

# STATES OF JERSEY



## REVIEW OF THE INTERIM POPULATION POLICY (S.R.2/2014): RESPONSE OF THE COUNCIL OF MINISTERS

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Presented to the States on 16th December 2014  
by the Council of Ministers

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STATES GREFFE

## TITLE AS PER FRONT COVER

<b>Ministerial Response to:</b>	S.R.2/2014
<b>Ministerial Response required by:</b>	Circulated to States Members – April 2014
<b>Review title:</b>	Review of the Interim Population Policy
<b>Scrutiny Panel:</b>	Corporate Services Scrutiny Panel

### INTRODUCTION

The Council of Minister believes that it is necessary and important to provide clear direction on migration and population policy in the short term, while a longer term policy is developed.

**In having a debate, we will provide the Housing and Work Advisory Group with clear direction as to how it should apply the new Control of Housing and Work (Jersey) Law 2012.** It follows that in the absence of a direction from the Assembly, the Housing and Work Advisory Group will itself need to recommend guidance for the Chief Minister to publish on how the Law will be applied and applications determined. It would be preferable that the Assembly does this by having this debate.

It is appreciated that the Assembly will need more information, there will need to be more engagement with the public, and more insight into how the Law is operating, when it is asked to debate our long term policies. We have proposed an Interim Population Policy for this very reason – to provide opportunity for these things to be put in place, while recognising that a direction in the meantime is necessary to uphold our responsibilities to the public and to strengthen guidance on the application of the new Law. This is not only important for the decision makers, but also the public and businesses who need more clarity, not more uncertainty.

The Interim Population Policy is a balanced and stable policy that maintains the planning assumption that supports the delivery strategies of most Departments, and is consistent with the 2009 and 2012 Strategic Plans. It supports the continued success of the “Back to Work” programme in promoting employment for established Islanders across all sectors, and encourages higher economic and social value activities in line with our economic strategies. It also provides a clear direction in focusing the Law on businesses that employ more migrant workers than their competitors, while also being clear that each individual application needs to be considered on its own merits with great care, and that businesses need support to prosper. It is a sensible interim policy balancing the competing priorities of our community, our economy and our environment.

The Council of Ministers has been pleased with the level of political consensus emerging - that migration should be limited and focused on value, so as to protect what is unique about our Island while also providing our economy with workers to support our ageing society. We now need to debate this, and to continue to engage as we develop a longer term policy.

**The net** migration figure of +325 in the Interim Population Policy is not an absolute cap, it is a planning assumption that is aligned to our other policies, **including** economic policies.

We cannot precisely control every decision to move to Jersey, for example, if an entitled person wishes to return to the Island having married and had children elsewhere. Nor can we control who leaves. Equally, we cannot be blind to business opportunities, for example, if a new bank or internet company wishes to move to Jersey, or a business which needs immediate support for a migrant worker while it invests in training and developing the skills of established Islanders. Furthermore, as a compassionate society, we cannot be blind to the hardships many people face – and many States Members have approached us seeking permissions in these circumstances.

**Significantly improved migration controls:** We *can* effectively limit the ability of migrants to work by controlling and policing the overall number of permissions in the economy to achieve migration control. The new Law has introduced new more detailed manpower returns listing over 53,000 workers which are now being thoroughly analysed to support a population register; over 13,000 registration cards were issued in the first 6 months of the Law; and we are undertaking more compliance activities than ever before. This is a step change in effectiveness.

**While also supporting economic growth:** We need to send a message that we are firmly and clearly open to economic growth – new businesses coming to Jersey, established businesses investing, new businesses starting. This includes supporting training, improving skills, incentives to work, productivity improvements as part of a pragmatic approach that assists all sectors. This forms a complementary package of policies, not just a population number. In this way, we can firmly support our economic recovery through the Interim Population Policy, which any more rigid migration policy, or uncertainty, would undermine.

## FINDINGS

	Findings	Comments
1	Although a Population Policy has been agreed as part of the Strategic Plan 2009-2014, an Interim Population Policy is now being proposed by the Council of Ministers in advance of public consultation taking place on a long-term plan for the Island.	Each Council of Ministers is required to produce a new set of Strategic Priorities, which this Council did in the 2012 Strategic Plan.  An Interim Population Policy has been lodged, reflecting that we now have a new Law on which guidance is required and that this is a priority issue.  “Preparing for Our Future” will be a comprehensive framework for the development of long policy, within which population policy will serve, and align to, the balance we set between economic, social and environmental goals. In this way, we achieve better outcomes for our Island, for example, in relation to the quality of our town

	<b>Findings</b>	<b>Comments</b>
		<p>environment, the productivity of our economy.</p> <p>This work will accelerate over the coming months, but will continue into 2015 before it is complete, including public engagement and detailed statistical and economic analysis. In the meantime, we should support the planning assumption of +325, rather than a lower figure or avoiding the debate altogether.</p>
2	<p>The decision to propose an Interim Population Policy differed to what was agreed in the 2012 Strategic Plan – to hold a States debate on what our immigration and population objectives should be following a public consultation.</p>	<p>See Comment 1 above.</p>
3	<p>With this Proposition, the Housing and Work Advisory Group are seeking guidance from the States as to how the Control of Housing and Work (Jersey) Law 2012 should be administered.</p>	<p>Agreed.</p>
4	<p>Two main reasons have been given for proposing an annual planning assumption for net migration of +325 people per year: (i) it would provide a direction of stability; (ii) it is in line with States approved policies.</p>	<p>Agreed. Net migration of +325 is a policy of stability, and is consistent with a range of long term policies agreed by the Assembly.</p>
5	<p>The planning assumption of +325 has not been applied uniformly across all Departments. The Transport and Technical Services Department and the Education, Sport and Culture Department have been operating to a planning assumption of +500.</p>	<p>See Comment 1 above.</p> <p>The Interim Population Policy will assist in providing a consistent approach, although within this, it should be recognized that Departments face specific challenges and issues, for example, when it comes to the nature of infrastructure, including its need to accommodate seasonal fluctuations.</p> <p>For example, the Waste Water Strategy was developed with the starting point of +325 net migration, but combining this with the total number of people likely to be served, including tourists, seasonal workers and visiting friends and relatives, produces a population of 118,000, being closed to the Statistics Unit forecast of net +500.</p>

	<b>Findings</b>	<b>Comments</b>
6	According to the Chief Minister, the 2009 Population Policy became invalid when the 2012 Strategic Plan was approved by the States.	See Comment 1 above.
7	Despite the 2009 Population Policy setting a maximum net migration limit of +325 people per year, Jersey experienced an average level of net migration of +575 over the period 2009–2012.	Agreed. It will be challenging to support a planning assumption for net migration of +325, but the Interim Population Policy outlines measures to do this, and thereby achieve a reasonable balance between net migration, economic growth, and our other objectives around housing, our environment, supporting services, etc.
8	The success of population and migration control will ultimately depend on how the Control of Housing and Work (Jersey) Law 2012 is managed in line with States decisions and whether those responsible ensure the Law is enforced.	Agreed. With the endorsement of States Members of the Interim Population Policy the decision makers will have a clear mandate to carry out the wishes of the Assembly.
9	Particular focus will be given to reviewing the licences of businesses that employ more migrant staff than their average competitors. As of June 2013, the Population Office had identified 725 businesses in Jersey which fall into this category.	Agreed.
10	Delivery of the proposed Policy will depend upon the effectiveness of the new control mechanism and its application.	Agreed. As to the effectiveness of the Law, this will take time to prove and evidence. However, in the meantime, that is not a reason to not have a debate on our objectives and how the Law <i>should</i> be applied. Furthermore, the Law was carefully designed through wide consultation, and over many years, and already we are seeing its capabilities, for example – <ul style="list-style-type: none"> <li>• in refusing licences to traders visiting Jersey;</li> <li>• in identifying issues with the residential status of individuals;</li> <li>• in closing activities which are damaging to Jersey;</li> </ul>

	Findings	Comments
		<ul style="list-style-type: none"> <li>• in having issued over 13,000 registration cards in the first 6 months so that employers, property agents and landlords are clear as to a person's residential status;</li> <li>• through the manpower process to date having collected the details on over 53,000 individual workers from over 7,000 businesses.</li> </ul> <p>If the Interim Population Policy is approved, the application of the Law can proceed further, for example, varying existing licences where necessary in support of the Interim Population Policy.</p> <p>A Post Implementation Review will also report in July on possible enhancements to the Law.</p> <p>These are all reasons to have confidence in the Law, while recognizing that it will take time to fully mature.</p>
11	<p>Due to a delay in the compilation of the data from the latest Manpower Survey, the publication of the 2013 Jersey Resident Population Report has been postponed. Until the data is available the Population Office cannot assess the efficacy of the new Law and the Statistics Department cannot provide an analysis.</p>	<p>More than 90% of businesses (over 7,000) representing over 96% of employees (over 53,000) have made their returns for the December 2013.</p> <p>The process is taking longer than expected, but is nearing completion. The Chief Statistician will then announce when accurate statistics will be available. In any event, it is already 4 months after the year end – and the longer we wait for a debate, the less up-to-date and useful those statistics will be for a debate that is looking forward for the next 18 months, not backwards.</p> <p>We must also be clear that the new manpower process is about improving effectiveness. For the first time we are collecting information on each individual employee. This will significantly improve our migration controls, and already we are identifying compliance issues that will be pursued as part of a thorough analysis of the returns. This will form the foundation for the validation of the Population Register so that ongoing records of the resident population can be maintained. <b>In short, the new manpower process is enhancing, not detracting from the effectiveness of our controls.</b></p> <p>In the meantime, a sizeable number of statistics are available in the Interim Population Policy to support a decision, and a much more sizeable body will be produced for consideration as part of the</p>

	<b>Findings</b>	<b>Comments</b>
		Long Term Plan.
12	In the 2012 Strategic Plan, the Chief Minister committed to undertake a post implementation review of the new Law within the first 12 months of its operation. It is proposed that the results of that review will be made available by July 2014.	Agreed. See Comment 10 above.
13	No consideration has been given to the short-term implications on Jersey's resources of planning to a net migration target of +325 in comparison with a lower level of net migration.	Disagree. No Department is planning for net migration of lower than +325. See Comment 5 above also.
14	Over half of the respondents in a recent survey carried out by the Chamber of Commerce did not believe that the Policy was achievable.	Agreed. In the same survey, over 70% of employers also did not believe the policy will cause them recruitment difficulties, implying for that for them individually the policy would not present a particular challenge. <b>This is part reflects the emphasis of the policy, which is on supporting businesses, for example, through the "Back to Work" scheme, and permissions if necessary.</b>
15	There is a risk that the decisions made by the Population Office as to which businesses are of high economic value will have a detrimental effect on particular sectors of the economy.	Noted. It is essential that care is applied and support is provided in the application of the policy, which is consistently reflected throughout the Report accompanying the Interim Population Policy. See Comment 19 also.
16	Each application for 'Registered' and 'Licenced' permissions should be considered by the Population Office and the Housing and Work Advisory Group on its individual merits.	Agreed. The Interim Population Policy is clear that each application must be considered on its own merits, listening and responding to business, and offering support. The Housing and Work Advisory Group meet every 2 weeks to consider applications, including hearing from applicants in person, to ensure that each applicant has a full ability to present the unique aspects of their request.

	<b>Findings</b>	<b>Comments</b>
17	Although businesses in the same sector may appear comparable, in reality they could face different revenue streams, skill requirements and ownership structures.	Agreed. See Comment 16 above.
18	The business community is yet to receive clarity from the Housing and Work Advisory Group as to how the proposed Policy would be applied in practice.	Noted. The Interim Population Policy provides a clear outline of how the Control of Housing and Work Law would be applied to support the net migration planning assumption of +325. Should the States approve the Interim Population Policy, it will then be reflected in detailed guidance statement to provide the guidance that businesses need. This will be produced in any event, and communications will be extended.  Nevertheless, it will remain the case that each application will be considered on its particular merits reflecting on the unique nature and challenges of each business.
19	Despite the high levels of unemployment, industry sectors are struggling to fulfil certain vacancies as a result of a significant skills gap within our local community.	Agreed. The Council of Ministers have placed a particular emphasis on getting unemployed people into work through the “Back to Work” programme, and on improving the skills available in the Island and the incentives for Islanders to work. Nevertheless, <b>it will take time for many businesses that have traditionally relied on migrant labour to significantly change this.</b> This is why the Interim Population Policy is a balanced policy that permits a level of net migration, and recognises that support is needed.  Indeed, we should <b>recognise the success of the “Back to Work” programme - over 1,800 people were helped into work in 2013 – and the February unemployment figures of 1,860 actively seeking work showed a downward trend in unemployment</b> on the prior year, The team are also responding to the specific challenges we face, as illustrated by the recent launch of a construction scheme recognizing the likely labour requirements of the industry going forward.
20	Increased productivity as well as having the right skills in Jersey is essential for aiding economic growth.	Agreed.



	<b>Findings</b>	<b>Comments</b>
21	There is a concern among local businesses that the proposed Policy would convey the perception that Jersey is ‘closed for business’.	<p>Noted. It is essential that the policy is fully and widely communicated – so that it properly appreciated as complementary to our strategies on economic growth.</p> <p>Indeed, we must be ever vigilant – we need to make sure our message is one of “being open to value” and “investing in skills and promoting work”, which is consistent with the Interim Population Policy.</p> <p>We should also be clear that economic success is built upon a clear and balanced vision. See Comment 1 above.</p>
22	Unlike the 2009 Population Policy which set a maximum inward migration level, the Interim Population Policy makes no mention of a “maximum”, “limit” or a “cap”.	<p>Agreed.</p> <p>The Interim Population Policy is very deliberately worded in that the Control of Housing and Work Law will be applied to “support” a “planning assumption” for net migration of +325 per year. We are clear that an exact specified target cannot be precisely achieved. Simply, that is not the nature of any control. Instead, the Law can be effectively applied to limit the overall number of permissions for migrant workers in the economy to support a planning assumption for net migration.</p>
23	A planning assumption cannot be enforced.	<p>Disagree.</p> <p>See Comment 10 and 22 above.</p>
24	The Council of Ministers consider that under the right circumstances there will be justification for exceeding the number set out in the proposed Policy.	<p>Agreed.</p> <p>If a business is going to create significant jobs for established islanders and economic or social value then the circumstances may justify some licences.</p>
25	It is still unclear whether asking for the States to agree a planning assumption for net migration of +325 people per year will adequately address the concerns of Islanders and the business community.	<p>Noted. It is difficult to satisfy all viewpoints in this debate. However, the response to the Interim Population Policy has been pleasing in recognizing the challenges we face – in terms of our ageing society, the need to support our economy, and to preserve what is unique about our small Island. All this points to limited and focused migration as the correct approach.</p>
26	The Chief Statistician is not yet confident that the recent Manpower Survey data is sufficiently complete,	See Comment 11 above.

	<b>Findings</b>	<b>Comments</b>
	reliable or accurate and, as a result, has delayed the publication of Jersey's Resident Population 2013 Report.	
27	In the absence of real-time information, the Population Office cannot accurately monitor migration or effectively measure the performance of a Population Policy.	See Comment 11 above.
28	The Council of Ministers is proposing that issues surrounding population growth and migration will be examined in depth in the long-term plan framework "Preparing for our Future".	Agreed. See Comment 1 above.
29	The Interim Population Policy would have no substantial impact on how the States currently manage population and migration.	Disagree. See other Comments.
30	The Panel was advised that in bringing the Proposition to the States for approval, the Council of Ministers was simply asking for a <b><i>"nod to say continue to aim for that number and we will do that"</i></b> .	The Interim Population Policy provides opportunity for Members to debate what planning assumption we should set for net migration and how we are to achieve it, and opportunity has existed to propose Amendments. In this way, the Council of Minister has sought to ensure that the Assembly is able to provide direction on this important issue, which is why the policy was lodged for debate. This ability to set the direction and participate will continue through the development of the Long Term Plan.

## RECOMMENDATIONS

	<b>Recommendations</b>	<b>To</b>	<b>Accept/ Reject</b>	<b>Comments</b>	<b>Target date of action/ completion</b>
1	The Council of Ministers should not bring P.10/2014 to the States Assembly for debate.		Reject		
2	<p>A Population Policy should not be brought to the States Assembly for debate until –</p> <ul style="list-style-type: none"> <li>• all relevant statistics are available from Jersey’s Labour Market 2013 Report and Jersey’s Resident Population 2013 Report;</li> <li>• the Post implementation review of the law has been undertaken; and</li> <li>• public consultation on a long-term plan and vision for the Island has taken place, as agreed in the 2012 Strategic Plan.</li> </ul>		Reject		