



Common Population Policy Annual Report 2023



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Chief Minister’s Foreword

I am pleased to present the first annual report on the common population policy for this Council of Ministers. It is a report that will set out a clear approach and the actions we will take to make sure we remain a thriving and vibrant community for everyone.

Our aim is to balance the needs of our current population, with the future needs of our children and grandchildren. They have the right to expect that Jersey remain an attractive, affordable, and aspirational place to live, to work, and to enjoy long into the future.

As part of my 100-day plan, I set up the Population and Skills Ministerial Group (PSMG) in September 2022 to provide a central political forum for matters relating to population policy, the employment market and the skills needs of the Island.

This report sets out the work that we have already undertaken through the group in developing co-ordinated, balanced and sustainable government policies on population and skills. It also lays out our plans for the future. Our Island has benefitted greatly from the foresight of previous generations of leaders. We must continue to look ahead to ensure that the Island is well prepared for the future as well as weathering the domestic and international challenges that Brexit, the War in Ukraine, and the rapid advances in technology are posing us.

The 2021 Census data has now been fully analysed to show a total population of 103,267. While some comfort can be taken from the population total being lower than previous estimates, the details of the analysis laid bare the size of the upcoming demographic challenges that we will face in coming years.

This report sets out the current and potential demographic situation under different migration scenarios. These projections highlight the need to take positive and proactive action now to tackle the challenges of the coming decades.

Without concerted action across the whole economy, indicative modelling points to a 2040 scenario where a future Jersey would require a population of around 150,000 without even seeing a rise in our current standards of living. This is a figure that is not acceptable to me or to Ministers, and we have already initiated actions to prevent this scenario.

Jersey faces long-term economic challenges and concerted action against a future that overly relies on inward migration is already being planned by the Minister for Economic Development, Tourism, Sport & Culture (MEDTSC).

The Minister is leading a Future Economy Programme which will be presenting a detailed vision and strategy later this year. This strategy will support evidence-based decision making and improve economic awareness, insights, and progress across the whole of government. This will help us make the right decisions, across all departments, to draw us towards a more positive future.

It will set out our need for economic growth but, as far as possible, make proposals for this to be achieved without reliance on unrestrained population growth, so that we can maintain and protect our environment, our heritage, and our community spirit – all of that which make our Island so special.

The total population figure is just one aspect of population policy. Our population is about far more than just the number of people in the Island. It is more than a net calculation of births, deaths and net migration. Our population is the community that we live in, the colleagues that we work with, the people that provide our goods and services, the friends who provide our support networks. It is about our children, our parents, and those all around us and who help to make this Island feel so special to us. Our population is about our people and our community. It has many tones of skin, speaks many languages, thinks in many ways, and traces its roots to many places, but it is Jersey, and it belongs to us all for now and into the future.

We remain a low-crime and close-knit community who know each other and look out for one another (as proven in our community response to the recent tragedies) but we can also support, and cultivate, a wide diversity of shops, restaurants, cultural events, and international flight routes.

Jersey has always thrived on people bringing their skills, experience and investment to the island. Today, we are a richer and more diverse community because of the mixture of cultures and ideas that previous migrants, including myself, have brought to these shores. Jersey is likely to always need and benefit from a certain level of inward migration and our policies must ensure that new Islanders are equally welcome here and appreciated for the benefits they bring.

This Council of Ministers believes that we need to address our demographic challenges with positive and holistic solutions. These will provide a healthy, supportive and sustainable environment and economy which enables all those who wish to contribute to island life to do so to the best of their abilities.

We will take action to prepare for the ageing of the population profile and improve the standards of living for all by providing a vibrant and inclusive community which promotes equity, supports existing Islanders in maintaining their future in Jersey, and welcomes and integrates the new Islanders that are vital to our ongoing prosperity. This report sets out actions that Ministers have already been taken and plans for future actions. Reports will be published in each year of our term and policies will be further developed over this period.

We are all part of the population (read: community) that makes Jersey a wonderful place to live and we will all need to work together as an Island – government, business and individual – if we are to develop sustainable growth which allows us to enhance living standards and quality of life for us all.



Deputy Kristina Moore

Chief Minister



1. Executive Summary

This report provides an overview of the current position with respects to population issues and policies. The Council of Ministers is required by law to discuss and agree its position on population issues on a regular basis. This is the first annual report from this Council and reports will continue to be presented on an annual basis.

Three of the themes set out in the common strategic policy of the Council of Ministers are particularly relevant to population issues:

- **Economy and Skills:** Develop a more sustainable, innovative, outward-facing and prosperous economy and help people acquire the right skills throughout their lives; we want Jersey to be an attractive place for everyone to achieve their potential.
- **Ageing Population:** Enable people to keep living active, independent, healthy lives as they live longer.
- **Community:** Enhance our attractive, inclusive, and vibrant community where people feel respected and able to flourish, as well as safe and protected.

This report identifies actions and aims under these three themes.

Population issues affect nations all around the world. Increasing populations put pressure on natural and economic resources. Decreasing populations can also have negative impacts with shrinking workforces and limited resources available to support public services. Every country including Jersey is affected by the impact of climate change, the pace of technological innovation, the global political environment and the framework of international laws and regulations.

Closer to home, Jersey faces some additional specific challenges – as an island, we will always face constraints in terms of our physical environment. Our population is ageing and the local workforce is relatively less skilled compared to UK cities. Investment is also lower than in other economies and we are not quick to adopt new technologies. The cost of living is high in the island.

Full details of the 2021 Census have now been published and provide a detailed picture of the current population. The population as at March 2021 stood at 103,267 – well below previous estimates. Statistics Jersey suggests that this is partly due to approximately 1,500 people who left Jersey, or did not arrive, due to Brexit and Covid-19.

Comparison of the 2011 and 2021 Census results clearly show the ageing of the population. In the last ten years, the number of people aged 16-64 has increased by 1% while the number aged 65 and above has risen by 29%. Birth rates have dropped over the last 10 years and remain well below the UK. However, while the 16-64 population has stayed fairly static, the number of jobs in the economy has grown steadily over the decade with growth achieved by more adults of all ages participating in the labour market.

Jersey maintains two separate control mechanisms in respect of inward migration. As a member of the Common Travel Area (CTA), Jersey shares a common external border with Great Britain and Ireland. Immigration rules apply to non-CTA citizens moving into the CTA area. Jersey also maintains its own controls on the ability to work and live in the Island through the Control of Housing and Work Law (CHWL). CHWL restrictions apply regardless of nationality, and this is the only control that can be applied to the flow of British and Irish people seeking to live and work in Jersey.

The local controls on inward migration created by the CHWL have not been affected by Brexit – these rules apply to everyone, regardless of nationality. Local businesses can use non-local workers in two main categories – licensed workers and registered workers. The proportion of jobs held by registered and licensed workers across the labour force has remained fairly steady over the last 6 years, with about 8% of jobs (5,400 jobs) held by registered workers and about 4% of jobs (2,800 jobs) by licensed workers at the end of 2022.

Using the 2021 Census figures, it is possible to make estimates of future population figures based on different theoretical migration levels. In particular these estimates can demonstrate the future likely split between working

age (16-64) and non-working age (children and people aged 65+). Under all migration levels, the dependency ratio (the ratio of working age people to non-working age people) gets worse. An increasing ageing population is also likely to put increased pressure on public services such as health and social care.

The policy intent of Ministers is that our community thrives, success should see living standards – defined as real GVA/person - to rise. However, indicative modelling suggests that to simply maintain current living standards, the total population could need to be as high as 150,000 by 2040. Ministers are not prepared to accept this scenario.

Sustained economic growth would enable living standards to be maintained with lower levels of inward migration and a smaller population. The Council of Ministers' policy direction is to support economic growth both through increasing productivity in existing Island sectors and developing new, highly productive sectors. This will help to maintain the 2040 population level well below the 150,000 level.

The Future Economy Programme is developing a range of positive measures to improve current levels of economic activity, identify new economic sectors and create high quality, sustainable growth. The Economic Strategy is due to be published in September 2023. At this stage it is anticipated that inward migration will still be required but at a reasonable and sustainable level.

Integral to the identification of economic policies will be the capacity of Jersey's infrastructure and the extent to which this may act as a constraint on population growth, or the rate of population growth.

The Population and Skills Ministerial Group (PSMG) was set up by the Chief Minister in September 2022 as part of her 100 day plan. The group now comprises 7 Ministers and an Assistant Chief Minister who work closely together to coordinate policy actions across all areas that impact on overall population policies.

The positive steps already taken and the future actions identified in this Report extend across ministerial portfolios. They are designed to improve the quality of economic activity in order to reduce the need for future inward migration; and to develop inclusive population policies based upon the wellbeing and prosperity of the community that makes up that population. These actions and themes fall into the following main areas:

Develop a sustainable economy

Build up skilled local workforce

- Develop labour demand and supply model
- Extend Further Education and skills provisions
- Establish Skills Development Fund

Drive sustainable growth

- Future Economy Programme
- Inward investment strategy
- 2040 foresight

Simplify and adjust controls

- Extend range of work permits and CHWL permissions
- Create single business portal for CHWL and work permit applications
- Provide more flexibility in CHWL regulations

Plan for the changing demographic

Maximise potential of local population

- Review support for working parents
- Introduce Workwell Service
- Working better with age

Promote productivity and automation

- Technology Accelerator Fund
- Automation/ Artificial Intelligence
- Productivity through digital innovation

Use data to understand opportunities and challenges

- Publish actuarial reviews (Social Security Fund, Health Insurance Fund, Long Term Care Fund)
- Improve use of integrated administrative data
- Develop full population projections (Statistics Jersey)

Promote equity

Improve support available to workers arriving in Jersey for the first time

- Provide information for non-CTA workers
- Extend Immigration team compliance capability
- Establish Employee Standards Oversight Board

Review the need for and impact of housing controls

- Undertake key worker accommodation project
- Review CHWL housing rules
- Consider new housing products

Develop an inclusive community

- Island Identity
- Government Engagement Framework
- International Cultural Centre

There is a strong link between economic policies and population policies.

This report provides a summary of overall population policies and actions as at June 2023. An annual report will be published in each year of this electoral term setting out progress and the current overall position on population policies.

The Future Economy Programme strategy is due to be published later this year. That document will set out in more detail the actions planned around the future economy which will be fundamental to achieving the overall aims of the population policy.

2. Introduction

In 2021 the States Assembly amended the States of Jersey Law to require the Council of Ministers to discuss and agree their common policy on population on a regular basis and at least annually. The first report on common population policy was published by the previous Council of Ministers in February 2022. This document is the first annual report on common population policy (CPP) presented by the current Council of Ministers.

This 2023 CPP report builds on the Common Strategic Priorities published by the Council of Ministers last year and endorsed by the States Assembly. Three of the 7 interlinked priorities are of particular significance to the CPP.

- **Economy and Skills:** Develop a more sustainable, innovative, outward-facing and prosperous economy and help people acquire the right skills throughout their lives; we want Jersey to be an attractive place for everyone to achieve their potential.
- **Ageing Population:** Enable people to live active, independent, healthy lives as they live longer.
- **Community:** Create a more inclusive, vibrant community where people feel respected and able to flourish, as well as safe and protected.

This report takes stock of the current situation - the 2021 census data has now been fully analysed. Ministers are working across government under the umbrella of the new Population and Skills Ministerial Group to develop coordinated policies to support our current and future economy, taking account of the significant population trends that we will see in coming years. Internationally, the world has been subject to major new shocks in the last 18 months while the impacts of the Covid-19 pandemic are still being felt and the UK's withdrawal from the EU continues to place pressures on the labour market.

This CPP report is being published in advance of the Economic Strategy by the Future Economy Programme and also in advance of the detailed work on population modelling currently underway by Statistics Jersey. As such, its main aim is to set out key themes which will be built on in future reports and policies. It also provides an opportunity to describe the wide range of work currently ongoing and planned across ministerial portfolios to support population policies.

3. Global perspective - International overview

The global population, which reached 8 billion in mid-November 2022, continues to grow, placing an increasing strain on the environment for food, water and resources. The United Nations (July 2022) estimated a peak of around 10.4 billion people during the 2080s. The overall growth rate is however slowing and the fertility in all European countries is now below the level required for full replacement of the population in the long run, and in the majority of cases, fertility has been below the replacement level for several decades¹. Recent research² suggests a different scenario where the population peak is lower, reaching a high of 8.8 billion, and is reached sooner, before the middle of the century. Both increasing and decreasing populations create challenges.

Increasing population at a local or global level places additional pressure on all aspects of the natural and built environment. Locally, the pressure on housing resources and the infrastructure that support them is particularly acute.

Whilst declining populations are likely to reduce the pressure on the climate and the environment, depopulation can create other problems. Declining birth rates, ageing populations and decreasing populations have had significant impacts in some countries, such as Japan and South Korea, where a decrease in the proportion of working aged people has led to a shrinking workforce and impacted the ability to fund healthcare, pensions and benefits.

Depopulation is not just an issue of low fertility rates. Small communities like ours often face the risk of outward migration and we have seen other jurisdictions, such as islands of Scotland and Japan, suffer this due to high relative costs of living, an absence of opportunities to lead a fulfilling life, and a lack of quality education, employment and cultural offerings.



Shifting geopolitics – Jersey is buffeted by national and global influences. The impacts of the Covid-19 pandemic continue to be felt, the war in Ukraine has disrupted energy and food supplies, whilst high inflation has caused a global cost of living crisis.



Changing regulations – As a small, highly internationalised economy with a limited internal market, prosperity is underpinned by international trade and exports, meaning Jersey must adapt quickly and effectively to national and international regulation changes.



Climate change – Almost half of the world's population lives in regions that are highly vulnerable to climate change³. Climate change will put parts of our economy and well-being at risk⁴, both directly as rising sea levels, higher temperatures and increasing rainfall have a direct impact on infrastructure, health, and livelihoods, but also indirectly on Jersey's supply chains and international trading partners. As a small island, the increased risk of flooding poses a significant risk across multiple areas.



Technology revolution – Advances in technology are likely to change citizen expectations of public services; intensify global talent competition; reshape the allocation of private wealth; and encourage more decentralised decision making. By one estimate up to 27% of jobs, 16,900 in total, in Jersey will be at risk of automation by 2035⁵.



Green transition - Accelerated by international and national legislative pressures to meet net zero targets and adapt to the changing climate, the implementation of Jersey's Carbon Neutral Roadmap, will present challenges and opportunities for the island's economy and reputation.

¹ [United Nations Global Issues webpage - Population](#)

² [Earth4All - People and Planet Report - March 2023](#)

³ [Intergovernmental Panel on Climate Change, Press Release - March 2023](#)

⁴ [Future Jersey, High Risk Indicators Analysis, Aether - January 2018](#)

⁵ [GoJ Future Economy Programme, Impacts of an Ageing Population on Jersey's Economy - November 2021](#)

4. Local perspective - Island context



Changing demographics - Jersey has an ageing population, a falling birth-rate, and an increasing dependency ratio. This demographic shift creates both challenges and opportunities for government.



Small island environment – there are physical limits upon the land, resources and population that Jersey can hold and all considerations on the island's future must be made within this context.



Skills deficit - Jersey has a relatively tight labour market, and a relatively less educated workforce compared with UK cities⁶. Skills shortages coupled with a constrained labour supply mean many sectors are currently accustomed to relying heavily on migrant workers⁷.



Weak productivity and investment Future Economy Programme modelling suggests that Jersey has had relatively low levels of investment in infrastructure and weaker business investment compared to other developed economies⁸. Over the past two decades productivity has been stable in some sectors and falling in others. Technology absorption within businesses is far behind leading adopters such as Iceland, Luxembourg and Israel⁹.



Housing and living affordability – At the time of this CPP report the latest RPI annual inflation rate (March 2023) stands at 12.7% (the largest twelve month increase in the RPI since the early 1980's), Bank of England interest rates (May 2023) at 4.50%, (at a rate not seen since 2008) and average local house prices at just below record levels (Q1 2023 overall mix-adjusted index¹⁰).

⁶ [Outline Economic Strategy for Jersey, Government of Jersey - May 2022](#)

⁷ [Outline Economic Strategy for Jersey, Government of Jersey - May 2022](#)

⁸ [Outline Economic Strategy for Jersey, Government of Jersey - May 2022](#)

⁹ [Outline Economic Strategy for Jersey, Government of Jersey - May 2022](#)

¹⁰ [House Price Index Q1 2023, Statistics Jersey - May 2023](#)

5. Jersey's population – the picture today

The first common population policy report, published in February 2022¹¹, was written against the backdrop of a much higher predicted population than was shown in the census of 2021. Population projections for 2019 estimated a total population of 107,800 in 2019, whilst the 2021 census showed a total population of 103,267¹²

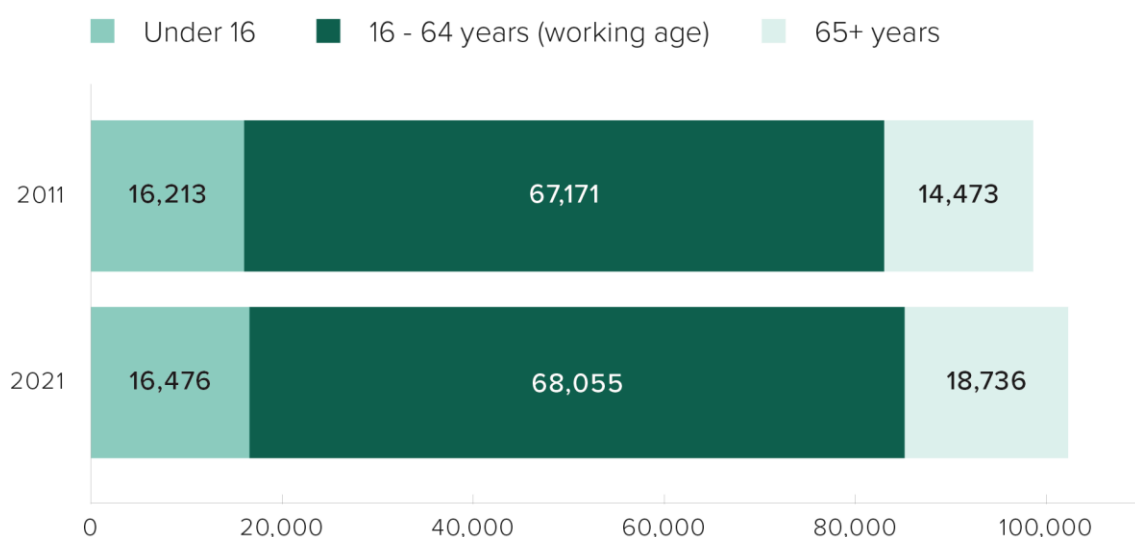
Preliminary analysis undertaken by Statistics Jersey suggests that:

- Population estimates for years up to 2019 were overstated, resulting in the 2019 population estimate being about 3,000 overstated;
- 1,500 people left Jersey, or did not arrive, due to Brexit and Covid-19.

Working age population

The Census 2021 data showed 68,055 people were aged between 16 and 64 years of age (the OECD definition of working age). The number of residents aged 16-64 was essentially unchanged between 2011 and 2021 (increasing by 1%), whilst the number of people aged 65 and over increased by 4,300 (increasing by 29%).

Figure 1: Working age population of Jersey



(Source: [Working age population, 2011 and 2021 compared, Census 2021, Statistics Jersey](#))

Figure 1 clearly demonstrates one of the key challenges of population policy – a significant increase in people aged over 65 over the last ten years while the size of the younger population has remained more or less static. In terms of the dependency ratio¹³ for Jersey (the ratio of those outside of working age to those of working age), the figure was 52% in 2021; an increase from 46% in 2011.

Looking at the age distribution of the population in more detail, the 2021 Census provides the “population pyramid” shown in figure 2. The pyramid bulges at ages 50-59 and this group can be expected to retire from 2028 through to the late 2030s.

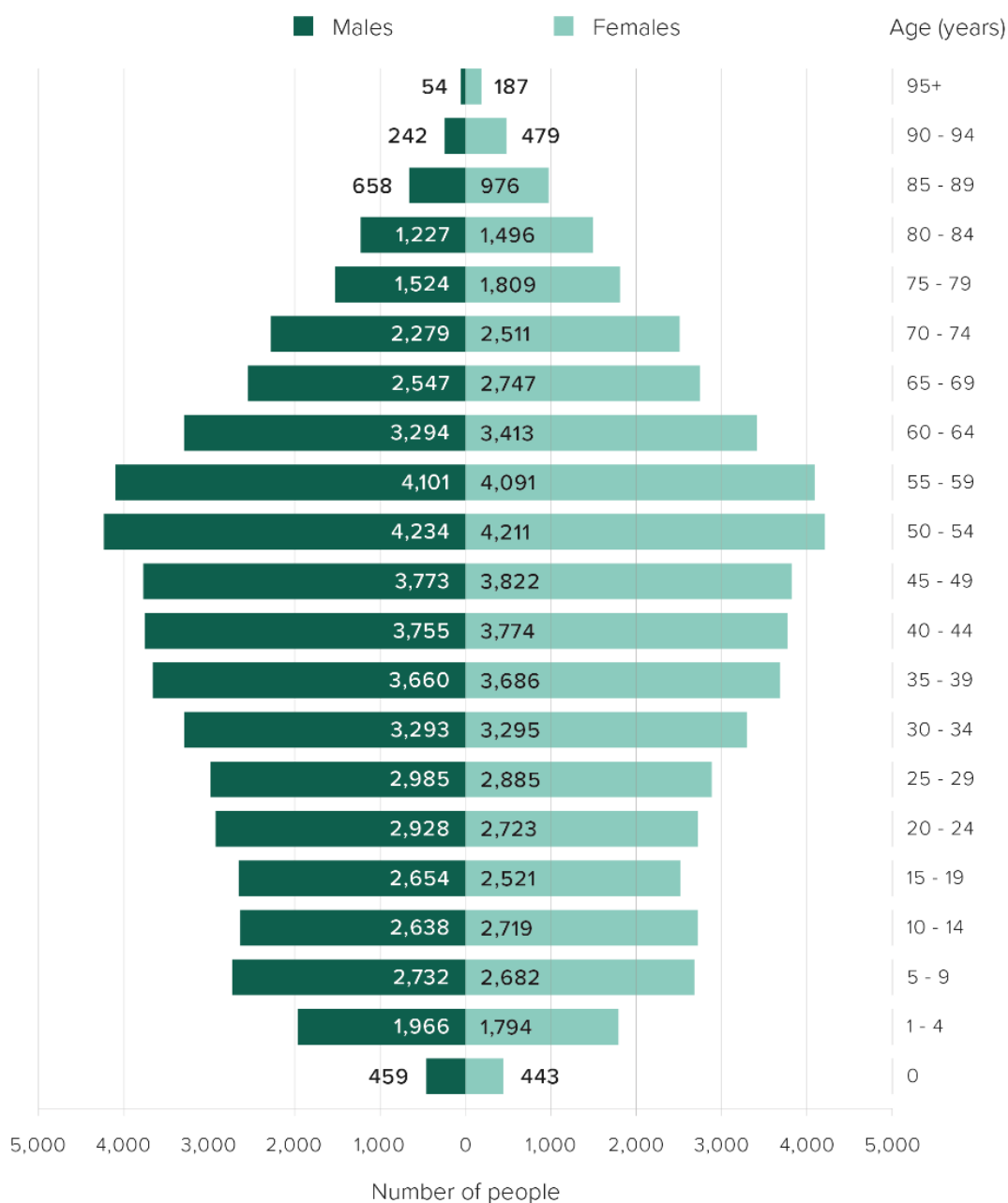
¹¹ [Common Population Policy - December 2021](#)

¹² [Report on the 2021 Jersey Census](#)

¹³ As defined in the Statistics Jersey 2021 census, the dependency ratio is the ratio of the non-working age population to that of working age. Throughout this report, working age is defined as 16 to 64 for both males and females.

Dependency ratio = $[(\text{pop'n under working age}) + (\text{Pop'n over working age})] / (\text{working age pop'n})$

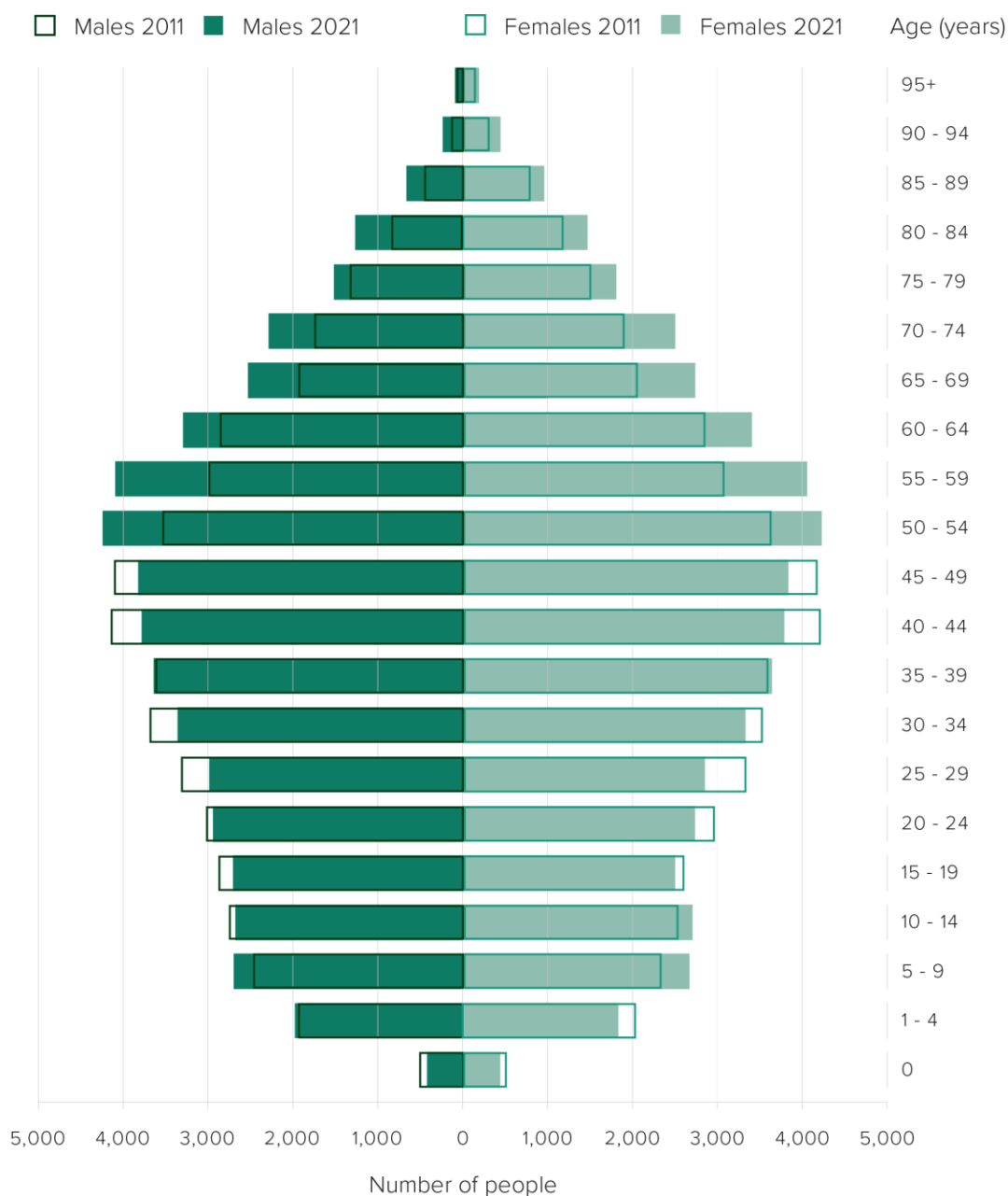
Figure 2: Population structure of Jersey, 2021



(Source: [The population structure of Jersey, Census 2021, Statistics Jersey](#))

Overlaying the 2011 Census population pyramid (Figure 3) shows how the bulge in working age population has moved from the 40-49 age group in 2011 to the 50-59 age group in 2021 - our working age population is getting older.

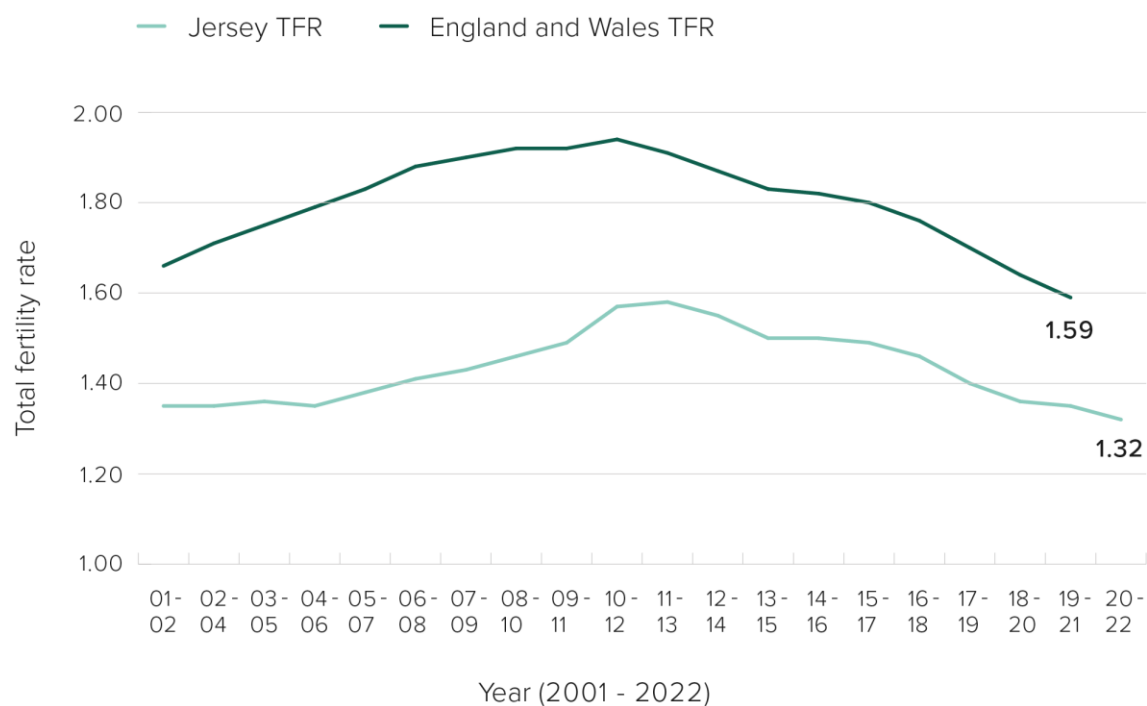
Figure 3: Comparison of population structure of Jersey, 2011 and 2021



(Source: [Census 2011, States of Jersey Statistics Unit](#) and [Census 2021, Statistics Jersey](#))

As the current bulge of workers now aged 50+ leave the workforce over the next 10 or so years, figure 3 shows that there are a much smaller number of younger people currently living in Jersey to take their place.

In addition to a large number of older workers in the labour market today, Jersey is also experiencing a declining birth rate. The Total Fertility Rate (TFR) represents the total number of children born to a woman in her lifetime. An average TFR of 2.1 is needed to maintain a stable population. The TFR for Jersey is currently 1.32 (see figure 4) and has dropped over the last decade. The England and Wales rate is shown as also dropping in recent years but remains above the Jersey figure.

Figure 4: Total Fertility Rates (Jersey, 2001-2003 to 2020-2022)

(Source: [Total Fertility Rates, Births and Breastfeeding Profile 2022, Public Health Intelligence](#))

Table 1 shows the length of time someone would be expected to live, on average, if future mortality rates turn out as expected.

Table 1: Cohort expectation of life at age 67

| Sex | Year age 67 attained | Average expectation of life at 67 (years) |
|--------|----------------------|---|
| Male | 2021 | 18.7 |
| | 2041 | 20.4 |
| | 2061 | 22.1 |
| Female | 2021 | 21.3 |
| | 2041 | 22.9 |
| | 2061 | 24.5 |

(Source: [Table D.2 Report by the Government Actuary on the Jersey Social Security Fund as at 31 December 2021, May 2023](#).)

Supply of workers

Labour market statistics provide a job count across the labour market twice a year. The December 2022 figures report a record number of jobs¹⁴.

- There were 54,690 jobs in the private sector. The number of private sector jobs in December 2022 was 1,430 higher compared with December 2019 (prior to the Covid-19 pandemic).
- There were 9,070 jobs in the public sector. The number of public sector jobs in December 2022 was 940 higher compared with December 2019.

Figure 5: Total jobs in Jersey in June and December, 2000 to 2022



(Source: [Total jobs in Jersey in June and December, 2000 to 2022, Labour Market Report, Statistics Jersey](#))

Between the census periods of 2011 and 2021 although the working age population (16-64) increased by 884 (approximately 1%) the number of people of all ages who were economically active increased by 4,351, and the numbers who were unemployed dropped by 509.

¹⁴ Note that if a person has 2 or more jobs, each job is counted separately in the Labour Market Report.

Table 2: Economically active 2011 v 2021

| Economically Active¹⁵ | 2011 | 2021 | Change |
|---|---------------|---------------|---------------|
| Working for an employer full-time | 38,749 | 41,970 | 3,221 |
| Working for an employer part-time | 7,719 | 7,970 | 251 |
| Self-employed, employing others | 2,768 | 3,000 | 232 |
| Self-employed, not employing others | 3,234 | 4,390 | 1,156 |
| Unemployed, looking for or waiting to take up a job | 2,569 | 2,060 | - 509 |
| Total Economically Active | 55,039 | 59,390 | 4,351 |

(Source: [Census 2011, States of Jersey Statistics Unit](#) and [Census 2021, Statistics Jersey](#))

Jersey's ILO unemployment rate¹⁶ was 3.5% on 21 March 2021, corresponding to 2,058 persons. The corresponding figure for the UK was 4.7% and for OECD countries was 6.7% in March 2021.

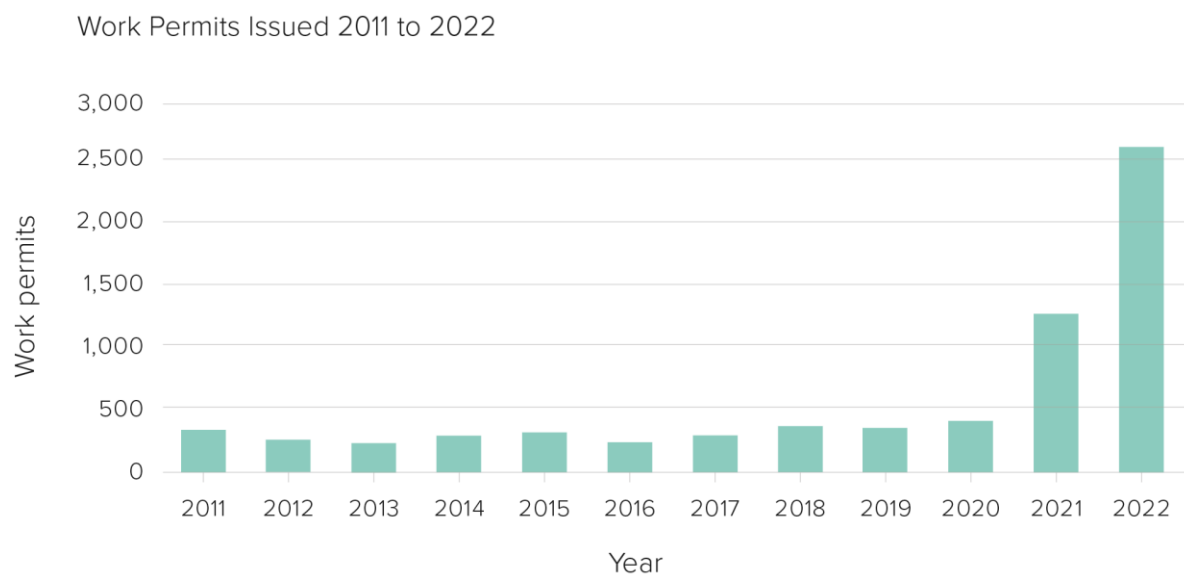
The Island has relied on migrant workers for many decades and they continue to make a valuable contribution to our economy. Jersey currently maintains two separate control mechanisms in respect of inward migration.

As a member of the Common Travel Area (CTA), Jersey shares a common external border with Great Britain and Ireland. Immigration rules apply to non-CTA citizens moving into the CTA area. Jersey also maintains its own controls on the ability to work and live in the Island through the Control of Housing and Work Law (CHWL). CHWL restrictions apply regardless of nationality and so are able to control the flow of British and Irish people seeking to live and work in Jersey.

In the majority of cases anybody who is not British or Irish or has settled or pre settled Immigration status requires a work permit to take up employment in Jersey. The number of work permits issued has increased dramatically in the three years since Brexit as can be seen in figure 6 below. A proportion of this increase has been due to the fact that European nationals now require Immigration permissions to work in Jersey whereas they did not before. However, the majority of current work permit holders are from outside the EU (80%). Rising standards of living, wages and employment opportunities in EU countries, especially in Eastern European countries, are believed to have made Jersey less attractive to EU workers. It is therefore suspected that employers have decided to look worldwide to identify their new workers.

¹⁵ Due to the changes in the economic activity question, the 2021 results for economic activity are not strictly comparable to 2011. However the impact on overall activity rates and the ILO unemployment rate are considered to be relatively minor.

¹⁶ This figure represents all unemployed adults aged 16 and over as a proportion of all economically active adults and is an internationally comparable measure since the definition of working age can vary by jurisdiction.

Figure 6: immigration work permits issued in Jersey, 2011-2022

(Source: JCIS internal statistics)

Following Brexit (31/01/2020), new Immigration routes were developed or modified to support the economy. Temporary routes now support the hospitality, construction and agriculture/fishing sectors. These routes are bespoke to Jersey and do not exist in the same manner and form in the UK. The current range of routes available is set out in table 3.

Table 3: Bespoke Jersey Immigration routes for work in Jersey

| | Temporary | | Skilled |
|---|---|--|---|
| | 9-month | 1 year rolling | |
| Conditions | | | |
| Eligible roles/sectors | Agriculture Hospitality Construction Fishing | Hospitality Construction | Eligible roles listed in Work Permit Policy |
| Max duration | 9 months | 3 years – Hospitality Up to 4 years – Construction (tied to specific project) | 3 years 5 years – medical doctors |
| Absence period before new work permit can be applied for | 3 months | Period equal to time spent in Jersey | None |
| Dependants permitted ? | No | No | Yes, if permit 12 months or longer |
| Can lead to settlement ? | No | No | Yes |

| | | | |
|-------------------------------------|------|------|--------------------|
| English language requirement | None | None | Yes – B1 or higher |
|-------------------------------------|------|------|--------------------|

The local controls created by the CHWL have not been affected by Brexit – these rules apply to everyone, regardless of nationality. People with entitled to work or entitled status under the CHWL undertake nearly 90% of the jobs in the Jersey labour market without restriction. These workers are Jersey born, have lived in Jersey for more than 5 years or are married to a person with an entitled or licensed status. From the end of May 2023, unmarried partners of people with an entitled or licensed status have also been able to access the full local labour market.

Local businesses can apply to use non-local workers in two main categories – licensed workers and registered workers. The use of these workers has remained relatively stable over the last 6 years.

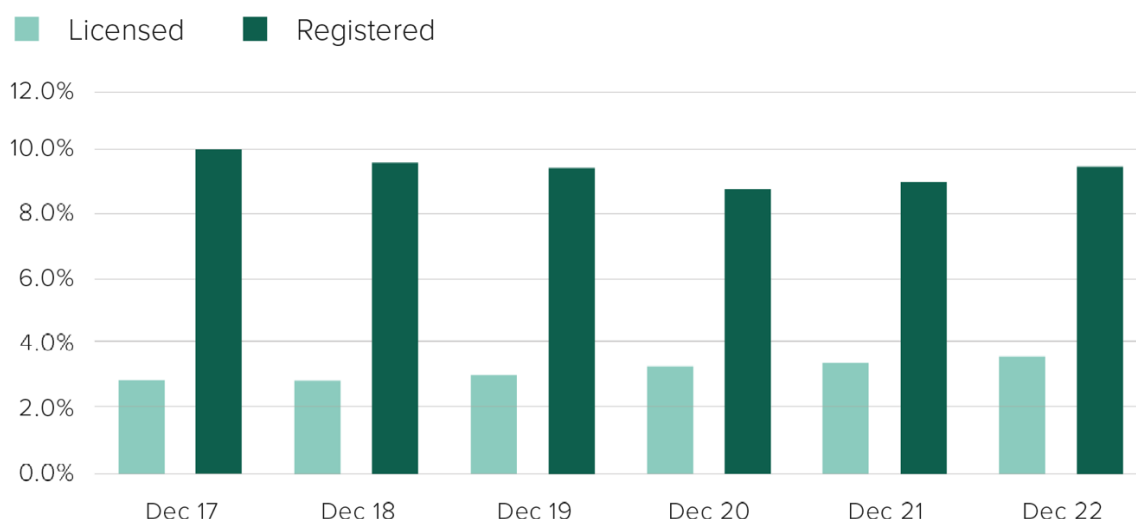
Permission to employ a licenced worker is granted in respect of jobs that attract a minimum salary and require special skills that are not available locally. These are often jobs in professional sectors such as accountancy and law. Permission to employ a registered worker is also subject to a (lower) minimum salary and the business must identify a genuine business need that cannot be met from the local labour market. Registered permissions are often granted in respect of seasonal work in agriculture and hospitality.

Across the private sector, just under 10%¹⁷ of all jobs are filled by workers with registered status. This proportion has decreased slightly over the last six years. The proportion of licensed workers in the private sector has increased slightly over the last six years from 2.8% to 3.6%. In terms of job numbers, in December 2022 there were:

- 47,410 jobs undertaken by entitled / entitled to work individuals
- 1,980 jobs undertaken by registered individuals
- 5,140 jobs undertaken by licensed individuals

Figure 7: Jobs by CHW category as % of total jobs – private sector

Jobs by CHW category a % of total jobs – private sector

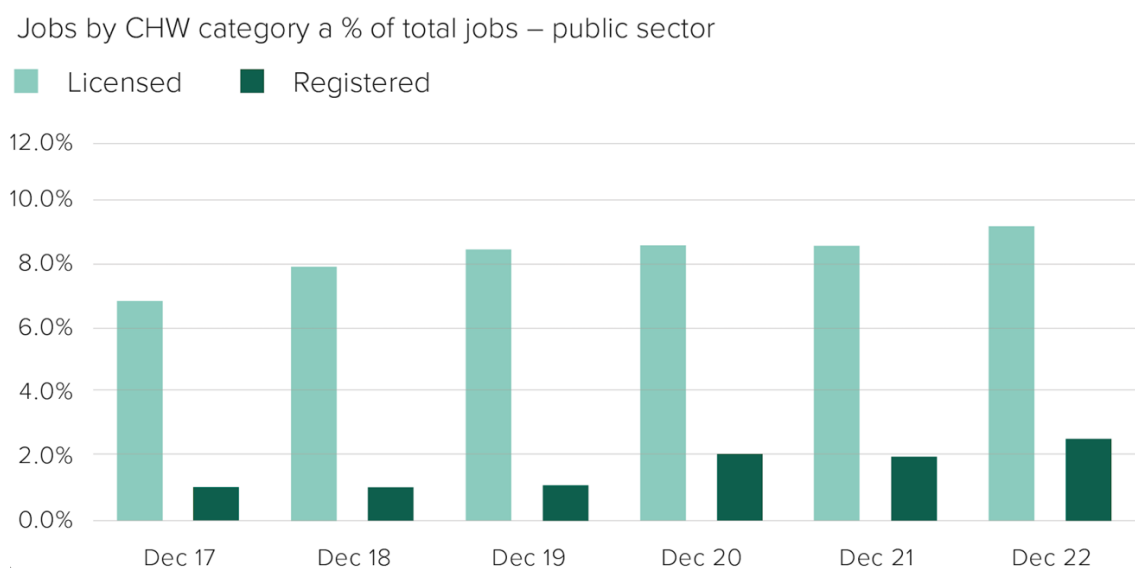


(Source: [Number of private sector jobs by residential status of current post holder, Labour Market Report, December 2022, Statistics Jersey](#))

¹⁷ Measured in December 2022 ([Source: Labour Market Report, Statistics Jersey](#))

The use of CHWL permissions in the public sector shows a different pattern.

Figure 8: Jobs by CHW category as % of total jobs – public sector



(Source: [Number of public sector jobs by employment status of current post holder, Labour Market Report, December 2022, Statistics Jersey](#))

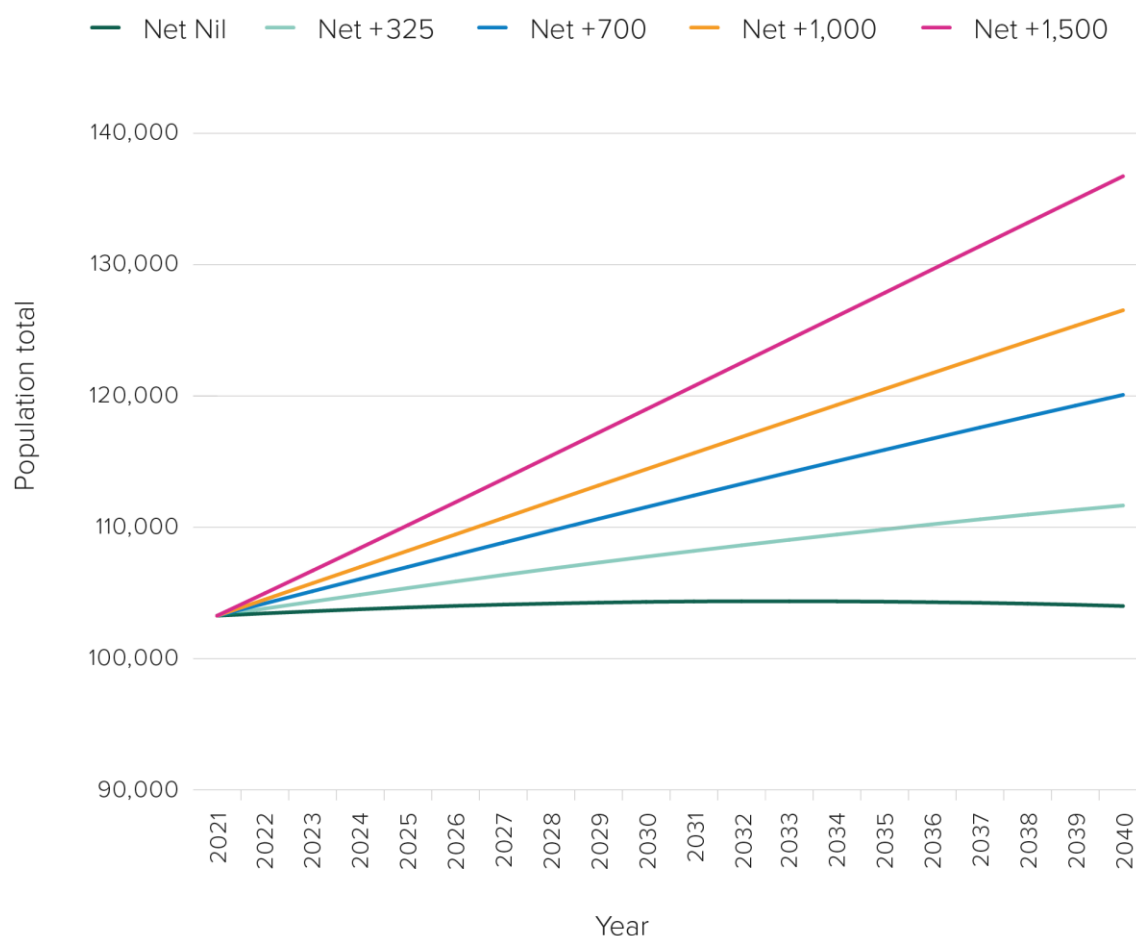
In percentage terms, the use of licenced permissions in the public sector has grown from 6.9% of public sector jobs in 2017 to 9.2% in 2022. There is a smaller percentage of registered jobs in the public sector, but the use here has also grown from 1% in 2017 to 2.4% in 2022. In terms of job numbers, there were 830 licensed jobs at the end of 2022 and 220 registered jobs. 7,990 public sector jobs were undertaken by entitled or entitled to work individuals.

6. Jersey's population – looking forward

As part of the detailed research and analysis to support the development of the Future Economy Programme, modelling has been undertaken to estimate Jersey's population under different assumptions about population growth¹⁸. A range of migration scenarios are used to demonstrate the impact of higher or lower rates of migration – at this stage these are just modelling scenarios – they do not represent agreed policy.

This work takes the population from Census 2021 and projects it to 2040 under different scenarios of the balance between births and deaths and people moving to and from Jersey (net migration scenarios). The projected populations are shown below in Figure 9.

Figure 9: Population projections, 2021-2040, under different net migration scenarios



(Source: Economic Analysis, internal)

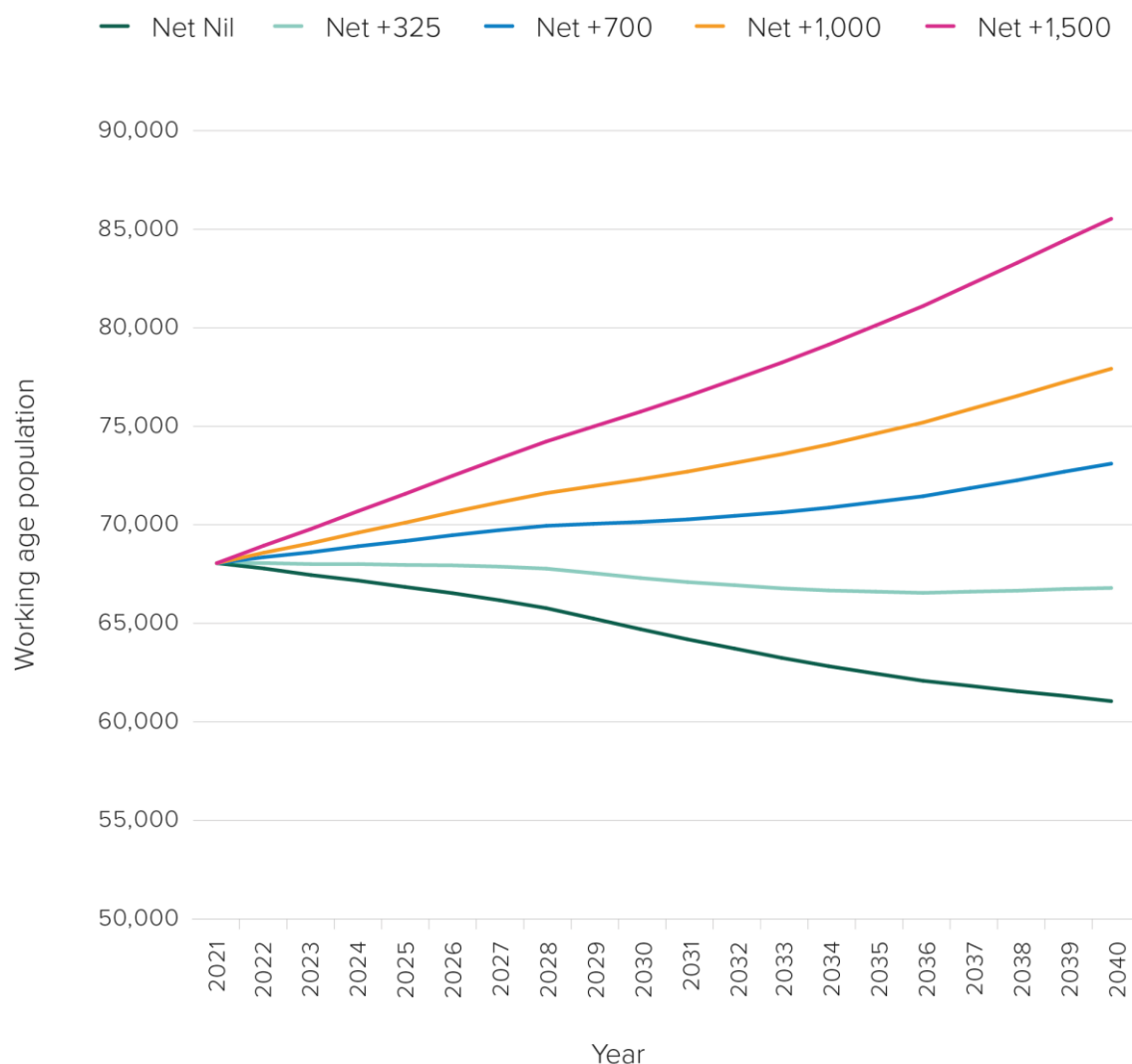
It is important to look at the age breakdown of the future population as well as the total number. Jersey, like many developed economies, has an ageing population. Between now and 2040 a significant number of the current working age population is expected to retire¹⁹, as described in section 5. The size of the working age population matters – these are the workers who fill the jobs that make Jersey's economy vibrant; they generate much of the tax

¹⁸ More detailed modelling of population projections will be published at the end of 2023 following detailed analysis by Statistics Jersey.

¹⁹ Between 2020 and 2032 the Jersey state pension age will rise gradually from 65 to 67. There is no requirement to retire at state pension age but many people will choose to leave the labour market at or around pension age.

revenue which is used to fund services including health and social care across Jersey; and they generate the Gross Value Added (GVA)²⁰ on which living standards depend.

Figure 10: Working age population, 2021 – 2040, by net migration scenario



(Source: Economic Analysis, internal)

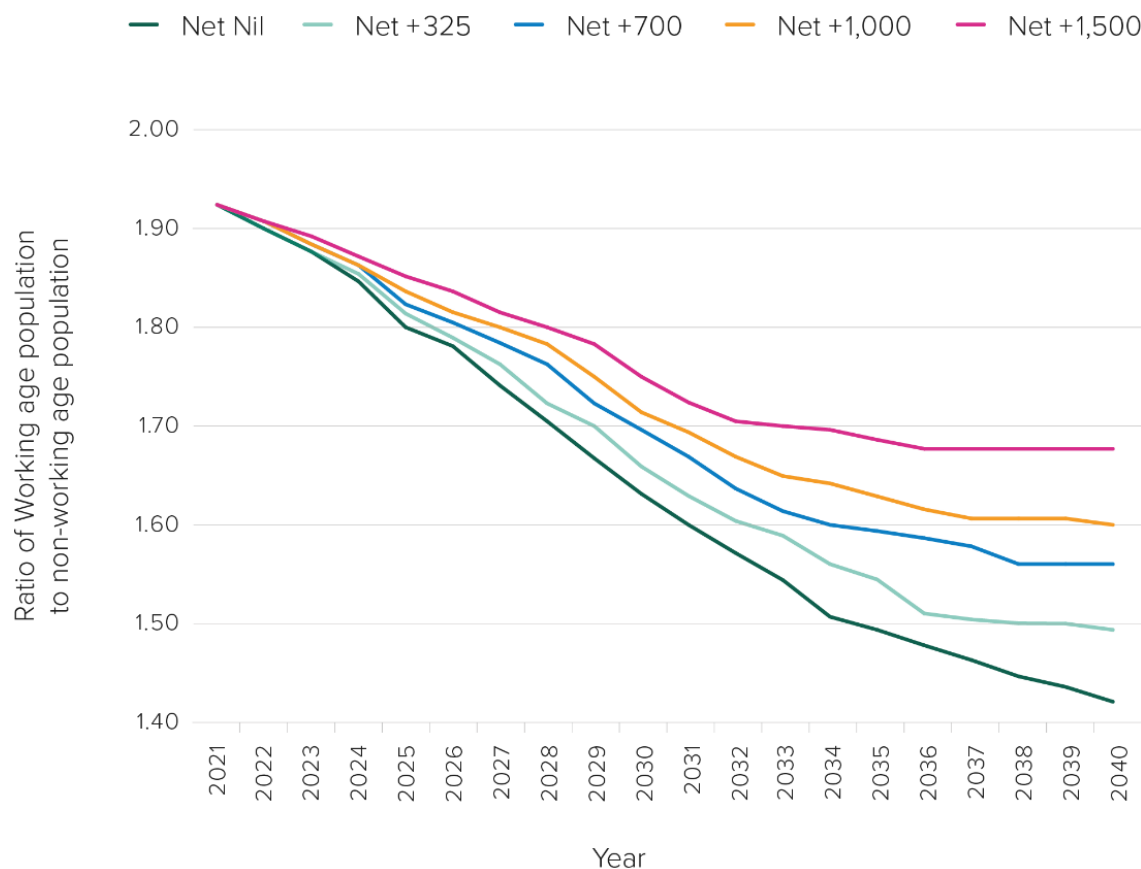
Figure 10 shows that the population aged 16-64 is projected to decrease under a net nil migration and even a net +325 migration scenario.

Jersey enjoys a high economic activity rate (84% of 16–64-year-olds in 2021) and there are already reports of labour and skills shortages across many sectors. These will be exacerbated if the working age population decreases in coming years. A falling working age population is very likely to affect the size and value of Jersey's economy, and thus living standards (GVA/person).

The size of the working age population relative to the non-working age population also matters. Figure 11 shows the projected ratio of people of working age to people of non-working age between now and 2040 under each of the net migration scenarios.

²⁰ Shows the value of economic activity taking place in Jersey. It represents the sum of gross operating surplus and compensation of employees.

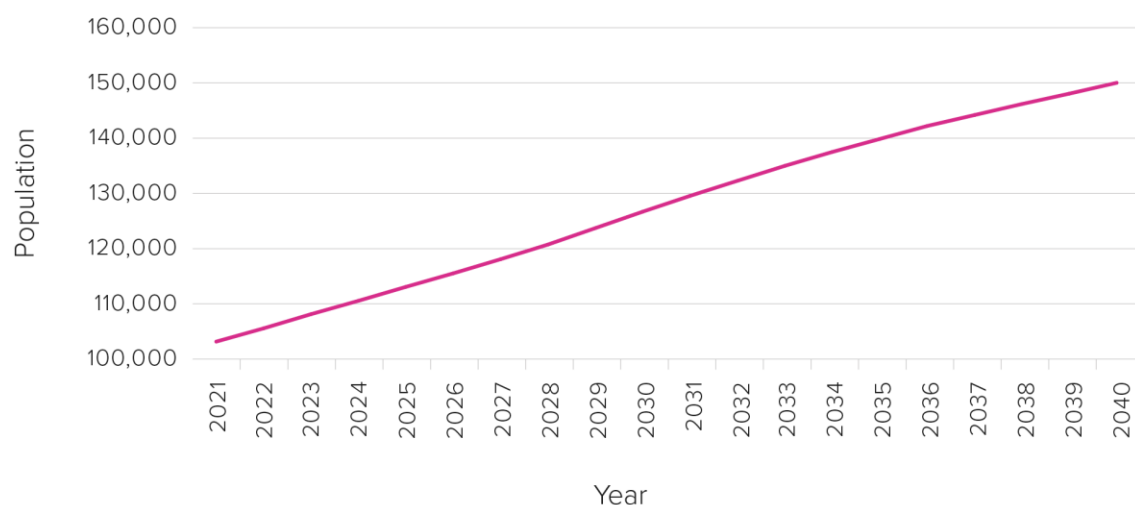
Figure 11: Projected ratio of people of working age: non-working age, 2021 – 2040, by net migration scenario



(Source: Economic Analysis, internal)

Figure 11 shows that under all of the net migration scenarios modelled the ratio of working age people to non-working age people falls. In 2021 there were almost 2 (1.93) people of working age for every person of non-working age. By 2040 this ratio is estimated to fall to between 1.4 and 1.7.

Further work is underway to understand the size of the working age population needed to provide the workforce to maintain Jersey's economy and to provide the services required by the population. An ageing population is expected to affect the services required and is also likely to increase the number of workers required in services such as health and social care. These services are currently predominantly funded through tax revenues. The majority of tax revenue is raised from personal tax, which in turn is largely determined by the number of workers. Further work is planned to model the future tax revenue required and what this might mean for the number of workers.

Figure 12: Estimated population required to maintain living standards (real GVA/person)

(Source: Economic Analysis, internal)

The policy intent of Ministers is that, as a minimum, living standards – defined as real GVA/person - in 2040 will be no lower than they are now, although we expect our actions to result in higher standards for all. In the absence of any economic growth, maintaining living standards would require the ratio of people of working age to non-working age to be maintained at its current level into the future. In turn this means that the working age population would need to grow by more than the highest migration scenario included above. Indicative modelling suggests the total population would therefore suggest the need to be as high as 150,000 by 2040 simply to maintain the same living standards. Ministers are not prepared to accept this scenario.

Sustained economic growth would enable living standards to be maintained with lower levels of inward migration and a smaller population. The more Jersey can deliver the same, or more, output with fewer workers, the further the population needed by 2040 will be from the 150,000 level. The Council of Ministers' policy direction is to support economic growth both through increasing productivity in existing Island sectors and developing new, highly productive sectors. This will help to maintain the 2040 population level well below the 150,000 level.

The Future Economy Programme is developing a range of positive measures to improve current levels of economic activity, identify new economic sectors and create high quality, sustainable growth. Integral to the identification of economic policies will be the capacity of Jersey's infrastructure and the extent to which this may act as a constraint on population growth, or the rate of population growth.

The Economic Strategy, to be published in September 2023 as part of the Future Economy Programme, will set out more detail. At this stage it is anticipated that inward migration will still be required but at a reasonable and sustainable level.

7. What Government is doing

The Chief Minister established the Population and Skills Ministerial Group (PSMG) in September 2022 as part of her 100 day plan. The group now contains 7 Ministers and an Assistant Chief Minister who work closely together to coordinate policy actions that fall under the common population policy.

The PSMG comprises;

- Chief Minister
- Minister for Economic Development Tourism Sport and Culture
- Minister for Home Affairs
- Minister for Children and Education
- Minister for Housing and Communities
- Minister for Social Security
- Minister for External Relations
- Assistant Chief Minister with responsibility for population policy

41 action areas are set out below indicating where Ministers are taking and planning actions. Further details of these actions are provided in the Appendix.

In addition to these actions additional actions will be developed as part of the Future Economy Programme.

Develop a sustainable economy

Build up skilled local workforce

- Labour demand and supply model
- Education Reform Programme
- Further education and skills actionable agenda
- Skills Development Fund
- Individual Lifelong Learning Fund
- Higher Education funding reform

Drive sustainable growth

- Future Economy Programme
- 2040 foresight
- Inward investment strategy

Simplify and adjust controls

- Up to 3 year Work Permits for hospitality workers
- CHWL licences for carers
- Employment rights for unmarried partners
- Single business portal for CHWL and work permit applications
- More flexibility in CHWL regulations

Plan for the changing demographic

Maximise potential of local population

- Young people survey
- Support for working parents
- Workwell Service
- Support for workers with long term health conditions
- Jersey secondary pension scheme
- Working better with age

Promote productivity and automation

- Technology Accelerator Fund
- Automation / Artificial Intelligence
- Productivity through digital innovation

Use data to understand opportunities and challenges

- Actuarial reviews (Social Security Fund, Health Insurance Fund, Long Term Care Fund)
- Use of integrated administrative data
- CHWL data from new business portal
- Full population projections (Statistics Jersey)
- Housing Data Intelligence Group

Promote equity

Improve support available to workers arriving in Jersey for the first time

- Information for non-CTA workers
- Immigration team compliance capability
- Employee Standards Oversight Board

Review the need for and impact of housing controls

- Key worker accommodation project
- Westaway Court refurbishment
- Review CHWL housing rules
- New housing products

Develop an inclusive community

- Island Identity
- Engagement and Information Improvement Review
- Government Engagement Framework
- Older Persons Living Forum
- International Cultural Centre
- Diversity Monitoring

8. Government programme for 2024

Many of the actions set out in this report are already included in Ministerial and Government plans.

Additional actions to support the themes set out in this report are currently under consideration for inclusion in the 2024 Government Plan and 2024 Ministerial Plans.

In particular, additional actions will be developed as part of the Future Economy Programme.



Appendix

The Appendix provides information on actions already co-ordinated under the PSMG and planned for 2023, and a general description of further work planned for future years. Additional actions for 2024 may be included in forthcoming Government and Ministerial Plans. Separate actions will also be identified through the Future Economy Programme.

1. Develop a sustainable economy - Build up skilled workforce:

- **Labour demand and supply model**

Improve foresight to support planning for the Island's future skills requirements through scenario testing a range of models based on different population (net migration) scenarios, changes to the economic mix, changes to school leaving age and changes to pension age policies, as well as options to have employment growth driven by GVA, previous trends, as input by users.

Model completed early 2023.

- **Education Reform Programme (ERP)**

Investments made by the Education Reform Programme (due to conclude March 2024) are designed to have a positive medium to long-term impact by closing known attainment gaps for identified groups of children and young people and support their increased future economic participation. ERP investment will also increase the capacity and capability of the school workforce, particularly to support a more inclusive education system. Options to support career path progression for key staff groups and remove barriers for those wanting additional hours will be explored.

- **Further education and skills actionable agenda**

Phased implementation of agreed actions from the four themes of activity:

- Skills Jersey, Skills Fund and Jersey Employers Group (JEG) oriented actions: Refocus of Skills Jersey due for completion 2023.
- Person centred funding, extended offer & apprenticeships: Apprenticeship subsidies review due for completion by end 2023.
- Highlands College: Exploration and scoping to commence priority actions by end 2024.
- Higher Education Funding extension, Policy & Graduate retention.

The Actionable Agenda was published in late 2022 and is now driving actions across all four areas.

- **Skills Development Fund**

Exploration and proposal for a new Skills Development Fund to support the Island's future economy and strengthen the skills of Jersey's workforce by incentivising a culture of through life learning, is underway and due for completion in Q3 of 2023.

- **Individual Lifelong Learning Fund**

Exploration for the Individual Lifelong Learning Fund is due to commence in Q4 2023 with proposals for the fund to be completed by Q3 2024.

- **Higher Education funding reform**

Policy development work undertaken in 2023-24 will be acted upon to reform Higher Education funding ahead of the 2024-25 / 2025-26 academic year. This will include consideration of which students and what courses will be eligible for funding and the level of funding provided, with an increased focus on the needs of the economy. The reform will also consider how grants are calculated based on an individual's circumstances and improvements to grant administration through the potential introduction of statutory guidance and a review of the appeals process.

2. Develop a sustainable economy - Drive sustainable growth:

- **Future Economy Programme (FEP)**

The Future Economy Programme is developing a range of positive measures to improve current levels of economic activity, identify new economic sectors and create high quality, sustainable growth. Integral to the identification of economic policies will be the capacity of Jersey's infrastructure and the extent to which this may act as a constraint on population growth, or the rate of population growth. A strategy document is due for publication in Q3 2023.

- **2040 foresight**

As part of the Future Economy Programme project, foresight techniques are being used to understand the possible and probable economic options facing Jersey in the 2040s. This helps decision making to take account of the future challenges and possibilities of the next two decades.

- **Inward investment strategy**

The Jersey economy grows from within by local residents setting up businesses and existing businesses expanding. The economy also benefits from businesses moving to Jersey bringing new ideas and products to the local market. Business licences are controlled through the Control of Housing & Work Law (CHWL) and an ongoing review is considering the areas and types of business where inward investment will be encouraged to support the overall sustainable development of the Jersey economy.

3. Develop a sustainable economy - Simplify and adjust controls:

- **Up to 3 year Work Permits for hospitality workers**

Extend work permits for hospitality workers to allow up to 3 years employment without a break period.

Policy in force April 2023.

- **CHWL licences for carers**

Extend CHWL licences to include experienced carers.

Policy agreed late 2022. Carers now recruited and working in island under new policy.

- **Employment rights for unmarried partners**

Amend CHWL regulations to allow unmarried partners same employment rights as married/civil partners.

Regulations approved May 23. Policy in force from June 2023.

- **Single business portal for CHWL and work permit applications**

Introduce new business portal to allow businesses to apply for CHWL and work permit applications at the same time. Final stages of IT development currently underway.

Operational rollout planned for Q3 2023.

- **More flexibility in CHWL regulations**

Develop CHWL regulations to allow increased flexibility in future migration controls.

Law drafting underway.

Regulations to be lodged Q4 2023 / Q1 2024

4. Plan for the changing demographic - Maximise potential of local population:

- **Young people survey**

A recent project investigated the economic impact of young people leaving the Island. This initially focused on a survey of islanders leaving for university, the reasons why they may not return, and reviewed how other jurisdictions encourage returnees. Economic analysis will be developed during the second half of 2023 and broadened beyond just islanders who study outside Jersey to consider policies to retain and attract back those young people who wish to establish their futures in Jersey.

Revised questions in the 2023 Jersey Children and Young People's Survey will measure children and young people's intentions with respect to their future careers and remaining on-Island or moving away for work. Results will be published in late 2023.

- **Support for working parents**

Existing support for working parents includes statutory leave entitlement, parental benefits, childcare tax allowances and free term time childcare in the year before compulsory schooling starts. Additional support for working parents will be considered over the next two years to ensure that children get the best start in life and parents are fully supported in their working choices.

- **Workwell Service**

A new service is being planned for implementation in Q4 2023. Workers who are claiming short term incapacity allowance will be given advice and practical support to make a phased return to work while still receiving benefit. The service aims to reduce the number of workers who leave the workforce for long periods or completely due to health conditions.

- **Support for workers with long term health conditions**

A review of financial support for workers with long term health conditions will build on existing research in 2024 to bring forward proposals for a new assessment system which will take a more holistic view of the needs of the worker, to provide appropriate financial support to workers living with a long-term health condition.

- **Jersey secondary pension scheme**

Plans for a new retirement saving scheme for working Islanders who do not have an occupational pension are being developed. The main details of the scheme will be debated by the States Assembly in Q4 2023. Subject to States approval, public and stakeholder consultation will follow at the end of 2023 and early 2024. Most of the development including regulation, legislation, procurement, and the approach and readiness to implement will continue, leading to a final States decision at the end of 2024.

- **Working better with age**

A new project planned to start in 2024 will review policies to promote employment for people in their mid-50s and above, for example through identifying and removing employer barriers to employing and retaining older workers, improving the employability of older workers and examining the financial incentives and disincentives of working for older age groups.

5. Plan for the changing demographic - Promote productivity and automation:

- **Technology Accelerator Fund**

The Technology Accelerator Fund (now called Impact Jersey) of £20M was agreed by the States Assembly in 2022. It aims to fund and enable the adoption of technology solutions that support the Island's future economy, make faster progress on environmental and social goals, and strengthen the technology eco-system in Jersey. Work has been underway in the new Government and Digital Jersey as Delivery Partner to design a high impact fund and a mid-2023 launch of the first programme is anticipated.

- **Automation / Artificial Intelligence**

Given the limits on housing capacity, one way to reduce our need for additional employees is to ensure that all industries accelerate the adoption of technology. Jersey has a unique opportunity to encourage technology companies to come and test the latest innovations in automation here, as we have control of our own legislation and regulations. We have commenced work with Digital Jersey to identify the functions in each industry that might best lend themselves to automation, and to identify opportunities to encourage and enable increased productivity through innovation. Such automation is likely to happen to Jersey anyway in the future, but by planning for it in advance we hope to prepare businesses and workers for the changes, including the upskilling of existing workers to take advantage of the new roles that will emerge.

- **Productivity through digital innovation**

This project aims to realise the full economic potential of Jersey's workforce by fostering an economy that is skills-led, with a digitally empowered workforce supported through the Productivity Support Scheme to modernise, innovate and to become more technologically enabled to improve productivity. Current planned actions include:

- including productivity standards as a condition for considering applications for inward investment from non-Jersey businesses.
- driving productivity improvements through the Productivity Support Scheme, the Rural Initiative Scheme and the new Technology Accelerator Fund.

6. Plan for the changing demographic - Use data to understand opportunities and challenges:

- **Actuarial reviews (Social Security Fund, Health Insurance Fund, Long Term Care Fund)**

Analyse actuarial projections of ring fenced funds (Social Security Fund, Health Insurance Fund, Long Term Care Fund) to identify areas for future action.

Actuarial reviews published June 2023

- **Use of integrated administrative data**

Use administrative data to provide a richer and more detailed knowledge of the resident population.

Current activity funded until the end of 2023.

- **CHWL data from new business portal**

Analyse data collected through new CHWL business portal to provide detailed understanding of use of migrant employees across sectors.

Final stages of IT development currently underway.

Portal due to be operational Q3, data analysis to be developed Q4 2023/Q1 2024

- **Full population projections (Statistics Jersey)**

Publish detailed population projections taken from full analysis of 2021 Census data.

Projections completed and published by end 2023.

- **Housing Data Intelligence Group**

Establish Housing Data Intelligence Group; collate all existing data sources; and identify areas for future data collection.

Group to be set up and initial research completed by end 2023.

7. Promote equity - Improve support available to workers arriving in Jersey for the first time:

- **Information for non-CTA workers**

Develop information to support non-CTA employees arriving in Jersey for the first time, in consultation with community groups and trade representative organisations.

Information available from June 2023.

- **Immigration team compliance capability**

Recruit additional Immigration officers to support increased workload and to encourage compliance of the appropriate treatment of work permit employees.

2 officers recruited. Training to be completed July 2023.

- **Employee Standards Oversight Board**

Establish the Employee Standards Oversight Group to monitor the treatment of work permit employees and encourage compliance by employers, to include Government, business and employee support organisations.

Group met for the first time on 2 May 2023 and will continue to meet bimonthly.

8. Promote equity - Review the need for and impact of housing controls:

- **Key worker accommodation project**

Development of a centralised accommodation service for Government of Jersey key workers to achieve a more efficient and effective management of housing portfolio, an improved landing accommodation service for priority key workers, and a better utilisation of funding. This will include a review of the number of key worker units required, improving the process to mobilise a centrally managed accommodation service and the development of a new cross government key worker policy. This work is currently underway and will continue into 2024.

- **Westaway Court refurbishment**

Refurbishment of Westaway Court to enhance the stock of key worker accommodation – the refurbishment of 56 additional key worker homes was completed in April 2023 for immediate use.

- **Review CHWL housing rules**

A review will start in Q1 2024 to examine the current CHW legislation that controls access to housing and to bring forward secondary legislation amendments. The review will consider the current linkages between a CHWL status and accommodation and the current housing categories within the CHWL.

- **New housing products**

A review across government will consider the current supply and demand of non-qualified accommodation. Linked to the review of the legal restrictions on occupancy for migrant workers, this review will consider the arguments for facilitating the building of more non-qualified housing stock.

9. Promote equity - Encourage an inclusive community:

- **Island Identity**

Promote the Island's unique constitution, history, culture, environment and community to young people, newcomers and international audiences through the production of accessible physical and digital literature to ensure that Jersey continues to nurture a positive and inclusive Island identity.

- **Engagement & Information Improvement Review**

Review of how Islanders can better engage with government, what information is available to the public and how government can improve its communications with the public.

Engagement and Information Improvement Report published November 2022.

- **Government Engagement Framework**

Develop a Government Engagement Framework to provide Government staff with the knowledge and tools to deliver effective, inclusive engagement on policy proposals. The Framework will form the basis of an internal, online training.

Framework to be published in June 2023.

- **Older Persons Living Forum**

Establish an Older Persons Living Forum to ensure that the older community in the Island are included in Government decision making. The Forum is made up of members of the public, who come together to discuss Government proposals and issues that are important to them and gives a direct link to Ministers and policy makers. Forum established October 2022.

Group met for the first time November 2022 and continues to meet bimonthly.

- **International Cultural Centre**

Development of an International Cultural Centre to provide information about services in Jersey; improve access to those services across the community; celebrate Jersey's cultural identities; and bring Islanders together by raising awareness of different cultures. The Centre will promote and signpost cultural events in the community; provide welcome packs to new arrivals to the island and consider outreach work to underrepresented communities as required.

The Centre has been established in the Jersey Library and is due to be launched publicly in Q3 2023.

- **Diversity Monitoring**

As part of the Engagement and Information Improvement Review, diversity monitoring is due to be introduced to all SPPP surveys/consultations to gauge who is engaging with us and where the gaps are. This is due to begin in June 2023 as a pilot, with a view to rolling out across Government activities if successful.



