

**WRITTEN QUESTION TO THE MINISTER FOR ECONOMIC DEVELOPMENT
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 17th JANUARY 2012**

Question

Will the Minister inform members whether in 2009, 2010 and 2011 non locally based companies were granted a licence under the Regulation of Undertakings and Development (Jersey) Law 1973, as amended (RUDL) for construction contracts of up to 12 months on the Island without a requirement to engage locally qualified persons and, if so, detail how many and specify the projects on which these licences were granted and state the number of jobs involved in each case and why no requirement for locally qualified persons was applied?

Will the Minister assure members that no such licences will be granted in 2012 and give details of how he proposes to encourage the use of locally qualified persons in the future?

Will he further agree to review the provision of RUDL licences in respect of secondments in the finance and other sectors for contracts of less than 2 years?

Answer

Will the Minister inform members whether in 2009, 2010 and 2011 non locally based companies were granted a licence under the Regulation of Undertakings and Development (Jersey) Law 1973, as amended (RUDL) for construction contracts of up to 12 months on the Island without a requirement to engage locally qualified persons?

In 2011, in total, 133 licences were issued for non-locally based construction contractors for up to 12 months. Of these, the vast majority (85%) were for short term contracts of less than three months, and almost half of these were for less than one month. Less than 5% were issued for over six months. Licences were granted without a requirement to engage locally qualified staff for the reasons outlined below.

The provision of this information has required manual extraction and examination of each licence application and accompanying information, and therefore the information for 2009 and 2010 cannot be provided within the time frame required by this answer.

It has been recognised that it is important to be able to extract a range of statistics in a more targeted, informative and timely manner than is currently possible. To this end, a new system is being developed to replace the current long-standing system for the introduction of the new Control of Housing and Work (Jersey) Law 201-.

If so, detail how many and specify the projects on which these licences were granted and state the number of jobs involved in each case:

As stated above, the provision of this information has required manual extraction and examination of each licence application and accompanying information. Work will be done to produce this analysis for 2011, but cannot be issued within the timeframe of this answer.

Will the Minister state why no requirement for locally qualified persons was applied?

These licences are all issued without a requirement to engage locally qualified staff, reflecting the temporary and often specialist nature of these contractors which limits the practical opportunities for local employment. Furthermore, the policy is to issue licences to visiting contractors on being satisfied that the work cannot be provided locally, or that local businesses have had opportunity to tender, ensuring opportunities for local businesses and choice for consumers and purchasers.

Will the Minister assure members that no such licences will be granted in 2012 and give details of how he proposes to encourage the use of locally qualified persons in the future?

I can confirm that in 2012, greater restrictions will be placed on none locally based companies applying for construction contracts. Under the new Control of Housing and Work Law, to be introduced later in the year, conditions around local employment and fees may be attached to the licences of visiting contractors in accordance with new legal powers. This will generate fees and create a more level playing field. In addition, support with training will be enhanced in concert with the application of the Regulation of Undertakings Law, as part of the “back to work” programme.

This will support local employment without preventing consumers from being able to accept best value quotes or significantly undermining competitive pressures.

Will he further agree to review the provision of RUDL licences in respect of secondments in the finance and other sectors for contracts of less than 2 years?

Such a proposal has the potential to have a damaging economic effect. The Island is home to a sizeable number of international organisations, in particular in the finance sector and it would be counter to the Island’s economic attractiveness if these organisations could not second staff around their international networks for short and limited periods. Having said this, between 2009 and 2011, only 72 Regulation of Undertakings licences for secondments were issued.