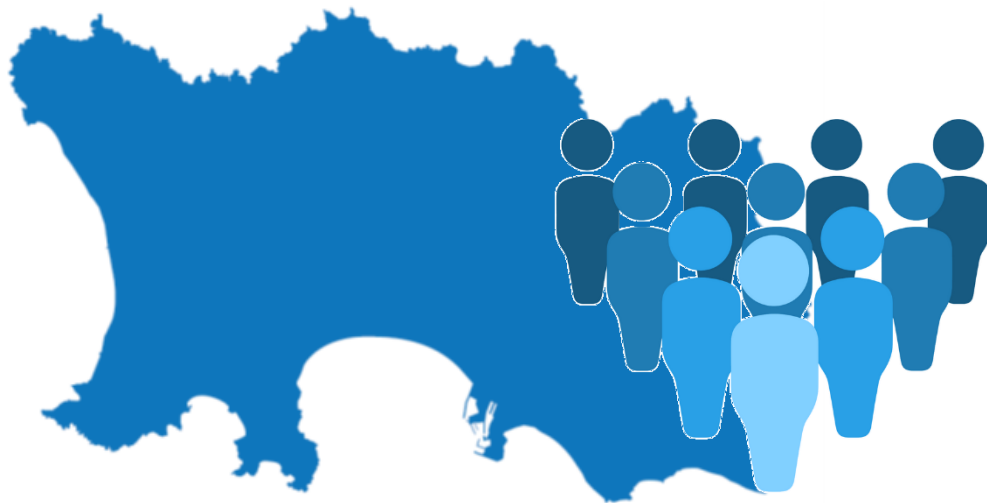


States of Jersey
States Assembly



États de Jersey
Assemblée des États

CORPORATE SERVICES SCRUTINY PANEL



MIGRATION POLICY

Presented to the States on 9th April 2018

SR.7/2018

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Chairman's Foreword

I am pleased to present this short high-level report on the Council of Ministers' Migration Policy. The aim of the report is to draw attention to some of the key issues underlying the population debate and point to areas for further consideration before the policy is debated by the States Assembly.

Within the report, we highlight the current level of inward migration and the consequential impact on population growth. In particular, we highlight the possible impacts on the Island's infrastructure by 2035. We also touch on the Island's skills requirement and the financial impact of migration.

If there is one key message to pull from our work, it is that good data is essential to considering the Migration Policy. It is important for all stakeholders, whether they are members of the public, local businesses or States Members to understand the implications of the policies that are proposed and, indeed, the implications of doing nothing.

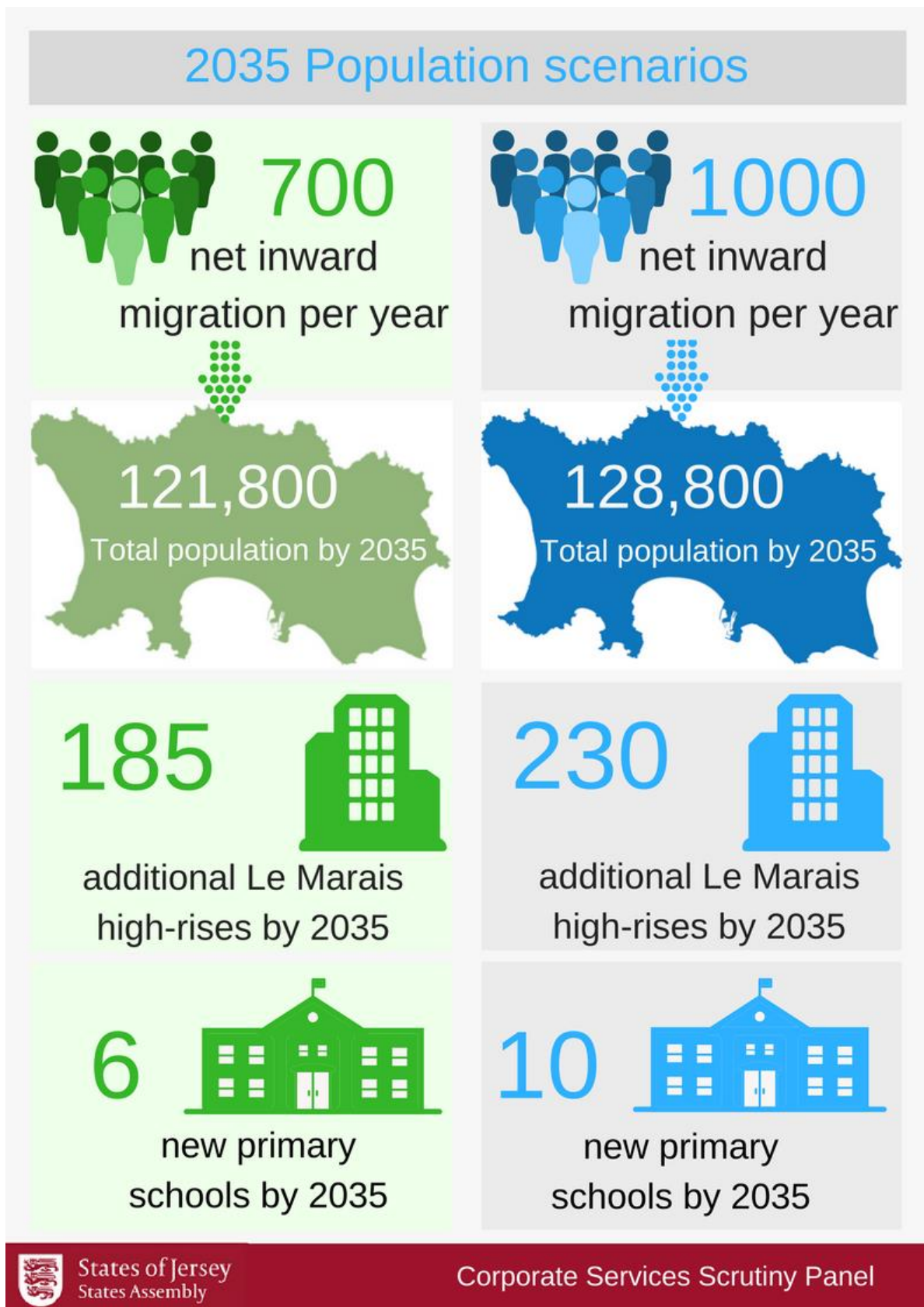
The Migration Policy is due to be debated on 11th September 2018. It is important that there is enough time for consultation and scrutiny of the policy leading up to the debate. This might be challenging in light of the priorities that the new Council of Ministers will be faced with. It is also difficult to see how some of the proposals, such as the introduction of work permits, can be introduced until the outcome of the UK's Brexit negotiations are known. The timeline within the policy indicates that these proposals will be brought forward in January 2019. It remains to be seen whether this timeline is realistic.

We are grateful to the stakeholders who made submissions to our review and also to Statistics Jersey for their input. We trust that this report will be a useful contribution to the debate on population and migration as the States seeks to agree a way forward on this difficult area.



Deputy John Le Fondré
Chairman
Corporate Services Scrutiny Panel

2035 Population scenarios¹



¹ Based on Statistics Jersey population projections and Panel calculations. See Annex for further details.

Introduction

1. The [Migration Policy](#) was lodged by the Chief Minister on 15th March 2018 and is due to be debated by the States Assembly on 11th September 2018².
2. Population and migration are often listed at the top of Islanders' priorities and we therefore wanted to ensure that the policy was subject to detailed scrutiny.
3. The policy includes a number of objectives, including notably:
 - That net immigration over the next 20 years should be lower on average than it has been since 2001;
 - The introduction of a work permit system;
 - Criminal record checks for new migrants;
 - Photographs on registration cards.
4. The last population policy approved by the States Assembly was the [Interim Population Policy: 2014-2015](#)³. This set a "planning assumption" for net inward migration of 325 people per year⁴. This figure has been exceeded in every year since 2014. In fact, over the last four years, inward migration has averaged 1,000 people per year⁵.
5. Following earlier announcements that the new policy would be lodged for debate in Autumn 2017, we received a briefing on an early draft in September 2017 and followed this up with two briefings from the Chief Statistician on the underlying population and migration statistics.
6. Following our initial work, it became clear that the formal lodging of the policy had been delayed, such that it would not be debated by the current States Assembly prior to the May 2018 elections.
7. The purpose of this report is to record the work we have undertaken to date and to set out the key issues, particularly in relation to relevant statistics, that will need to be considered when the policy is debated later this year.

Net inward migration target

8. The Migration Policy does not include a specific target for net inward migration, but instead sets the following objective:

² [P.70/2018](#). The policy was originally published "for information" on 8th December 2017 as R.134/2017

³ [P.10/2014](#)

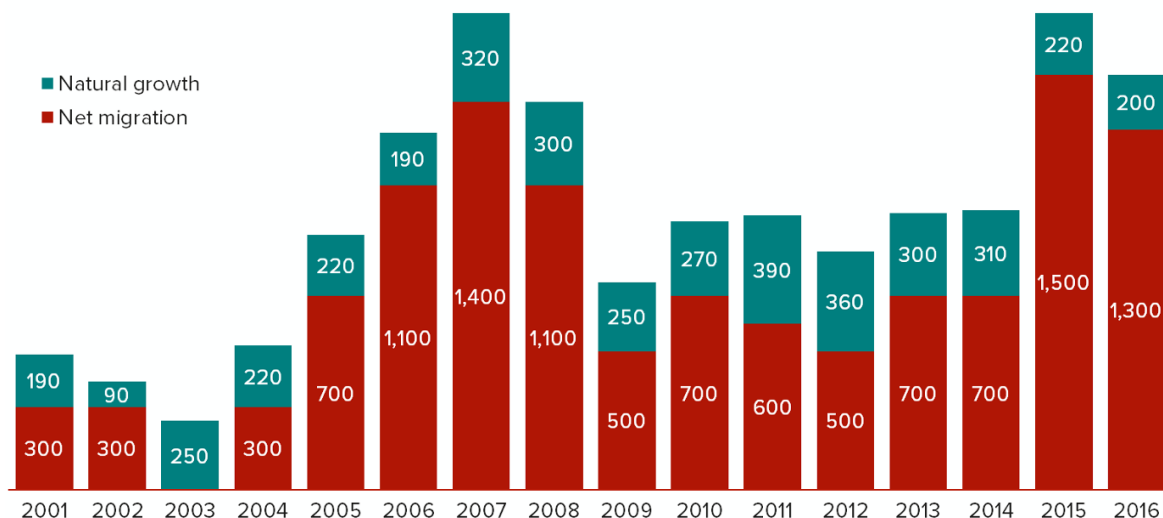
⁴ The "planning assumption" of +325 net inward migration per year was originally set in the [2009-2014 Strategic Plan](#).

⁵ [P.70/2010](#), page 7

“a sustainable balance for Jersey requires annual net immigration over the next 20 years to be lower on average than it has been since 2001, while also ensuring that we can deliver economic growth and staff our public services;”⁶

9. A footnote within the executive summary clarifies that net migration has averaged 700 people a year since 2001.⁷
10. This compares to an average of 1,000 net inward migration over the last 4 years, as can be seen in the graph below, and a “planning assumption”, in the interim population policy, of 325 people per year.

Change in Jersey’s resident population 2001 to 2016



Source: States of Jersey Statistics Unit

Figure 1: Change in Jersey's resident population

11. To help inform the debate on migration, it would be interesting to understand the reasons for the recent levels of net inward migration, how the total is broken down by industry sector and the impact on the overall working age population. From our initial work, there is only limited data available on this currently.
12. At a very basic level, it appears that the number of migrants entering the Island each year exceeds the number of people retiring. The total number of pensioners has increased by an average of 688 per year over the last 4 years.⁸ This compares with net inward migration of 1,000 each year. In addition, there are approximately 1,000 school leavers each year added to the working-age population in the Island⁹.

⁶ <http://www.statesassembly.gov.je/assemblypropositions/2018/p.70-2018.pdf> P.70/2018, p1

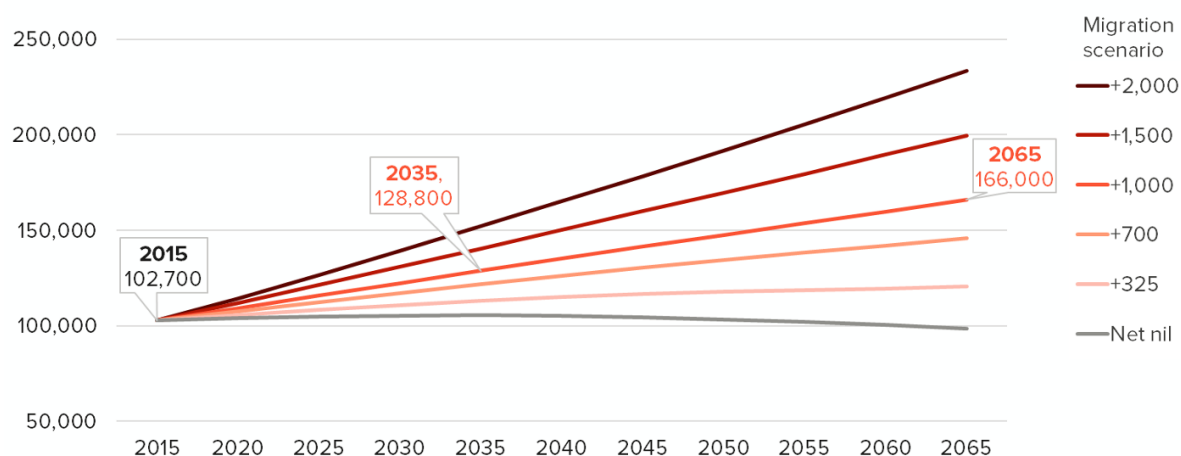
⁷ P.70/2018, p4

⁸ This figure includes both residents and non-residents entitled to a Jersey pension. For more detail see R.92/2017 [Social Security Department Minister's Report 2016](#), p21

⁹ The [2011 Census \(Appendix C – Data tables\)](#) recorded 1,110 people age 18

Population Projections

Total projected population size from 2015 to 2065 under different levels of net migration



Source: States of Jersey Statistics Unit

Figure 2: Population Projections by Statistics Jersey

13. The [Population projections](#) published by Statistics Jersey in 2016 outline various projections under different scenarios over a 50 year period.
14. The population projections for net inward migration scenarios of +700 and +1,000 are¹⁰:

	700	1,000
2025	112,500	115,700
2035	121,800	128,800
2065	145,800	166,000

Figure 3: Inward Migration scenarios

15. Although outside of the projections produced by Statistics Jersey, if net inward migration continues at 1,000 per year, then the population would pass 200,000 in 2092.¹¹

¹⁰ [Jersey population projections 2016 release](#), October 2016

¹¹ Based on a straightline calculation extrapolating from the data contained in the Population projections report.

Impact on infrastructure

16. In order to understand the impact of these increases to Jersey's population on the Island's infrastructure, we have considered some illustrative examples which arise from the 2016 population projections report. All examples are based on the island's population as at the end of 2015.

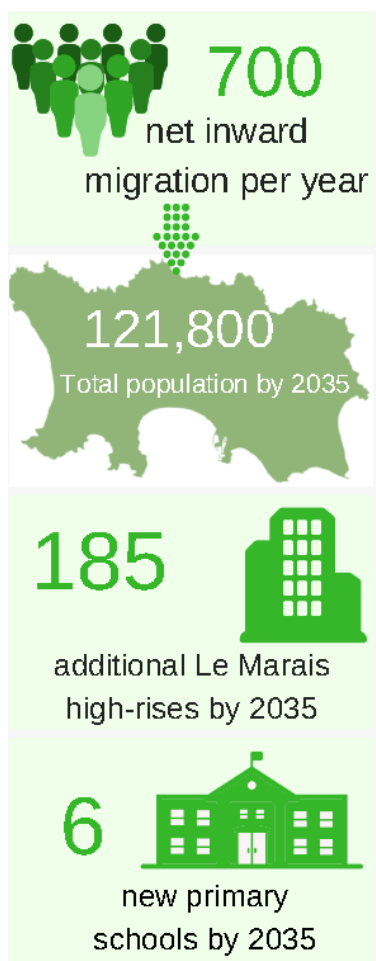


Figure 4: Inward migration scenario +700

17. Based on net inward migration of 700 people per year, by 2035, the Island would have an additional 10,500 households. This is the equivalent of around 185 high rise blocks of flats, like those at Le Marais¹².

18. If net inward migration is at 1,000 people per year, then by 2035, the island would have 13,000 additional households. This is the equivalent of around 230 Le Marais high rises.

19. Based on the same assumptions, if net inward migration averages 700 people per year, then by 2035, the Island would need the equivalent of an additional 6 new primary schools (one form entry) to meet the growing birth rate. At 1,000 people per year, the Island would need the equivalent of 10 new primary schools¹³.

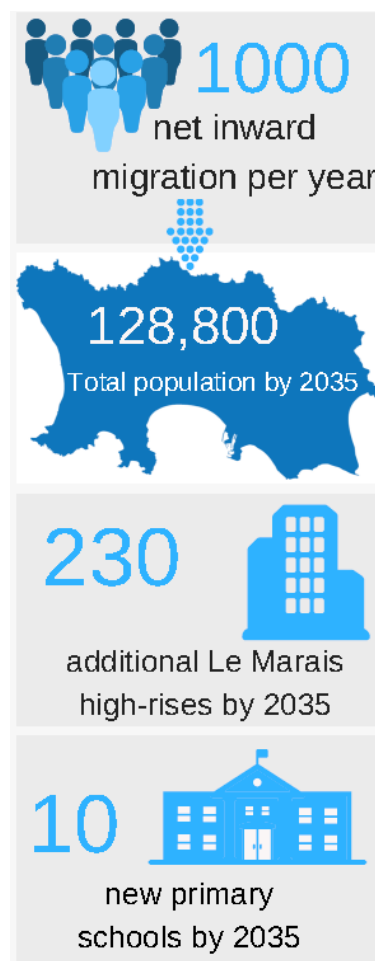


Figure 5: Inward migration scenario +1000

Migration controls

20. The Migration Policy proposes a work permit system for lower paid and lower skilled workers ("registered workers"), who typically work in hospitality and agriculture industries.

¹² Statistics from [Jersey Population Projections 2016 release](#) and [Jersey Household Projections 2016 release](#). The detailed workings are included in the annex to this report.

¹³ The need for the new schools would be spread over the years leading up to 2035 and in the years following it, as children reach school age. Detailed workings are included in the annex to this report.

21. This system will include seasonal permits for up to 10 months and medium term permits for up to 4 years.
22. In evidence submitted to us by Jersey Chamber of Commerce, IOD Jersey and the Jersey Hospitality Association, all parties recognised the need for some form of migration control, given the Island's finite resources.
23. IOD Jersey told us that it was important that the work permit system was flexible and that a lot more detail was needed on how the system would work¹⁴.
24. Jersey Hospitality Association pointed to a potential issue for their members with the 4 year work permit, as there was a risk that time and effort would be spent training people up, only for them to have to leave the Island after 4 years and it was therefore important that businesses understood the criteria for extending the 4 year permit.¹⁵

Skills

25. All the stakeholders that we spoke to had one common message, that there was a shortage of skills in the Island, which led to recruitment problems and, ultimately, the need to import workers from outside the Island.
26. By way of an example, the Jersey Hospitality Association told us that Highlands College has an excellent catering facility, however the courses run by the college have not been at capacity for a number of years.¹⁶
27. It is notable that the percentage of Jersey's working age population, with no educational qualifications, is 20%. This compares to 10% in England¹⁷.

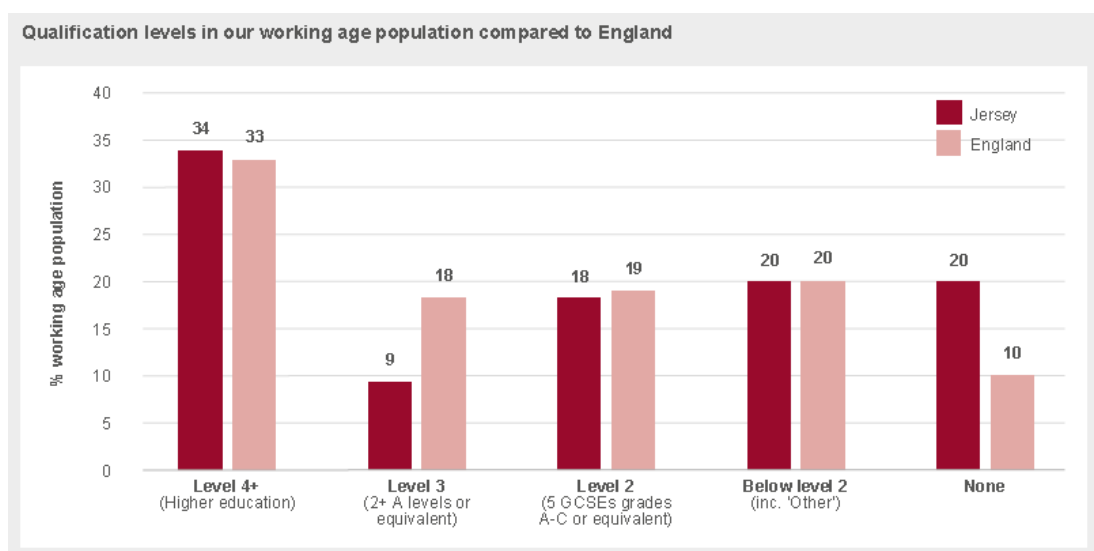


Figure 6: Qualification levels, Migration Policy

¹⁴ [Public hearing with IOD Jersey](#), 19th March 2018, p3-5

¹⁵ [Public hearing with Jersey Hospitality Association](#), 26th March 2018, p6

¹⁶ [Public hearing with Jersey Hospitality Association](#), 26th March 2018, p14

¹⁷ [P.70/2018](#), p14

28. Although the Migration Policy devotes two pages to skills, it does not contain any proposals as to how the skills gap can be tackled. This will need to be a key area of focus for the next Council of Ministers.

Financial impact of population growth

29. Growth in population has a financial impact which must be considered alongside the impact on physical infrastructure.

30. The Migration Policy refers to this challenge:

“The Island is facing challenges with public finances as our society ages. Lower-paid workers pay less tax, and those that remain in Jersey permanently may put pressure on our public finances, becoming eligible for means-tested benefits and social housing and relying on our health services in old age.”¹⁸

31. We have undertaken work previously on the cost of supplementation (the amount of money the States pays each year to top up the Social Security Fund for lower paid workers). Although the amount of supplementation has been frozen over the last 4 years, the actual amount required is increasing each year. At the moment, the shortfall is adequately covered by the high balance of assets within the Social Security Fund, but this gap will need to be tackled at some point in the future¹⁹.
32. Whilst acknowledging the financial challenges of inward migration, the policy also refers to the social contribution of lower paid workers, in terms of employment in care settings, shops, restaurants and bars. The challenge for the next States Assembly, when it comes to debate the Migration Policy, will be to decide how well the policy balances these two competing factors.
33. IOD Jersey talked in some detail about the absence of detailed data within the Migration Policy. For example, the mean salary for someone to pay for themselves as a Jersey resident, the average income of a pensioner, the ratio between the working age population and pensioners and the costs to tax payers based on different migration scenarios.²⁰

Conclusion

34. The purpose of this report was to highlight some of the key issues in relation to the Migration Policy, rather than drawing conclusions or making recommendations.
35. An important policy such as this warrants detailed scrutiny, and we hope that this is something that our successors will endeavour to undertake after the May 2018 elections.

¹⁸ [P.70/2018](#), p19

¹⁹ For more information, see [Social Security Department, Minister’s Report 2016](#), p19

²⁰ [Public hearing with IOD Jersey](#), p.3-5

36. We are aware that some stakeholders feel that there has been a lack of consultation in relation to the Migration Policy before it was brought forward and also a lack of detail in the proposals themselves. We therefore hope that the next Council of Ministers considers how to address this prior to the policy being debated in September 2018.
37. We also note that the reality of the political cycle means that any consultation and scrutiny of the Migration Policy will have to take place alongside the development of the new Council of Ministers' Strategic Plan. This has to be lodged for debate within 4 months of the Council of Ministers being elected.
38. In this report, we have highlighted some key statistics relevant to the Migration debate. Based on our work, we consider that good data, at a sufficiently detailed level, is crucial in order to understand the implications for the Island of inward migration. Such data will ensure that informed decisions can be reached on how we manage our population levels into the future and the consequential impact on our economy, infrastructure and environment.

Annex - Methodology

Housing requirements by 2035

39. If net inward migration averages 700 people per year, the total population will be 121,800 by 2035. This is an increase of 19,100 permanent residents relative to the end of 2015. This equates to 10,500 additional households²¹. The housing requirements for this would equate to approximately 185 Le Marais high rises (assuming 56 flats in each 14 story high rise).
40. If net inward migration averages 1,000 people per year, the total population will be 128,800 by 2035. This is an increase of 26,100 permanent residents. This equates to 13,200 additional households. The housing requirements for this would equate to approximately 230 Le Marais high rises.

Primary school requirements by 2035

41. If net inward migration averages 700 people per year, the number of births in 2035 would be 1,160. This compares with the current average of 1,000 births per year. An extra 160 births per year would mean approximately 6 new primary school classes in each year group, i.e. the construction of 6 new primary schools (one form entry).
42. If net inward migration averages 1,000 people per year, the number of births in 2035 would be 1,260. This compares with the current average of 1,000 births per year. An extra 260 births per year would mean approximately 10 new primary school classes in each year group, i.e. the construction of 10 new primary schools (one form entry).
43. The projected requirement for additional primary school classes gradually increases as the projected birth rate increases. Therefore, some of the classes would be required prior to 2035, while additional provision for children born in 2035 will be needed in the years following, as the children reach school age.

²¹ [Household projections 2016 release](#), December 2016

Appendix – Panel Membership, Terms of Reference and Evidence considered

Panel Membership

[Deputy John Le Fondré \(Chairman\)](#)

[Deputy Simon Brée \(Vice Chairman\)](#)

[Deputy Kevin Lewis](#)

[Senator Sarah Ferguson](#)

Terms of Reference

1. To undertake a high level review of the proposals laid out in R.134/2017 “*Migration Policy*”
2. To identify and consider the population trends and any other relevant statistics in relation to the Migration Policy
3. To identify any other changes or implications arising from the proposals

Evidence considered

The following witnesses provided evidence to the review. Transcripts and written submissions can be viewed on the Scrutiny website: www.scrutiny.gov.je.

IOD Jersey (Public hearing)

Jersey Hospitality Association (Public hearing)

Jersey Chamber of Commerce (written submission)

Statistics quoted in the report are referenced where possible. The majority of statistics are published by Statistics Jersey and are available on the [Statistics Jersey section of gov.je](#).

To understand the impact of inward migration on the Island’s economy, the Panel found the following video produced by Statistics Jersey useful: [Explaining Migration video on YouTube](#)