

STATES OF JERSEY



REGULATION OF UNDERTAKINGS AND DEVELOPMENT (JERSEY) LAW 1973: COMMENTARY ON LICENCES GRANTED UNDER PART II FOR THE PERIOD TO 31ST DECEMBER 2002

**Presented to the States on 25th February 2003
by the Economic Development Committee**

STATES GREFFE

COMMENTARY ON LICENCES GRANTED UNDER PART II OF THE REGULATION OF UNDERTAKINGS AND DEVELOPMENT (JERSEY) LAW 1973 FOR THE PERIOD TO 31ST DECEMBER 2002

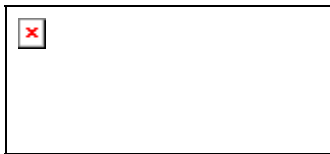
Following on from the commitment undertaken by the former Industries Committee to provide regular statistical information on licences granted under the Regulation of Undertakings and Development (Jersey) Law 1973, the Economic Development Committee presents the second annual report.

The attached independent report by the Statistics Unit of the Policy and Resources Department provides information on licences granted under Part II of the Law for the period to 31st December 2002. This report is separate from the half-yearly manpower survey and labour market report produced by the Statistics Unit on behalf of the Economic Development Committee. Data for the next manpower survey and labour market report for the period to 31st December 2002 is still being collated.

The following points can be deduced from the report -

- The information in the tables provides evidence that the current policy implemented is in line with States objectives to ensure full employment of the resident population and the need to maintain a range of job opportunities for local residents. In this respect, the “tightening” agreed in 1998 has rightly focused on the non-locally qualified, together with new, as opposed to existing, undertakings.
- In late 1999, the view was that the number of positions available to non-locally qualified persons would remain static or would decline slightly in the following 3 years and that the number of positions available to locally qualified persons would increase - but with supply not being able to meet demand.
- The three-year joint licence has proven to be an extremely successful mechanism, as can be seen from the increased number of undertakings which have entered into such licences. Undertakings have benefited from the fact that they can plan ahead with a degree of confidence utilising the licence as a manpower planning tool. Before granting such a licence, Government can influence business in strategic areas, such as training, recruitment and business planning, having regard to the need to regulate and manage demand on the resources of the Island.
- In accordance with established policy, few applications for the engagement of locally qualified staff have been refused. This is to allow additional jobs and vacancies to be filled by locally qualified people and to control more rigidly those which can be occupied by non-locally qualified people.
- Licences for new undertakings have continued to be granted in order to enable entrepreneurs and competition to develop. In the main, they have only been granted with permission to engage locally qualified staff.

Statistics Unit
Policy & Resources Department



Regulation of Undertakings Employment Licences

up to 31st December 2002

This report summarises the granting of employment licences by the Regulation of Undertakings and Development Office under Part II of the *Regulation of Undertakings and Development (Jersey) Law 1973, as amended*.

The figures reported are as accumulated up to and including 31st December 2002. Totals and percentages for calendar years 1998 to 2004 are presented ^[1]. The figures for 2003 and 2004 are those projected under the continuation of three-year joint licences granted before the end of 2002.

It should be noted that approved levels of staffing may not necessarily have been filled subsequently.

Three-year joint licences

Table 1 presents the cumulative number of three-year joint licences in effect at the end of each calendar year, the total number of staff authorised by these licences and the percentage accessible to non-locally qualified persons (see notes).

Table 1: three-year joint licences

Year	Cumulative three-year joint licences	Total staff approved	% non-locally qualified
1998	163	13,539	24.9
1999	605	29,415	22.7
2000	831	32,237	22.5
2001	929	34,950	22.1
2002	1038	36,088	21.6
2003	<i>1038</i>	<i>36,124</i>	<i>21.3</i>
2004	<i>1038</i>	<i>36,125</i>	<i>21.2</i>

(The figures for 2003 and 2004 are projections under three-year joint licences granted before the end of 2002.)

The increase in the number of authorised staff between 1998 and 2002 is due primarily to the rise in the number of joint licences issued over this period; the increase also incorporates an element of permitted expansion.

Figure 1 shows total staff numbers and those for locally qualified and non-locally qualified persons, as approved by three-year joint staffing licences covering the period 1998 to 2004.



(Dotted lines indicate projections under three-year joint licences granted before the end of 2002.)

Sectoral analysis

Table 2 shows the breakdown into sectors of the total number of staff authorised by three-year joint licences. The corresponding percentage of non-locally qualified staff approved in each sector is presented in Table 3.

Table 2: Three-year joint licences: number of approved staff by sector.

Sector	1998	1999	2000	2001	2002	2003	2004
	2,774	4,610	4,953	5,160	5,006	5,011	5,011
Construction	444	2,000	2,299	2,407	2,691	2,692	2,692
Guest Houses	1,229	2,189	2,196	2,332	2,458	2,458	2,458
Restaurants/Catering	856	2,239	2,610	2,765	3,130	3,133	3,133
Banking/Finance/Legal	3,579	7,868	8,417	9,785	9,663	9,677	9,676
Offices/IT Business	2,013	3,391	3,623	3,878	4,173	4,178	4,179
Transport	282	421	513	515	567	568	568
Manufacturing	399	674	717	735	854	854	854
	106	208	257	258	279	279	279
Haulage	219	719	995	1,166	1,072	1,074	1,074
	0	33	49	58	79	79	80
	664	3,168	3,573	3,799	4,028	4,031	4,031
	974	1,895	2,035	2,092	2,088	2,090	2,090
Total	13,539	29,415	32,237	34,950	36,088	36,124	36,125

(Figures for 2003 and 2004 are projections under three-year joint licences granted before the end of 2002.)

The total projected change in permitted staffing between 2002 and 2004 is +37 persons (under three-year joint licences granted before the end of 2002).

Table 3: Three-year joint licences: percentage of staffing approved for non-locally qualified persons by sector (n/a: not applicable)

Sector	1998	1999	2000	2001	2002	2003	2004
Retail	23.5	22.4	22.0	21.0	20.6	20.4	20.3
Building/Construction	33.8	22.8	22.3	19.7	18.5	18.1	18.0
Hotels/Guest Houses	65.7	54.5	54.3	53.6	50.1	50.1	50.0
Restaurants/Catering	36.6	41.6	44.2	41.6	40.2	39.1	39.0
Banking/Finance/Legal	15.9	16.0	15.5	16.9	16.2	16.1	16.0
Other Offices/IT Business	19.8	16.5	16.6	15.3	15.2	15.0	15.0
Import/Export	18.4	15.0	14.4	14.6	15.0	15.0	14.8
Garages/Manufacturing	13.8	16.9	17.4	17.8	17.3	17.0	17.0
Agencies	27.4	26.4	24.1	24.8	23.3	22.2	21.1
Transport/Haulage	22.8	14.7	11.0	10.5	10.9	11.1	11.0
Marine	n/a	9.1	8.2	10.3	11.4	10.1	10.0
Service	17.2	11.3	12.3	14.0	13.8	13.5	13.3
Other	18.2	28.6	28.6	27.6	28.3	28.0	28.0
Total	24.9	22.7	22.5	22.1	21.6	21.3	21.2

(Figures for 2003 and 2004 are projections under three-year joint licences granted before the end of 2002.)

At 31st December 2002, slightly more than a fifth (21.6%) of all staffing authorised under three-year joint licences was approved for non-locally qualified persons.

The proportion of staffing approved for the non-locally qualified has decreased from 1 in 4.0 in 1998 to approximately 1 in 4.6 by 2002. The proportion of non-locally qualified posts is projected to decrease further over the next 2 years, the number of such posts falling by 118 (that is from 7,783 to 7,665) under three-year joint licences granted before the end of 2002.

There was considerable variation across sectors in the proportion of posts approved for non-locally qualified staff. For example, such staffing accounted (at 31st December 2002) for approximately -

- half of the total approved in Hotels/Guest Houses;
- two-fifths of that in Restaurants/Catering;
- one-fifth in Retail;
- one-fifth in Building/Construction;
- one-sixth in Banking/Finance/Legal undertakings;
- one-tenth in Transport/Haulage.

New and existing undertakings *not* with three-year joint licences

The information presented for these licences is of two types: new undertakings; and existing undertakings requesting additional staff. The figures reported are for calendar year 2002.

New undertakings

Table 4 shows the total number of applications for new undertakings and the corresponding breakdown of requested staff. The figures for approved licences are the net of applications and refusals.

Table 4: New undertakings, applications, refusals and approved licences (2002)

	Number of licences	Total staff	Locally qualified	Non-locally qualified	Seasonal	Contract
Applications	604	1,566	1,304	167	53	42
Refusals	44	106	53	53	0	0
Approved	560	1,460	1,251	114	53	42

For the approved licences, approximately 8% of the total number of staff was authorised for non-locally qualified persons; the corresponding figure in 2001 was 10%. However, the actual numbers of posts authorised for such non-locally qualified staff in these years were practically equal: 114 in 2002 and 112 in 2001.

The refused licences had requested, in total, that half of all staff be non-locally qualified.

Table 5 shows the distribution of approved licences and staffing by sector.

Table 5: New undertakings: approved licences by sector (2002)

Sector	Number of licences	Total staff	Locally qualified	Non-locally qualified	Seasonal	Contract
Retail	55	140	132	5	3	0
Building/ Construction	110	298	263	5	0	30
Hotels/ Guest Houses	11	55	44	11	0	0
Restaurants/ Catering	43	242	161	54	27	0
Banking/Finance/ Legal	38	42	42	0	0	0
Other Offices/ IT Business	114	191	174	7	0	10
Import/Export	14	62	62	0	0	0
Garages/ Manufacturing	10	11	11	0	0	0
Agencies	24	41	39	2	0	0
Transport/ Haulage	14	91	91	0	0	0
Marine	8	14	11	0	3	0
Service	104	190	177	11	0	2
Other	15	83	44	19	20	0
Total	560	1,460	1,251	114	53	42

The Building/Construction and Restaurant/Catering sectors had the greatest numbers of staff approved for new undertakings, accounting for one-fifth and one-sixth of the total, respectively.

The Restaurants/Catering category accounted for almost half (47%) of all non-locally qualified staff approved for new undertakings.

Existing undertakings

Table 6 shows the total number of applications for additional staff by existing undertakings which had not entered into three-year joint licences. The figures for approved licences are the net of applications and refusals.

Table 6: Existing undertakings: applications, refusals and approved (2002)

	Number of licences	Total staff	Locally qualified	Non-locally qualified	Seasonal/ Contract
Applications	321	1,149	372	27	750
Refusals	13	24	5	19	0
Approved	308	1,125	367	8	750

Two-thirds (67%) of all approved additional staffing was seasonal or contract.

Table 7 shows the distribution of approvals by sector.

Table 7: Existing undertakings: approved licences by sector (2002)

Sector	Number of licences	Total staff	Locally qualified	Non-locally qualified	Seasonal/ Contract
Retail	26	52	35	1	16
Building/ Construction	147	692	153	0	539
Hotels/ Guest Houses	6	120	0	0	120
Restaurants/ Catering	7	16	3	0	13
Banking/Finance/ Legal	14	27	18	2	7
Other Offices/ IT Business	27	78	70	1	7
Import/Export	2	5	4	0	1
Garages/ Manufacturing	4	6	6	0	0
Agencies	8	11	8	0	3
Transport/Haulage	5	11	7	0	4
Marine	0	0	0	0	0
Service	54	93	62	4	27
Other	8	14	1	0	13
Total	308	1,125	367	8	750

The Building/Construction sector represented almost half (48%) of all approved licences, and accounted for 41% of additional permanent and 72% of additional seasonal/contract staff.

Approvals for non-locally qualified persons constituted 2% of all additional permanent staff.

Notes

The definition of “**locally qualified**” as applied under the *Regulation of Undertakings and Development (Jersey) Law 1973, as amended* includes all persons in the following categories -

- (i) residentially qualified persons falling within any of the Housing Regulations excluding Regulation 1(1)(l) and Regulation 1(1)(m);
- (ii) persons resident for the whole of the past consecutive 5 years;
- (iii) the spouses of (i) or (ii) above;
- (iv) the children under 18 years (or if students under 25 years) of those in (i), (ii) or (iii) above.

February 2003

[1] *Prior to January 1998 robust statistics were not available.*