

STATES OF JERSEY



REGULATION OF UNDERTAKINGS AND DEVELOPMENT (JERSEY) LAW 1973: COMMENTARY ON LICENCES GRANTED UNDER PART II FOR THE PERIOD TO 30TH JUNE 2004

**Presented to the States on 31st August 2004
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 30TH JUNE
2004**

The Economic Development Committee presents a 6-monthly report providing statistical information on licences granted under the Regulation of Undertakings and Development (Jersey) Law 1973. In previous years, annual reports have been issued. However, it has been decided that half-yearly reports will be a more timely source of information and may assist in the formulation of an Economic Growth Strategy.

The attached independent report by the Statistics Unit provides information on licences granted under Part II of the Law for the period to 30th June 2004. 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 30th June 2004 is in the process of being collated.

The following points can be deduced from the report –

- 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. The change in policy relating to undertakings with non-local principals now being permitted to establish themselves is enabling a wider choice to become available to consumers and is offering additional job opportunities for locally qualified staff.
- Licences granted for new undertakings, and consents for staff in such undertakings have increased compared to the previous year (see Table 4).
- The number of new licences approved for one-person undertakings has increased (see Table 5).
- Fulfilment continues to be a developing industry for the Island and has provided a growing source of employment for locally qualified people.
- In accordance with established policy, no applications from existing undertakings for the engagement of additional locally qualified staff have been refused. This is to allow additional jobs and vacancies to be filled by locally qualified staff wherever possible.
- The number of positions available to non-locally qualified persons has decreased from one in 4 in 1998 to approximately one in 5 by 2004.
- No applications have been refused for the engagement of seasonal staff which has been of particular benefit to the Tourism and Hospitality sectors.
- The 3-year joint licence has again 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. This approach is very much in line with the Migration Policy consultation proposals.
- The information in the tables provides evidence that the current policy implemented is in line with the States Strategic Plan objective to provide employment for the resident population and the need to maintain a range of job opportunities for young people.

Statistics Unit

Regulation of Undertakings Employment Licences

at 30th June 2004

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 based on licence information reported up to and including 30th June 2004.. The figures for 2004 – 2006 are those projected under the continuation of 3-year joint licences granted before the end of June 2004.

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

3-year joint licences

Table 1 presents the cumulative number of 3-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: 3-year joint licences

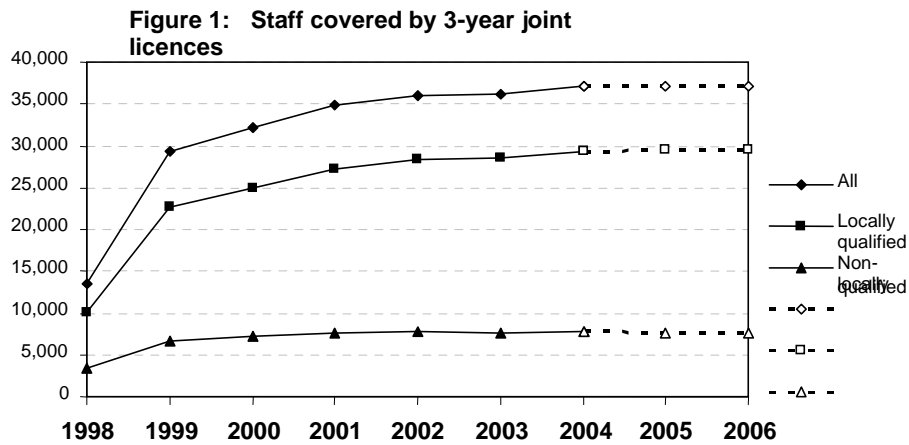
Year	Cumulative 3-year joint licences	Total staff approved	% non-locally qualified
1998	163	13,539	24.9
1999	605	29,415	22.7
2000	831	32,237	22.5
2001	929	34,950	22.1
2002	1,038	36,088	21.6
2003	1,093	36,256	21.1
<i>2004</i>	<i>1,126</i>	<i>37,067</i>	<i>20.9</i>
<i>2005</i>	<i>1,126</i>	<i>37,090</i>	<i>20.7</i>
<i>2006</i>	<i>1,126</i>	<i>37,100</i>	<i>20.6</i>

(The figures for 2004 – 2006 are projections under 3-year joint licences granted before the end of June 2004.)

The increase in the number of authorised staff between 1998 and 2003 is due primarily to the rise in the number of joint licences issued over this period, but also incorporates an element of permitted expansion.

During the first 6 months of 2004, the net (new licences less those expired) number of 3-year joint licences increased by 33, whilst the net change in permitted staffing during this period was 811, corresponding to an increase of about 2% from the total at December 2003.

Figure 1 shows total staff numbers and those for locally qualified and non-locally qualified persons, as approved by 3-year joint staffing licences covering the period 1998 to 2006.



(Dotted lines indicate projections under 3-year joint licences granted before the end of June 2004).

The net increase in staffing was due to –

- established undertakings coming under the auspices of 3-year joint licences for the first time;
- approved expansion (or reduction) of undertakings already with 3-year joint licences;
- amalgamation of undertakings already with 3-year joint licences, which could involve either permitted expansion or reduction in staffing;
- expiry of 3-year joint licences for undertakings which had ceased trading.

Sectoral analysis

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

The increase in approved staffing level observed in the Import/Export sector was due to a small number of existing undertakings signed up to 3-year joint licences. The increases in the Retail and Marine sectors were largely due to permitted expansion of existing undertakings, in the former case particularly in the area of fulfilment.^[1] The increase in approved staffing in Hotels and Guest Houses resulted from new licences for residential homes, which for historic reasons have been included in this sector.

Table 2: 3-year joint licences: number of approved staff by sector

RUDL Sector	1998	1999	2000	2001	2002	2003	2004	2005	2006
Retail	2,774	4,610	4,953	5,160	5,006	5,020	5,318	5,317	5,317
Building/Construction	444	2,000	2,299	2,407	2,691	2,732	2,695	2,695	2,695

Hotels/Guest Houses	1,229	2,189	2,196	2,332	2,458	2,467	2,530	2,530	2,530
Restaurants/Catering	856	2,239	2,610	2,765	3,130	3,231	3,251	3,246	3,246
Banking/Finance	3,579	7,868	8,417	9,785	9,663	9,419	9,513	9,543	9,553
Other Offices/IT Business	2,013	3,391	3,623	3,878	4,173	4,211	4,293	4,293	4,293
Import/Export	282	421	513	515	567	605	723	723	723
Garages/Manufacturing	399	674	717	735	854	888	953	953	953
Agencies	106	208	257	258	279	266	267	267	267
Transport/Haulage	219	719	995	1,166	1,072	1,050	1,059	1,059	1,059
Marine	0	33	49	58	79	71	114	114	114
Service	664	3,168	3,573	3,799	4,028	4,316	4,395	4,395	4,395
Other	974	1,895	2,035	2,092	2,088	1,980	1,956	1,955	1,955
Total	13,539	29,415	32,237	34,950	36,088	36,256	37,067	37,090	37,100

(Figures for 2004 – 2006 are projections under 3-year joint licences granted before the end of June 2004)

Table 3: 3-year joint licences: percentage of staffing approved for non-locally qualified persons by sector (applicable)

RUDL Sector	1998	1999	2000	2001	2002	2003	2004	2005
Retail	23.5	22.4	22.0	21.0	20.6	20.4	19.3	19.3
Building/Construction	33.8	22.8	22.3	19.7	18.5	17.9	17.8	17.7
Hotels/Guest Houses	65.7	54.5	54.3	53.6	50.1	49.3	47.7	47.6
Restaurants/Catering	36.6	41.6	44.2	41.6	40.2	40.0	42.3	40.4
Banking/Finance	15.9	16.0	15.5	16.9	16.2	15.6	15.6	15.6
Other Offices/IT Business	19.8	16.5	16.6	15.3	15.2	15.1	14.5	14.3
Import/Export	18.4	15.0	14.4	14.6	15.0	15.0	13.0	12.3
Garages/Manufacturing	13.8	16.9	17.4	17.8	17.3	16.2	15.9	15.9
Agencies	27.4	26.4	24.1	24.8	23.3	18.8	19.9	19.1
Transport/Haulage	22.8	14.7	11.0	10.5	10.9	11.9	11.9	11.9
Marine	<i>n/a</i>	9.1	8.2	10.3	11.4	9.9	12.3	12.3
Service	17.2	11.3	12.3	14.0	13.8	14.0	13.9	13.9
Other	18.2	28.6	28.6	27.6	28.3	25.8	25.6	25.6
Total	24.9	22.7	22.5	22.1	21.6	21.1	20.9	20.7

(Figures for 2004 – 2006 are projections under 3-year joint licences granted before the end of June 2004)

At 30th June 2004, about a fifth of all staffing authorised under 3-year joint licences was approved for non-locally qualified persons.

The proportion of staffing approved for the non-locally qualified has decreased from one in 4 in 1998 to approximately one in 5 by 2004. The proportion of non-locally qualified posts is projected to decrease marginally over the next 2 years.

There was considerable variation across sectors in the proportion of posts approved for non-locally qualified staff. For example, at 30th June 2004 such staffing accounted for approximately –

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

New and existing undertakings *not* with 3-year joint licences

The information presented for these licences is of 2 types: new undertakings and existing undertakings requesting additional staff. The figures reported are for the first 6 months of 2004.

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 applications minus refusals.

Table 4: New undertakings: applications, refusals and approved licences (1st January to 30th June 2004)

	Number of licences	Total staff	Locally qualified	Non-locally qualified	Seasonal	Contract
Applications	392	870	809	29	20	12
Refusals	7	14	4	10	0	0
Approved	385	856	805	19	20	12

For the approved licences, approximately 2% of the total number of staff was authorised for non-locally qualified persons; the corresponding figures for the first and last 6 months of 2003 were 4% and 5% respectively.

The refused licences had requested, in total, that more than two-thirds of all staff be non-locally qualified.

The number of licences approved for new undertakings was up by 13% (from 340) compared to the first 6 months of 2003 and by 26% (from 305) compared to the last 6 months of 2003; the approved staff numbers were correspondingly up by 17% (from 729) and by 43% (from 599) compared to these respective periods.

Table 5: New undertakings: approved licences by sector (1st January to 30th June 2004)

RUDL Sector	Number of approved licences	Total staff	Locally qualified	Non-locally qualified	Seasonal	Contract
Retail	72	113	113	0	0	0
Building/Construction	63	205	194	0	0	11
Hotels/Guest Houses	5	17	10	5	2	0
Restaurants/Catering	26	63	52	5	5	1
Banking/Finance	19	17	17	0	0	0
Other Offices/IT Business	52	100	98	2	0	0
Import/Export	3	12	11	1	0	0
Garages/Manufacturing	11	21	21	0	0	0
Agencies	12	37	24	0	13	0
Transport/Haulage	9	40	35	5	0	0
Marine	5	8	8	0	0	0
Service	103	215	214	1	0	0
Other	5	8	8	0	0	0
Total	385	856	805	19	20	12

The Service sector had the greatest number of staff approved for new undertakings, accounting for about a quarter of the total.

Positions for locally qualified staff accounted for 94% of the total number of staff approved.

The number of new licences approved for one-person undertakings has increased in the most recent period; the total number of such licences approved in the first 6 months of 2004 (199) was 14% higher than in the corresponding period of 2003 and 19% higher than in the last 6 months of 2003. The increase has occurred predominantly in the Retail sector.

Existing undertakings

Table 6 shows the total number of applications for additional staff by existing undertakings which had not entered into 3-year joint licences.

Table 6: Existing undertakings: applications, refusals and approved (1st January to 30th June 2004)

	Number of licences	Total staff	Locally qualified	Non-locally qualified	Seasonal/Contract
Applications	129	412	196	16	200
Refusals	7	14	0	14	0
Approved	122	398	196	2	200

No application requesting additional locally-qualified persons or seasonal/contract staff was refused.

About half of all approved additional staffing was seasonal or contract.

Table 7: Existing undertakings: approved licences by sector (1st January to 30th June 2004)

RUDL Sector	Number of approved licences	Total staff	Locally qualified	Non-locally qualified	Seasonal/Contract
Retail	12	29	23	0	6
Building/Construction	49	239	73	0	166
Hotels/Guest Houses	2	2	2	0	0
Restaurants/Catering	2	7	3	0	4
Banking/Finance	3	11	11	0	0
Other Offices/IT					
Business	14	27	23	1	3
Import/Export	3	8	8	0	0
Garages/Manufacturing	2	6	6	0	0
Agencies	1	2	2	0	0
Transport/Haulage	1	4	3	0	1
Marine	0	0	0	0	0
Service	32	62	41	1	20
Other	1	1	1	0	0
Total	122	398	196	2	200

The Building/Construction sector accounted for about five-sixths (83%) of all approved additional seasonal/contract staff and for three-fifths (60%) of the total number of approved staff.

Approvals for non-locally qualified persons constituted about one per cent 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 (l) and Regulation (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.

[1] *“fulfilment” relates to the distribution of goods ordered remotely, e.g. by mail-order, telephone or the Internet.*