

**WRITTEN QUESTION TO THE CHIEF MINISTER  
BY DEPUTY R.S. KOVACS OF ST. SAVIOUR  
QUESTION SUBMITTED ON MONDAY 19th JUNE 2023  
ANSWER TO BE TABLED ON MONDAY 26th JUNE 2023**

**Question**

“Will the Minister state –

- (a) how many new businesses have been launched each year since 2019;
- (b) of those, how many were small businesses and in which industry do they operate;
- (c) for each of the businesses identified in (b) (anonymised if necessary) would the Minister provide details as to –
  - i. how many employment licences for under 5-year residency were received upon commencement of trading and how many are held currently;
  - ii. what proportion of total current staff is made up of employment licences for under 5-year residency;
  - iii. how many applications for employment licences for under 5-year residency have been refused and, in each case, what was the reason; and
- (d) what are the criteria pursuant to which licences for employment are awarded to businesses?”

**Answer**

(a)

We cannot measure business ‘launches’ but can report on the number of applications for new business licences under the Control of Housing and Work Law as below.

<b>Year</b>	<b>New Business Licence Applications (Resident Businesses). *Figures exclude Non Resident business licenses</b>
2019	995
2020	1087
2021	1190
2022	981
2023 (up to 31/03/2023)	286

These figures show the number of individuals given permission to start a new business. The business does not need any additional permission to start trading so this is not specifically recorded by government.

(b)

The Control of Housing and Work Law does not include a definition for 'small business'. A business can change its numbers of employees over time, either through growth/contraction, due to seasonal activity, or the greater economic/business cycle.

The process to register a new business does not include collecting information on the number of locally qualified people to be employed in the business. Many businesses are set up as sole traders without employees.

Data is available for new businesses based on number of employees at the point of their first manpower return after their first application for a business licence. Manpower returns are made every 6 months.

<b>Year of Initial Business Licence Application</b>	<b>Classification</b>	
	<b>6 or more employees</b>	<b>5 or fewer employees</b>
2019	33	793
2020	32	846
2021	14	995
2022	19	714

Note that

- not every business will start trading immediately and so they may not be included in the next manpower turn.
- some businesses will only trade for a short period and may not be captured on a manpower return
- some individuals may be granted a business licence but then choose not to set up the business

Looking at the businesses that were recorded on the first manpower return after the business licence was approved and the number of employees on that manpower return was 5 or less, the following information by sector is set out below. Note the reservations above that this will not include every new small business.

Industry Sector of 'Small Businesses'	Year that Licence granted			
	2019	2020	2021	2022
Agriculture and fishing	17	17	25	21
Computer and related activities	32	47	35	37
Construction and quarrying	83	105	129	82
Education health and other services	220	213	210	160
Electricity gas and water supply	1			
Financial and legal activities	35	47	38	30
Hotels restaurants & bars	27	38	36	25
Manufacturing	49	24	56	24
Real estate and other business activities	203	190	302	232
Transport storage and communication	37	24	22	29
Wholesale and retail trades	89	141	142	74
<b>Total</b>	<b>793</b>	<b>846</b>	<b>995</b>	<b>714</b>

*\*Industry sector as recorded at time of business licence approval . Industry sectors for an undertaking may have changed with time.*

In broader terms, the 6 monthly Statistics Jersey Labour Market Reports provide regular breakdowns of Private Sector Undertakings by number of employees. [These are published on gov.je](https://gov.je) and include all [businesses](#). An extract from the most recent publication has been provided below:

**Table 7 – Private sector undertakings by number of employees (headcount), December 2022**

Sector	1	2–5	6–9	10–19	20–49	50+	Total
Agriculture and fishing	80	50	10	20	10	+	170
Manufacturing; utilities and waste	200	60	30	20	10	10	320
Construction and quarrying	780	450	110	70	50	10	1,470
Wholesale and retail	410	290	90	50	40	20	890
Hotels, restaurants and bars	130	200	80	60	40	20	520
Transport and storage	230	30	10	10	10	10	290
Information and communication	250	80	10	10	10	10	380
Financial and legal activities	280	180	60	50	50	60	670
Miscellaneous business activities	1,100	410	80	70	40	10	1,710
Private education, health and other services	1,220	330	100	70	50	40	1,810
<b>Total private sector undertakings</b>	<b>4,680</b>	<b>2,080</b>	<b>570</b>	<b>420</b>	<b>300</b>	<b>180</b>	<b>8,230</b>

+: non-zero less than 5

(c)i & (c)ii

CLS does not record when a business undertaking launches to the public or begins to trade for the first time. A business owner may commence trading at any point after they have received a valid business licence.

CLS records when a business applies for Registered or Licensed Staffing Permissions. An undertaking may apply for these permissions at the time of first registering their undertaking, or these staffing permissions may be applied for at a later date.

Note that licensed posts are valid for up to 10 years and it is not possible to differentiate between 0-5 years licensed employees and 5-10 years licensed employees. The figures below include all licensed employees in the selected businesses.

Looking at the businesses that were recorded on the first manpower return after the business licence was approved and the number of employees on that manpower return was 5 or less, the following information on staffing permissions is set out below. Note the reservations above that this will not include every new small business.

Year of Initial Business Licence Application	Total Small Businesses	Initial Business Licence		Last Valid Business Licence* (As @ 2023-06-20)	
		Total Registered Permissions	Total Licensed Permissions	Total Registered Permissions	Total Licensed Permissions
2019	793	12	33	101	40
2020	846	16	41	67	56
2021	995	33	52	118	59
2022	714	19	21	37	38

\* Note that the current position relates to businesses that are still operating.

Looking at the businesses that were recorded on the first manpower return after the business licence was approved and the number of employees on that manpower return was 5 or less, the following information on the proportions of registered and licensed staff recorded on the 2022 manpower return is set out below. Note the reservations above that this will not include every new small business.

Not every business included in this category has provided a manpower return for December 2022. Not every business includes any employees.

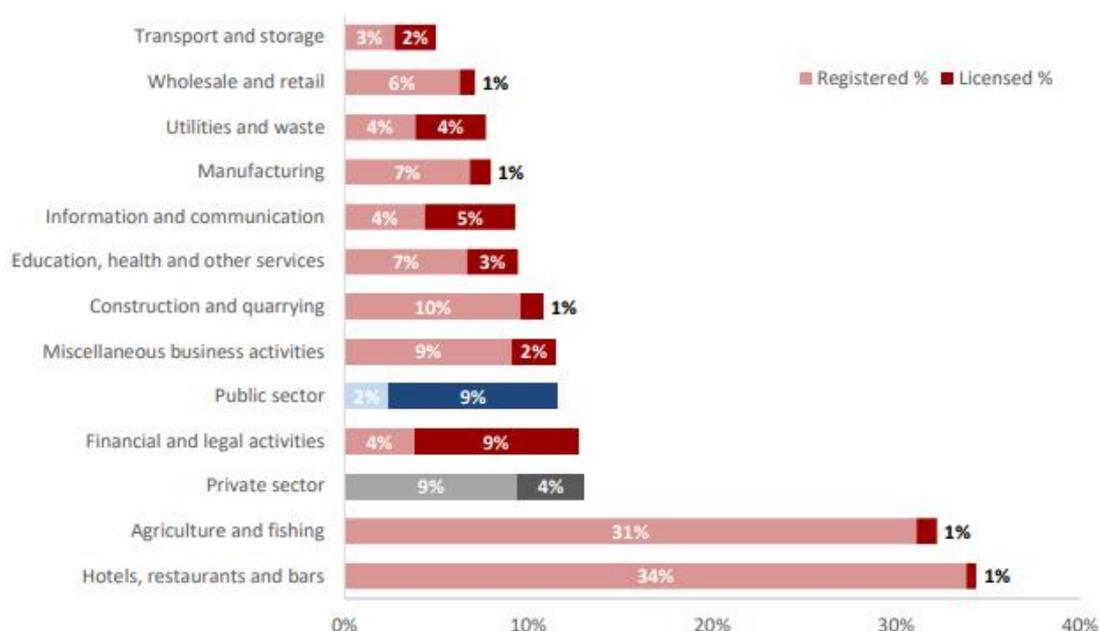
Proportion of Employees Registered or Licensed on 2022 Dec Manpower Return	Year of Initial Business Licence Application				
	2019	2020	2021	2022	
0%-10%	396	467	621	536	
11%-20%	6	5	10	1	
21%-30%	8	8	3	6	
31%-40%	8	7	15	2	
41%-50%	9	14	13	12	
51%-60%			1		
61%-70%	1		2		
71%-80%			3	1	
91%-100%	12	23	29	32	
No 2022 Dec Manpower Return	260	215	166	20	
No Employees	93	107	132	104	
<b>Total</b>	<b>793</b>	<b>846</b>	<b>995</b>	<b>714</b>	

In broader terms, the Statistics Jersey Labour market report provides a regular breakdown of the proportion of the Labour Market employed on a Registered or Licensed Permission.

**Table 6 – Number of private sector jobs by residential status of current post holder, December 2017 to December 2022**

Residential status	Dec-17	Jun-18	Dec-18	Jun-19	Dec-19	Jun-20	Dec-20	Jun-21	Dec-21	Jun-22	Dec-22
Entitled / entitled to work	45,210	46,280	46,330	46,670	46,430	44,800	45,010	46,570	46,450	47,250	47,410
Licensed	1,450	1,470	1,510	1,570	1,600	1,610	1,690	1,750	1,820	1,920	1,980
Registered	5,220	6,370	5,100	6,250	5,000	4,730	4,500	5,150	4,790	5,420	5,140
Exempt	130	140	140	170	230	310	290	280	300	220	160
<b>Private sector</b>	<b>52,010</b>	<b>54,250</b>	<b>53,070</b>	<b>54,660</b>	<b>53,260</b>	<b>51,440</b>	<b>51,500</b>	<b>53,750</b>	<b>53,370</b>	<b>54,810</b>	<b>54,690</b>

**Figure 8 – Registered and licensed employees as a percentage of all employees in each sector, December 2022**



For the subset of 5 employees or less undertakings which applied for a Business License between 2019-01-01 and 2023-03-31 where there is a relevant manpower return and employees, in total about 9% of their employee workforce is either Registered or Licensed.

(c)iii

The details behind any staffing permission refusals are recorded in the decision letter sent to the business owner as part of their application for a variation of their business license. There may be one or more reasons, to refuse one or more of any of the requested staffing permissions. Therefore, it not simple to collapse down the circumstances of each case into a single simple reason for refusal.

It would take manual review of each application to first extract detail from customer correspondence to, then summarise common themes.

Using the same group as above, this table provides a summary of the number of applications for staffing permissions that have been refused.

Year of Initial Business Licence Application	Total Small Businesses	Initial Business Licence	
		Total Registered Permissions Refused	Total Licensed Permissions Refused
2019	793	3	1
2020	846	4	0
2021	995	0	0
2022	714	0	1

(d)

When deciding whether to grant a business licence, additional Registered and Licensed permissions (for employees), or vary the conditions of a business licence, as specified in Article 26(9) of CHWL the following matters are relevant:

- a. Preserving and maximising the benefits of Jersey’s resources
- b. Promoting a balanced and prosperous economy
- c. Protecting the integrity and reputation of Jersey in commercial and financial matters
- d. Any relevant policies of the States of Jersey
- e. Whether such a grant would be in the public interest; and
- f. In the case of a hawker’s licence, whether the applicant is a fit and proper person.

**Criteria used to review an application**

Officers will review the application against two sets of criteria

- i. Qualifying criteria

Unless there are exceptional circumstances, the application must pass through all 7 of the checks below before progressing to the main criteria

There are no ongoing investigations against the business related to employing Registered or Licensed staff without permission
The exact same application has not already been refused (if details within the application have changed this can be accepted)
The individual is not within 6 months of gaining Entitled for work status
The business does not already have a spare Registered or Licensed permission that could be used for this role
The role has been advertised publicly in Jersey within the past 3 months and the business can provide evidence of this
Back to Work recruitment have no suitable candidates for the vacancy
The reasons provided to explain why Entitled/Entitled for work applicants were not suitable are fair and reasonable

ii. Main criteria

There is no set number of main criteria an application must meet to be approved. The strength of each factor is considered in the context of the business, industry and circumstances outlined in each application.

How important is the role to the business?
Is the salary set at an appropriate level for the role and industry to ensure an employee receives a fair and positive salary
Does the business already have more Registered or Licensed permissions than similar size and scale organisations in its industry?
Does the role have experience/qualifications requirements that make the role hard to recruit for locally and could not be developed through an apprentice/trainee role?
Is the business economically sustainable? (e.g. profitable after all costs) with a positive track record?
Does the role support the business to provide services with outstanding social or community value?
How much effort is the business making to attract, value, retain and develop its employees? Examples could include (but not limited to) offering flexible hours, considering job share, part time roles, student employment, offering progression, qualifications, development, support, reward and positive terms and conditions (working hours, leave etc).  If a business is not doing any of these things, this may explain why it is finding a role hard to fill rather than there being a genuine skills or person shortage.
Will the skills of the role or individual help train other employees within the business or help the business/sector innovate?
Where the permissions will see a growth in total employee numbers, does the business case demonstrate sufficient predicted increase in business/income to warrant and afford the salaries of the new employees if the permissions are granted?