

STATES OF JERSEY



REGULATION OF UNDERTAKINGS AND DEVELOPMENT (JERSEY) LAW 1973: COMMENTARY ON LICENCES GRANTED UNDER PART II FOR THE PERIOD TO 31ST DECEMBER 2003

**Presented to the States on 27th January 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 31ST DECEMBER 2003

The Economic Development Committee presents the third annual report providing statistical information on licences granted under the Regulation of Undertakings and Development (Jersey) Law 1973.

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 2003. 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 2003 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 non-local undertakings 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 in the retail sector doubled in 2003 compared to 2002.
- Fulfilment is 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 wherever possible.
- Applications by existing undertakings in the building/construction sector for additional staff reduced considerably in 2003 compared to 2002.
- No applications have been refused for the engagement of seasonal staff which has been of particular benefit to the Tourism and Hospitality sectors.
- The number of positions available to non-locally qualified persons has remained substantially static and the number of positions available to locally qualified persons has increased.
- The three-year joint licence has again proven to be an extremely successful mechanism, as can be seen from the 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.
- The information in the tables provides evidence that the current policy implemented is in line with States objectives to assist full employment of the resident population and the need to maintain a range of job opportunities for local residents.

Statistics Unit
Policy & Resources Department

Regulation of Undertakings Employment Licences

up to 31st December 2003

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 2003. Totals and percentages for calendar years 1998 to 2005 are presented^[1]. The figures for 2004 and 2005 are those projected under the continuation of three-year joint licences granted before the end of 2003.

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

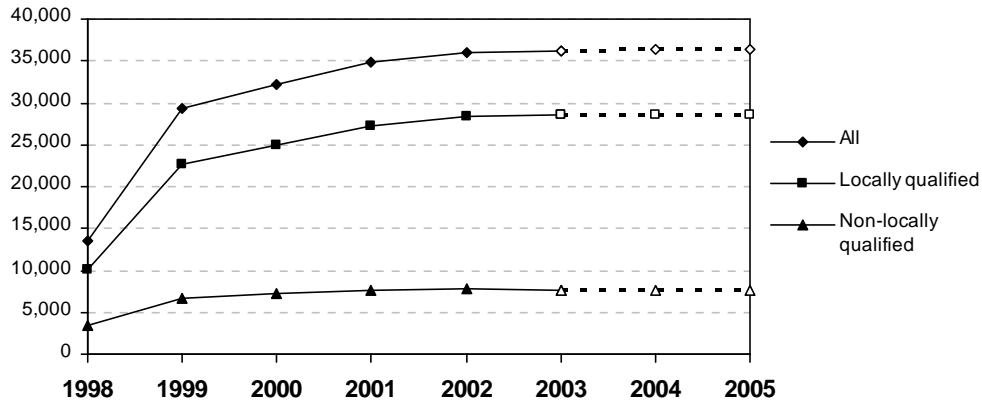
Year	Cumulative three-year joint licences	Total staff approved	% non-locally qualified
1998	163	13,539	24.9
1999	605	29,415	22.7
2000	831	32,237	22.5
2001	929	34,950	22.1
2002	1,038	36,088	21.6
2003	1,093	36,256	21.1
<i>2004</i>	<i>1,093</i>	<i>36,295</i>	<i>21.1</i>
<i>2005</i>	<i>1,093</i>	<i>36,288</i>	<i>21.0</i>

(The figures for 2004 and 2005 are projections under three-year joint licences granted before the end of 2003.)

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; 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 2005.

Figure 1: Staff covered by three-year joint licences



(Dotted lines indicate projections under three-year joint licences granted before the end of 2003).

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	2005
Retail	2,774	4,610	4,953	5,160	5,006	5,020	5,011	5,010
Building/Construction	444	2,000	2,299	2,407	2,691	2,732	2,737	2,737
Hotels/Guest Houses	1,229	2,189	2,196	2,332	2,458	2,467	2,477	2,477
Restaurants/Catering	856	2,239	2,610	2,765	3,130	3,231	3,198	3,193
Banking/Finance/Legal	3,579	7,868	8,417	9,785	9,663	9,419	9,493	9,493
Other Offices/IT Business	2,013	3,391	3,623	3,878	4,173	4,211	4,197	4,196
Import/Export	282	421	513	515	567	605	605	605
Garages/Manufacturing	399	674	717	735	854	888	893	894
Agencies	106	208	257	258	279	266	266	266
Transport/Haulage	219	719	995	1,166	1,072	1,050	1,052	1,052
Marine	0	33	49	58	79	71	71	71
Service	664	3,168	3,573	3,799	4,028	4,316	4,325	4,325
Other	974	1,895	2,035	2,092	2,088	1,980	1,970	1,969
Total	13,539	29,415	32,237	34,950	36,088	36,256	36,295	36,288

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

The total projected change in permitted staffing between 2003 and 2005 is +32 persons (under three-year joint licences granted before the end of 2003).

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	2005
Retail	23.5	22.4	22.0	21.0	20.6	20.4	20.3	20.3
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	49.2	49.1
Restaurants/Catering	36.6	41.6	44.2	41.6	40.2	40.0	40.6	40.5
Banking/Finance/Legal	15.9	16.0	15.5	16.9	16.2	15.6	15.8	15.7
Other Offices/IT Business	19.8	16.5	16.6	15.3	15.2	15.1	14.9	14.8
Import/Export	18.4	15.0	14.4	14.6	15.0	15.0	14.9	14.0
Garages/Manufacturing	13.8	16.9	17.4	17.8	17.3	16.2	15.8	15.9
Agencies	27.4	26.4	24.1	24.8	23.3	18.8	18.8	18.4
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	9.9	9.9
Service	17.2	11.3	12.3	14.0	13.8	14.0	13.8	13.8
Other	18.2	28.6	28.6	27.6	28.3	25.8	25.7	25.7
Total	24.9	22.7	22.5	22.1	21.6	21.1	21.1	21.0

(Figures for 2004 and 2005 are projections under three-year joint licences granted before the end of 2003.)

At 31st December 2003, slightly more than a fifth (21.1%) 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 one in 4.0 in 1998 to approximately one in 4.7 by 2003. The proportion of non-locally qualified posts is projected to decrease marginally over the next 2 years, the number of such posts falling by 23 (from 7,661 to 7,638) under three-year joint licences granted before the end of 2003.

There was considerable variation across sectors in the proportion of posts approved for non-locally qualified staff. For example, at 31st December 2003 such staffing accounted for approximately –

- 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/Legal undertakings;
- one-eighth in Transport/Haulage;
- one-tenth in Marine.

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 2003.

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 (2003).

Number of licences	Total staff	Locally qualified	Non-locally qualified	Seasonal	Contract
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Applications	680	1,396	1,274	103	6	13
Refusals	35	68	24	44	0	0
Approved	645	1,328	1,250	59	6	13

For the approved licences, approximately 4% of the total number of staff was authorised for non-locally qualified persons; the corresponding figure in 2002 was 8%.

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

Table 5 shows the approved licences and staffing by sector.

Table 5: New undertakings: approved licences by sector (2003)

Sector	Number of licences	Total staff	Locally qualified	Non-locally qualified	Seasonal	Contract
Retail	113	282	277	5	0	0
Building/Construction	107	224	219	1	0	4
Hotels/Guest Houses	9	17	15	2	0	0
Restaurants/Catering	17	86	65	14	5	2
Banking/Finance/Legal	49	61	55	6	0	0
Other Offices/IT						
Business	94	180	167	9	0	4
Import/Export	6	10	10	0	0	0
Garages/Manufacturing	12	17	17	0	0	0
Agencies	11	20	19	1	0	0
Transport/Haulage	32	59	55	4	0	0
Marine	10	25	25	0	0	0
Service	170	310	299	7	1	3
Other	15	37	27	10	0	0
Total	645	1,328	1,250	59	6	13

The Service and Retail sectors had the greatest numbers of staff approved for new undertakings, each accounting for more than a fifth of the total; the Building/Construction sector accounted for a further sixth.

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.

Table 6: Existing undertakings: applications, refusals and approved (2003)

	Number of licences	Total staff	Locally qualified	Non-locally qualified	Seasonal/Contract
Applications	268	1,095	728	38	329
Refusals	18	26	0	26	0
Approved	250	1,069	728	12	329

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

Almost a third (31%) of all approved additional staffing was seasonal or contract.

Table 7 shows the approvals by sector.

Table 7: Existing undertakings: approved licences by sector (2003)

Sector	Number of licences	Total staff	Locally qualified	Non-locally qualified	Seasonal/Contract
Retail	30	129	118	4	7
Building/Construction	93	375	97	0	278

Hotels/Guest Houses	0	0	0	0	0
Restaurants/Catering	5	6	1	0	5
Banking/Finance/Legal	12	15	11	1	3
Other Offices/IT Business	30	64	52	3	9
Import/Export	9	277	275	2	0
Garages/Manufacturing	9	17	17	0	0
Agencies	3	5	5	0	0
Transport/Haulage	8	17	17	0	0
Marine	3	6	5	1	0
Service	45	146	118	1	27
Other	3	12	12	0	0
Total	250	1,069	728	12	329

The additional staff approved in the Import/Export sector were predominantly in the developing area of fulfilment*.

The Building/Construction sector accounted for 84% of all approved additional seasonal/contract staff.

Approvals for non-locally qualified persons constituted nearly 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 (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.

*Statistics Unit
January 2004*

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

* – “fulfilment” relates to the distribution of goods ordered remotely, e.g. by mail-order, telephone or the internet.