiveness of the employment policies in the Revised 2011 Island Plan. The review considers whether the policies remain appropriate in the context of the Strategic Policy Framework for the BIP and the range of possible land use futures that may occur. Where appropriate, recommendations are made on future policy direction and any further work likely to be required to support preparation of the BIP.

8.1 Assessment of Light Industrial Land Use Futures

This section takes the evidence from the baseline review and stakeholder engagement. It summarises the overall direction of travel for light industry and uses this to identify a range of possible land use futures that may occur over the Plan period. An assessment of the land use futures has been undertaken against the questions identified in Section 2.2 including any implications for the broad policy direction for the BIP.

Table 11: Light industrial land use futures assessment

Light Industrial
Baseline Overview
<p>The use of JLPI data showed that the light industrial sites are relatively evenly spread across the island, with some clustering around La Collette in St Helier and the Ports of Jersey.</p> <p>Between 2011 and 2019, planning permission was granted for 5,260 sqm of new industrial/warehousing floorspace within the island’s Protected Industrial Sites (PIS) in St. Saviour, St Lawrence, St Peter, Trinity, St Helier and St. John. Two planning permissions were also granted for the loss of 939 square metres of industrial /warehousing floorspace from the PIS.</p> <p>Much of the warehousing and industrial floorspace is interchangeable, and within the PIS 3,400 square metres of floorspace has been approved for a change of use from industrial to warehousing or vice versa. Conversion of agricultural buildings into storage space has also occurred over time; stakeholders have indicated that in some cases this has been in response to a scarcity of affordable and suitably located industrial space.</p> <p>Light industrial locations can be viewed as “bad neighbours” for residential use wherever they occur throughout the island and pressure may arise for the relocation of the use or the activities which take place on them.</p>
Drivers of Change

Light Industrial

Limited information is available on current and likely future demands for light industrial floorspace. Light industrial is a land use type that is dependent upon other sectors and in this sense, it is not a primary use. The baseline showed that key dependent sectors such as construction, manufacturing, transport and storage and wholesale and retail have maintained relatively constant levels of employment over the period of the current Island Plan with some rises in the construction industry. In absence of specific light industrial and sector forecasts, a general economic downturn and reduction in profitability of non-finance sectors may illustrate a forthcoming reduction in the demand for light industrial floorspace.

Despite this, stakeholder engagement has indicated that there is a scarcity of light industrial floorspace attributed to the limited number of locations in the island which can meet the needs coupled with a pressure on the existing land for alternative uses such as residential development.

Other drivers of change include the changing environment in the retail industry, Brexit and existing housing pressures in Jersey. The way consumers shop is changing. Rapidly growing e-commerce may require increased levels of storage space for retailers to facilitate Click & Collect services and online deliveries, but conversely, this could be offset by any reductions in the number of operating retailers and their storage requirements.

Although the outcome of Brexit is still uncertain, non-tariff related impacts are likely to have the largest impact on the demand for light industrial floorspace. Any further frictions, in the form of border checks or transport delays, may incentivise firms to have increase on-island storage.

Ultimately, based on limited evidence, it would appear that there may be a need to provide more light industrial floorspace in the BIP; stakeholders have corroborated this conclusion.

Land Use Futures



Contraction

Demand for light industrial accommodation contracts as a result of wider changes in the economy.

Pressure on existing sites for competing uses (e.g. residential) leads to a loss of floorspace and

Business as Usual

Demand for light industrial accommodation remains on a similar trajectory to pre-Covid levels.

Expansion or change

Demand for light industrial accommodation accelerates beyond business as usual, with a focus on growth at the port and airport, for retail storage and to support the construction of homes.

Light Industrial		
<i>suitable locations for light industrial uses.</i>		
Assessment of Land Use Futures		
<ul style="list-style-type: none"> Due to the limit in information, it is unclear how significantly demand will change for light industry over the BIP. Future demand is likely to remain broadly constant, but with continued pressure on change of use (or unregulated use) from agriculture to storage. Given the uncertainty there should a focus on maintaining exiting levels of floorspace. Under the Contraction land use future, a contraction of demand of light industrial floorspace. This might be compounded by competing pressures; land in Jersey is scarce and competing land uses (particularly residential, and particularly within St Helier) are likely to have higher commercial returns. Appropriate levels of land must be made available in the BIP for these other land uses to reduce pressure on light industrial sites to be brought forward for redevelopment. Existing industrial sites should also be appropriately safeguarded. Given the lack of sites coming forward in the short term (no new sites were promoted through the Call for Sites), policy which provides support for new sites, subject to identified criteria being met, is required. In the longer-term, policy should support an expansion of light industrial uses to support development of industrial space at strategic locations in the island – at St Helier Port, the airport, and La Collette (subject to wider hazard considerations). In relation to the port and airport, this might be required to allow for changing needs for retail storage and potential changes to supply lines as a result of Brexit. Not precluding any developments at the port or the airport will ensure that the BIP covers likely expansionary future scenarios. 		

8.2 Review of Light Industrial Policies

This section reviews the light industrial-related policies in the Revised 2011 Island Plan, in the context of the findings of the land use futures assessment in Section 8.1 and, in particular, whether they support the anticipated range of futures identified.

Policy EIW 1

Policy EIW 1 Protection of existing industrial sites

Industrial development and redevelopment, including manufacturing, warehousing and distribution uses, will be permitted within the following existing industrial sites, subject to being in accordance with criteria for new industrial development, as set out in Policies Policy EIW 2 'New industrial buildings' and 'Extensions or alterations to existing industrial buildings'.

- Rue des Pres Trading Estate, St Saviour;
- Jersey Steel, Beaumont, St Lawrence;
- St Peter's Technical Park, St Peter;
- Springside, Trinity;
- La Collette, St Helier;
- L.C. Pallot Properties, Trinity;
- Barrette Commercial Centre, Mont Mado, St John; and
- Thistlegrove, St Lawrence

Within the boundary of these sites, the introduction of non-industrial uses will not be permitted, unless related to and ancillary to the industrial use.

Need for the Policy

The purpose of Policy EIW 1 is to protect existing industrial sites in the island. This is particularly important given that other land uses are often more commercially attractive, and suitable replacement land for industrial uses is scarce. It is considered that the need for this policy remains. The policy could benefit from placing emphasis on ensuring that land is optimised on the existing protected industrial sites, as identified on the policy map, and could state that proposals which seek to do this will be supported.

The policy currently provides equal protection to each of the industrial sites. However, it should be considered whether additional priority should be given to sites which serve critical infrastructure (La Collette and Ports of Jersey, for example).

Protection and Expansion

The BIP should look to include protective policies for existing light industrial spaces to ensure that there is adequate quantum to serve existing needs. This could also include support for redevelopment or intensification of these locations, subject to the acceptability of the location.

The BIP (or subsequent Island Plan) could support development of industrial space within built-up areas and/or at strategic locations in the island – at St Helier Port, the airport, where operational development is supported by Policy TT 15 which would embrace warehousing and logistics, and La Collette (subject to wider hazard considerations). Whilst significant amounts of industrial land are not expected to come forward in these locations over the period of the BIP, it should be generally supported if it did. The BIP may need to recognise the potential longer term requirements for additional space in these locations and set out how such needs could be met.

Policy EIW 2

Policy EIW 2 New industrial buildings

Proposals for new industrial buildings within designated sites and the boundary of the Built-up Area, will be permitted provided that the development accords with Policy GD 1 'General development considerations'.

Proposals which do not satisfy these criteria will not be permitted.

Need for the Policy

What evidence is available shows an increasing demand in floorspace including an overall net gain in floorspace secured through planning permissions and the conversion of agricultural building to light industrial by SMEs given the shortage of supply in the island. A policy to promote and secure new industrial buildings should therefore be retained. During the previous Island Plan, proposals for a new light industrial site was put forward but was removed during examination of the Plan. This reflects the limited appetite for private sector to bring forward sites and wider concerns in the community about bad neighbour uses. The Government of Jersey should consider whether there is public sector land which could be utilised for light industry.

New and Safeguarded Floorspace

Proposals for a new light industrial site were put forward as part of the development of the current Island Plan, but were removed during examination of the Plan. There is a lack of sites coming forward in the short term (no new sites were promoted through the Call for Sites). Both these points reflect the limited appetite for the private sector to bring forward sites, and wider concerns in the community about bad neighbour uses. The BIP could include a policy to support new sites, subject to identified criteria being met. Consideration should also be given to whether there is any public land appropriately located that could be used by light industry (and identified in the BIP as such).

A criteria-based policy is also considered an appropriate approach to identify the suitability of sites for the provision of new land. This can prioritise development within the boundary of the Built-up Area, before assessing alternative locations which may be suitable to support other sectors or supporting infrastructure. This may include locations close to the development at the ports and airport, or to support demands for storage from the rise in on-line shopping. The criteria can ensure that there is no undue impact on the neighbouring uses or the local environment.

Consideration should be given whether to consolidate Policy EIW 2, Policy EIW 3 and Policy EIW 4 into an overall criteria-based policy.

Policy EIW 3

Policy EIW 3 Relocation of bad neighbour uses

The Minister for Planning and Environment will encourage the relocation of industrial, storage and distribution activities which are considered to be unneighbourly in their present location where it would lead to overall environmental benefits and accords with Policy EIW 2 'New industrial buildings'.

The relocation of industrial, storage and distribution activities will be particularly encouraged where this would release land within the town of St Helier for housing, open space, tourism or other community uses.

Need for the Policy

The purpose of Policy EIW 3 is to ensure that industrial land is in areas where it does not serve as a bad neighbour to other uses (housing, tourism, open space and community uses).

Whilst prevention of bad neighbour impacts is important, such a policy should not prejudice the protection of existing industrial sites through Policy EIW 1. The continuation of this policy could be reasonable if any relocations are not detrimental to the overall stock of industrial space and if additional industrial land can be secured and made available before the cessation of uses on the existing industrial site (to ensure the amount of industrial land/floorspace in the island is maintained).

Proposals for development in proximity to existing industrial sites should be required to consider how bad neighbour impacts can be minimised and made acceptable – for instance, through screening, bunds, or general layout of development. It may be helpful to also include reference to the 'Agent of Change Principle', whereby, any new development planned for a site next to a noise-making premises (including light industrial) would need to mitigate any potential risk to the existing premises, before receiving planning permission.

Consideration should be given whether to consolidate Policy EIW 2, Policy EIW 3 and Policy EIW 4 into an overall criteria-based policy.

Policy EIW 4

Policy EIW 4 Extensions or alterations to existing industrial buildings

The extension or alteration of existing industrial buildings will be encouraged, provided that the proposal accords with Policy GD 1 'General development considerations'.

Proposals which do not satisfy this policy will not be permitted.

There will be a presumption against extensions, alterations and/or the intensification of use of existing industrial buildings outside of the Built-up Area and designated industrial sites.

Need for this Policy

The purpose of this policy is to encourage extensions or alterations of existing industrial buildings if the proposal accords with the general development considerations.

Demand is likely to remain broadly constant, therefore the BIP should focus on retention and protection of existing stock. This policy could benefit from first encouraging industrial sites to maximise the extent of the space (within its curtilage). Then, if it can be proved that the space has been fully utilised and is still not meeting requirements, extensions or alterations can be considered within Built-up Areas, but outside of the Protected Industrial Sites.

Policy should support the redevelopment, renewal or intensification of existing sites within the Built-up Areas but outside of Protected Industrial Sites to make best use of existing sites, subject to the proposals being acceptable in planning terms (these could be articulated in the policy through use of criteria). As with EIW 2, this policy could be consolidated to reduce the overall number of policies. For example, Policies EIW 2 and EIW 4 could be consolidated to cover all development proposals for industrial buildings (whether new or extensions/alterations).

Consideration should be given whether to consolidate Policy EIW 2, Policy EIW 3 and Policy EIW 4 into an overall criteria-based policy.

Policy EIW 5

Policy EIW 5 Industrial development in the countryside

There will be a presumption against development for industrial purposes in the countryside. Proposals will only be permitted for forms of development which must occur in the countryside, where they are;

- directly related to the winning, processing, treatment and transportation of minerals; waste management including recycling; or the processing of agricultural products;
- essential for the processing to take place close to the source of raw materials;
- related to the expected life of the raw material source or landfill site; and
- in accordance with Policy GD 1 'General development considerations'.

Proposals which do not satisfy these criteria will not be permitted.

Need for the Policy

The purpose of this policy is to restrict industrial developments in the countryside to the prescribed circumstances. In such cases the policy demands that it must be demonstrated that the buildings are essential to the operations on site and cannot be located within the Built-up Area or on already designated industrial sites. This policy seems fit for purpose and it would be beneficial to continue to restrict industrial developments in the countryside to only those that cannot be accommodated elsewhere.

However, the success of this policy will be dependent on the availability of other alternative sites being available. There is evidence that SMEs are converting agricultural buildings to light industry given the shortage of supply in the island. This is only likely to be resisted when conveniently and accessible alternatives are available. Given the known lack of new light industrial sites, an additional criteria could be considered which does allow industrial development in the countryside where it is of a small scale and a small impact, and where conditions can be applied to ensure the impact does not increase over time (e.g. by more and more intensive use). This criteria could be temporary for inclusion in the BIP, whilst longer term locations for light industrial (e.g. at La Collette) come on-stream.

9 Overarching Policies Review

9.1 Review of Overarching Policies

As well as the policies reviewed in Sections 5-8 of this report, the Revised 2011 Island Plan also contains two overarching policies on economic growth and employment land. This section reviews these policies, in the context of the land use futures set out earlier in this report.

Policy SP 5

Policy SP 5 Economic growth and diversification

A high priority will be given to the maintenance and diversification of the economy and support for new and existing businesses, particularly where development can attract small footprint/high value business from elsewhere and foster innovation, in the following ways:

1. the protection and maintenance of existing employment land and floorspace for employment-related use;
2. the redevelopment of vacant and under-used existing employment land and floorspace for new employment uses;
3. the provision of sufficient land and development opportunities for new and existing employment use.

Need for the Policy

Policy SP 5 is an overarching policy to support the growth and diversification of economic sectors in the island. It sits within the Island Plan Strategic Policy Framework. A strategic-level economic policy remains appropriate and should be retained in the BIP. It would be beneficial to clarify whether strategic policies have a greater ‘weight’ than the rest of the policies in the Plan.

The wording ‘a high priority will be given’ is not as clear or precise as it could be, and alternative wording should be considered to give an appropriate steer for development. For example, the wording could read: *‘Proposals which maintain or diversify the economy and/or facilitate new and existing businesses will be supported.’*

The policy could also make reference to the strategic policy principles which have been developed for the BIP (or a version of them), providing support to developments which:

- Support the maintenance of a productive and diverse economy; and encourage the development of a local market for goods and services.
- Facilitate the development of key urban opportunity sites.
- Promote and enables small footprint/high value businesses; and fosters innovation.

- Enable the creation of attractive and rewarding employment opportunities and support the development and enhancement of local skills and training.

Key Sectors

In order to give a greater steer to what sectors are particularly encouraged, the policy or supporting text could detail these sectors. The list could include⁸⁰:

- Financial, legal, IT and professional services
- Tourism and hospitality
- Retail (including wholesale) and leisure
- Public services including education and health
- Agriculture
- Marine industries including fishing and aquaculture
- Construction, quarrying, transport and storage
- High value businesses relocating to Jersey from elsewhere

Policy E 1

Policy E 1 Protection of employment land

There will be a presumption against development which results in the loss of land for employment use as supported by the Strategic Policy SP 5 'Economic growth and diversification', unless;

1. it is demonstrated that the site is inappropriate for any employment use to continue, having regard to market demand. Applications will need to be accompanied by documentary evidence that the size, configuration, access arrangements or other characteristics of the site make it unsuitable and financially unviable for any employment use and confirmation by full and proper marketing of the site on terms that reflect the lawful use and condition of the premises, or;
2. the existing development is predominantly office or tourist accommodation, or;
3. the overall benefit to the community of the proposal outweighs any adverse effect on employment opportunities and the range of available employment land and premises; or,
4. the existing use is generating environmental problems such as noise, pollution, or unacceptable levels of traffic and any alternative

⁸⁰ This list is informed by, but does not entirely follow, the jobs by sector data included in Statistics Jersey labour market statistics. Further details are provided here: <https://www.gov.je/Government/JerseyInFigures/EmploymentEarnings/pages/labourmarket.aspx#anchor-2>

employment use would continue to generate similar environmental problems.

Need for the Policy

The purpose of Policy E 1 is to give overarching protection of employment land, through a presumption against change to non-employment uses. The protection of employment land treats all types land and buildings in employment use as a single category, with the exception of tourist and office accommodation which are both excluded from being covered by the policy. These two exemptions are in recognition of other objectives set in the Plan, as well as other changes seen in the respective industries which have impacted demand for further types of space and/or in specific locations – further information on this is provided in the Protection of Employment Land SPG (2012).

However, the economic context has shifted considerably since the 2011 Island Plan and the Employment Supplementary Planning Guidance was prepared. There are significant differences between types of employment land use requirements including respective market pressures, site requirements, and local impacts; it may no longer make sense treating them as a single entity under Policy E 1. There is also significant demand for homes in the island, further threatening sufficient supply of employment land and consumer preferences are changing demands for visitor accommodation.

It is therefore not considered appropriate to have an overarching policy. Instead, more tailored protection should be provided through land use-specific policies (covered in Sections 5-8).

10 Summary of Recommendations

As the policies to be contained in the emerging BIP are developed and finalised, the direction of travel established in the land use futures assessments and recommendations arising through the policy reviews for each of the land uses should be taken into account. A summary of the policy recommendations is provided in Table 12-15 below.

Table 12: Summary of recommendations for visitor accommodation

No	Summary of recommendations
1	Policy should protect and diversify existing visitor accommodation from any further losses. To address the uncertainty regarding demand for visitor accommodation, the BIP should seek to protect existing hotels in particular in the short-term.
2	Appropriate levels of land must be made available in the BIP for these other land uses to reduce pressure on visitor accommodation sites to be brought forward for redevelopment.
3	Policy should identify (or safeguard) broad locations for tourism accommodation, identifying their suitability through a criteria-based assessment. Any locations identified should reflect the need for the island to continue to offer a range of different accommodation types
4	Further consideration is required to support decision making around emerging and appropriate locations for new visitor accommodation and particular tourist niches, however priority should still be to facilitate the development of key urban opportunity sites.
5	The BIP could consider support for appropriate development of visitor accommodation in rural areas including in the Green Zone, Coastal National Park and the Marine Zone. However, allowing development in the countryside must be balanced against other policy objectives including net zero carbon ambitions.
6	To account for a contraction in demand for visitor accommodation, the BIP should provide flexibility over how visitor accommodation can be utilised for other appropriate uses in the short term e.g. as temporary worker accommodation or other hospitality/retail uses. Change of use could be permitted subject to various other considerations. Any new policy on protecting visitor accommodation sites should include criteria which clarify the circumstances in which change of use may be permissible, principally where there are viability issues around redevelopment or where there is no longer a market interest in the business.
7	It is not recommended that visitor accommodation be used temporarily for residential uses.

Table 13: Summary of recommendations for retail and town centre

No.	Summary of recommendations
1	Clarify the hierarchy for retail/town centre uses to support diversification and reflect changing consumer demands i.e. St Helier should remain the primary centre for retail and town centre uses, followed by Red Houses/Les Quennevais; all other retail provision should be limited to providing for islanders day-to-day food retail shopping needs. Differential shopping experiences should be established in different the Built-up Area to reduce competition between centres.
2	The extent of Town Centre and Core Retail Area could be reviewed and tightened to maximise the overall vitality.

No.	Summary of recommendations
3	Resist loss or change of use from retail or town centre uses to non-retail or town centre uses within the Core Retail Area (and to a lesser extent other parts of the St Helier Town Centre), to protect its primary function..
4	Flexibility integrated into policy to support the transition to more experiential uses in the town centre. This could include greater flexibility towards other supporting town centre uses, including the evening economy.
5	Introduce a policy on meanwhile uses which would apply in St Helier and Red Houses/Les Quennevais to enable businesses to test out ideas before becoming permanent or to activate spaces that are temporarily under-utilised.
6	Enhance the quality of retail units and the surrounding public realm in St Helier and Red Houses/Les Quennevais to create an attractive and accessible shopping environment. Introduce design-related policies to ensure the character of the town centre is not lost.
7	Outside of the Built-up Area, retail should not be permitted unless for local convenience or is ancillary to other uses. Retail in the Green Zone should not be supported unless ancillary to other uses (e.g. a farm shop).
9	Establish criteria against which proposals for new retail will be assessed in local centres. Consider the impact of proposals for change of use on the availability of local retail, to ensure demand can be met even with the loss of premises. Consider whether policy should be clearer on the type of retail (i.e. convenience) which would be supported to support local needs.
10	Greater clarity and support for the development of evening economy uses in areas they would likely be more appropriate.
11	A change of emphasis should be considered which more tightly restricts food take-away outlets in other parts of the island within the limits of built-up areas where an assessment of environmental and health impact can demonstrate no (significant) effects.
12	In order to reduce the risk of overall overprovision of large food retail in the island, consideration should be given as to whether a retail impact assessment should be required as part of an application. The policy should make a distinction between St Helier and other parts of the island.
13	Policy should continue to guide proposals for large non-food shops to appropriate locations. Consideration whether retail warehouse should be continuing to be directed to St Helier town centre.

Table 14: Summary of recommendations for office

No	Summary of recommendations
1	A precautionary approach should be taken in the BIP to avoid the loss of office during this period of contraction, with this position being re-visited in the next plan. There is no evidence to suggest that in the short- to medium-term, policy should amend its focus away from prioritising new development. However, policy to prevent the change of use away from office uses should be considered.
2	St Helier should remain the primary area for office space development. As the existing major location for large, high value businesses, the BIP should be clear that new Grade A office space should be directed to the IFC and that proposals should come forward in accordance with the South West St Helier Planning Framework.
3	Red Houses/Les Quennevais can also be supported as a secondary area for employment uses (supporting its role as the de facto 'second centre' and capitalising on its proximity to the airport) but should not seek to compete with the offer in St

No	Summary of recommendations
	Helier. The identification of specific locations in Red Houses/Les Quennevais could be considered.
4	Upper floor conversion and office policy should become a place-based policy limited to St Helier and Red Houses/Les Quennevais rather than general employment policy applicable across the island. This is foremostly to encourage the concentration of offices within established office areas.
5	Floorspace for smaller footprints and lower grade stock, or suitable for co-working use or for SMEs, can be supported in other areas of St. Helier outside of the Esplanade. Policy EO3 could be expanded to include Red Houses/Les Quennevais as a secondary centre. A focus on the conversion of existing non-residential buildings should continue to be prioritised.
6	Policy should remain in place to ensure that home-to-office conversions remain ancillary to the primary function as a home and to avoid the presence of SMEs operating out of homes.

Table 15: Summary of recommendations for light industrial

No	Summary of recommendations
1	Given the uncertainty there should a focus on maintaining and safeguarding existing levels of light industrial floorspace. Policy could benefit from placing emphasis on ensuring that land is optimised on the existing protected industrial sites. Policy currently provides equal protection to each of the industrial sites. However, it should be considered whether additional priority should be given to sites which serve critical infrastructure (La Collette and Ports of Jersey, for example).
2	The BIP should look to include protective policies for existing light industrial spaces to ensure that there is adequate quantum to serve existing needs. This could also include support for redevelopment or intensification of these locations.
3	Policy which provides support for new sites is required. In the longer-term, policy should support an expansion of light industrial uses to support development of industrial space at strategic locations in the island – at St Helier Port, the airport, and La Collette.
4	Whilst prevention of bad neighbour impacts is important, such a policy should not prejudice the protection of existing industrial sites. The continuation of this policy could be reasonable if any relocations are not detrimental to the overall stock of industrial space and if additional industrial land can be secured. Proposals for development in proximity to existing industrial sites should be required to consider how bad neighbour impacts can be minimised and made acceptable
5	Demand is likely to remain broadly constant, therefore the BIP should focus on retention and protection of existing stock. This policy could benefit from first encouraging industrial sites to maximise the extent of the space (within its curtilage) and then, if it can be proved that the space has been fully utilised and is still not meeting requirements, then extensions can be considered within Built-up Areas but outside of the Protected Industrial Sites.
6	Continue to restrict industrial developments in the countryside to only those that cannot be accommodated elsewhere. Given the known lack of new light industrial sites, an additional criteria could be considered which does allow industrial development in the countryside where it is of a small scale and a small impact, and where conditions can be applied to ensure the impact does not increase over time.